



PUBLIC MEETING NOTICE AND AGENDA
COMMITTEE OF THE WHOLE MEETING

MAY 7, 2024
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. Approval of a one-year extension to DeKind Computer Consultants, Inc. for Professional Information Technology Services
 - B. Police
 1. Agreement with Flock Safety Group for Automated License Plate Reader Cameras
 2. Officer Appointments above Authorized Staffing Increase
 - C. Finance
 1. Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2022
 - D. Public Works
 1. Plat of Easement Granting County 11.34 AC-FT of Compensatory Storage
 2. Purchase One Ford F-450 Dump Truck and Outfitting Services
 3. Purchase Three Ford F-250 Pickup Trucks
 4. Ordinance approving a Ground Lease with P-51 Aircraft Storage Solutions, LLC for PAP-51
5. Board of Trustees
6. Village President
 - A. Re-Appointment - Police Pension - Brian Crow (Thursday)
 - B. Re-Appointment – Planning & Zoning Commission – John Murphy (Thursday)
 - C. Appointment - Police Commission - William Kurnik (Thursday)
 - D. Proclamation - National Public Works Week (Thursday)
 - E. Proclamation - National Safe Boating Week (Thursday)
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) 960-7400 [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: May 7, 2024

DEPARTMENT: Administration

SUBJECT: Approval of one-year extension to DeKind Computer Consultants, Inc. for Professional Informational Technology Services

EXECUTIVE SUMMARY

In June 2023, the Village Board entered into a one-year Master Service Agreement with DeKind Computer Consultants, Inc. ("DeKind") for professional information technology services for a one-year base cost of \$123,000. The master services agreement includes an automatic renewal clause, in the event that neither party provided written notice with intent to cancel the agreement.

The Village is pleased with the level of support and service provided by DeKind and staff recommends continuing to employ their services. Over the past year, DeKind has assisted with deployment of hardware, as determined within the Village's replacement program. DeKind has assisted with the conversion to Comcast Fiber and is spearheading the transition to Microsoft 365. The Village anticipates engaging DeKind in strategic planning conversations related to long-term capital outlay, along with short-term identified needs, as the Fiscal Year 2025 budget is being prepared.

The one-year extension of professional services will maintain the financial terms as outlined within the 2023 Master Service Agreement. The hourly cost of \$100 per hour and the 105 pre-purchased service hours per month will remain unchanged from initial agreement.

FINANCIAL IMPACT

The base cost of services is \$126,000 annually. The renewal term of June 1, 2024 through May 31, 2025 will consist of twelve months at \$100 per hour with 105 pre-purchased service hours per month.

ATTACHMENTS

1. Master Service Agreement

SUGGESTED DIRECTION

Motion to approve a one-year extension of the Master Services Agreement with DeKind Computer Consultants, Inc. for professional information technology services with a one-year base cost of \$126,000.

Master Service Agreement
Between the Village of Lake in the Hills
and De Kind Computer Consultants, Inc.
for Professional Information Technology Services

In consideration of the mutual promises set forth below, the Village of Lake in the Hills, 600 Harvest Gate, Lake in the Hills, Illinois 60156, a unit of local government created and existing under the laws of the State of Illinois (hereinafter "Village") and De Kind Computer Consultants, Inc. (hereinafter "Consultant") make this Agreement as of the 8th day of June, 2023, and hereby agree as follows:

1. Consultant's Services

The Consultant will provide a full-range of support services for the Village's computer-based technologies system. Consultant will perform the following services as outlined below:

A. General Services

- I. Manage helpdesk services and perform basic IT support functions including installing and troubleshooting personal computers (PCs), laptops, tablets, cell phones, printers and other office hardware and software.
- II. Maintain the security and functionality of network systems including associated Wi-Fi networks.
- III. Make recommendations regarding, and assist in, the composing of annual IT budget and strategic capital plans that balance cost effectiveness and enhanced capabilities.
- IV. Provide Village with assistance with basic purchasing functions including providing specifications, obtaining quotes, and sharing recommendations for viable partnership opportunities with outside vendors.
- V. Create, design and implement plans for future IT resource needs and integrate new equipment into existing IT infrastructures.
- VI. Manage information technology and systems by planning, organizing, controlling and evaluating IT and electronic data operations.
- VII. Diagnose and correct application problems, configure laptops and desktops with standard and specialized applications, identify and correct end user hardware problems and perform basic diagnostics to advanced troubleshooting.
- VIII. Ensure data integrity, network access and preserve assets through performing regular disaster recovery and back-up procedures.
- IX. Identify problematic areas and implement strategic, timely solutions.
- X. Identify and implement solutions to support specific needs of user groups. Provide technical support/consulting on specialized technology.
- XI. Oversee telecommunications services for phone system programming, equipment and network alterations.

- XII. Provide hosted application setup and support.
- XIII. Provide expert advice/consultation to general staff on technology related items including cost effective solutions, impact to existing infrastructure, alternative solutions.
- XIV. Keep abreast, inform and advise of new technology. Simplify, improve, or make more cost-effective delivery of information services.

B. Personnel

- I. Fully qualified personnel should be available to provide support during the Village's operating hours: Monday through Friday, 7:00 a.m. to 5:00 p.m. Additional on-call support shall be available for critical or emergency issues affecting various departments, including the 24/7 operation of the Village's Police Department.
- II. Provide primary point of contact for Village. Primary contact will possess the most overall understanding and knowledge of the Village's network, followed by the secondary contact. An on-site presence may be required, depending on the situation.
- III. All Consultant officers, employees, and agents who have or may access Village's computer systems will be required to submit to a background check.

C. Email and System Security

- I. Proactively monitor system operation to prevent failures, network breaches, and failures.
- II. Maintain email systems, ensure email functionality and manage user accounts including a spam filter for all users.
- III. Maintain a secure environment for mobile devices with external access to the email system and configure firewalls for internal and remote access in a secure environment.

D. Telephone and Voicemail Systems

- I. Provide end user support and coordinate maintenance of the telephone and voicemail systems.
- II. Configure and help troubleshoot voicemail boxes and associated integrations with email.
- III. Perform basic programming of desk phones and engage telephone service providers/manufacturers as necessary.

E. Network Administration Services

- I. Manage server and network systems which includes managing applications, databases, physical and virtual servers, and associated hardware.
- II. Regular monitoring and routine system maintenance including configuration changes, installation of patches and upgrades to ensure the Village's IT systems and resources are properly managed and maintained.

- III. Setup new users, edit, remove, or archive existing users on networks and applications; perform standardized functions of the active directory.
- IV. Manage server performance and capacity; conduct troubleshooting.
- V. Provide support of specialized software products associated with network equipment such as switches, firewalls, routers, and other security devices.
- VI. Configure systems for 24/7 monitoring and notification in the event of power loss, temperature overages, failure, etc. Send alert notifications to designated staff and impacted users as needed based on severity of any unscheduled outages.
- VII. Manage a nightly backup plan for all servers, including a regularly-tested recovery process.
- VIII. Proactively monitor network equipment status including bandwidth utilization and other performance indicators, make adjustments as warranted.
- IX. Follow network protocols, maintain documentation and procedures.

F. Strategic Planning

- I. Collaborate with Village to develop a long-term strategic technology plan.
- II. Provide engineering, planning and design services for system maintenance, upgrades, or enhancements, which may include installations and upgrades of new or existing systems (i.e., major server upgrades, migration to fiber, implementation of EDR solution, storage system upgrades, design of backup systems, operating systems, etc.).
- III. Provide regular replacement schedules for network equipment including workstations, switches, servers, storage systems and other hardware.
- IV. Provide analysis and technical recommendations on the resolution of technology issues.
- V. Maintain and enhance Village's effectiveness and efficiency by defining, delivering, and supporting strategic plans for implementing information technologies.
- VI. Make strategic recommendations for future purchasing and technology needs.

G. Other Duties

- I. Provide assistance and support with technological projects as directed by Village.
- II. Provide review of Information Systems policy and make recommendations based on best industry practices.

H. Reporting

- I. To effectively monitor the status of the proposed services, status reports will be prepared monthly and meetings with the Village will be held to review service delivery, help desk ticket summary, security issues and concerns, and proactive planning to ensure the needs of the Village are being met.

2. Timing, Delivery, and Implementation

The transition period among the Village's current Managed Service Provider, Village staff, and Consultant will begin upon receipt of: (a) this signed agreement, and (b) issuance of payable invoice as outlined in this agreement under Section 4, Compensation. Consultant is not responsible for operational delays caused by the Village.

3. Agreement Term

The initial term of this agreement is for a 12-month period from June 8, 2023 through June 7, 2024, with a provision for future annual extensions as agreed to by both parties under Section 15, Termination.

4. Compensation

Consultant's compensation for services hereunder shall be based on an hourly rate of \$100/hour for the first 105 hours of service each month. Changes to these rates must be provided with ninety (90) days advance written notice prior to end of the existing term. All fees are per hour per technician unless technician is classified as 'in training.'

Any hours incurred by Consultant over the 105 pre-purchased hours in one month will be invoiced separately at the Consultant's Standard Service Rate. Consultant's current Standard Service Rate is \$130.00 per hour. Consultant agrees to waive the standard service rate during the first month of this agreement. Consultant will notify Village upon 80% usage of monthly pre-purchased hours.

Consultant will offer the Village of Lake in the Hills the opportunity to pre-purchase 100 hours of service at discounted service rate (\$100.00/per hour). These hours can be used anytime and are valid for 2 years from purchase date. Consultant agrees to allow for additional bulk hour purchases, as needed.

The monthly fee for services includes payment for all labor, travel/fuel, insurance, same-day response fees, and emergency-page fees for the entire term of this Agreement.

Consultant agrees to provide two (2) hours of technology planning and related budget development per quarter as a complimentary service.

Hardware and software costs shall be the responsibility of the Village and are not included within the terms of this agreement. Items purchased for the Village by the Consultant will be considered reimbursable and will be invoiced on date of transaction. Items of this type will require approval prior to purchase.

Any unused hours within the month will roll over into the subsequent month. Any balance in the number of hours remaining as of the end of the contract term shall be carried over into the subsequent renewal term of the agreement. Any unused hours in project-specific task orders will be added to the total hours available.

5. Payment Schedule

Village shall remit Fee to Consultant as follows: \$7,700.00 upon execution of this agreement. This is all labor charges for the first partial month of service. An additional \$10,500.00 will be due on the 1st of every consecutive month. Any other fees or charges for additional work or materials will be invoiced by Consultant and become due and payable within 30 days of Village's invoice. In the event that prepayment of the monthly hours is not received by the 16th of the month, discounts applied to the Consultant's Standard Service Rate as set forth in Section 4 of this agreement will be voided for that month's pre-purchased hours.

6. Task Orders

Individual Task Orders may be issued under this agreement at any time during the term of this agreement. Consultant shall perform the work specified in approved Task Orders when and if ordered. There is no limit on the number of Task Orders that may be issued. Further, the Village is not obligated to issue any task order under this agreement. Consultant and Village shall agree on the scope of services to be provided and the time for performance of the services to be provided. Notices shall be provided by Consultant when support hours are trending over the allotted time. The terms and conditions set forth in this agreement shall apply to each Task Order unless specifically modified in such task order. In the event of a conflict between this agreement and a Task Order, the conflicting provision of the Task Order shall take precedence for that Task Order. No Task Order shall be issued pursuant to this agreement after June 7, 2024, unless such a date is extended by amendment to this Agreement. Village is not obligated to issue any task orders pursuant to this agreement.

7. Financial and Technical Ability to Perform

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant represents and warrants, by its approval of such Task Order, that it is financially solvent, and has the financial resources necessary, and that it is sufficiently experienced and competent, and has the necessary capital, facilities, organization, and staff necessary to provide, perform and complete the Services in full compliance with, and as required by or pursuant to, the Task Order for such Project and this Agreement.

8. Consultant's Personnel and Subcontractors

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall provide all personnel necessary to complete the Services, including without limitation the "Key Project Personnel" identified in the Task Order for such Project. Consultant shall provide to Village a telephone number at which the Key Project Personnel for such Task Order can be reached. Consultant shall notify Village as soon as practicable prior to terminating the employment of any such designated Key Project Personnel, or reassigning any of such designated Key Project Personnel to other positions, or upon receiving notification of the resignation of any of such designated Key Project Personnel. In the event that any personnel assigned to the Village are unable to continue working for any reason, the Consultant shall promptly notify the Village and provide a suitable replacement.

9. Removal of Personnel

If any personnel fails to perform the part of Services undertaken by it in a manner satisfactory to Village, Consultant shall immediately upon notice hold a review event with Village to determine a resolution and/or potential removal of personnel.

10. Corrections

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall be responsible for the quality, technical accuracy, completeness and coordination of all reports, documents, data, information and other items and services under the Task Order for such Project and this Agreement. Consultant shall, promptly and without charge, provide, to the satisfaction of Village, all corrective Services necessary as a result of Consultant's negligent acts, errors, or omissions, or failure to meet representation.

11. Insurance

Insurance Required. Contemporaneous with Consultant's execution of this Agreement, Consultant shall provide certificates or policies of insurance evidencing at least the minimum insurance coverages and limits set forth below as required. Such policies shall be in a form acceptable to Village and from companies with a general rating of A, and a financial size category of Class V or better, in Best's Insurance Guide and otherwise acceptable to Village. Such insurance shall provide that no change, modification in, or cancellation of any insurance shall become effective until the expiration of 30 days after written notice thereof shall have been given by the insurance company to Village. Consultant shall, at all times while providing, performing, or completing the Services, including, without limitation, at all times maintain and keep in force, at Consultant's expense, at least the following minimum insurance coverages and limits:

Worker's Compensation and Employer's Liability with limits not less than:

- (a) Worker's Compensation; Statutory
- (b) Employer's Liability;

\$1,000,000 per occurrence

\$1,000,000 each accident – policy limit

\$1,000,000 disease – each employee

\$1,000,000 each disease – policy limit

Such insurance shall evident that coverage applies in the State of Illinois.

Comprehensive Motor Vehicle Liability with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000 for vehicles owned, non-owned, or rented. All employees shall be included as insureds.

Comprehensive General Liability with coverage written on an "occurrence" basis, general aggregate limits no less than \$2,000,000 and with a combined single limit of liability for bodily injury and property damage of not less than \$1,000,000.

Coverages shall include:

- Broad Form Property Damage Endorsement
- Blanket Contractual Liability (must expressly cover the indemnity provisions of this Agreement)
- Premises Operations
- Products/Completed Operations (to be maintained for five years following Final Payment)
- Independent Contractors
- Personal Injury (with Employment Exclusion deleted)
- Bodily injury and property damage
- "X", "C", and "U" exclusions shall be deleted.
- ISO Additional Insured Endorsement CG2010 shall be provided.

Professional Liability Insurance with a limit of liability of not less than \$1,000,000 per claim/annual aggregate, an extended reporting period of not less than three-years if coverage is written on a "claims made" basis, and covering Consultant against all sums that Consultant may be obligated to pay on account of any liability arising out of this Agreement and each Task Order issued pursuant to this Agreement.

Umbrella Policy. The required coverages may be in any combination of primary, excess, and umbrella policies. Any excess or umbrella policy must provide excess coverage over underlying insurance on a following-form basis such that when any loss covered by the primary policy exceeds the limits under the primary policy, the excess or umbrella policy becomes effective to cover such loss.

12. Technology Roadmap

Consultant's experiences and tenure in multiple business and municipal verticals allows the Consultant to see how leading organizations are progressing with technology. Consultant will create a five-year technology program to outline the Village's path for the future.

13. Annual Reviews

Consultant provides complimentary annual reviews for budget and forecasting purposes. Time will be allocated once a year to discuss future Village plans.

14. Risk Assessments

Consultant has an established relationship with a third-party risk management firm. The software can be installed in Village's current environment as a virtual machine and provide

a complete inventory of assets and vulnerabilities across Village network. Annual risk assessments are optional as deemed necessary by the Village; costs are not included in this agreement.

15. Termination

This agreement will renew for continued additional 12-month terms ("automatic annual renewal") provided neither party provides a written 90-day notice prior to the annual renewal date with intent to cancel. Any notice required by, or provided pursuant to, this agreement shall be given in writing by means of the US Postal Service or any professional delivery service that requires a signed written receipt confirming delivery of the envelope or package containing the notice to the addresses indicated above or to other such address that is provided by notice. Any notice delivered or mailed as set forth above will be deemed to be given on the date it is received.

16. Taxes, Benefits and Royalties

For each Project delineated and described in a Task Order issued pursuant to this Agreement, the Agreement Price as listed under Section 4 includes all applicable federal, state, and local taxes of every kind and nature applicable to the Services as well as all taxes, contributions, and premiums for unemployment insurance, retirement benefits, pensions, annuities, or other similar benefits and all costs, royalties, and fees arising from the use on, or the incorporation into, the Services, of patented equipment, materials, supplies, tools, appliances, devices, processes, or inventions. All claim or right to claim additional compensation by reason of the payment of any such tax, contribution, premium, costs, royalties, or fees is hereby waived and released by Consultant.

17. Accounting

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall keep accounts, books, and other records of all its billable charges and costs incurred in performing the Services in accordance with generally accepted accounting practices, consistently applied, and in such manner as to permit verification of all entries. Consultant shall make all such material available for inspection by Village, at all reasonable times during this Agreement and for a period of three years following termination of this Agreement or any Task Order issued pursuant to this Agreement. Copies of such material shall be furnished, at no expense, upon request.

18. Binding Effect

This Agreement, and all Task Orders issued pursuant to this Agreement, shall be binding upon Village and Consultant and upon their respective heirs, executors, administrators, personal representatives, and permitted successors and assigns. Every reference in this Agreement to a party shall also be deemed to be a reference to the authorized officers, employees, agents, and representatives of such party.

19. Relationship of the Parties

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall act as an independent contractor in providing and performing the Services. Nothing in, nor done pursuant to, this Agreement or any Task

Order issued pursuant to this Agreement shall be construed (1) to create the relationship of principal and agent, partners, or joint venturers between Village and Consultant or (2) to create any relationship between Village and any subcontractor of Consultant.

20. No Collusion

Consultant hereby represents and certifies that Consultant is not barred from contracting with a unit of state or local government as a result of (i) a delinquency in the payment of any tax administered by the Illinois Department of Revenue unless Consultant is contesting, in accordance with the procedures established by the appropriate revenue Act, its liability for the tax or the amount of the tax, as set forth in 65 ILCS 5/11-42.1-1; or (ii) a violation of either Section 33E-3 or Section 33E-4 of Article 33E of the Criminal Code of 1961, 720 ILCS 5/33E-1 et seq. Consultant hereby represents that the only persons, firms, or corporations interested in this Agreement as principals are those disclosed to Village prior to the execution of this Agreement, and that this Agreement is made without collusion with any other person, firm, or corporation. If at any time it shall be found that Consultant has, in procuring this Agreement, colluded with any other person, firm, or corporation, then Consultant shall be liable to Village for all loss or damage that Village may suffer thereby, and this Agreement shall, at Village's option, be null and void.

21. Assignment

Neither Village nor Consultant shall (1) assign this Agreement or any Task Order issued pursuant to this Agreement, in whole or in part, (2) assign any of their respective rights or obligations under this Agreement or any Task Order issued pursuant to this Agreement, or (3) assign any payment due or to become due under this Agreement or any Task Order issued pursuant to this Agreement without the prior express written approval of the other party to this Agreement, which approval may be withheld in the sole and unfettered discretion of the party whose approval is required; provided, however, that the other party's prior written approval shall not be required for assignments of accounts, as defined in the Illinois Commercial Code, if to do so would violate Section 9-318 of the Illinois Commercial Code, 810 ILCS 5/9-318.

22. No Third-Party Beneficiaries

No claim as a third-party beneficiary under this Agreement or under any Task Order issued pursuant to this Agreement by any person, firm, or corporation other than Consultant shall be made or be valid against Village.

23. Governing Laws

This Agreement and each Task Order issued pursuant to this Agreement, and the rights of Village and Consultant under this Agreement and each Task Order issued pursuant to this Agreement, shall be interpreted according to the laws of the State of Illinois. Any disputes arising under this Agreement and/or Task Order shall be exclusively resolved in the 22nd Judicial Circuit Court, McHenry County, Illinois.

24. Changes in Laws

Unless otherwise explicitly provided in this Agreement or in a Task Order issued

pursuant to this Agreement, any reference to laws shall include such laws as they may be amended or modified from time to time.

25. Compliance with Laws

For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall give all notices, pay all fees, and take all other action that may be necessary to ensure that the Services are provided, performed, and completed in accordance with all required governmental permits, licenses, or other approvals and authorizations that may be required in connection with providing, performing, and completing the Services, and with all applicable statutes, ordinances, rules, and regulations, including without limitation the Fair Labor Standards Act; any statutes regarding qualification to do business; any statutes prohibiting discrimination because of, or requiring affirmative action based on, race, creed, color, national origin, age, sex, or other prohibited classification, including, without limitation, the Americans with Disabilities Act of 1990, 42 U.S.C. §§ 12101 et seq., and the Illinois Human Rights Act, 775 ILCS 5/1-101 et seq. For each Project delineated and described in a Task Order issued pursuant to this Agreement, Consultant shall also comply with all conditions of any federal, state, or local grant received by Village or Consultant with respect to such Project or the Services under the Task Order for such Project.

Consultant shall be solely liable for any fines or civil penalties that are imposed by any governmental or quasi-governmental agency or body that may arise, or be alleged to have arisen, out of or in connection with Consultant's, or its subcontractors', performance of, or failure to perform, the Services under any Task Order issued pursuant to this Agreement or any part thereof.

Every provision of law required by law to be inserted into this Agreement or in a Task Order issued pursuant to this Agreement shall be deemed to be inserted herein or therein.

26. Documents

For each Project delineated and described in a Task Order issued pursuant to this Agreement, drawings, plans, specifications, photos, reports, information, observations, calculations, notes and any other reports, documents, data or information, in any form, prepared, collected, or received by Consultant in connection with any or all of the Services (the "Documents") shall be and remain the property of Village. At Village's request, or upon termination of this Agreement or any Task Order issued pursuant to this Agreement, the Documents shall be delivered promptly to Village. Consultant shall have the right to retain copies of the Documents for its files. Consultant shall maintain files of all Documents unless Village shall consent in writing to the destruction of the Documents. Consultant shall make, and shall cause all of its subcontractors to make, the Documents available for Village's review, inspection and audit during the entire term of this Agreement and for three years after termination of this Agreement or any Task Order issued pursuant to this Agreement; provided, however, that prior to the disposal or destruction of the Documents by Consultant or any of its subcontractors following said three year period, Consultant shall give notice to Village of any Documents to be disposed of or destroyed and the intended date, which shall be at least 90 days after the effective date of such notice of disposal or destruction. Village shall have 90 days after receipt of any such notice to give notice to Consultant or any of its subcontractors not to

dispose of or destroy said Documents and to require Consultant or any of its subcontractors to deliver same to Village, at no expense.

27. Review and Incorporation of Agreement Provisions

Consultant represents and warrants that it has carefully reviewed, and fully understood, this Agreement, and by its approval of each Task Order issued pursuant to this Agreement, that it has carefully reviewed, and fully understood, each such Task Order, all of which are by this reference incorporated into and made a part of this Agreement.

28. Confidentiality

For each Project delineated and described in a Task Order issued pursuant to this Agreement, all information supplied by Village to Consultant for or in connection with the Task Order for such Project or the Services under such Task Order shall be held confidential by Consultant and shall not, without the prior express written consent of Village, be used for any purpose other than performance of the Services under such Task Order.

29. Severability

The provisions of this Agreement and each Task Order issued pursuant to this Agreement shall be interpreted when possible to sustain their legality and enforceability as a whole. In the event any provision of this Agreement or a Task Order issued pursuant to this Agreement shall be held invalid, illegal, or unenforceable by a court of competent jurisdiction, in whole or in part, neither the validity of the remaining part of such provision, nor the validity of any other provisions of this Agreement or such Task Order shall be in any way affected thereby.

30. Entire Agreement

For each Project delineated and described in a Task Order issued pursuant to this Agreement, this Agreement and the Task Order for such Project set forth the entire agreement of Village and Consultant with respect to the accomplishment of the Services under such Task Order and the payment of the Agreement Price therefor, and there are no other understandings or agreements, oral or written, between Village and Consultant with respect to the Services under such Task Order and the compensation therefor.

31. Amendments

No modification, addition, deletion, revision, alteration, or other change to this agreement shall be effective unless and until such change is reduced to writing and executed and delivered by Consultant and Village.

32. Background Checks

Consultant will have access to sensitive or restricted information and materials. Consultant's technicians and supervisors must undergo a criminal and employment background check (at its sole expense) before those employees are allowed access to

Village's facilities or information technology systems. Results of the background checks shall be provided to the Village primary points of contact upon request. Any background information indicating an officer, employee, or agent of Consultant has been convicted of theft or improperly accessing or using secured information, such as financial information or personal identify information, shall require Consultant to prevent the individual from access to the Village's computer systems or other Village information.

33. Acceptance of Terms

The signatures of both parties to this agreement shall evidence acceptance of these terms.

	<u>06/08/2023</u>
Consented and Agreed To-Authorized Village Signature	Date
	<u>05-31-2023</u>
Authorized Consultant Signature	Date



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Police

SUBJECT: Agreement with the Village of Lake in the Hills and Flock Safety Group for the implementation of Automated License Plate Reader Cameras

EXECUTIVE SUMMARY

Since approximately early 2022 the Police Department began exploring the use of Automated License Plate Reader Cameras (ALPR). Our first step towards the possible implementation of this project was entering into a MOU (memorandum of understanding) with Flock Safety which allowed our agency to have access to their database at no charge. The Flock Safety database is populated by government and private ALPR cameras and allows agencies to search this database using specific search parameters, such as vehicle license plate, make/model, or body type. Having this access, we were able to assess whether we should pursue the purchase and installation of our own ALPR cameras in the Village.

In early 2023, a review of the cases worked on by the detectives in our Investigations Division and our detective assigned to the Narcotics Task Force was completed. It was found that having access to the Flock Safety Database has been extremely useful with investigating and solving crimes occurring in the Village. Just one example of the usefulness, our detectives were able to use the database to solve a felony theft case from a business in the Village with only having a partial license plate and description of the vehicle. Additionally, access to the database has proven very valuable in the enforcement of laws governing cannabis and controlled substances and is routinely used by narcotics detectives investigating those cases.

In late 2023, Flock Safety advised that starting 01/01/24, database access would no longer be offered for free and agencies without ALPR cameras would be charged \$30,000 a year. At this point we conducted an evaluation of the system weighing the benefits of the system versus discontinuation of the ALPR program.

Considering how useful the Flock Safety database has proved, access to the database has been critical to the investigation and enforcement of many criminal laws. The purchase and utilization of ALPR cameras locally would have a two-fold purpose. The first would be as an investigative tool to aid in solving or investigating a wide array of crimes such as burglaries, auto theft and controlled substances/other drug law violations. The second would be a real-time alert system serving as security cameras. The ALPR camera compares license plates to a state/federal law enforcement database to identify flagged vehicles such as: vehicles used in crimes, stolen vehicles, vehicles involved in AMBER alerts, SILVER alerts, and vehicles connected to reports of missing persons. Via a web-based application, law enforcement officers will be notified within seconds should a vehicle pass by the camera. The agency's overall goal is to decrease crime/violence, increase open case solvability, and offer modern-day technological protection to our community. Installation of ALPR cameras in key locations around the Village will assist in this endeavor and leverage these technological resources to provide public safety effectively and efficiently to our residents and visitors.

ALPR cameras are hard-wired or solar/battery-powered mounted to a pole that take still photos to focus solely on a vehicle and ensure a clear view of the license plate. ALPR cameras are not intended to capture photos of people, nor do they measure the speeds of vehicles. Flock Safety ALPR cameras apply machine learning to the footage to identify important details of the vehicle. Besides just a license plate number, Flock Safety ALPR cameras also capture other characteristics about the vehicle such as: make, model, color...etc., which allows officers and detectives to search the database using these other characteristics. All data is encrypted, and Flock will never share or sell data with third parties. Access to this database is tracked and audited internally as required by internal policy, which requires the reason for the database search to be input and then is later audited to ensure proper use of the system.

By Lake in the Hills installing ALPR cameras, we will join many surrounding cities in the Chicago Metropolitan area utilizing Flock Safety ALPR cameras to protect their communities, including the Village of Huntley, Crystal Lake, and McHenry. The proposal is to have Flock Safety install 12 cameras at 11 locations. Since actual locations can change during the permit process, the number of locations or number of cameras is subject to change. The cameras will be strategically placed at locations where there are high volumes of traffic or key locations where vehicles enter our community.

FINANCIAL IMPACT

The proposed plan is to install 12 cameras at 11 locations at a cost of \$42,800 for the first year to be paid from the State Seizure Fund. Should the Village choose to continue the program, the annual cost thereafter is \$36,000, which will continue to be paid utilizing State Seizure Funds unless another funding source is chosen. Seizure funds are not budgeted in accordance with seizure fund policy and come from the proceeds of criminal investigations.

ATTACHMENTS

1. Master Service Agreement with Flock Safety Group
2. Flock Safety Order Form
3. Photos of an ALPR

RECOMMENDED MOTION

Motion to allow the Village of Lake in the Hills to enter into the Master Service Agreement with Flock Safety for the installation of 12 ALPR cameras at 11 locations at a cost of \$42,800.

Master Services Agreement

This Master Services Agreement (this “*Agreement*”) is entered into by and between Flock Group, Inc. with a place of business at 1170 Howell Mill Road NW Suite 210, Atlanta, GA 30318 (“*Flock*”) and the entity identified in the signature block (“*Customer*”) (each a “*Party*,” and together, the “*Parties*”) on this the 22 day of February 2024. This Agreement is effective on the date of mutual execution (“*Effective Date*”). Parties will sign an Order Form (“*Order Form*”) which will describe the Flock Services to be performed and the period for performance, attached hereto as **Exhibit A**. The Parties agree as follows:

RECITALS

WHEREAS, Flock offers a software and hardware situational awareness solution through Flock’s technology platform that upon detection is capable of capturing audio, video, image, and recording data and provide notifications to Customer (“*Notifications*”);

WHEREAS, Customer desires access to the Flock Services (defined below) on existing devices, provided by Customer, or Flock provided Flock Hardware (as defined below) in order to create, view, search and archive Footage and receive Notifications, via the Flock Services;

WHEREAS, Customer shall have access to the Footage in Flock Services. Pursuant to Flock’s standard Retention Period (defined below) Flock deletes all Footage on a rolling thirty (30) day basis, except as otherwise stated on the *Order Form*. Customer shall be responsible for extracting, downloading and archiving Footage from the Flock Services on its own storage devices; and

WHEREAS, Flock desires to provide Customer the Flock Services and any access thereto, subject to the terms and conditions of this Agreement, solely for the awareness, prevention, and prosecution of crime, bona fide investigations and evidence gathering for law enforcement purposes, (“*Permitted Purpose*”).

AGREEMENT

NOW, THEREFORE, Flock and Customer agree that this Agreement, and any Order Form, purchase orders, statements of work, product addenda, or the like, attached hereto as exhibits and incorporated by reference, constitute the complete and exclusive statement of the Agreement of the Parties with respect to the subject matter of this Agreement, and replace and supersede all prior agreements, term sheets, purchase orders, correspondence, oral or written communications and negotiations by and between the Parties.

1. DEFINITIONS

Certain capitalized terms, not otherwise defined herein, have the meanings set forth or cross-referenced in this Section 1.

1.1 “**Anonymized Data**” means Customer Data permanently stripped of identifying details and any potential personally identifiable information, by commercially available standards which irreversibly alters data in such a way that a data subject (i.e., individual person or entity) can no longer be identified directly or indirectly.

1.2 “**Authorized End User(s)**” means any individual employees, agents, or contractors of Customer accessing or using the Flock Services, under the rights granted to Customer pursuant to this Agreement.

1.3 “**Customer Data**” means the data, media and content provided by Customer through the Flock Services. For the avoidance of doubt, the Customer Data will include the Footage.

1.4 “**Customer Hardware**” means the third-party camera owned or provided by Customer and any other physical elements that interact with the Embedded Software and the Web Interface to provide the Flock Services.

1.5 “**Embedded Software**” means the Flock proprietary software and/or firmware integrated with or installed on the Flock Hardware or Customer Hardware.

1.6 “**Flock Hardware**” means the Flock device(s), which may include the pole, clamps, solar panel, installation components, and any other physical elements that interact with the Embedded Software and the Web Interface, to provide the Flock Services as specifically set forth in the applicable product addenda.

1.7 “**Flock IP**” means the Flock Services, the Embedded Software, and any intellectual property or proprietary information therein or otherwise provided to Customer and/or its Authorized End Users. Flock IP does not include Footage (as defined below).

1.8 “**Flock Network End User(s)**” means any user of the Flock Services that Customer authorizes access to or receives data from, pursuant to the licenses granted herein.

1.9 “**Flock Services**” means the provision of Flock’s software and hardware situational awareness solution, via the Web Interface, for automatic license plate detection, alerts, audio detection, searching image records, video and sharing Footage.

1.10 “**Footage**” means still images, video, audio and other data captured by the Flock Hardware or Customer Hardware in the course of and provided via the Flock Services.

1.11 “**Hotlist(s)**” means a digital file containing alphanumeric license plate related information pertaining to vehicles of interest, which may include stolen vehicles, stolen vehicle license plates, vehicles owned or associated with wanted or missing person(s), vehicles suspected of being involved with criminal or terrorist activities, and other legitimate law enforcement purposes. Hotlist also includes, but is not limited to, national data (i.e., NCIC) for similar categories, license plates associated with AMBER Alerts or Missing Persons/Vulnerable Adult Alerts, and includes manually entered license plate information associated with crimes that have occurred in any local jurisdiction.

1.12 “**Installation Services**” means the services provided by Flock for installation of Flock Services.

1.13 “**Retention Period**” means the time period that the Customer Data is stored within the cloud storage, as specified in the product addenda.

1.14 “**Vehicle Fingerprint™**” means the unique vehicular attributes captured through Flock Services such as: type, make, color, state registration, missing/covered plates, bumper stickers, decals, roof racks, and bike racks.

1.15 “**Web Interface**” means the website(s) or application(s) through which Customer and its Authorized End Users can access the Flock Services.

2. SERVICES AND SUPPORT

2.1 Provision of Access. Flock hereby grants to Customer a non-exclusive, non-transferable right to access the features and functions of the Flock Services via the Web Interface during the Term, solely for the Authorized End Users. The Footage will be available for Authorized End Users to access and download via the Web Interface for the data retention time defined on the Order Form (“**Retention Period**”). Authorized End Users will be required to sign up for an account and select a password and username (“**User ID**”). Customer shall be responsible for all acts and omissions of Authorized End Users, and any act or omission by an Authorized End User which, including any acts or omissions of authorized End user which would constitute a breach of this agreement if undertaken by customer. Customer shall undertake reasonable efforts to make all Authorized End Users aware of all applicable provisions of this Agreement and shall cause Authorized End Users to comply with such provisions. Flock may use the services of one or more third parties to deliver any part of the Flock Services, (such as using a third party to host the Web Interface for cloud storage or a cell phone provider for wireless cellular coverage).

2.2 Embedded Software License. Flock grants Customer a limited, non-exclusive, non-transferable, non-sublicensable (except to the Authorized End Users), revocable right to use the Embedded Software as it pertains to Flock Services, solely as necessary for Customer to use the Flock Services.

2.3 Support Services. Flock shall monitor the Flock Services, and any applicable device health, in order to improve performance and functionality. Flock will use commercially reasonable efforts to respond to requests for support within seventy-two (72) hours. Flock will provide Customer with reasonable technical and on-site support and maintenance services in-person, via phone or by email at support@flocksafety.com (such services collectively referred to as “**Support Services**”).

2.4 Upgrades to Platform. Flock may make any upgrades to system or platform that it deems necessary or useful to (i) maintain or enhance the quality or delivery of Flock’s products or services to its agencies, the competitive strength of, or market for, Flock’s products or services, such platform or system’s cost efficiency or performance, or (ii) to comply with applicable law. Parties understand that such upgrades are necessary from time to time and will not diminish the quality of the services or materially change any terms or conditions within this Agreement.

2.5 Service Interruption. Flock Services may be interrupted in the event that: (a) Flock’s provision of the Flock Services to Customer or any Authorized End User is prohibited by

applicable law; (b) any third-party services required for Flock Services are interrupted; (c) if Flock reasonably believe Flock Services are being used for malicious, unlawful, or otherwise unauthorized use; (d) there is a threat or attack on any of the Flock IP by a third party; or (e) scheduled or emergency maintenance (“*Service Interruption*”). Flock will make commercially reasonable efforts to provide written notice of any Service Interruption to Customer, to provide updates, and to resume providing access to Flock Services as soon as reasonably possible after the event giving rise to the Service Interruption is cured. Flock will have no liability for any damage, liabilities, losses (including any loss of data or profits), or any other consequences that Customer or any Authorized End User may incur as a result of a Service Interruption. To the extent that the Service Interruption is not caused by Customer’s direct actions or by the actions of parties associated with the Customer, the time will be tolled by the duration of the Service Interruption (for any continuous suspension lasting at least one full day). For example, in the event of a Service Interruption lasting five (5) continuous days, Customer will receive a credit for five (5) free days at the end of the Term.

2.6 Service Suspension. Flock may temporarily suspend Customer’s and any Authorized End User’s access to any portion or all of the Flock IP or Flock Service if (a) there is a threat or attack on any of the Flock IP by Customer; (b) Customer’s or any Authorized End User’s use of the Flock IP disrupts or poses a security risk to the Flock IP or any other customer or vendor of Flock; (c) Customer or any Authorized End User is/are using the Flock IP for fraudulent or illegal activities; (d) Customer has violated any term of this provision, including, but not limited to, utilizing Flock Services for anything other than the Permitted Purpose; or (e) any unauthorized access to Flock Services through Customer’s account (“*Service Suspension*”). Customer shall not be entitled to any remedy for the Service Suspension period, including any reimbursement, tolling, or credit. If the Service Suspension was not caused by Customer, the Term will be tolled by the duration of the Service Suspension.

2.7 Hazardous Conditions. Flock Services do not contemplate hazardous materials, or other hazardous conditions, including, without limit, asbestos, lead, toxic or flammable substances. In the event any such hazardous materials are discovered in the designated locations in which Flock is to perform services under this Agreement, Flock shall have the right to cease work immediately until such materials are removed or rendered harmless.

3. CUSTOMER OBLIGATIONS

3.1 Customer Obligations. Flock will assist Customer Authorized End Users in the creation of a User ID. Authorized End Users agree to provide Flock with accurate, complete, and updated registration information. Authorized End Users may not select as their User ID, a name that they do not have the right to use, or any other name with the intent of impersonation. Customer and Authorized End Users may not transfer their account to anyone else without prior written permission of Flock. Authorized End Users shall not share their account username or password information and must protect the security of the username and password. Unless otherwise stated and defined in this Agreement, Customer shall not designate Authorized End Users for persons who are not officers, employees, or agents of Customer. Authorized End Users shall only use Customer-issued email addresses for the creation of their User ID. Customer is responsible for any Authorized End User activity associated with its account. Customer shall ensure that Customer provides Flock with up to date contact information at all times during the Term of this agreement. Customer shall be responsible for obtaining and maintaining any equipment and ancillary services needed to connect to, access or otherwise use the Flock Services. Customer shall (at its own expense) provide Flock with reasonable access and use of Customer facilities and Customer personnel in order to enable Flock to perform Flock Services (such obligations of Customer are collectively defined as “*Customer Obligations*”).

3.2 Customer Representations and Warranties. Customer represents, covenants, and warrants that Customer shall use Flock Services only in compliance with this Agreement and all applicable laws and regulations, including but not limited to any laws relating to the recording or sharing of data, video, photo, or audio content.

4. DATA USE AND LICENSING

4.1 Customer Data. As between Flock and Customer, all right, title and interest in the Customer Data, belong to and are retained solely by Customer. Customer hereby grants to Flock a limited, non-exclusive, royalty-free, irrevocable, worldwide license to use the Customer Data and perform all acts as may be necessary for Flock to provide the Flock Services to Customer. Flock does not own and shall not sell Customer Data.

4.2 Customer Generated Data. Flock may provide Customer with the opportunity to post, upload, display, publish, distribute, transmit, broadcast, or otherwise make available, messages, text, illustrations, files, images, graphics, photos, comments, sounds, music, videos, information, content, ratings, reviews, data, questions, suggestions, or other information or materials produced

by Customer (“**Customer Generated Data**”). Customer shall retain whatever legally cognizable right, title, and interest in Customer Generated Data. Customer understands and acknowledges that Flock has no obligation to monitor or enforce Customer’s intellectual property rights of Customer Generated Data. Customer grants Flock a non-exclusive, irrevocable, worldwide, royalty-free, license to use the Customer Generated Data for the purpose of providing Flock Services. Flock does not own and shall not sell Customer Generated Data.

4.3 Anonymized Data. Flock shall have the right to collect, analyze, and anonymize Customer Data and Customer Generated Data to the extent such anonymization renders the data non-identifiable to create Anonymized Data to use and perform the Flock Services and related systems and technologies, including the training of machine learning algorithms. Customer hereby grants Flock a non-exclusive, worldwide, perpetual, royalty-free right to use and distribute such Anonymized Data to improve and enhance the Flock Services and for other development, diagnostic and corrective purposes, and other Flock offerings. Parties understand that the aforementioned license is required for continuity of Flock Services. Flock does not own and shall not sell Anonymized Data.

5. CONFIDENTIALITY; DISCLOSURES

5.1 Confidentiality. To the extent required by any applicable public records requests, each Party (the “**Receiving Party**”) understands that the other Party (the “**Disclosing Party**”) has disclosed or may disclose business, technical or financial information relating to the Disclosing Party’s business (hereinafter referred to as “**Proprietary Information**” of the Disclosing Party). Proprietary Information of Flock includes non-public information regarding features, functionality and performance of the Flock Services. Proprietary Information of Customer includes non-public data provided by Customer to Flock or collected by Flock via Flock Services, which includes but is not limited to geolocation information and environmental data collected by sensors. The Receiving Party agrees: (i) to take the same security precautions to protect against disclosure or unauthorized use of such Proprietary Information that the Party takes with its own proprietary information, but in no event less than commercially reasonable precautions, and (ii) not to use (except in performance of the Flock Services or as otherwise permitted herein) or divulge to any third person any such Proprietary Information. The Disclosing Party agrees that the foregoing shall not apply with respect to any information that the Receiving Party can document (a) is or becomes

generally available to the public; or (b) was in its possession or known by it prior to receipt from the Disclosing Party; or (c) was rightfully disclosed to it without restriction by a third party; or (d) was independently developed without use of any Proprietary Information of the Disclosing Party. Nothing in this Agreement will prevent the Receiving Party from disclosing the Proprietary Information pursuant to any judicial or governmental order, provided that the Receiving Party gives the Disclosing Party reasonable prior notice of such disclosure to contest such order. At the termination of this Agreement, all Proprietary Information will be returned to the Disclosing Party, destroyed or erased (if recorded on an erasable storage medium), together with any copies thereof, when no longer needed for the purposes above, or upon request from the Disclosing Party, and in any case upon termination of the Agreement. Notwithstanding any termination, all confidentiality obligations of Proprietary Information that is trade secret shall continue in perpetuity or until such information is no longer trade secret.

5.2 Usage Restrictions on Flock IP. Flock and its licensors retain all right, title and interest in and to the Flock IP and its components, and Customer acknowledges that it neither owns nor acquires any additional rights in and to the foregoing not expressly granted by this Agreement. Customer further acknowledges that Flock retains the right to use the foregoing for any purpose in Flock's sole discretion. Customer and Authorized End Users shall not: (i) copy or duplicate any of the Flock IP; (ii) decompile, disassemble, reverse engineer, or otherwise attempt to obtain or perceive the source code from which any software component of any of the Flock IP is compiled or interpreted, or apply any other process or procedure to derive the source code of any software included in the Flock IP; (iii) attempt to modify, alter, tamper with or repair any of the Flock IP, or attempt to create any derivative product from any of the foregoing; (iv) interfere or attempt to interfere in any manner with the functionality or proper working of any of the Flock IP; (v) remove, obscure, or alter any notice of any intellectual property or proprietary right appearing on or contained within the Flock Services or Flock IP; (vi) use the Flock Services for anything other than the Permitted Purpose; or (vii) assign, sublicense, sell, resell, lease, rent, or otherwise transfer, convey, pledge as security, or otherwise encumber, Customer's rights. There are no implied rights.

5.3 Disclosure of Footage. Subject to and during the Retention Period, Flock may access, use, preserve and/or disclose the Footage to law enforcement authorities, government officials, and/or third parties, if legally required to do so or if Flock has a good faith belief that such access, use, preservation or disclosure is reasonably necessary to comply with a legal process, enforce this

Agreement, or detect, prevent or otherwise address security, privacy, fraud or technical issues, or emergency situations.

6. PAYMENT OF FEES

6.1 Billing and Payment of Fees. Customer shall pay the fees set forth in the applicable Order Form based on the billing structure and payment terms as indicated in the Order Form. If Customer believes that Flock has billed Customer incorrectly, Customer must contact Flock no later than sixty (60) days after the closing date on the first invoice in which the error or problem appeared to receive an adjustment or credit. Customer acknowledges and agrees that a failure to contact Flock within this period will serve as a waiver of any claim. If any undisputed fee is more than sixty (60) days overdue, Flock may, without limiting its other rights and remedies, suspend delivery of its service until such undisputed invoice is paid in full. Flock shall provide at least thirty (30) days' prior written notice to Customer of the payment delinquency before exercising any suspension right.

6.2 Notice of Changes to Fees. Flock reserves the right to change the fees for subsequent Renewal Terms by providing sixty (60) days' notice (which may be sent by email) prior to the end of the Initial Term or Renewal Term (as applicable).

6.3 Late Fees. If payment is not issued to Flock by the due date of the invoice, an interest penalty of 1.0% of any unpaid amount may be added for each month or fraction thereafter, until final payment is made.

6.4 Taxes. Customer is responsible for all taxes, levies, or duties, excluding only taxes based on Flock's net income, imposed by taxing authorities associated with the order. If Flock has the legal obligation to pay or collect taxes, including amount subsequently assessed by a taxing authority, for which Customer is responsible, the appropriate amount shall be invoice to and paid by Customer unless Customer provides Flock a legally sufficient tax exemption certificate and Flock shall not charge customer any taxes from which it is exempt. If any deduction or withholding is required by law, Customer shall notify Flock and shall pay Flock any additional amounts necessary to ensure that the net amount that Flock receives, after any deduction and withholding, equals the amount Flock would have received if no deduction or withholding had been required.

7. TERM AND TERMINATION

7.1 **Term.** The initial term of this Agreement shall be for the period of time set forth on the Order Form (the “**Term**”). Following the Term, unless otherwise indicated on the Order Form, this Agreement will automatically renew for successive renewal terms of the greater of one year or the length set forth on the Order Form (each, a “**Renewal Term**”) unless either Party gives the other Party notice of non-renewal at least thirty (30) days prior to the end of the then-current term.

7.2 **Termination.** Upon termination or expiration of this Agreement, Flock will remove any applicable Flock Hardware at a commercially reasonable time period. In the event of any material breach of this Agreement, the non-breaching Party may terminate this Agreement prior to the end of the Term by giving thirty (30) days prior written notice to the breaching Party; provided, however, that this Agreement will not terminate if the breaching Party has cured the breach prior to the expiration of such thirty (30) day period (“**Cure Period**”). Either Party may terminate this Agreement (i) upon the institution by or against the other Party of insolvency, receivership or bankruptcy proceedings, (ii) upon the other Party's making an assignment for the benefit of creditors, or (iii) upon the other Party's dissolution or ceasing to do business. In the event of a material breach by Flock, and Flock is unable to cure within the **Cure Period**, Flock will refund Customer a pro-rata portion of the pre-paid fees for Flock Services not received due to such termination.

7.3 **Survival.** The following Sections will survive termination: 1, 3, 5, 6, 7, 8.3, 8.4, 9, 11.1 and 11.6.

8. REMEDY FOR DEFECT; WARRANTY AND DISCLAIMER

8.1 **Manufacturer Defect.** Upon a malfunction or failure of Flock Hardware or Embedded Software (a “*Defect*”), Customer must notify Flock’s technical support team. In the event of a Defect, Flock shall make a commercially reasonable attempt to repair or replace the defective Flock Hardware at no additional cost to the Customer. Flock reserves the right, in its sole discretion, to repair or replace such Defect, provided that Flock shall conduct inspection or testing within a commercially reasonable time, but no longer than seven (7) business days after Customer gives notice to Flock.

8.2 **Replacements.** In the event that Flock Hardware is lost, stolen, or damaged, Customer may request a replacement of Flock Hardware at no cost to the Customer, unless the damage was caused by Customer’s negligence. The cost of replacement is incurred by Flock and said replacement shall be done by a commercially reasonable time period.

8.3 **Warranty.** Flock shall use reasonable efforts consistent with prevailing industry standards to maintain the Flock Services in a manner which minimizes errors and interruptions in the Flock Services and shall perform the Installation Services in a professional and workmanlike manner. Flock Services may be temporarily unavailable for scheduled maintenance or for unscheduled emergency maintenance, either by Flock or by third-party providers, or because of other causes beyond Flock’s reasonable control, but Flock shall use reasonable efforts to provide advance notice in writing or by e-mail of any scheduled service disruption.

8.4 **Disclaimer.** THE REMEDY DESCRIBED IN SECTION 8.1 ABOVE IS CUSTOMER’S SOLE REMEDY, AND FLOCK’S SOLE LIABILITY, WITH RESPECT TO DEFECTS. FLOCK DOES NOT WARRANT THAT THE FLOCK SERVICES WILL BE UNINTERRUPTED OR ERROR FREE; NOR DOES IT MAKE ANY WARRANTY AS TO THE RESULTS THAT MAY BE OBTAINED FROM USE OF THE FLOCK SERVICES. EXCEPT AS EXPRESSLY SET FORTH IN THIS SECTION, THE FLOCK SERVICES ARE PROVIDED “AS IS” AND FLOCK DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT. THIS DISCLAIMER ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE MENTIONED IN SECTION 11.6.

8.5 **Insurance.** Flock will maintain commercial general liability policies as stated in Exhibit B.

8.6 **Force Majeure.** Parties are not responsible or liable for any delays or failures in performance from any cause beyond their control, including, but not limited to acts of God, changes to law or regulations, embargoes, war, terrorist acts, pandemics (including the spread of variants), issues of national security, acts or omissions of third-party technology providers, riots, fires, earthquakes, floods, power blackouts, strikes, supply chain shortages of equipment or supplies, financial institution crisis, weather conditions or acts of hackers, internet service providers or any other third party acts or omissions.

9. LIMITATION OF LIABILITY; INDEMNITY

9.1 **Limitation of Liability.** NOTWITHSTANDING ANYTHING TO THE CONTRARY, FLOCK, ITS OFFICERS, AFFILIATES, REPRESENTATIVES, CONTRACTORS AND EMPLOYEES SHALL NOT BE RESPONSIBLE OR LIABLE WITH RESPECT TO ANY SUBJECT MATTER OF THIS AGREEMENT OR TERMS AND CONDITIONS RELATED THERETO UNDER ANY CONTRACT, NEGLIGENCE, STRICT LIABILITY, PRODUCT LIABILITY, OR OTHER THEORY: (A) FOR LOSS OF REVENUE, BUSINESS OR BUSINESS INTERRUPTION; (B) INCOMPLETE, CORRUPT, OR INACCURATE DATA; (C) COST OF PROCUREMENT OF SUBSTITUTE GOODS, SERVICES OR TECHNOLOGY; (D) FOR ANY INDIRECT, EXEMPLARY, INCIDENTAL, SPECIAL OR CONSEQUENTIAL DAMAGES; (E) FOR ANY MATTER BEYOND FLOCK'S ACTUAL KNOWLEDGE OR REASONABLE CONTROL INCLUDING REPEAT CRIMINAL ACTIVITY OR INABILITY TO CAPTURE FOOTAGE; OR (F) FOR ANY AMOUNTS THAT, TOGETHER WITH AMOUNTS ASSOCIATED WITH ALL OTHER CLAIMS, EXCEED THE FEES PAID AND/OR PAYABLE BY CUSTOMER TO FLOCK FOR THE FLOCK SERVICES UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRIOR TO THE ACT OR OMISSION THAT GAVE RISE TO THE LIABILITY, IN EACH CASE, WHETHER OR NOT FLOCK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THIS LIMITATION OF LIABILITY OF SECTION ONLY APPLIES TO THE EXTENT ALLOWED BY THE GOVERNING LAW OF THE STATE REFERENCED IN SECTION 10.6. NOTWITHSTANDING ANYTHING TO THE CONTRARY, THE FOREGOING

LIMITATIONS OF LIABILITY SHALL NOT APPLY (I) IN THE EVENT OF GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, OR (II) INDEMNIFICATION OBLIGATIONS.

9.2 Responsibility. Each Party to this Agreement shall assume the responsibility and liability for the acts and omissions of its own employees, officers, or agents, in connection with the performance of their official duties under this Agreement. Each Party to this Agreement shall be liable for the torts of its own officers, agents, or employees.

9.3 Flock Indemnity. Flock shall indemnify and hold harmless Customer, its agents and employees, from liability of any kind, including claims, costs (including defense) and expenses, on account of: (i) any copyrighted material, patented or unpatented invention, articles, device or appliance manufactured or used in the performance of this Agreement; or (ii) any damage or injury to property or person directly caused by Flock's installation of Flock Hardware, except for where such damage or injury was caused solely by the negligence of the Customer or its agents, officers or employees. Flock's performance of this indemnity obligation shall not exceed the fees paid and/or payable for the services rendered under this Agreement in the preceding twelve (12) months.

10. INSTALLATION SERVICES AND OBLIGATIONS

10.1 Ownership of Hardware. Flock Hardware is owned and shall remain the exclusive property of Flock. Title to any Flock Hardware shall not pass to Customer upon execution of this Agreement, except as otherwise specifically set forth in this Agreement. Except as otherwise expressly stated in this Agreement, Customer is not permitted to remove, reposition, re-install, tamper with, alter, adjust or otherwise take possession or control of Flock Hardware. Customer agrees and understands that in the event Customer is found to engage in any of the foregoing restricted actions, all warranties herein shall be null and void, and this Agreement shall be subject to immediate termination for material breach by Customer. Customer shall not perform any acts which would interfere with the retention of title of the Flock Hardware by Flock. Should Customer default on any payment of the Flock Services, Flock may remove Flock Hardware at Flock's discretion. Such removal, if made by Flock, shall not be deemed a waiver of Flock's rights to any damages Flock may sustain as a result of Customer's default and Flock shall have the right to enforce any other legal remedy or right.

10.2 Deployment Plan. Flock shall advise Customer on the location and positioning of the Flock Hardware for optimal product functionality, as conditions and locations allow. Flock will collaborate with Customer to design the strategic geographic mapping of the location(s) and implementation of Flock Hardware to create a deployment plan (“*Deployment Plan*”). In the event that Flock determines that Flock Hardware will not achieve optimal functionality at a designated location, Flock shall have final discretion to veto a specific location, and will provide alternative options to Customer.

10.3 Changes to Deployment Plan. After installation of Flock Hardware, any subsequent requested changes to the Deployment Plan, including, but not limited to, relocating, re-positioning, adjusting of the mounting, removing foliage, replacement, changes to heights of poles will incur a fee according to the reinstall fee schedule located at (<https://www.flocksafety.com/reinstall-fee-schedule>). Customer will receive prior notice and confirm approval of any such fees.

10.4 Customer Installation Obligations. Customer is responsible for approving the proposed installation locations. Flock shall lawfully obtain, all necessary right, title and, authority, and Customer hereby authorizes Flock to install the Flock Hardware at the designated locations and to make any necessary inspections or maintenance in connection with such installation.

10.5 Flock’s Obligations. Installation of any Flock Hardware shall be installed in a professional manner within a commercially reasonable time from the Effective Date of this Agreement. Upon removal of Flock Hardware, Flock shall restore the location to its original condition, ordinary wear and tear excepted. Flock will continue to monitor the performance of Flock Hardware for the length of the Term. Flock may use a subcontractor or third party to perform certain obligations under this agreement, provided that Flock’s use of such subcontractor or third party shall not release Flock from any duty or liability to fulfill Flock’s obligations under this Agreement.

11. MISCELLANEOUS

11.1 Compliance With Laws. Parties shall comply with all applicable local, state and federal laws, regulations, policies and ordinances and their associated record retention schedules, including responding to any subpoena request(s).

11.2 Severability. If any provision of this Agreement is found to be unenforceable or invalid, that provision will be limited or eliminated to the minimum extent necessary so that this Agreement will otherwise remain in full force and effect.

11.3 Assignment. This Agreement is not assignable, transferable or sublicensable by either Party, without prior consent. Notwithstanding the foregoing, either Party may assign this Agreement, without the other Party's consent, (i) to any parent, subsidiary, or affiliate entity, or (ii) to any purchaser of all or substantially all of such Party's assets or to any successor by way of merger, consolidation or similar transaction.

11.4 Entire Agreement. This Agreement, together with the Order Form(s), the reinstall fee schedule (<https://www.flocksafety.com/reinstall-fee-schedule>), and any attached exhibits are the complete and exclusive statement of the mutual understanding of the Parties and supersedes and cancels all previous or contemporaneous negotiations, discussions or agreements, whether written and oral, communications and other understandings relating to the subject matter of this Agreement, and that all waivers and modifications must be in a writing signed by both Parties, except as otherwise provided herein. None of Customer's purchase orders, authorizations or similar documents will alter the terms of this Agreement, and any such conflicting terms are expressly rejected. Any mutually agreed upon future purchase order is subject to these legal terms and does not alter the rights and obligations under this Agreement, except that future purchase orders may outline additional products, services, quantities and billing terms to be mutually accepted by Parties. In the event of any conflict of terms found in this Agreement or any other terms and conditions, the terms of this Agreement shall prevail. Customer agrees that Customer's purchase is neither contingent upon the delivery of any future functionality or features nor dependent upon any oral or written comments made by Flock with respect to future functionality or feature.

11.5 Relationship. No agency, partnership, joint venture, or employment is created as a result of this Agreement and Parties do not have any authority of any kind to bind each other in any respect whatsoever. Flock shall at all times be and act as an independent contractor to Customer.

11.6 Governing Law; Venue. This Agreement shall be governed by the laws of the state in which the Customer is located. The Parties hereto agree that venue would be proper in the chosen courts of the State of which the Customer is located. The Parties agree that the United Nations Convention for the International Sale of Goods is excluded in its entirety from this Agreement.

11.7 Special Terms. Flock may offer certain special terms which are indicated in the proposal and will become part of this Agreement, upon Customer's prior written consent and the mutual

execution by authorized representatives (“*Special Terms*”). To the extent that any terms of this Agreement are inconsistent or conflict with the Special Terms, the Special Terms shall control.

11.8 **Publicity.** Flock has the right to reference and use Customer’s name and trademarks and disclose the nature of the Flock Services in business and development and marketing efforts.

11.9 **Feedback.** If Customer or Authorized End User provides any suggestions, ideas, enhancement requests, feedback, recommendations or other information relating to the subject matter hereunder, Agency or Authorized End User hereby assigns to Flock all right, title and interest (including intellectual property rights) with respect to or resulting from any of the foregoing.

11.10 **Export.** Customer may not remove or export from the United States or allow the export or re-export of the Flock IP or anything related thereto, or any direct product thereof in violation of any restrictions, laws or regulations of the United States Department of Commerce, the United States Department of Treasury Office of Foreign Assets Control, or any other United States or foreign Customer or authority. As defined in Federal Acquisition Regulation (“FAR”), section 2.101, the Flock Services, the Flock Hardware and Documentation are “commercial items” and according to the Department of Defense Federal Acquisition Regulation (“DFAR”) section 252.2277014(a)(1) and are deemed to be “commercial computer software” and “commercial computer software documentation.” Flock is compliant with FAR Section 889 and does not contract or do business with, use any equipment, system, or service that uses the enumerated banned Chinese telecommunication companies, equipment or services as a substantial or essential component of any system, or as critical technology as part of any Flock system. Consistent with DFAR section 227.7202 and FAR section 12.212, any use, modification, reproduction, release, performance, display, or disclosure of such commercial software or commercial software documentation by the U.S. Government will be governed solely by the terms of this Agreement and will be prohibited except to the extent expressly permitted by the terms of this Agreement.

11.11 **Headings.** The headings are merely for organization and should not be construed as adding meaning to the Agreement or interpreting the associated sections.

11.12 **Authority.** Each of the below signers of this Agreement represent that they understand this Agreement and have the authority to sign on behalf of and bind the Parties they are representing.

11.13 **Conflict.** In the event there is a conflict between this Agreement and any applicable statement of work, or Customer purchase order, this Agreement controls unless explicitly stated otherwise.

11.14 **Morality.** In the event Customer or its agents become the subject of an indictment, contempt, scandal, crime of moral turpitude or similar event that would negatively impact or tarnish Flock's reputation, Flock shall have the option to terminate this Agreement upon prior written notice to Customer.

11.15 **Notices.** All notices under this Agreement will be in writing and will be deemed to have been duly given when received, if personally delivered; when receipt is electronically confirmed, if transmitted by email; the day after it is sent, if sent for next day delivery by recognized overnight delivery service; and upon receipt to the address listed on the Order Form (or, if different, below), if sent by certified or registered mail, return receipt requested.

11.16 **Non-Appropriation.** Notwithstanding any other provision of this Agreement, all obligations of the Customer under this Agreement which require the expenditure of funds are conditioned on the availability of funds appropriated for that purpose. Customer shall have the right to terminate this Agreement for non appropriation with thirty (30) days written notice without penalty or other cost.

FLOCK NOTICES ADDRESS:

1170 HOWELL MILL ROAD, NW SUITE 210

ATLANTA, GA 30318

ATTN: LEGAL DEPARTMENT

EMAIL: legal@flocksafety.com

Customer NOTICES ADDRESS:

ADDRESS:

ATTN:

EMAIL:

**Flock Safety + IL - Village of Lake in
the Hills PD**

Flock Group Inc.
1170 Howell Mill Rd, Suite 210
Atlanta, GA 30318

MAIN CONTACT:
Dan Murdock
dan.murdock@flocksafety.com
3124153858

flock safety



EXHIBIT A
ORDER FORM

Customer: IL - Village of Lake in the Hills PD
Legal Entity Name: IL - Village of Lake in the Hills PD
Accounts Payable Email: mmannino@lith.org
Address: 600 Harvest Gate Lake In The Hills, Illinois
60156

Initial Term: 12 Months
Renewal Term: 24 Months
Payment Terms: Net 30
Billing Frequency: Annual Plan - First Year Invoiced at Signing.
Retention Period: 30 Days

Hardware and Software Products

Annual recurring amounts over subscription term

Item	Cost	Quantity	Total
Flock Safety Platform			\$36,000.00
Flock Safety Flock OS			
FlockOS™	Included	1	Included
Flock Safety LPR Products			
Flock Safety Falcon®	Included	12	Included

Professional Services and One Time Purchases

Item	Cost	Quantity	Total
One Time Fees			
Flock Safety Professional Services			
Professional Services - Standard Implementation Fee	\$650.00	10	\$6,500.00
Professional Services - Existing Infrastructure Implementation Fee	\$150.00	2	\$300.00
Subtotal Year 1:			\$42,800.00
Annual Recurring Subtotal:			\$36,000.00
Estimated Tax:			\$0.00
Contract Total:			\$42,800.00

Taxes shown above are provided as an estimate. Actual taxes are the responsibility of the Customer. This Agreement will automatically renew for successive renewal terms of the greater of one year or the length set forth on the Order Form (each, a "Renewal Term") unless either Party gives the other Party notice of non-renewal at least thirty (30) days prior to the end of the then-current term.

Billing Schedule

Billing Schedule	Amount (USD)
Year 1	
At Contract Signing	\$42,800.00
Annual Recurring after Year 1	\$36,000.00
Contract Total	\$42,800.00

*Tax not included

Product and Services Description

Flock Safety Platform Items	Product Description	Terms
Flock Safety Falcon ®	An infrastructure-free license plate reader camera that utilizes Vehicle Fingerprint® technology to capture vehicular attributes.	The Term shall commence upon first installation and validation of Flock Hardware.

One-Time Fees	Service Description
Installation on existing infrastructure	One-time Professional Services engagement. Includes site & safety assessment, camera setup & testing, and shipping & handling in accordance with the Flock Safety Advanced Implementation Service Brief.
Professional Services - Standard Implementation Fee	One-time Professional Services engagement. Includes site and safety assessment, camera setup and testing, and shipping and handling in accordance with the Flock Safety Standard Implementation Service Brief.
Professional Services - Advanced Implementation Fee	One-time Professional Services engagement. Includes site & safety assessment, camera setup & testing, and shipping & handling in accordance with the Flock Safety Advanced Implementation Service Brief.

FlockOS Features & Description

Package: Essentials

FlockOS Features	Description
Community Cameras (Full Access)	Access to all privately owned Flock devices within your jurisdiction that have been shared with you.
Unlimited Users	Unlimited users for FlockOS
State Network (LP Lookup Only)	Allows agencies to look up license plates on all cameras opted in to the statewide Flock network.
Nationwide Network (LP Lookup Only)	Allows agencies to look up license plates on all cameras opted in to the nationwide Flock network.
Direct Share - Surrounding Jurisdiction (Full Access)	Access to all Flock devices owned by law enforcement that have been directly shared with you. Have ability to search by vehicle fingerprint, receive hot list alerts, and view devices on the map.
Time & Location Based Search	Search full, partial, and temporary plates by time at particular device locations
License Plate Lookup	Look up specific license plate location history captured on Flock devices
Vehicle Fingerprint Search	Search footage using Vehicle Fingerprint™ technology. Access vehicle type, make, color, license plate state, missing / covered plates, and other unique features like bumper stickers, decals, and roof racks.
Flock Insights/Analytics page	Reporting tool to help administrators manage their LPR program with device performance data, user and network audits, plate read reports, hot list alert reports, event logs, and outcome reports.
ESRI Based Map Interface	Flock Safety's maps are powered by ESRI, which offers the ability for 3D visualization, viewing of floor plans, and layering of external GIS data, such as City infrastructure (i.e., public facilities, transit systems, utilities), Boundary mapping (i.e., precincts, county lines, beat maps), and Interior floor plans (i.e., hospitals, corporate campuses, universities)
Real-Time NCIC Alerts on Flock ALPR Cameras	Alert sent when a vehicle entered into the NCIC crime database passes by a Flock camera
Unlimited Custom Hot Lists	Ability to add a suspect's license plate to a custom list and get alerted when it passes by a Flock camera

By executing this Order Form, Customer represents and warrants that it has read and agrees to all of the terms and conditions contained in the Master Services Agreement attached. The Parties have executed this Agreement as of the dates set forth below.

FLOCK GROUP, INC.

Customer: IL - Village of Lake in the Hills PD

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

PO Number: _____

EXHIBIT B
INSURANCE

Required Coverage. Flock shall procure and maintain for the duration of this Agreement insurance against claims for injuries to persons or damages to property that may arise from or in connection with the performance of the services under this Agreement and the results of that work by Flock or its agents, representatives, employees or subcontractors. Insurance shall be placed with insurers with a current A. M. Best rating of no less than “A” and “VII”. Flock shall obtain and, during the term of this Agreement, shall maintain policies of professional liability (errors and omissions), automobile liability, and general liability insurance for insurable amounts of not less than the limits listed herein. The insurance policies shall provide that the policies shall remain in full force during the life of the Agreement. Flock shall procure and shall maintain during the life of this Agreement Worker's Compensation insurance as required by applicable State law for all Flock employees.

Types and Amounts Required. Flock shall maintain, at minimum, the following insurance coverage for the duration of this Agreement:

- (i) **Commercial General Liability** insurance written on an occurrence basis with minimum limits of One Million Dollars (\$1,000,000) per occurrence and Two Million Dollars (\$2,000,000) in the aggregate for bodily injury, death, and property damage, including personal injury, contractual liability, independent contractors, broad-form property damage, and product and completed operations coverage;
- (ii) **Umbrella or Excess Liability** insurance written on an occurrence basis with minimum limits of Ten Million Dollars (\$10,000,000) per occurrence and Ten Million Dollars (\$10,000,000) in the aggregate;
- (iii) **Professional Liability/Errors and Omissions** insurance with minimum limits of Five Million Dollars (\$5,000,000) per occurrence and Five Million Dollars (\$5,000,000) in the aggregate;
- (iv) **Commercial Automobile Liability** insurance with a minimum combined single limit of One Million Dollars (\$1,000,000) per occurrence for bodily injury, death, and property coverage, including owned and non-owned and hired automobile coverage; and

(v) **Cyber Liability** insurance written on an occurrence basis with minimum limits of Five Million Dollars (\$5,000,000).



Photograph of the Flock Safety Solar Powered Camera



Photograph of the Flock Safety database officers access

Photographs taken from Flock Safety's Media Library of photographs:
<https://drive.google.com/file/d/1HvbQ73dAPir698D4T8mUb5oqyyTFxskg/view>



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Police

SUBJECT: Officer Appointments Above Authorized Staffing Level

EXECUTIVE SUMMARY

The department has a planned retirement in July of this year that will create an opening for a police officer position. To expedite the transition and training of a new officer, the department requests permission to temporarily increase the sworn officer staffing level from (41) to (42) to hire a lateral officer candidate on or around June 10th. The department has identified one lateral officer candidate to make a conditional offer of employment to. This will allow the candidate to start the approximate twenty-week field training program needed for solo-patrol duties. Starting the new officer before the position vacancy will have them ready for solo-patrol duties approximately two months sooner than if we waited to begin the hiring process in July.

FINANCIAL IMPACT

The financial impact for the identified lateral officer from June 10, 2024 through July 11, 2024 is estimated at \$11,415.59 which includes salary and benefits.

ATTACHMENTS

None.

RECOMMENDED MOTION

Motion to approve and authorize the Police Department to temporarily exceed the authorized staffing level of sworn officers from (41) to (42) and hire one officer on or around June 10th for the projected vacancy in July.



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Finance

SUBJECT: Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2022

EXECUTIVE SUMMARY

Attached is a copy of the Village's Annual Comprehensive Financial Report (ACFR) for the Fiscal Year Ended December 31, 2022. This report is typically presented to the Village Board six months after the end of the fiscal year, however, a combination of factors led to a delayed completion of the report.

First, the implementation of the new Governmental Accounting Standards Board Statement No. 87 on leases impacted the Village to a greater extent than most other governments because of the number of leases that had to be analyzed in connection with airport operations. The Village also changed audit firms for the first time in over 30 years with approval of a new firm in February 2023 and, therefore, the audit wasn't able to begin until May 2023 to coincide with the earliest opening in their audit schedule. The greatest impact by far, however, was due to Finance staff transition as both the Accountant and Assistant Finance Director positions became vacant for a combined total of almost five months during which time minimal staff time was able to be devoted to the audit as keeping up with the day-to-day operations of the Finance Department became the priority.

In an effort to not delay the presentation of the ACFR any longer than necessary, that is the only report being presented at this time since it is the main document reporting on the Village's financial condition and results of operations. Supplemental documents are still being completed and will be presented at the May 21st Committee of the Whole meeting including the Illinois Grant Accountability and Transparency Act - Consolidated Year End Financial Report, the Auditor's Communication to the Board of Trustees, the Management Letter, the Annual Financial Report for the Police Pension Plan, the Comptroller's Annual Financial Report, and the Popular Annual Financial Report.

John Wysocki, Partner with GW & Associates PC, the Village's auditing firm, will give a brief presentation on the ACFR and will be available to answer any questions the Village Board may have.

FINANCIAL IMPACT

None

ATTACHMENTS

1. Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2022

RECOMMENDED MOTION

Motion to accept and place on file the Annual Comprehensive Financial Report for the Fiscal Year Ended December 31, 2022.



VILLAGE OF LAKE IN THE HILLS, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2022

"REFLECTIONS ON THE WATER"

by Debbie Donati, 2023 Photo Contest Entrant

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
December 31, 2022

Prepared by the Village of Lake in the Hills Finance Department

Peter J. Stefan
Finance Director/Treasurer

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
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INTRODUCTORY SECTION

**VILLAGE OF LAKE IN THE HILLS
PRINCIPAL OFFICIALS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2022**

VILLAGE PRESIDENT RAY BOGDANOWSKI
VILLAGE CLERK SHANNON DUBEAU

TRUSTEE STEPHEN HARLFINGER
TRUSTEE BOB HUCKINS
TRUSTEE BILL DUSTIN

TRUSTEE SUZETTE BOJARSKI
TRUSTEE DIANE MURPHY
TRUSTEE WENDY ANDERSON



VILLAGE ADMINISTRATOR SHANNON ANDREWS
FINANCE DIRECTOR PETER J. STEFAN

Village of Lake in the Hills
ORGANIZATIONAL CHART

**Citizens of
 Lake in the Hills**

Elected Officials

Village President
 Board of Trustees
 Village Clerk

**Advisory Boards
 and Commissions**

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

Professional Services

Village Attorney
 Village Prosecutor
 Village Engineer

Village Administrator

**Administration
 Department**

Administration
 Human Resources
 Management Information Systems
 Recreation

**Finance
 Department**

Finance
 Customer Service
 Water Billing

**Community
 Development
 Department**

Community Development
 Economic Development

**Public Works
 Department**

Administration
 Streets
 Public Properties
 Municipal Airport
 Water

Chief of Police

**Police
 Department**

Administration
 Support Services
 Patrol



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Lake in the Hills
Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



April 29, 2024

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

The Annual Comprehensive Financial Report of the Village of Lake in the Hills, Illinois for the fiscal year ended December 31, 2022, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require the Village to issue annually a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

The Village's financial statements have been audited by GW & Associates PC, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Lake in the Hills for the fiscal year ended December 31, 2022, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon their audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended December 31, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The Village expended more than \$750,000 of federal funds during the fiscal year ended December 31, 2022 and, therefore, is required to undergo an annual single audit in conformity with the provisions of the Uniform Grant Guidance (formerly known as the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments and Non-Profit Entities). The primary funding source of the federal funds was the \$3.9 million in State and Local Fiscal Recovery Funds received under the American Rescue Plan Act. The Single Audit Report has been issued separately.

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

Profile of the Village of Lake in the Hills

The Village of Lake in the Hills was incorporated on November 29, 1952 and is located in the southeast portion of McHenry County, Illinois. Located approximately 47 miles northwest of the City of Chicago, the Village currently occupies approximately 10.6 square miles, and has approximately 91 miles of streets. The population of the Village grew slightly from 28,965 in the 2010 census to 28,982 in the 2020 census although the population had been as high as 29,228 following a special partial census in 2016. Therefore, the Village is a home rule community because its population exceeds 25,000. Home rule communities in the State of Illinois have greater control of their finances because of additional revenue generating abilities afforded to home rule communities. The Village of Lake in the Hills is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the Village Board.

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

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

For financial reporting purposes, the criteria provided in Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 61, have been considered and it was determined that the Police Pension Plan is a fiduciary component unit of the Village. Excluded from this report are various School Districts, Fire Districts, Library Districts, Park Districts, Townships, the Sanitary District, and the Conservation District. These entities are separate governments, organized under the laws of the State of Illinois. They are directed by separate Boards performing functions which are not provided by the Village. The Village does not control their fiscal management or operations, nor is the Village legally responsible for the funding of their operations or debt.

The annual budget serves as the foundation for the Village's financial planning and control. The budget process begins in June when the five-year capital schedule is reviewed with departments. This is followed by departments submitting personnel requests in July and then providing estimates for the current fiscal year and submitting their requests for the upcoming fiscal year in August. The Village Administrator, Assistant Village Administrator, and Finance Director spend the next several months reviewing these budget requests through departmental meetings and adjusting them to match anticipated revenues, as necessary. The Village Administrator, Assistant Village Administrator, Finance Director, and all other Department Heads then present the proposed budget to the Village President and Board of Trustees at a meeting scheduled in November. The Village Board is required to hold a public hearing on the proposed budget and to adopt the final budget by December 31st of each year. The budget is adopted at the Department level which has been established as the legal level of budgetary control.

Major Initiatives

The fiscal year began January 1, 2022 and ended on December 31, 2022. Each year the budget process allows Village officials the opportunity to review the Village's current financial position and major accomplishments over the course of the last fiscal year. A few particular accomplishments are noteworthy in this transmittal due to the magnitude of the achievement and the commitment to making the community and organization better. These include:

- The Village was a Government Finance Officers Association (GFOA) 2021 Triple Crown Winner, one of only 331 governments nationwide to be so honored. GFOA's Triple Crown recognizes governments who have received all three of GFOA's annual awards – the Distinguished Budget Presentation Award, the Certificate of Achievement for Excellence in Financial Reporting Award, and the Popular Annual Financial Reporting Award. The Village has received these GFOA awards for 24 consecutive years, 23 consecutive years, and 6 consecutive years, respectfully.
- 2022 marked the 13th consecutive year there was no increase in the Village's tax levy for existing property owners due to prudent fiscal management and regular monitoring and review of revenues and expenditures that allows the Village to be proactive rather than reactive in addressing developing financial trends. However, 2022 marks the second consecutive year that the tax levy captured property taxes from new construction Equalized Assessed Valuation (EAV) to provide funding for the increased demand for services generated by the new construction. An estimated \$16,710 or 0.3% increase in the levy was allocated to new construction.

- In 2019, the State of Illinois passed the “Leveling the Playing Field for Illinois Retail Act” which, effective January 1, 2021, required online retailers who met certain criteria to collect state and local sales taxes on any purchase based on the delivery address or destination point. This legislation has greatly increased compliance regarding online sales tax collections and has resulted in a significant increase in sales tax revenue for the Village effective with Fiscal Year 2021. Due to the continuing growth of online sales, this legislation continued to pay dividends to the Village in Fiscal Year 2022 as sales tax revenue and home rule sales tax revenue increased by a combined \$1.2 million or 17%.
- Fiscal Year 2022 was the first full year of operations for McHenry County’s first cannabis dispensary which opened in the Village in March 2021. A total of \$0.6 million was generated in Cannabis Home Rule Tax in Fiscal Year 2022 which represents a 60% increase over the first partial year of operations. While this will be a new ongoing revenue source to fund Village operations, it is anticipated that annual revenue will decrease somewhat due to increased competition once additional dispensaries open in neighboring communities.
- Income tax revenues saw a significant 22% increase in revenue in Fiscal Year 2022 growing to \$4.7 million. This per capita revenue source distributed by the State of Illinois has seen a couple of years robust growth, however, that is expected to level off beginning in Fiscal Year 2023.
- An economic incentive agreement was entered into with DM LITH, LLC (i.e. Culvers) that started in March 2022 that provides for a rebate of sales tax revenue. This is viewed as a win-win agreement as the developer received an incentive to locate the business in the Village and the Village receives ongoing sales tax revenue. The tax rebate agreement offers reimbursement to the owner for 60% of all sales taxes generated by the project in the first three years of operation. Additionally, it reimburses 50% of all sales taxes above \$2,500 generated by the project in any quarter after the first three years until the entire \$300,000 incentive is realized or until a total of ten years has elapsed.
- Two senior housing projects continued to advance through their various development stages - Melody Living Phase 2 on Harvest Gate and Arden Rose Assisted Living on Oak Street.
- The Police Department was awarded six grants in Fiscal Year 2022 for program enhancements:
 - \$33,115 - Body Worn Cameras Grants
 - \$ 4,623 - Bulletproof Vests Grant
 - \$42,173 - Local Alcohol Program Grant
 - \$ 500 - Peer Jury Program Grant
 - \$16,592 - Starcom 21 Radio System Grant
 - \$25,110 - Sustained Traffic Enforcement Program Grant
- The Village also was the recipient of \$3.9 million in State and Local Fiscal Recovery Funds received under the American Rescue Plan Act. These funds were accounted for under the revenue replacement provisions which allowed the Village to allocate the funds towards salary costs.

- In Fiscal Year 2022, the Village created a new fund, the Police Facility Fund, which will capture the costs of a new Police Facility estimated to cost approximately \$27 million. \$10.3 million of General Fund reserves were transferred into the fund during the year which, along with future transfers and investment earnings, is expected to provide funding for 50% of the project with the remaining 50% to be funded with a bond issue.
- In order to fund the debt service costs of the proposed bond issue for the new Police Facility, the Village made a supplemental payment of \$4.6 million to the Police Pension Fund which paid off the unfunded liability of the fund as of December 31, 2021. This payment freed up almost \$1 million annually consisting of the portion of the tax levy going towards the amortization of the Police Pension Fund unfunded liability. This allows the Village to make the future debt service payments on the proposed bond issue without impacting existing revenue sources being used to fund operations.
- Infrastructure maintenance projects undertaken in 2022 included replacing 392 sidewalk squares, crack sealing over 3.2 miles of pavement, paving over 107 tons of asphalt while patching roadways, applying pavement rejuvenator to over 5.1 miles of resurfaced roads, and applying thermoplastic road striping to 20% of all Village roadways.
- A total of 11 roadway segments were resurfaced in 2022 as the Village was able to maintain an impressive overall roadway condition index of 77 out of 100 for all roadway segments.
- Village park improvements included:
 - Resurfacing of the Reed Road bike path
 - Reconstruction of a portion of the Sunset Park bike path
 - Replacement of the swing sets at Normandy Park
- The Village also progressed in its multi-year Woods Creek streambank stabilization project. The Reach 10 phase was completed in 2020 with the stabilization of approximately 1,817 linear feet of streambank. The project fulfilled the first phase of a three-phase plan to improve the streambank's surface and groundwater quality from Algonquin Road to Woods Creek Lake. In 2021, design work for the Reach 11 phase was completed for the next 5,226 linear feet of streambank. Construction of that phase was completed in Fiscal Year 2022.
- The Water Division had Cathodic Protection Rectifiers installed at Towers 1 & 2 to ensure that the systems operate at the proper protective levels to prevent metal loss and corrosion within the tanks. Well House improvements included replacement of five electric heaters at Well 12 and replacement of the exhaust system at Well 15, as well as upgrades to the interior and exterior lighting at Well 15 to LED technology.
- Airport improvements included completion of the runway 8/26 rehabilitation project with a local cost of only \$14,000 out of a total project cost of \$2.6 million. The balance of the funding came from federal and state grants.
- The Village celebrated its 70th anniversary in 2022 and marked the occasion with several special events throughout the year in addition to adopting a new 70th anniversary logo for use throughout all of 2022.

Factors Affecting Financial Condition

At the conclusion of Fiscal Year 2022, the Village's overall financial health remained strong. This can be attributed to the Village Board's direction and support of the Strategic Plan that was approved and implemented in 2017 and updated in 2021, and which has been guiding decision making for the past several years. Additionally, the Village finds itself in a stable environment at the end of 2022 due to its diverse revenue mix. Nonetheless, the Village is poised to adjust capital and operating budgets as needed while ensuring there is no corresponding negative impact to the level of services provided to residents and business alike.

Recent data suggests that major revenue sources like sales tax and income tax have rebounded from pandemic induced slumps and should remain at elevated levels in the future, however, revenue growth rates are expected to return to lower and more sustainable levels. The "Leveling the Playing Field for Illinois Retail Act" will be a positive factor moving forward as the Village's Equalized Assessed Valuation (EAV) is weighted towards residential properties suggesting that there might be more delivery addresses or destination points in the Village than the average Village may have as a percentage of EAV. This further suggests that the sharp increase in sales tax revenue and home rule sales tax revenue experienced over the past few years is not an anomaly but instead the "new normal".

Property taxes continue to be a very stable revenue source with no noticeable increase in uncollectible amounts. Additionally, effective with the 2021 tax levy, the Village started to increase its property tax levy on new construction while keeping the tax levy flat for existing property owners.

Video gaming taxes, amusement taxes, and recreation program revenue are all trending upward as the Village's residents and businesses come out of their pandemic shut-down mode. Fiscal Year 2022 increases for those revenue sources amounted to 43%, 64%, and 62% respectively.

However, there are some areas of concern as well. The telecommunications tax continues its decline as consumers change their communication habits and migrate more towards technologies exempt from this tax such as Voice Over Internet Protocol. As such, the Village is relying less and less on this as a key long-term revenue source.

Use tax has also started to stabilize albeit to the benefit of sales tax and home rule sales tax. With more online sales being taxed based on the delivery address or destination point, that means fewer online sales will be paying use tax. However, the Village stands to benefit from this tradeoff as the increases in sales tax and home rule sales tax far outweigh the decrease in use tax.

Although General Fund revenues experienced a boost from a retail cannabis dispensary that opened its doors in the first half of 2021 and saw a 60% increase in revenues in Fiscal Year 2022, competition will soon come into play as neighboring municipalities will soon have additional dispensaries opening up that will draw sales away from the Village's dispensary.

Finally, with the initial funding plan in place for the new Police Facility that does not tap into existing revenue sources, the Police Pension Plan funded status needs to remain strong in order for the Village to be able to rely upon the freed up unfunded liability amortization portion of the tax levy to fund debt service payments. Actuarial smoothing techniques will help reduce the volatility of market returns but the possibility of a string of poor performances by the equity markets does pose a risk.

Long-Term Financial Planning

The Village reinstated a utility tax effective January 1, 2018 on natural gas and electric consumption. This and the sale of surplus equipment became the first dedicated revenue sources to the Capital Improvement Plan (CIP) Fund. Prior to 2018, capital purchases were fully funded by the General Fund through a transfer which resulted in delaying much needed capital investments, a decline in the fund balance of the General Fund, and the need to reduce operating expenses in order to fund large projects and purchases. These concerns have been alleviated by the implementation of a reliable revenue source such as the utility tax. This dedicated revenue source is used for capital asset acquisitions and major projects, and provides long-term and sustainable funding for these critically important and costly items that provide a direct benefit to our residents and businesses by improving the Village's service delivery. A five-year Capital Improvement Plan has been created that identifies each project or acquisition, the scheduled year of completion or acquisition, and the estimated cost. This long-term planning helps to avoid unexpected capital costs and ensures proper funding is available in future years. At the end of 2022, the CIP Fund was self-sustaining, maintained an adequate fund balance, and did not rely on significant transfers in from the General Fund as a permanent funding source.

The Motor Fuel Tax (MFT) Fund has seen increasing construction costs on a year to year basis with a revenue stream that has been unable to keep pace with this trend due to declining fuel sales as vehicles become more fuel efficient thereby creating less demand for fuel. In Fiscal Year 2018, the Village proactively committed \$1.5 million of the General Fund increase in fund balance for that year to the MFT Fund as a short-term solution to maintain roads to the Village's lofty standards. Then, in Fiscal Year 2019, with the passage of the State's Annual Budget in July 2019, the MFT gas tax doubled from 19 cents per gallon to 38 cents per gallon. Due to this increase, the Village has been receiving additional MFT allotments since Fiscal Year 2019. Also, beginning in Fiscal Year 2020, the Village received \$642,080 annually as its allotment from the Local REBUILD Illinois Bond Funds from the State of Illinois. A total of \$1,926,240 has been received by the Village through this program and this increase to revenue will assist in the annual maintenance program of Village owned roads. The Village's annual budget contains a 10-year projection of MFT Fund revenues, expenditures, and fund balance and through Fiscal Year 2033 the MFT Fund is projected to remain solvent with a healthy \$0.7 million fund balance at that time. Village staff and elected officials continue to research options to enhance the long-term sustainability of the MFT Fund.

The Water Fund previously charged an annual \$16 water main replacement fee to all of its customers. In 2018, this fee was repealed as a result of the completion of the Village's water main replacement program and 2018 was also the first year with no increase to the water rates charged to customers. This 0% "increase" was again provided in 2019 and 2020 as the Water Fund was in a stable financial position with adequate reserves. However, in order to fund future system expansions and upgrades which include a water meter replacement project to convert to an automated meter reading system to reduce the amount of resources dedicated to meter reading, the Village increased water rates in 2021 and 2022 by a modest 1% each year and plans to continue that practice for the next several years in order to avoid a shock increase that may become necessary in the future if water rates were to remain stagnant. Additionally, all of the Village's water mains are now less than 30 years old which greatly reduces the need for current investments in underground infrastructure and allows the Village to begin accumulating reserves for future capital improvements and expansion. The 10-year projection of Water Fund revenues, expenses, and net position shows a positive and growing net position through Fiscal Year 2033.

The Village has secured grants in multiple funds to assist in funding capital projects as part of its long-term financial planning. The Lakes Projects Fund is responsible for the quality and upkeep of all lakes located within the Village. In 2020, a streambank restoration project was completed fulfilling the first phase of a three-phase plan to improve the streambank's surface and groundwater quality and, upon completion of all three phases, it is expected that the frequency of dredging projects for all Village Lakes will decrease in the future. A second grant has been secured for the second phase of the project which was completed in 2022. The third and final phase is planned to be completed using 100% local funds and will complete the entire multi-year project in 2023.

The Airport Fund has also secured grants to support multi-year safety improvements at the Lake in the Hills Airport. Phase two of the runway reconstruction project was completed in 2022 with a complete overhaul of the runway, elimination of the displaced thresholds, and installation of new windsocks. However, the closure of the airport for two months in 2022 while the runway project was completed impacted net position. The 10-year projection of revenues, expenses, and net position for the Airport Fund indicates a deficit position by Fiscal Year 2031 unless changes are made to operations. Options are currently being developed to reverse course and return the Airport Fund to a self-sustaining fund.

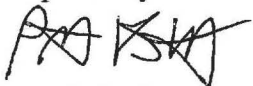
Awards and Acknowledgements

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

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Lake in the Hills for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the 23rd consecutive year that the Village has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Peter J. Stefan
Finance Director/Treasurer

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lake in the Hills, Illinois as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Village of Lake in the Hills, Illinois' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Lake in the Hills, Illinois, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Lake in the Hills, Illinois and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As described in Note 12 to the financial statements, in 2022, the Village of Lake in the Hills, Illinois adopted new accounting guidance, GASB Statement No. 87, Leases. Our opinion is not modified with respect to this matter.

As described in Note 14 to the financial statements, the Village of Lake in the Hills, Illinois restated beginning net position in the Airport Fund and for business-type activities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of changes in the employer's total OPEB liability and related ratios, schedules of employer contributions and schedules of changes in the employer's net pension liability and related ratios on pages MD&A 1-18 and 54-62 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Lake in the Hills, Illinois' basic financial statements. The accompanying combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical and compliance sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 29, 2024, on our consideration of the Village of Lake in the Hills, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village of Lake

in the Hills, Illinois' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Lake in the Hills, Illinois' internal control over financial reporting and compliance.

GW & Associates, P.C.

GW & Associates, P.C.

Hillside, Illinois

April 29, 2024

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

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

December 31, 2022

Management of the Village of Lake in the Hills, Illinois (the “Village”), presents the Village’s financial statements for the fiscal year ended December 31, 2022. Management’s Discussion and Analysis (MD&A) is designed to:

1. Assist the reader in focusing on significant financial issues.
2. Provide an overview of the Village’s financial activity.
3. Identify changes in the Village’s financial position and demonstrate its ability to address subsequent years’ challenges.
4. Identify any material deviations from the financial plan (the approved budget).
5. Identify individual fund issues or concerns.

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

Since the MD&A is designed to focus on the current year’s activities, resulting changes, and currently known facts, please read it in conjunction with the Letter of Transmittal (beginning on page iv) and the Village’s financial statements (beginning on page 5).

USING THE FINANCIAL SECTION OF THIS ANNUAL FINANCIAL REPORT

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

Government-Wide Financial Statements

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

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

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

(See independent auditor’s report)

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

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

The government-wide financial statements can be found on pages 5 and 6 of this report.

Fund Financial Statements

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

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

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Governmental funds are presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the Fund Financial Statements allow for the demonstration of sources and uses and/or budgeting compliance.

(See independent auditor's report)

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

The Village maintains eight individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for the General Fund and the Police Facility Fund which are considered to be major funds. Data for the other six governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 7 through 10 of this report.

Proprietary Funds

There are two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water system and the municipal airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses an internal service fund to account for its employee medical, dental, vision, and life insurance benefits, as well as its Employee Assistance Program and Flexible Spending Account Program.

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

While the Business-Type Activities columns on the Business-Type Fund Financial Statements are the same as the Business-Type columns on the Government-Wide Financial Statements, the Governmental Funds total column requires reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement. The flow of current financial resources will reflect bond proceeds, interfund transfers in, and the sale of capital assets as other financing sources, and will also reflect capital expenditures, bond principal payments, and interfund transfers out as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-Wide statements).

The basic proprietary fund financial statements can be found on pages 11 through 15 of this report.

Fiduciary Funds

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

The basic fiduciary fund financial statements can be found on pages 16 and 17 of this report.

Infrastructure Assets

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

Notes to the Financial Statements

The notes provide additional information essential in understanding the data provided in the Government-Wide and Fund Financial statements.

The notes to the financial statements can be found on pages 18 through 53 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning General Fund revenues, expenditures, and changes in fund balance, as well as the Village's progress in funding its obligation to provide benefits to its employees.

Required supplementary information can be found on pages 54 through 62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds is presented immediately following the required supplementary information.

Combining and individual fund financial statements and schedules can be found on pages 63 through 71 of this report.

Financial Analysis of the Village as a Whole

Beyond presenting current year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior year in Management's Discussion and Analysis. By doing so, the Village is providing the best means of analyzing its financial condition and position as of December 31, 2022.

(See independent auditor's report)

MD&A 4

GOVERNMENT-WIDE STATEMENTS

Net Position

The following table reflects the condensed Statement of Net Position.

Table 1
Statement of Net Position
As of December 31, 2022 and 2021
(in millions)

	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2022	2021	2022	2021	2022	2021
Current & Other Assets	41.0	34.9	12.5	10.4	53.5	45.3
Capital Assets	179.2	178.9	52.5	53.7	231.7	232.6
Total Assets	220.2	213.8	65.0	64.1	285.2	277.9
Deferred Outflows	6.4	1.5	0.8	0.9	7.2	2.4
Total Assets & Deferred Outflows	226.6	215.3	65.8	65.0	292.4	280.3
Long-Term Liabilities	6.7	2.3	2.3	2.5	9.0	4.8
Other Liabilities	2.2	3.4	0.7	0.7	2.9	4.1
Total Liabilities	8.9	5.7	3.0	3.2	11.9	8.9
Deferred Inflows	14.9	16.1	1.8	0.8	16.7	16.9
Total Liabilities & Deferred Inflows	23.8	21.8	4.8	4.0	28.6	25.8
Net Investment in Capital Assets	178.0	178.9	50.7	52.1	228.7	231.0
Restricted	5.9	4.9	0.7	0.2	6.6	5.1
Unrestricted	18.9	9.7	9.6	8.7	28.5	18.4
Total Net Position	202.8	193.5	61.0	61.0	263.8	254.5

For more detailed information, see the Statement of Net Position on page 5.

Normal Impacts

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

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

(See independent auditor's report)

5. **Principal Payment on Debt** – which will (a) reduce current assets and reduce long-term debt, and (b) reduce unrestricted net position and increase net investment in capital assets.
6. **Reduction of Capital Assets through Depreciation** – which will reduce capital assets and net investment in capital assets.

Current Year Impacts

The Village's combined net position (which is the Village's bottom line) increased by \$9.3 million for the fiscal year ended December 31, 2022. The net position for governmental activities accounted for the entire \$9.3 million increase, while the net position for business-type activities remained constant compared to the previous year.

The \$9.3 million increase in governmental activities net position is primarily comprised of four components. Most significant is the \$5.3 million increase in deferred outflows of resources related to the Police Pension Plan which increased from \$0.6 million last year to \$5.9 million this year in accordance with the most recent actuarial valuation as indicated on Page 46. Additionally, unearned revenue decreased by \$2.0 million as the advance of State and Local Fiscal Recovery Funds received under the American Rescue Plan Act in 2021 was reclassified and recognized as revenue in 2022 as the funds were utilized under the revenue replacement option. Due from Other Governments also increased by \$1.2 million due to a \$0.7 million increase in grants receivable at year-end as well as a \$0.5 million receivable from McHenry County for their portion of a streambank stabilization/compensatory stormwater storage project where the Village was the lead agency under the grant. Finally, cash and investments increased by \$0.8 million due primarily to strong operating results as post-pandemic revenues rebounded nicely.

The resulting \$9.3 million increase in total net position for governmental activities can be broken down into a \$0.9 million decrease in net investment in capital assets, which was more than offset by a \$1.0 million increase in restricted net position, plus an additional \$9.2 million increase in unrestricted net position.

Total assets & deferred outflows for business-type activities increased by \$0.8 million as did total liabilities and deferred inflows resulting in no change to net position. However, net investment in capital assets did decrease by \$1.4 million as depreciation expense outpaced the addition of new capital assets but this was offset by a combined \$0.5 million increase in restricted net position plus a \$0.9 million increase in unrestricted net position as funds are being accumulated for the eventual replacement of capital assets in future years.

Activities

The following table summarizes the revenues and expenses of the Village's activities.

Table 2
Changes in Net Position
For the Fiscal Years Ended December 31, 2022 and 2021
(In millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges For Services	2.2	2.4	4.9	5.2	7.1	7.6
Operating Grants & Contributions	5.6	1.4	0.5	0.1	6.1	1.5
Capital Grants & Contributions	1.2	0.7	-	0.2	1.2	0.9
General Revenues:						
Property Taxes	6.1	6.1	0.1	0.1	6.2	6.2
Other Taxes	11.2	9.9	-	-	11.2	9.9
Intergovernmental (Income Tax)	4.7	3.8	-	-	4.7	3.8
Other	0.5	0.3	-	-	0.5	0.3
Total Revenues	31.5	24.6	5.5	5.6	37.0	30.2
Expenses						
General Government	4.4	3.9	-	-	4.4	3.9
Public Safety	8.7	6.4	-	-	8.7	6.4
Public Works	8.3	6.0	-	-	8.3	6.0
Recreation	1.4	1.0	-	-	1.4	1.0
Water	-	-	3.6	4.1	3.6	4.1
Airport	-	-	1.2	1.2	1.2	1.2
Total Expenses	22.8	17.3	4.8	5.3	27.6	22.6
Transfers						
Transfers	0.6	-	(0.6)	-	-	-
Total Transfers	0.6	-	(0.6)	-	-	-
Change in Net Position	9.3	7.3	0.1	0.3	9.4	7.6
Net Position, January 1	193.5	186.0	61.0	60.7	254.5	246.7
Prior Period Adjustment	-	0.2	(0.1)	-	(0.1)	0.2
Net Position, December 31	202.8	193.5	61.0	61.0	263.8	254.5

For the year ended December 31, 2022, revenues for governmental activities increased by \$6.9 million due to a significant increase of \$4.7 million in grant revenue, plus a \$1.3 million increase in combined sales tax/home rule sales tax/other tax revenue, plus a \$0.9 million increase in income tax revenue.

(See independent auditor's report)

Governmental activities expenses for the year increased by \$5.5 million as Village operations returned to pre-pandemic levels plus the Village also contributed an additional \$4.6 million to the Police Pension Fund to significantly reduce the unfunded liability of the fund and thereby reduce future interest costs assessed on the unfunded liability.

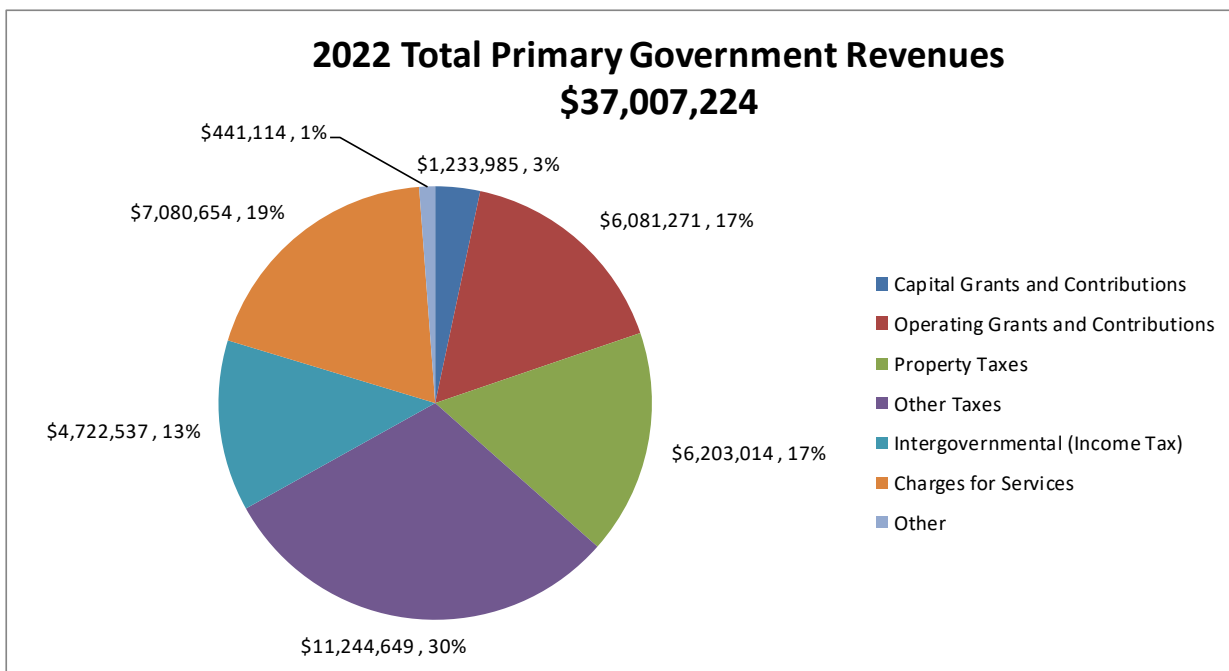
In Fiscal Year 2022, a change was made in regards to how support services provided by the General Fund are accounted for in the Enterprise Funds. In previous years, those costs were charged directly to the Enterprise Funds via estimated percentages. Beginning in 2022, those costs are now accounted for 100% in the General Fund and the Enterprise Funds cover those costs by making transfers to the General Fund. For 2022, those costs amounted to \$0.6 million and are reflected as an increase in the governmental activities net position with a corresponding decrease to the business-type activities net position.

Revenues and expenses for business-type activities were essentially the same as the prior year with the exception of the General Fund support services being accounted for as a transfer rather than a direct charge which resulted in expenses decreasing by \$0.5 million but transfers out increasing by \$0.6 million.

Combined, total Primary Government revenues increased by \$6.8 million for the year, total expenses increased by \$5.0 million, and total net position increased by \$9.3 million.

Detailed information on both revenues and expenses for 2022 follows in the next two sections.

Revenues



For the fiscal year ended December 31, 2022, revenues totaled \$37.0 million. The Village benefits from a highly diversified revenue base. Revenues from property taxes amounted to \$6.2 million or 17% of total revenues. Property taxes support governmental activities including the Village contribution to the Police Pension Fund.

Property tax revenues remained at the same level as last year as **the Village did not increase its total property tax levy for existing property owners for the 13th consecutive year** although it did capture growth from new construction in 2022 for the first time since 2009. Property tax revenues collected in 2022 were based on the 2021 Equalized Assessed Valuation (EAV) and property tax rate. The Village's 2021 EAV increased by 3.6% to \$789,341,144. The EAV approximates 33 1/3% of the total market value of real estate within the corporate limits of the Village. The property tax rate for 2021 was \$0.698675 per \$100 of EAV which was the Village's lowest property tax rate since 2009.

Operating grants and contributions increased by \$4.6 million in 2022 due primarily to the \$3.9 million in State and Local Fiscal Recovery Funds received under the American Rescue Plan Act plus the \$0.4 million increase in airport grants for engineering services regarding a future runway improvement project.

Capital grants and contributions increased by \$0.3 million due to the receipt of a streambank stabilization grant received for improvements to Woods Creek, the main tributary flowing into the Village's largest lake, Woods Creek Lake.

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, home rule sales taxes, cannabis home rule taxes, telecommunications taxes, use taxes, and utility taxes.

Sales taxes are collected by the State of Illinois and remitted back to the Village on a monthly basis. The general sales tax collected by the state for sales within the corporate boundaries of the Village is 7.0%. However, only 1% of that total is remitted back to the Village of Lake in the Hills. The remainder goes to the state (5%), McHenry County (.25%) and the Regional Transportation Authority (.75%). In addition, a home rule sales tax of 1.0% is also collected by the State of Illinois and remitted back to the Village on a monthly basis. The home rule sales tax is not applicable to food, drugs, or licensed vehicle purchases.

In 2022, general sales tax revenues totaled \$4.4 million compared to \$3.9 million for 2021, while home rule sales tax revenues were \$3.7 million compared to \$3.0 million for 2021. This represents a \$1.2 million or 17.1% increase in total sales tax revenue which can be attributed to three factors. First, as Village residents emerged from the pandemic with pent-up demand for non-essential goods and services, the Village benefited from those purchases that were deferred during the pandemic by collecting sales tax revenue on the higher sales tax volume. Second, in 2019, the State of Illinois passed the "Leveling the Playing Field for Illinois Retail Act" which, effective January 1, 2021, required online retailers who met certain criteria to collect state and local sales taxes on any purchase based on the delivery address or destination point rather than on the point of sale address. This legislation has greatly increased compliance regarding online sales tax collections and, as more and more sales shifted to online purchases, the Village continued to benefit from this shift in shopping patterns. Finally, with inflation being higher than target levels for all of 2022, that in turn produced higher prices which resulted in higher sales tax revenues.

The Village benefited from having the first and only cannabis dispensary in McHenry County since March 2021. Cannabis home rule taxes totaled \$0.6 million in 2022 which was a \$0.2 million or 60% increase from 2021. With additional cannabis dispensaries opening in neighboring communities beginning in 2023, this revenue source is expected to decline in future years until the adult use cannabis market stabilizes.

(See independent auditor's report)

Telecommunications taxes are collected by the state and remitted back to the Village on a monthly basis. The Village's telecommunications tax rate is 6%. A total of \$222,337 was collected in 2022 which represents a 5.9% decrease from the \$236,362 that was collected in 2021. This revenue source has been on a steady decline for many years and is expected to continue to decrease over the next several years as more residents convert to internet telephone service or cellular telephone service as their primary source of communication while eliminating landline service altogether.

Use tax is a tax imposed on the privilege of using, in the State of Illinois, any item of tangible personal property that is purchased anywhere at retail. This revenue source is collected by the State and forwarded to the Village on a per capita basis. For the 2022 fiscal year \$1.2 million was collected which represents a 5.1% increase from the \$1.1 million collected in 2021. While use tax had been a reliable source of growing tax revenue in recent years, the "Leveling the Playing Field for Illinois Retail Act" which became effective January 1, 2021, as mentioned in the sales tax paragraphs above, negatively impacted use tax revenues in the short term. However, the increase in sales tax and home rule sales tax revenue more than offset the reduction in use tax revenue and use tax revenues have now seemed to stabilize.

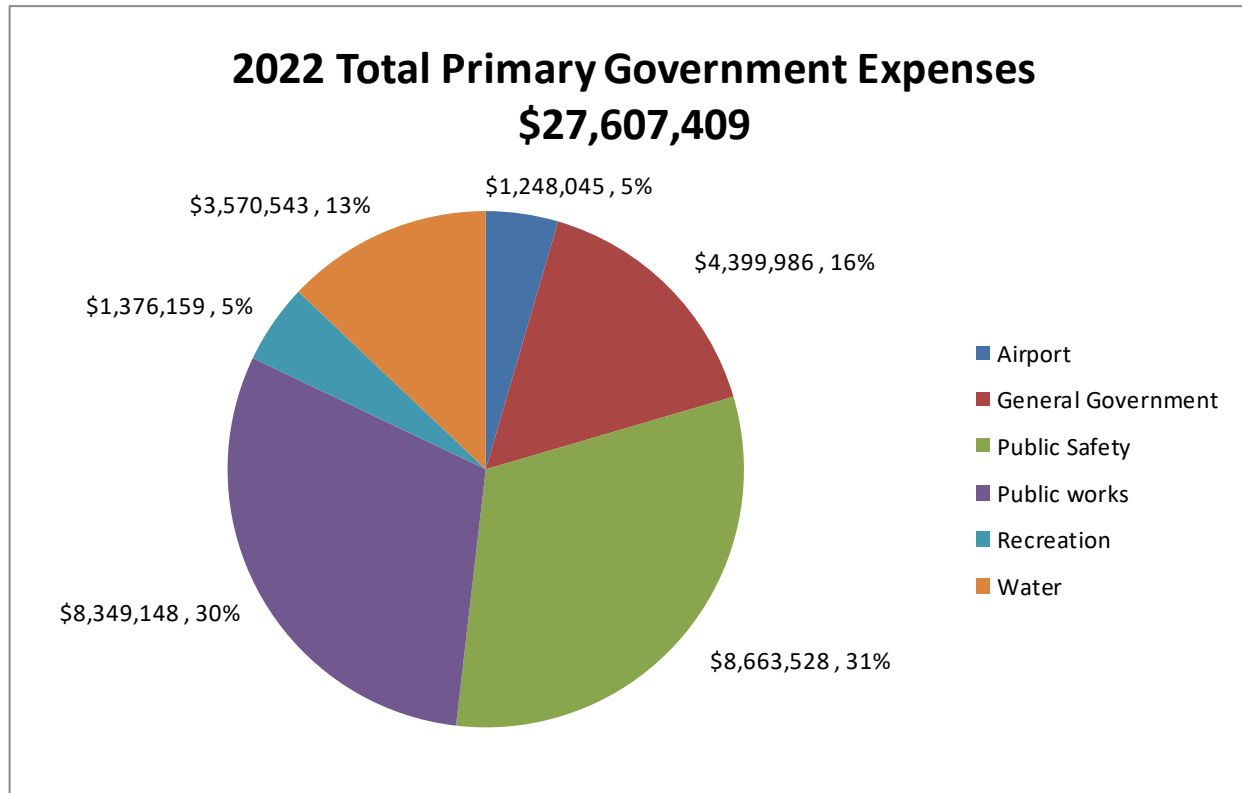
Utility tax revenue that funds the Capital Improvement Plan Fund was relatively flat from 2021 to 2022 generating \$1.3 million in each year. This weather dependent revenue source is derived from a 5% tax on natural gas services and a sliding scale on kilowatt usage for electricity and does not directly impact operating budgets.

Income taxes are shared with municipalities by the state on a per-capita basis. Income tax revenue for the Village increased by 22.4% from \$3.9 million in 2021 to \$4.7 million in 2022. Individual income tax receipts were stronger than estimated and increased for the fifth consecutive year. Income tax revenue is expected to level off beginning in 2023.

The major revenue component of the Charges for Services classification is fees from the Village water utility but airport rent and fuel sales, parks and recreation program fees, licenses and permits, and impact fees are also a portion of this revenue classification. For business-type activities, total Water Fund charges for services revenue decreased by \$222,259 from 2021 to 2022. This is almost entirely due to the \$195,183 decrease in water sales revenue as the Village produced and sold less water in 2022. Additionally, Airport Fund charges for services revenue decreased by \$114,469 as a result of shutting the airport down for two full months in 2022 for runway improvements. Charges for services for governmental activities were impacted by lower development revenues especially road impact fees which decreased by \$236,616 from 2021 to 2022.

Other revenue increased by \$0.2 million primarily due to a \$156,358 increase in governmental activities investment income.

Expenses



The Village's expenses totaled \$27.6 million in 2022 compared to \$22.6 million in 2021 which is a \$5.0 million or 22.1% increase.

- General Government expenses were 16% of the total or \$4.4 million. This represents a \$0.5 million or 12% increase from the 2021 total of \$3.9 million. In general, this is the result of returning to full staffing levels post-pandemic as several vacancies were created and not immediately filled during the pandemic. Specifically, this affected the Finance Department which saw a \$286,203 increase in expenses and Management Information Systems which saw a \$184,821 increase in expenses. In addition to those increases in personal services costs, the Insurance and Tort Division experienced a \$71,146 increase in expenses as the Village's workers compensation and general liability insurance premiums increased from 2021 to 2022.
- Public Safety expenses related to the operations of the Police Department accounted for the largest share of expenses at \$8.6 million or 31% of the total. This represents a \$2.3 million or 36% increase from the 2021 total of \$6.4 million. The most significant factor in this increase is the \$2.0 million increase in police pension expense from 2021 when there was a negative expense (i.e. income) of \$996,479 to 2022 where there is now a \$971,935 expense being recognized due to the poor performance of the markets in 2022 that negatively impacted investment returns. The remaining \$0.3 million is the expected inflationary increase in costs from year to year due to cost increases for labor, goods, and services.

(See independent auditor's report)

- Public Works related expenses were \$8.3 million or 30% of the total. This represents a \$2.3 million or 38% increase from the 2021 total of \$6.0 million. \$0.7 million of this increase is the result of increased depreciation expense from 2021 to 2022. The remaining \$1.6 million is comprised of the capital outlay expenditures for street resurfacing and other projects that were not capitalized totaling \$1.1 million plus the expected inflationary increase in costs from year to year due to cost increases for labor, goods, and services which amounted to \$0.5 million and which were exacerbated by supply chain issues throughout all of 2022.
- Recreation related expenses accounted for 5% of the total or \$1.4 million. This represents a \$0.4 million or 44% increase from the 2021 total of \$1.0 million. \$0.1 million of this increase is the result of increased depreciation expense from 2021 to 2022. The remaining \$0.3 million is comprised of the expected inflationary increase in costs from year to year due to cost increases for labor, goods, and services, as well as the additional costs incurred as recreation program participation levels are increasing and slowly returning to pre-pandemic levels.
- Water Operating and Maintenance expenses were \$3.6 million or 13% of the total. This represents a 14% decrease from the 2021 total of \$4.1 million. This decrease can be attributed to a \$0.5 million decrease in expenses resulting from the change in methods to account for General Fund support services that are now being accounted for as a transfer out. Adding the \$0.5 million transfer out to the \$3.6 million total expenses yields the same \$4.1 million level of costs incurred in 2021.
- The Municipal Airport Fund accounted for \$1.2 million or 5% of total expenses. However, similar to the Water Fund, adding the transfers out to the total operating expenses to account for the change in support service costs from 2021 to 2022, results in an increase of \$117,478 in total costs which is basically entirely attributable to the \$114,138 increase in depreciation expense due to the capitalization of runway improvements.

FINANCIAL ANALYSIS OF VILLAGE FUNDS

At December 31, 2022, the governmental funds had a combined fund balance of \$27.4 million which reflects an increase of \$3.0 million or 12% from the prior fiscal year.

Total fund balance in the General Fund of \$12.5 million decreased by \$6.6 million from the prior fiscal year, however, that was after transferring \$10.3 million to the Police Facility Fund and \$0.4 million to the Capital Improvement Fund. Adjusting for the remaining fund balance in the Police Facility Fund of \$10.2 million as of the end of the fiscal year, the remaining fund balance for both funds combined was \$22.7 million which reflects a \$3.5 million increase in fund balance. This increase is essentially due to the \$3.9 million in State and Local Fiscal Recovery Funds received under the American Rescue Plan Act. The Village chose to utilize these funds as revenue replacement which resulted in an increase to fund balance for the General Fund.

The Police Facility Fund is a newly created fund for 2022 that is being used to accumulate prior years' reserve funds to reduce the reliance on debt to fund the new facility. The total cost is estimated to be approximately \$27 million with about 50% being funded with reserves and the remaining 50% to be funded through a bond issue once reserve funds are exhausted. As of December 31, 2022, the fund balance in the Police Facility Fund is \$10.2 million following expenses of \$250,602 incurred in 2022 for initial design services.

(See independent auditor's report)

The Village maintains twelve separate Special Service Areas (SSAs). In total for all twelve SSAs, the combined fund balance was essentially flat increasing by \$22,654. These specific SSA Funds provide for the replacement of playgrounds, skate parks, and other equipment needs in defined areas throughout the Village. Also, annual expenses in these funds include detention basin maintenance, tree trimming, grass mowing, and several other general maintenance activities. Capital outlay expenditures for SSAs vary from year to year but are planned for as part of the annual budget process so year-to-year fluctuations in fund balance are expected. In 2022, the property taxes levied covered operating costs and capital outlays resulting in only a minor change to the fund balance.

The fund balance in the Motor Fuel Tax Fund decreased by \$0.3 million or 12%. Motor Fuel Tax Fund revenues are almost exclusively devoted to capital outlay expenditures and, therefore, the fund balance accumulates over time until sufficient funds are available to complete a project. In 2022, the Industrial Drive reconstruction project was substantially completed at a cost of \$1.2 million in addition to the annual \$1.0 million or so in street resurfacing projects. An additional fund balance drawdown is expected in fiscal year 2023 as the Pingree Road project is scheduled for completion in addition to the annual street resurfacing projects.

The Police Seizure Fund was established to account for federal and state monies received as part of asset seizures in drug related cases. A negligible \$1,024 decrease to the fund balance was experienced in 2022 as expenditures incurred of \$25,928 for the female locker room expansion project and crash investigation software and equipment exceeded new seizure revenue and investment income. Expenditures in this fund are only authorized if existing fund balance is sufficient to cover the cost.

The Veterans Memorial Fund was established to account for donations and contributions received to fund the Village's Veterans Memorial located on the Village Hall grounds. A small increase in fund balance of \$801 was realized in 2022 as the net proceeds of all memorial brick sales plus all donations received exceeded the cost of purchasing and installing the memorial bricks.

The Capital Improvement Plan Fund experienced a \$0.5 million increase to its fund balance in 2022. This fund is restricted for capital projects and the purchase of capital assets for a direct reinvestment back into the Village and is funded by a utility tax on natural gas and electricity that was reinstated in 2018 after being repealed in 2006. The expenditures in this fund will vary from year to year as specific projects and purchases are approved so fluctuations in the fund balance are expected and planned for as part of the annual budget process. In 2022, a \$0.4 million transfer was received from the General Fund to fund a portion of the \$1 million HVAC replacement and ballasted roof project for Village Hall that was eventually deferred to 2023. This was the primary factor for the \$0.5 million increase in fund balance in 2022.

The Lakes Projects Fund drew down fund balance by \$0.7 million in 2022 in order to continue a much-needed streambank stabilization project along Woods Creek. This is a multi-year project with the first phase being substantially completed in 2019 and subsequent phases continuing into 2023. The various phases are funded by a 60% federal Nonpoint Source Implementation Grant with a 40% local match requirement that allows the Village to leverage its local dollars. As of December 31, 2022, there was actually a deficit fund balance of (\$231,120) due to delayed grant reimbursements of \$425,560 that have been recorded as deferred inflows of resources rather than grant revenue since the reimbursements were received well beyond the Village's 60-day time period to recognize payments received after the end of the fiscal year as revenue for the prior year.

(See independent auditor's report)

The Water Fund experienced a minor increase of \$129,846 in net position which amounts to 4% of annual operating expenses. Even with a modest 1% water rate increase, water sales revenue still decreased by \$195,183 due mainly to a wetter than average summer resulting in lower water sales. Expenses decreased as well by \$62,039 even though prices for goods and services increased beyond the rate of inflation due to supply chain issues. Water Fund revenues and expenses are aligning nicely and rates are reviewed every year to ensure that annual operating expenses can be covered by operating revenues. Cash and cash equivalents increased by \$0.7 million even after accounting for \$0.8 million in purchases of capital assets and related financing activities.

The Municipal Airport Fund experienced a \$69,548 decrease in net position as depreciation expense increased by \$114,138 due to the capitalization of runway improvement projects. Importantly, operating revenues covered operating expenses less depreciation expense. Cash flow was negative, however, as cash and cash equivalents decreased by \$41,112. The negative cash flow is expected to be eliminated in fiscal year 2023 as the final debt service payment of \$71,400 was made in 2022 on the 2012 General Obligation Refunding Bonds. Capital needs of this fund are typically funded by federal and state aviation grant programs that at times require only a 5% match of local funds from the Village which once again allows the Village to leverage its local dollars.

The Health Insurance Fund saw a minor decrease of \$15,906 to its net position as charges to operating departments for funding the Village's partially self-funded medical and dental claims fell slightly short of actual claims experience. In 2022, the Village converted the Health Insurance Fund from only accounting for the partially self-funded portions of its plans to accounting for the entire medical, dental, vision, and life insurance costs for its employees including the fully-insured portions of those plans. The charges to operating departments are reviewed and adjusted each year during the July 1st renewal to ensure that sufficient funding is provided to cover all projected claims and premiums for the subsequent plan year.

General Fund Budget

Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2022

	Original Budget	Final Budget	Actual
Revenues and Transfers In:			
Taxes	12,783,810	13,034,505	15,644,626
Licenses and Permits	320,280	320,280	322,337
Intergovernmental	3,806,080	7,702,720	8,689,513
Charges For Services	1,530,240	1,562,640	1,640,253
Fines, Fees, and Forfeits	193,200	193,200	193,441
Investment Income	150,000	153,320	(20,814)
Miscellaneous	35,000	35,000	242,251
Transfers In	570,580	570,580	562,041
Total Revenues and Transfers In	19,389,190	23,572,245	27,273,648
Expenditures and Transfers Out:			
General Government	(4,255,774)	(4,258,269)	(3,828,269)
Public Safety	(9,032,544)	(13,832,011)	(13,622,465)
Public Works	(4,870,157)	(4,925,886)	(4,709,501)
Recreation	(916,955)	(1,074,399)	(1,059,610)
Transfers Out	(313,760)	(10,675,857)	(10,675,857)
Total Expenditures and Transfers Out	(19,389,190)	(34,766,422)	(33,895,702)
Change in Fund Balance	-	(11,194,177)	(6,622,054)

It should be noted that during 2022, the General Fund did not have any departments that exceeded their legal level of authority to spend. The Village had originally budgeted for a balanced General Fund budget with the expectation that operating results would yield positive budget variances due to a conservative budgeting process of scaling back revenue projections to some degree and rounding up expenditure budgets to provide a buffer in the event of unanticipated cost increases. However, in 2022, two major decisions by the Village Board resulted in a large \$11.2 million budgeted drawdown in the fund balance of the General Fund. Both decisions were related to the funding plan for the new Police Facility. First, General Fund reserve transfers totaling \$10.3 million would be made into the newly established Police Facility Fund. This would provide the initial funding source for the estimated \$27.0 million cost of the new facility. The balance of the costs would be funded by a bond issue. In order to free up funds to pay for the debt service payments on the bond issue over the next twenty years without impacting the General Fund budget, a supplemental payment of \$4.6 million to the Police Pension Fund was approved that would fully pay off the unfunded liability of the fund and free up the almost \$1 million annual amortization payment that was being made towards the unfunded liability. Therefore, the majority of the significant budget amendments of \$4.8 million for Public Safety and \$10.4 million for Transfers Out in the chart above reflect the outcome of those two funding decisions.

(See independent auditor's report)

The Village also conducts periodic budget reviews throughout the year to identify expenditure line items that require amendments. Besides the \$15.2 million in budget amendments identified for the Police Facility project, another \$0.2 million in operating budget amendments was approved for other General Fund expenditures. Additionally, the Village also approved a \$4.2 million increase in budgeted General Fund revenues due mainly to the \$3.9 million in State and Local Fiscal Recovery Funds received under the American Rescue Plan Act. The net result of all General Fund budget amendments for 2022 was an \$11.2 million budgeted drawdown of fund balance.

Actual General Fund revenues exceeded the final amended budget by \$3.7 million and actual General Fund expenditures ended the fiscal year at \$0.9 million under the final amended budget. The details of the positive revenue and expenditure variances were discussed previously in the Revenues section beginning on Page MD&A 8 and the Expenses section beginning on Page MD&A 11. Combined, the General Fund revenue overage, expenditure curtailment, and Police Facility funding decisions resulted in a decrease in the fund balance of the General Fund of only \$6.6 million as of the end of 2022 compared to a decrease of \$11.2 million per the amended budget.

Capital Assets

The following schedule reflects the Village's capital asset balances as of December 31, 2022.

Table 4
Capital Assets
As of December 31, 2022

	Governmental Activities	Business-Type Activities	Total
Land & Right of Way	148,157,654	13,578,019	161,735,673
Construction in Progress	2,930,837	768,807	3,699,644
Buildings & Land Improvements	20,745,298	10,547,796	31,293,094
Machinery, Equipment, & Furniture	3,004,628	1,298,333	4,302,961
Vehicles	3,889,813	546,393	4,436,206
Roadways	34,199,986	-	34,199,986
Storm Sewers	8,399,605	-	8,399,605
Computer Software	728,503	156,560	885,063
Wells, Water Towers, Distribution System	-	57,430,419	57,430,419
Less:			
Accumulated Depreciation	(42,879,040)	(31,823,964)	(74,703,004)
Total	179,177,284	52,502,363	231,679,647

At year-end, the Village's investment in capital assets for both its governmental and business-type activities was \$231.7 million (net of accumulated depreciation). This represents a decrease of \$0.9 million from the December 31, 2021 total. Governmental activities capital assets increased by \$0.3 million while business-type activities capital assets decreased by \$1.2 million. These numbers indicate that the Village is capitalizing new capital assets at a slower rate than the rate at which it is disposing of and depreciating existing capital assets. Depreciation expense was a combined \$5.7 million in 2022.

See Note 5 to the financial statements on pages 31 and 32 of this report for further information on capital assets.

Long-Term Debt

As of December 31, 2022, the Village had a total of \$9.0 million in long-term debt outstanding. The table below summarizes the Village's bonded and similar indebtedness.

Table 5
Bonded and Similar Indebtedness
As of December 31, 2022

	Governmental Activities	Business-Type Activities	Total
General Obligation Bonds	-	1,330,000	1,330,000
Premium on Bonds	-	117,871	117,871
Compensated Absences	1,305,277	111,155	1,416,432
Net Pension Liability	4,819,257	-	4,819,257
Total OPEB Liability	616,592	70,978	687,570
Asset Retirement Obligation	-	645,000	645,000
Total	6,741,126	2,275,004	9,016,130

In regards to governmental activities, total bonded and similar indebtedness increased by \$4.5 million from the prior fiscal year end. Compensated Absences payable showed a minor decrease of \$25,508 and Total Other Post-Employment Benefits (OPEB) Liability experienced a decrease of \$0.3 million. However, Net Pension Liability increased by \$4.8 million as it converted from a Net Pension Asset at the beginning of the year to a \$4.8 million Net Pension Liability by the end of the year due to the negative rate of return experienced in the equity markets in 2022.

Business-type activity debt no longer includes any outstanding debt from the 2012 General Obligation Refunding Bonds issued to advance refund the 2003 General Obligation Debt Certificates which were issued to finance safety improvements at the airport and to partially advance refund the 2006 General Obligation Bonds issued to finance the water main replacement program. The final payment on that debt issue was made in 2022. However, \$1,330,000 is outstanding from the 2019 General Obligation Bonds issued to finance infrastructure and water distribution system improvements in an unincorporated area created as Special Service Area #51. The Water Fund is responsible for the repayment of those bonds.

Other components of outstanding business-type activities debt include \$117,871 in Bond Premiums incurred in connection with the issuance of the outstanding 2019 debt issue, \$111,155 in Compensated Absences payable, \$70,978 in Total OPEB Liability, and \$645,000 in Asset Retirement Obligations to account for the eventual abandonment of the Village's existing wells. Business-type activities total bonded and similar indebtedness decreased by \$0.2 million due to the elimination of the 2012 General Obligation Debt Certificates and minor decreases in Bond Premiums, Compensated Absences payable, and Total OPEB Liability.

In connection with the issuance of the 2019 General Obligation Bonds, the Village was assigned a credit rating of Aa2 by Moody's Investors Service.

See Note 6 & Note 7 to the financial statements on pages 33 through 46 for further information on long-term debt.

(See independent auditor's report)

Economic Factors

The Village's property tax base is predominantly residential, although the commercial and industrial tax base continues to be an important component for diversification purposes. In 2022, the equalized assessed valuation (EAV) for residential properties was \$756,477,070 or 89.6% of total EAV. Farm, commercial, industrial, and mineral EAV totaled \$87,796,867 or 10.4% of total EAV. EAV approximates 33 1/3% of the market value of real property within the Village's corporate limits. Property taxes imposed on property within the Village provide a stable revenue source as 99.8% of the 2021 tax levy was collected in Fiscal Year 2022. Because the Village is a home rule municipality, it is not subject to the Property Tax Extension Limitation Law.

The Village's unemployment rate ticked up slightly from 3.2% at the end of 2021 to 3.5% at the end of 2022 which is the same as the national United States rate but better than both McHenry County's rate (3.8%) and the State of Illinois' rate (4.0%). Over the past year, the Village's labor force increased by 0.5% and its employed workers increased by 0.2%. These statistics are signs of an improving and healthy local economy.

The 2020 census found that the Village's population was 28,982 which is a very minor increase of 17 over the 2000 census population of 28,965 but a decrease of 246 from the peak population of 29,228 from the special census conducted in 2016. The relatively stable population figures over the years should allow the Village to maintain its per capita revenue sources received from the State of Illinois for income taxes, motor fuel taxes, and use taxes at or close to current levels. The census also indicated that the Village's housing unit vacancy rate of 2.7% is lower than McHenry County's rate of 4.5% and the State of Illinois' rate of 3.3%.

While the Village receives revenue from a variety of sources, it closely monitors its major revenues such as property tax, sales tax, home-rule sales tax, income tax, use tax, utility tax, and development and construction related revenue such as building permits, water connection fees, and impact fees. In 2022 total General Fund revenues were \$26,711,607 which was an increase of \$5,975,311 from 2021. In addition to the previously mentioned \$3.9 million grant receipt in 2022, significant increases in revenue sources were seen in sales tax (+\$479,299) and home rule sales tax (+\$695,148) as the "Leveling the Playing Field for Illinois Retail Act" which requires online retailers to charge sales tax based on the delivery address or destination point continues to benefit the Village. Additionally, the first marijuana dispensary in McHenry County opened in the Village in 2021 and, in 2022, generated \$621,578 in Cannabis Home Rule Tax in its first full year of operations. While competition will eventually cut into the Village's monopoly on this revenue source, it will continue to enhance and diversify our revenues. Another significant revenue increase was experienced in income tax revenue (+\$863,682) in 2022.

Through sound financial planning and by taking proactive measures when necessary, the Village remains in a strong financial position with ample reserves and will continue to analyze and monitor revenue sources and expenditures and adjust its capital and operating budgets as needed.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Peter J. Stefan, Finance Director/Treasurer, Village of Lake in the Hills, 600 Harvest Gate, Lake in the Hills, Illinois 60156-4803.

(See independent auditor's report)

BASIC FINANCIAL STATEMENTS

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
ASSETS			
Cash and Investments	\$ 24,738,162	\$ 9,571,454	\$ 34,309,616
Due from Other Governments	3,660,740	402,282	4,063,022
Accounts Receivable	582,367	890,142	1,472,509
Property Taxes Receivable	6,146,213	104,188	6,250,401
Accrued Interest Receivable	50,943	39,967	90,910
Leases Receivable	2,544,200	698,068	3,242,268
Inventory	93,321	38,148	131,469
Prepaid Expenses	1,033,335	42,572	1,075,907
Net Pension Asset - IMRF	2,173,784	666,042	2,839,826
Capital Assets not Being Depreciated	151,088,491	14,346,826	165,435,317
Capital Assets (Net of Accumulated Depreciation)	28,088,793	38,155,537	66,244,330
Total Assets	220,200,349	64,955,226	285,155,575
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - Police Pension	5,856,072	-	5,856,072
Pension Items - IMRF	467,262	143,168	610,430
OPEB Items	135,157	15,558	150,715
Asset Retirement Obligation Items	-	612,999	612,999
Total Deferred Outflows of Resources	6,458,491	771,725	7,230,216
Total Assets and Deferred Outflows of Resources	226,658,840	65,726,951	292,385,791
LIABILITIES			
Accounts Payable	1,474,961	585,902	2,060,863
Accrued Interest Payable	-	1,938	1,938
Accrued Payroll	243,693	18,080	261,773
Retainage Payable	288,960	-	288,960
Unearned Revenue	11,918	1,972	13,890
Deposits Payable	130,224	140,665	270,889
Noncurrent Liabilities			
Due Within One Year	261,055	82,231	343,286
Due in More Than One Year	6,480,071	2,192,773	8,672,844
Total Liabilities	8,890,882	3,023,561	11,914,443
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	2,844,392	871,515	3,715,907
OPEB Items	493,217	56,776	549,993
Pension Items - Police Pension	2,978,309	-	2,978,309
Leases	2,466,444	689,522	3,155,966
Deferred Property Taxes	6,146,213	104,188	6,250,401
Total Deferred Inflows of Resources	14,928,575	1,722,001	16,650,576
Total Liabilities And Deferred Inflows of Resources	23,819,457	4,745,562	28,565,019
NET POSITION			
Net Investment In Capital Assets	177,967,200	50,658,325	228,625,525
Restricted for			
Public Safety	328,950	-	328,950
Veterans Memorial	9,248	-	9,248
Maintenance of Roadways	2,239,783	-	2,239,783
Special Service Areas	1,234,722	-	1,234,722
Pensions	2,173,784	666,042	2,839,826
Unrestricted	18,885,696	9,657,022	28,542,718
Total Net Position	\$ 202,839,383	\$ 60,981,389	\$ 263,820,772

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Functions/Programs	Expenses	Program Revenues			Primary Government Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental Activities							
General Government	\$ 4,399,986	\$ 1,059,966	\$ -	\$ 117,123	\$ (3,222,897)	\$ -	\$ (3,222,897)
Public Safety	8,663,528	309,730	3,942,992	-	(4,410,806)	-	(4,410,806)
Public Works	8,349,148	58,503	1,703,641	642,080	(5,944,924)	-	(5,944,924)
Recreation	1,376,159	751,875	-	474,522	(149,762)	-	(149,762)
Total Governmental Activities	<u>22,788,821</u>	<u>2,180,074</u>	<u>5,646,633</u>	<u>1,233,725</u>	<u>(13,728,389)</u>	<u>-</u>	<u>(13,728,389)</u>
Business-Type Activities							
Water	3,570,543	4,132,400	242	-	-	562,099	562,099
Municipal Airport	1,248,045	768,180	434,396	260	-	(45,209)	(45,209)
Total Business-type Activities	<u>4,818,588</u>	<u>4,900,580</u>	<u>434,638</u>	<u>260</u>	<u>-</u>	<u>516,890</u>	<u>516,890</u>
Total Primary Government	<u>\$ 27,607,409</u>	<u>\$ 7,080,654</u>	<u>\$ 6,081,271</u>	<u>\$ 1,233,985</u>	<u>(13,728,389)</u>	<u>516,890</u>	<u>(13,211,499)</u>
General revenues							
Taxes							
Property							
					6,098,894	104,120	6,203,014
Sales							
					4,355,439	-	4,355,439
Home Rule							
					3,695,400	4,317	3,699,717
Use							
					1,174,587	-	1,174,587
Simplified Telecommunications							
					222,337	-	222,337
Utility							
					1,284,023	-	1,284,023
Other							
					508,546	-	508,546
Intergovernmental - Unrestricted							
Income Tax							
					4,722,537	-	4,722,537
Investment Income							
					155,206	(16,527)	138,679
Miscellaneous							
					242,251	11,114	253,365
Gain on Disposal of Capital Asset							
					46,645	2,425	49,070
Transfer							
					562,041	(562,041)	-
Total General Revenues and Transfers							
					23,067,906	(456,592)	22,611,314
Change in Net Position							
					9,339,517	60,298	9,399,815
Net Position - Beginning (Restated)							
					193,499,866	60,921,091	254,420,957
Net Position - Ending							
					<u>\$ 202,839,383</u>	<u>\$ 60,981,389</u>	<u>\$ 263,820,772</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
BALANCE SHEET - GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General Fund	Police Facility Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	\$ 8,653,293	\$ 10,327,374	\$ 5,581,322	\$ 24,561,989
Due from Other Governments	2,444,741	-	1,215,999	3,660,740
Accounts Receivable	430,412	-	148,131	578,543
Property Taxes Receivable	5,750,303	-	395,910	6,146,213
Leases Receivable	2,544,200	-	-	2,544,200
Accrued Interest Receivable	25,880	-	25,063	50,943
Due From Other Funds	595,138	-	-	595,138
Inventory	93,321	-	-	93,321
Prepaid Items	1,033,335	-	-	1,033,335
Total Assets	<u>21,570,623</u>	<u>10,327,374</u>	<u>7,366,425</u>	<u>39,264,422</u>
LIABILITIES				
Accounts Payable	358,985	173,870	910,875	1,443,730
Accrued Payroll	243,693	-	-	243,693
Due to Other Funds	-	-	595,138	595,138
Unearned Revenues	11,667	-	-	11,667
Retainage Payable	-	-	288,960	288,960
Deposits Payable	130,224	-	-	130,224
Total Liabilities	<u>744,569</u>	<u>173,870</u>	<u>1,794,973</u>	<u>2,713,412</u>
DEFERRED INFLOWS OF RESOURCES				
Leases	2,466,444	-	-	2,466,444
Unavailable Grant Revenues	59,997	-	470,515	530,512
Unavailable Property Taxes	5,750,303	-	395,910	6,146,213
Total Deferred Inflows of Resources	<u>8,276,744</u>	<u>-</u>	<u>866,425</u>	<u>9,143,169</u>
Total Liabilities and Deferred Inflows of Resources	<u>9,021,313</u>	<u>173,870</u>	<u>2,661,398</u>	<u>11,856,581</u>
FUND BALANCES				
Nonspendable				
Inventory	93,321	-	-	93,321
Prepaid Items	1,033,335	-	-	1,033,335
Committed				
Maintenance of Roadways	1,500,000	-	-	1,500,000
Restricted				
Public Safety	-	-	328,950	328,950
Veterans Memorial	-	-	9,248	9,248
Public Works	-	-	2,239,783	2,239,783
Special Service Areas	-	-	1,234,722	1,234,722
Assigned				
Capital Projects	-	10,153,504	1,123,444	11,276,948
Unassigned	9,922,654	-	(231,120)	9,691,534
Total Fund Balances	<u>12,549,310</u>	<u>10,153,504</u>	<u>4,705,027</u>	<u>27,407,841</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
	<u>\$ 21,570,623</u>	<u>\$ 10,327,374</u>	<u>\$ 7,366,425</u>	<u>\$ 39,264,422</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
RECONCILIATION OF BALANCE SHEET - GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total fund balances - governmental funds	\$	27,407,841
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds		179,177,284
Net pension assets are not financial resources and are not reported in governmental funds:		
IMRF		2,173,784
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds		(1,305,277)
Total OPEB Liability and net pension liability are not due and payable in the current period and, therefore, are not reported in governmental funds		
OPEB		(616,592)
Police Pension		(4,819,257)
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the total OPEB liability are recognized as deferred outflows and inflows of resources on the statement of net position		(358,060)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for IMRF are recognized as deferred outflows and inflows of resources on the statement of net position		(2,377,130)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings and contributions subsequent to the measurement date for the Police Pension Plan are recognized as deferred outflows and inflows of resources on the statement of net position		2,877,763
Some revenues recorded in the government wide statements are unavailable to pay current liabilities and are therefore deferred inflow in the funds		530,512
The net position of the internal service fund is included in the governmental activities in the statement of net position		148,515
Net position of governmental activities	\$	202,839,383

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Police Facility Capital Project Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 15,644,626	\$ -	\$ 1,670,616	\$ 17,315,242
Licenses and Permits	322,337	-	-	322,337
Intergovernmental	8,689,513	-	2,350,275	11,039,788
Charges for Services	1,640,253	-	461	1,640,714
Fines, Fees and Forfeits	193,441	-	-	193,441
Contributions	-	-	80,161	80,161
Investment Income	(20,814)	105,749	70,271	155,206
Miscellaneous	242,251	-	-	242,251
Total Revenues	<u>26,711,607</u>	<u>105,749</u>	<u>4,171,784</u>	<u>30,989,140</u>
Expenditures				
Current				
General Government	3,828,269	-	317,228	4,145,497
Public Safety	13,622,465	-	25,928	13,648,393
Public Works	4,709,501	-	-	4,709,501
Recreation	1,059,610	-	-	1,059,610
Capital Outlay	-	250,602	4,779,894	5,030,496
Total Expenditures	<u>23,219,845</u>	<u>250,602</u>	<u>5,123,050</u>	<u>28,593,497</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,491,762</u>	<u>(144,853)</u>	<u>(951,266)</u>	<u>2,395,643</u>
Other Financing Sources (Uses)				
Transfers Out	(10,675,857)	-	-	(10,675,857)
Transfers In	562,041	10,298,357	377,500	11,237,898
Sale of Capital Assets	-	-	46,645	46,645
Total Other Financing Sources (Uses)	<u>(10,113,816)</u>	<u>10,298,357</u>	<u>424,145</u>	<u>608,686</u>
Net Change in Fund Balances	<u>(6,622,054)</u>	<u>10,153,504</u>	<u>(527,121)</u>	<u>3,004,329</u>
Fund Balances - Beginning of Year	<u>19,171,364</u>	<u>-</u>	<u>5,232,148</u>	<u>24,403,512</u>
Fund Balances - End of Year	<u>\$ 12,549,310</u>	<u>\$ 10,153,504</u>	<u>\$ 4,705,027</u>	<u>\$ 27,407,841</u>

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022**

Net change in fund balances - total governmental funds	\$ 3,004,329
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	3,962,212
Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	(3,698,890)
Some revenues recognized under full accrual are not available to pay current liabilities and are therefore reported as deferred inflow in governmental funds	530,512
The change in compensated absences payable is shown as an expense on the statement of activities	25,509
The change in the total OPEB liability is not a current financial resource and, therefore, is not reported in the governmental funds	340,300
The change in the net pension asset/liability for the IMRF Fund is reported only in the statement of activities	1,615,803
The change in deferred inflows and outflows of resources for the IMRF Fund is reported only in the statement of activities	(1,083,905)
The change in deferred inflows and outflows of resources for the total OPEB liability is reported only in the statement of activities	(416,914)
The change in the net pension asset/liability for the Police Pension Plan is reported only in the statement of activities	(5,088,859)
The change in deferred inflows and outflows for the Police Pension Plan is reported only in the statement of activities	10,165,326
The change in net position of internal service funds is reported with governmental activities	<u>(15,906)</u>
Change in net position of governmental activities	<u>\$ 9,339,517</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Water	Municipal Airport	Totals	Internal Service Fund
Assets				
Current assets				
Cash and Investments	\$ 9,168,806	\$ 402,648	\$ 9,571,454	\$ 176,173
Due from Other Governments	-	402,282	402,282	-
Accounts Receivable	849,559	40,583	890,142	3,824
Property Taxes Receivable	104,188	-	104,188	-
Accrued Interest Receivable	39,967	-	39,967	-
Leases Receivable	-	698,068	698,068	-
Inventory	-	38,148	38,148	-
Prepaid Expense	36,292	6,280	42,572	-
Total Current Assets	<u>10,198,812</u>	<u>1,588,009</u>	<u>11,786,821</u>	<u>179,997</u>
Noncurrent Assets				
Net Pension Asset - IMRF	586,551	79,491	666,042	-
Capital Assets				
Capital Assets Not Being Depreciated	871,727	13,475,099	14,346,826	-
Capital Assets Being Depreciated	59,374,191	10,605,310	69,979,501	-
Accumulated Depreciation	<u>(26,848,063)</u>	<u>(4,975,901)</u>	<u>(31,823,964)</u>	<u>-</u>
Net Capital Assets	<u>33,397,855</u>	<u>19,104,508</u>	<u>52,502,363</u>	<u>-</u>
Total Noncurrent Assets	<u>33,984,406</u>	<u>19,183,999</u>	<u>53,168,405</u>	<u>-</u>
Total Assets	<u>44,183,218</u>	<u>20,772,008</u>	<u>64,955,226</u>	<u>179,997</u>
Deferred Outflows of Resources				
Pension Items - IMRF	126,081	17,087	143,168	-
OPEB Items	14,333	1,225	15,558	-
Asset Retirement Obligation	<u>612,999</u>	<u>-</u>	<u>612,999</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>753,413</u>	<u>18,312</u>	<u>771,725</u>	<u>-</u>
Total Assets and Deferred Outflows of Resources	<u>44,936,631</u>	<u>20,790,320</u>	<u>65,726,951</u>	<u>179,997</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Water	Municipal Airport	Totals	Internal Service Fund
Liabilities				
Current Liabilities				
Accounts Payable	\$ 214,397	\$ 371,505	\$ 585,902	\$ 31,231
Accrued Interest Payable	1,938	-	1,938	-
Accrued Payroll	15,878	2,202	18,080	-
Accrued Compensated Absences Payable	20,256	1,975	22,231	-
Unearned Revenue	100	1,872	1,972	251
Deposits Payable	129,802	10,863	140,665	-
General Obligation Bonds Payable	60,000	-	60,000	-
Total Current Liabilities	<u>442,371</u>	<u>388,417</u>	<u>830,788</u>	<u>31,482</u>
Noncurrent Liabilities				
Accrued Compensated Absences Payable	81,025	7,899	88,924	-
Asset Retirement Obligation	645,000	-	645,000	-
General Obligation Bonds Payable	1,387,871	-	1,387,871	-
Total OPEB liability	<u>65,388</u>	<u>5,590</u>	<u>70,978</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,179,284</u>	<u>13,489</u>	<u>2,192,773</u>	<u>-</u>
Total Liabilities	<u>2,621,655</u>	<u>401,906</u>	<u>3,023,561</u>	<u>31,482</u>
Deferred Inflows of Resources				
Deferred Property Taxes	104,188	-	104,188	-
Leases	-	689,522	689,522	-
Pension Items - IMRF	767,501	104,014	871,515	-
OPEB Items	<u>52,304</u>	<u>4,472</u>	<u>56,776</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>923,993</u>	<u>798,008</u>	<u>1,722,001</u>	<u>-</u>
Total Liabilities and Deferred Inflows of Resources	<u>3,545,648</u>	<u>1,199,914</u>	<u>4,745,562</u>	<u>31,482</u>
Net Position				
Net Investment in Capital Assets	31,844,576	18,813,749	50,658,325	-
Restricted for Pensions	586,551	79,491	666,042	-
Unrestricted	<u>8,959,856</u>	<u>697,166</u>	<u>9,657,022</u>	<u>148,515</u>
Total Net Position	<u>\$ 41,390,983</u>	<u>\$ 19,590,406</u>	<u>\$ 60,981,389</u>	<u>\$ 148,515</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Water	Municipal Airport	Total	Internal Service Fund
Operating Revenues				
Charges for Sales and Services	\$ 4,132,400	\$ 768,180	\$ 4,900,580	\$ 2,233,745
Miscellaneous	9,452	1,662	11,114	28
Total Operating Revenues	<u>4,141,852</u>	<u>769,842</u>	<u>4,911,694</u>	<u>2,233,773</u>
Operating Expenses				
Operating and Administrative	1,989,425	740,046	2,729,471	2,249,807
Depreciation	1,532,546	507,638	2,040,184	-
Amortization	8,000	-	8,000	-
Total Operating Expenses	<u>3,529,971</u>	<u>1,247,684</u>	<u>4,777,655</u>	<u>2,249,807</u>
Operating Income (Loss)	<u>611,881</u>	<u>(477,842)</u>	<u>134,039</u>	<u>(16,034)</u>
Non-Operating Revenues (Expenses)				
Investment Income	(42,081)	25,554	(16,527)	128
Property Taxes	104,120	-	104,120	-
Intergovernmental	242	438,713	438,955	-
Interest and Fiscal Charges	(40,572)	(361)	(40,933)	-
Gain on Sale of Capital Assets	1,232	1,193	2,425	-
Total Non-Operating Revenues (Expenses)	<u>22,941</u>	<u>465,099</u>	<u>488,040</u>	<u>128</u>
Net Income (Loss) Before Contributions and Transfers	<u>634,822</u>	<u>(12,743)</u>	<u>622,079</u>	<u>(15,906)</u>
Contributions				
Capital Grants and Contributions	-	260	260	-
Transfers				
Transfers Out	(504,976)	(57,065)	(562,041)	-
Transfers In	-	-	-	-
Total Transfers	<u>(504,976)</u>	<u>(57,065)</u>	<u>(562,041)</u>	<u>-</u>
Change in Net Position	<u>129,846</u>	<u>(69,548)</u>	<u>60,298</u>	<u>(15,906)</u>
Fund Net Position - Beginning of Year (Restated)	<u>41,261,137</u>	<u>19,659,954</u>	<u>60,921,091</u>	<u>164,421</u>
Fund Net Position - End of Year	<u>\$ 41,390,983</u>	<u>\$ 19,590,406</u>	<u>\$ 60,981,389</u>	<u>\$ 148,515</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Water	Municipal Airport	Totals	Internal Service Fund
Cash Flows from Operating Activities				
Receipt from Customers and Users	\$ 4,176,165	\$ 736,968	\$ 4,913,133	\$ 2,231,074
Receipts from Miscellaneous Revenues	9,452	1,662	11,114	28
Payments to Employees	(1,294,800)	(219,636)	(1,514,436)	-
Payments to Suppliers	(949,467)	(370,135)	(1,319,602)	(2,245,720)
Net Cash from Operating Activities	<u>1,941,350</u>	<u>148,859</u>	<u>2,090,209</u>	<u>(14,618)</u>
Cash Flows from Noncapital Financing Activities				
Property Taxes Received	104,120	-	104,120	-
Interfund Borrowing	-	2,545	2,545	-
Intergovernmental Receipts	242	250,969	251,211	-
Transfers In (Out)	(504,976)	(57,065)	(562,041)	-
Net Cash from Noncapital Financing Activities	<u>(400,614)</u>	<u>196,449</u>	<u>(204,165)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities				
Purchase of Capital Assets	(650,853)	(342,025)	(992,878)	-
Proceeds from Sale of Capital Assets	1,232	1,193	2,425	-
Principal Paid on Long Term Debt	(60,000)	(70,000)	(130,000)	-
Interest Payments on Long Term Debt	(47,550)	(1,400)	(48,950)	-
Capital Grants and Contributions	-	260	260	-
Net Cash from Capital and Related Financing Activities	<u>(757,171)</u>	<u>(411,972)</u>	<u>(1,169,143)</u>	<u>-</u>
Cash Flows from Investing Activities				
Interest Received	(82,048)	25,552	(56,496)	128
Net Cash from Investing Activities	<u>(82,048)</u>	<u>25,552</u>	<u>(56,496)</u>	<u>128</u>
Net Change in Cash and Cash Equivalents	<u>701,517</u>	<u>(41,112)</u>	<u>660,405</u>	<u>(14,490)</u>
Cash and Cash Equivalents - Beginning of Year	<u>8,467,289</u>	<u>443,760</u>	<u>8,911,049</u>	<u>190,663</u>
Cash and Cash Equivalents - End of Year	<u>\$ 9,168,806</u>	<u>\$ 402,648</u>	<u>\$ 9,571,454</u>	<u>\$ 176,173</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-Type Activities - Enterprise			Governmental
				Activities
	Water	Municipal Airport	Totals	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	\$ 611,881	\$ (477,842)	\$ 134,039	\$ (16,034)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation and Amortization	1,540,546	507,638	2,048,184	-
(Increase) Decrease in				
Accounts Receivable	23,955	(14,295)	9,660	(2,570)
Lease Receivable	-	(698,068)	(698,068)	-
Inventory	-	7,280	7,280	-
Prepaid Expenses	(4,534)	(750)	(5,284)	-
Net Pension Asset	(423,669)	(62,606)	(486,275)	-
Deferred Outflow - Pension Items	92,187	5,540	97,727	-
Deferred Outflow - OPEB Items	6,426	(1,225)	5,201	-
Increase (Decrease) in				
Accounts Payable	(46,139)	151,157	105,018	4,087
Deposits Payable	19,810	(2,322)	17,488	-
Accrued Expenses	(23,474)	(1,436)	(24,910)	-
Unearned Revenue	-	(6,049)	(6,049)	(101)
Deferred Inflow - Pension Items	171,724	42,253	213,977	-
Deferred inflow - OPEB Items	39,691	4,472	44,163	-
Deferred Inflow - Leases	-	689,522	689,522	-
Total OPEB Liability	(67,054)	5,590	(61,464)	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,941,350</u>	<u>\$ 148,859</u>	<u>\$ 2,090,209</u>	<u>\$ (14,618)</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION PLAN
DECEMBER 31, 2022

Assets

Cash	\$ 39,660
Investments	
Illinois Funds	2,623,126
IPOPIF Consolidated Pool	41,274,127
Prepaid Items	1,525
Total Assets	<u>43,938,438</u>

Liabilities

Accounts Payable	<u>6,794</u>
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Net Position Restricted for Pension Benefits	<u><u>\$ 43,931,644</u></u>
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VILLAGE OF LAKE IN THE HILLS, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2022

Additions

Contributions	
Employer	\$ 6,048,402
Employee	469,242
Total Contributions	<u>6,517,644</u>

Investment Income	
Net Appreciation in Fair Value of Investments	(6,744,526)
Interest	372,394
Total Investment Income	<u>(6,372,132)</u>
Less Investment Expense	(50,123)
Net Investment Earnings	<u>(6,422,255)</u>

Total Additions	<u>95,389</u>
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Deductions

Pension Benefits	1,489,934
Administrative Expenses	59,934
Total Deductions	<u>1,549,868</u>

Change in Net Position	<u>(1,454,479)</u>
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Net Position Restricted for Pension Benefits

Beginning of Year	<u>45,386,123</u>
End of Year	<u>\$ 43,931,644</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Lake in the Hills, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies of the Village.

A. Reporting Entity

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

The Village's financial statements include the Police Pension System (the PPS) as a fiduciary component unit reported as a Pension Trust Fund. The Village's sworn police employees participate in the PPS which was established April 15, 1975. The PPS functions for the benefit of those employees and is governed by a five-member pension board. Two members appointed by the Mayor, one member elected by pension beneficiaries, and two elected police officers constitute the pension board. The Village and the PPS participants are obligated to fund all the PPS costs based upon actuarial valuations, including administrative costs. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the PPS is fiscally dependent on the Village.

B. Fund Accounting

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

A fund is a separate accounting entity with a self-balancing set of accounts. A minimum number of funds are maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the Village's general activities. Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest. The General Fund is used to account for all activities of the general government not accounted for in some other fund.

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

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

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Interfund services provided and used are not eliminated on these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

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

The Police Facility Fund is a newly established capital projects fund to be used to account for resources and costs related to the improvement of Police Department facilities.

The Village reports the following major proprietary funds:

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

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

The Village reports an internal service fund. This fund, the Health Insurance Fund, accounts for the partially self-funded medical insurance plan and the self-funded dental insurance plan for Village employees. The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

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

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

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

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

E. Cash and Cash Equivalents

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Investments

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

G. Inventory

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

H. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses. The Village uses the consumption method to account for governmental fund prepaid items.

I. Capital Assets

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets (Continued)

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

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

J. Compensated Absences

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

K. Interfund Transactions

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

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

L. Interfund Receivables/Payables

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

M. Long-Term Obligations

In the government-wide financial statements and the proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as expenses.

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

N. Fund Balance/Net Position

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

N. Fund Balance/Net Position (Continued)

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

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

O. Deferred Outflows/Inflows of Resources

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

P. Use of Estimates

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

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

2. PROPERTY TAX CALENDAR

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

- The property tax lien date is January 1.
- The annual tax levy ordinance for the 2022 levy was passed on December 8, 2022.
- Property taxes for the 2022 levy are due to the County Collector in two installments, June 12 and September 12. The County Collector remits the collections to the Village primarily in June to November.
- The 2022 taxes are intended to finance the 2023 fiscal year and are not considered available or earned for current operations and, therefore, are shown as unavailable/deferred revenue.

3. DEPOSITS AND INVESTMENTS

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

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

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

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

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

3. DEPOSITS AND INVESTMENTS (Continued)

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

A. Deposits

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

B. Village Investments

As of December 31, 2022, the Village had the following investments and maturities in securities subject to interest rate risk:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Municipal Bonds	\$ 7,734,831	\$3,424,369	\$ 4,310,462	\$ -	\$ -
Corporate Bonds	986,015	-	986,015	-	-
US Treasury	4,370,648	1,505,226	2,865,422	-	-
US Agencies	2,220,781	-	2,220,781	-	-
Negotiable Certificates of Deposit	<u>1,191,447</u>	<u>249,737</u>	<u>941,710</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 16,503,722</u>	<u>\$5,179,332</u>	<u>\$11,324,390</u>	<u>\$ -</u>	<u>\$ -</u>

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

The Village has the following recurring fair value measurements as of December 31, 2022: negotiable certificates of deposit of \$1,191,447, municipal bonds of \$7,734,831, corporate bonds of \$986,015 and US agencies of \$2,220,781 are valued using significant other observable outputs for similar investments and are part of a limited secondary market (Level 2 inputs). U.S. treasury securities of \$4,370,648 are valued using quoted market prices in active markets for identical assets (Level 1 inputs).

3. DEPOSITS AND INVESTMENTS (Continued)

B. Village Investments (Continued)

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools, municipal bonds and negotiable certificates of deposit, by pre-qualifying the financial institutions, broker, dealers, intermediaries, and advisers the Village does business with, limiting investments to the safest types of securities, and diversifying the investment portfolio so that potential losses on individual securities are minimized. The municipal bonds are rated from AAA to A+. The corporate bonds are rated A- to BBB+. The US Treasury securities are rated Aaa. The US Agency securities are rated AA+. The negotiable certificates of deposit are not rated.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held in a custodial account with the trust department of an approved financial institution. The Illinois Funds, IMET and money market mutual funds are not subject to custodial credit risk.

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

C. Police Pension Plan Deposits and Investments

As of June 1, 2022, investments were turned over to the Illinois Police Officers Pension Investment Fund (IPOPIF). The Illinois Police Officers Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by Public Act 101-0610, and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds. Participation in IPOPIF by Illinois suburban and downstate police pension funds is mandatory. Investments of the Fund are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2022. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402 Peoria, Illinois 61602 or at www.ipopif.org.

3. DEPOSITS AND INVESTMENTS (Continued)

C. Police Pension Plan Deposits and Investments (Continued)

At year-end the Fund has \$41,274,127 invested in IPOPIF measured at the Net Asset Value (NAV) per share as determined by the pool. The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

The Fund retains all its available cash with two financial institutions and with the Illinois Funds. Available cash is determined to be that amount which is required for the current expenditures of the Fund. The excess of available cash is required to be transferred to IPOPIF for purposes of the long term investment for the Fund.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Fund's deposits may not be returned to it. The Fund requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair value of the funds secured. All deposits with financial institutions are secured by federal depository insurance.

Investment Policy – IPOPIF's current investment policy was adopted by the Board of Trustees on December 17, 2021. IPOPIF is authorized to invest in all investments allowed by Illinois Compiled Statutes (ILCS). The IPOPIF shall not be subject to any of the limitations applicable to investments of pension fund assets currently held by the transferor pension funds under Article 3 of the Illinois Pension Code.

Rate of Return - The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. For the year ended December 31, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.01%.

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

4. RECEIVABLES

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

GOVERNMENTAL ACTIVITIES	
Sales Tax	\$ 1,114,277
Home Rule Sales Tax	789,325
Motor Fuel Tax	113,118
Local Use Tax	346,804
Simplified Telecommunications Tax	51,469
Court Fines	5,224
Video Gaming Tax	58,020
Amusement Tax	10,415
Grants	<u>1,172,088</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 3,660,740</u>
BUSINESS-TYPE ACTIVITIES	
Home Rule Sales Tax	\$ 852
Grants	<u>401,430</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 402,282</u>

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

5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land and Land Right of Way	\$ 148,157,654	\$ -	\$ -	\$ 148,157,654
Construction in Progress	315,088	2,615,749	-	2,930,837
Total Capital Assets Not Being Depreciated	<u>148,472,742</u>	<u>2,615,749</u>	<u>-</u>	<u>151,088,491</u>
Capital Assets Being Depreciated				
Buildings and Improvements	20,482,162	263,136	-	20,745,298
Equipment	2,329,656	229,265	(17,602)	2,541,319
Office Equipment and Furniture	463,309	-	-	463,309
Vehicles	3,390,684	784,035	(284,906)	3,889,813
Roadways	34,199,986	-	-	34,199,986
Storm Sewers	8,399,605	-	-	8,399,605
Computer Software	658,473	70,030	-	728,503
Total Capital Assets Being Depreciated	<u>69,923,875</u>	<u>1,346,466</u>	<u>(302,508)</u>	<u>70,967,833</u>
Less Accumulated Depreciation for				
Buildings and Improvements	9,318,624	497,249	-	9,815,873
Equipment	1,562,737	287,111	(17,602)	1,832,246
Office Equipment and Furniture	345,190	113,340	-	458,530
Vehicles	2,010,409	593,965	(284,906)	2,319,468
Roadways	20,701,502	1,829,860	-	22,531,362
Storm Sewers	5,238,902	265,091	-	5,503,993
Computer Software	305,294	112,274	-	417,568
Total Accumulated Depreciation	<u>\$ 39,482,658</u>	<u>3,698,890</u>	<u>(302,508)</u>	<u>42,879,040</u>
Total Capital Assets Being Depreciated, Net	<u>30,441,217</u>	<u>(2,352,424)</u>	<u>-</u>	<u>28,088,793</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 178,913,959</u>	<u>\$ 263,325</u>	<u>\$ -</u>	<u>\$ 179,177,284</u>

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

5. CAPITAL ASSETS (Continued)

	Beginning Balances (Restated)	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 13,578,019	\$ -	\$ -	\$ 13,578,019
Construction in Progress	259,015	509,792	-	768,807
Total Capital Assets Not Being Depreciated	13,837,034	509,792	-	14,346,826
Capital Assets Being Depreciated				
Buildings and Improvements	10,547,796	-	-	10,547,796
Wells and Distribution Systems	57,214,093	216,326	-	57,430,419
Equipment	1,157,251	152,525	(12,356)	1,297,420
Office Equipment and Furniture	1,882	-	(969)	913
Vehicles and Equipment	432,157	114,236	-	546,393
Computer Software	156,560	-	-	156,560
Total Capital Assets Being Depreciated	69,509,739	483,087	(13,325)	69,979,501
Less Accumulated Depreciation for				
Buildings and Improvements	4,473,095	496,280	-	4,969,375
Wells and Distribution Systems	24,298,424	1,282,862	-	25,581,286
Equipment	682,142	153,004	(11,629)	823,517
Office Equipment and Furniture	1,882	-	(969)	913
Vehicles and Equipment	224,174	88,150	-	312,324
Computer Software	116,661	19,888	-	136,549
Total Accumulated Depreciation	29,796,378	2,040,184	(12,598)	31,823,964
Total Capital Assets Being Depreciated, Net	39,713,361	(1,557,097)	(727)	38,155,537
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 53,550,395	\$ (1,047,305)	\$ (727)	\$ 52,502,363

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

GOVERNMENTAL ACTIVITIES	
General Government	\$ 415,594
Public Safety	218,546
Public Works	2,736,641
Recreation	328,109
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 3,698,890

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

6. LONG-TERM DEBT

The following is a summary in long-term liabilities during the year ended December 31, 2022:

	<u>Balances</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>December 31</u>	<u>Current</u> <u>Portion</u>
GOVERNMENTAL ACTIVITIES					
Compensated Absences*	\$ 1,330,785	\$ 240,649	\$ 266,157	\$ 1,305,277	\$ 261,055
Net Pension Liability - Police Pension**	-	4,819,257	-	4,819,257	-
Total OPEB Liability*	<u>956,892</u>	<u>-</u>	<u>340,300</u>	<u>616,592</u>	<u>-</u>
TOTAL GOVERNMENTAL ACTIVITIES					
	<u>\$ 2,287,677</u>	<u>\$ 5,059,906</u>	<u>\$ 606,457</u>	<u>\$ 6,741,126</u>	<u>\$ 261,055</u>

*These liabilities are typically liquidated by the General Fund

** The net pension liability for Police Pension was recorded as a net pension asset in prior year and in current year it is recorded as a net pension liability. See footnote #7 for additional information.

	<u>Balances</u> <u>January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balances</u> <u>December 31</u>	<u>Current</u> <u>Portion</u>
BUSINESS-TYPE ACTIVITIES					
General Obligation Bonds - Airport	\$ 70,000	\$ -	\$ 70,000	\$ -	\$ -
General Obligation Bonds - Water	1,390,000	-	60,000	1,330,000	60,000
Premium on Bonds	126,009	-	8,138	117,871	-
Compensated Absences	124,359	11,668	24,872	111,155	22,231
Total OPEB Liability	132,442	5,590	67,054	70,978	-
Asset Retirement Obligation	<u>645,000</u>	<u>-</u>	<u>-</u>	<u>645,000</u>	<u>-</u>
TOTAL BUSINESS-TYPE ACTIVITIES					
	<u>\$ 2,487,810</u>	<u>\$ 17,258</u>	<u>\$ 230,064</u>	<u>\$ 2,275,004</u>	<u>\$ 82,231</u>

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

6. LONG-TERM DEBT (Continued)

The \$1,275,000 2012 General Obligation Refunding Bonds dated December 20, 2012 was issued to partially refund the 2003 General Obligation Debt Certificates and the 2006 General Obligation Bonds. As of December 31, 2022, the 2012 General Obligation Refunding Bonds have been paid off in full.

The Long-term liabilities payable from business-type activities at December 31, 2022 comprise the following:

	Total	Current Portion
\$1,495,000 2019 General Obligation Bonds dated November 7, 2019, in annual installments of \$50,000 to \$105,000 to December 15, 2039, interest at 3% to 4%.	\$ 1,330,000	\$ 60,000
TOTAL	\$ 1,330,000	\$ 60,000

The annual debt service requirements to retire these outstanding obligations at December 31, 2022 are as follows:

	Business-Type Activities 2019 General Obligation Bonds	
	Principal	Interest
2023	\$ 60,000	\$ 46,500
2024	60,000	45,450
2025	65,000	44,400
2026	65,000	43,100
2027	70,000	41,800
2028-2032	365,000	174,200
2033-2037	440,000	95,200
2038-2042	205,000	12,400
TOTAL	\$ 1,330,000	\$ 503,050

Asset Retirement Obligations

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon various water wells at the end of their estimated useful lives in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated remaining useful lives of the water wells range from 72 to 91 years.

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

7. DEFINED BENEFIT PENSION PLANS

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

The aggregate total net pension liability, net pension asset, deferred outflows, deferred inflows, and pension expense (income) for all pension plans was \$4,819,257, \$1,075,907, \$6,466,502, \$6,694,216 and (\$1,221,396), respectively, at December 31, 2022.

A. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

Plan Membership

At December 31, 2021 (measurement date), IMRF membership consisted of:

Inactive Employees or Their Beneficiaries	
Currently Receiving Benefits	49
Inactive Employees Entitled to but not yet	
Receiving Benefits	101
Active Employees	<u>80</u>
 TOTAL	 <u><u>230</u></u>

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

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

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended December 31, 2022 was 7.84% of covered payroll.

Net Pension Liability

The Village's net pension liability was measured as of December 31, 2021 and the total pension liability used to calculate the net pension liability/(asset) was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Cost Method	Entry-Age Normal
Assumptions	
Inflation	2.25%
Salary Increases	2.85% to 13.75%
Interest Rate	7.25%
Cost of Living Adjustments	3.25%
Asset Valuation Method	Fair Value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Discount Rate

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

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2021	\$ 25,897,649	\$ 26,635,397	\$ (737,748)
Changes for the Period			
Service Cost	549,574	-	549,574
Interest	1,869,604	-	1,869,604
Difference Between Expected and Actual Experience	(166,984)	-	(166,984)
Changes in Assumptions	-	-	-
Employer Contributions	-	608,357	(608,357)
Employee Contributions	-	273,233	(273,233)
Net Investment Income	-	4,222,107	(4,222,107)
Benefit Payments and Refunds	(769,578)	(769,578)	-
Administrative Expense	-	-	-
Other (Net Transfer)	-	(749,425)	749,425
Net Changes	1,482,616	3,584,694	(2,102,078)
BALANCES AT DECEMBER 31, 2021	\$ 27,380,265	\$ 30,220,091	\$ (2,839,826)

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2022, the Village recognized pension expense (income) of (\$224,917). At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 49,811	\$ 470,918
Changes in Assumption	79,067	210,912
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	-	3,034,077
Contributions Subsequent to Measurement Date	481,552	-
	<u>481,552</u>	<u>-</u>
TOTAL	<u>\$ 610,430</u>	<u>\$ 3,715,907</u>

\$481,552 reported as deferred outflows of resources related to pensions resulting from the Village's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. The remaining amounts reported as deferred outflows of resources related to IMRF will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2023	\$ (873,941)
2024	(1,406,595)
2025	(843,662)
2026	(462,831)
2027	-
Thereafter	<u>-</u>
TOTAL	<u>\$ (3,587,029)</u>

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability (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 7.25% 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 (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension Liability (Asset)	\$ 939,236	\$ (2,839,826)	\$ (5,698,889)

Police Pension Plan

Plan Administration

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

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

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

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

7. **DEFINED BENEFIT PENSION PLANS (Continued)**

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2021 (actuarial valuation date), the Police Pension Plan membership consisted of:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	21
Inactive Plan Members Entitled to but not yet Receiving Benefits	4
Active Plan Members	<u>40</u>
 TOTAL	 <u><u>65</u></u>

Benefits Provided

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Tier 1 employees (those hired as a police officer prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest.

The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has elected to fund 100% of the past service cost for the Police Pension Plan by 2033. For the year ended December 31, 2022, the Village's contribution was 151.14% of covered payroll.

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2022	\$ 45,116,521	\$ 45,386,123	\$ (269,602)
Changes for the Period			
Service Cost	1,134,941	-	1,134,941
Interest	3,057,382	-	3,057,382
Difference Between Expected and Actual Experience	953,572	-	953,572
Changes in Assumptions	-	-	-
Changes of Benefit Terms	(21,581)	-	(21,581)
Employer Contributions	-	6,048,402	(6,048,402)
Employee Contributions	-	396,608	(396,608)
Other Contributions	-	72,633	(72,633)
Net Investment Income	-	(6,422,254)	6,422,254
Benefit Payments and Refunds	(1,489,933)	(1,489,933)	-
Administrative Expense	-	(59,934)	59,934
Net Changes	3,634,381	(1,454,478)	5,088,859
BALANCES AT DECEMBER 31, 2022	\$ 48,750,902	\$ 43,931,645	\$ 4,819,257

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation as of December 31, 2021, using the following actuarial methods and assumptions. The total pension liability was rolled forward by the actuary using updating procedures to December 31, 2022.

Actuarial Valuation Date	December 31, 2021
Measurement Date	December 31, 2022
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
NOTES TO FINANCIAL STATEMENTS (Continued)

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

Discount Rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Police Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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)	\$ 12,754,128	\$ 4,819,257	\$ (1,572,551)

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

7. DEFINED BENEFIT PENSION PLANS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2022, the Village recognized police pension expense of \$971,935. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the police pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 930,200	\$ 2,644,034
Changes in Assumption	306,270	334,275
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	4,619,602	-
TOTAL	<u>\$ 5,856,072</u>	<u>\$ 2,978,309</u>

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

<u>Year Ending</u> <u>December 31,</u>	
2023	\$ (219,581)
2024	593,115
2025	1,045,377
2026	1,590,063
2027	(239,593)
Thereafter	<u>108,382</u>
TOTAL	<u>\$ 2,877,763</u>

8. CONTINGENT LIABILITIES

Litigation

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

9. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; employee health, injuries to employees; and net income losses. The Village pays for health insurance for employees through third party indemnity insurance.

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

The Village assumes the first \$25,000 of each occurrence, with IRMA having a mix of self-insurance and commercial insurance at various amounts above that level. The Village appoints one delegate, along with an alternate delegate, to represent the Village on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

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

10. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

B. Benefits Provided

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

C. Membership

At December 31, 2022 (most recent data available) membership consisted of:

Inactive Employees Currently Receiving Benefit Payments	1
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	<u>111</u>
 TOTAL	 <u><u>112</u></u>
 Participating Employers	 <u><u>1</u></u>

D. Total OPEB Liability

The Village’s total OPEB liability of \$687,570 was measured as of December 31, 2022 and was determined by an actuarial valuation as of December 31, 2022.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

E. Actuarial Assumptions and Other Inputs

The total OPEB liability at December 31, 2022, as determined by an actuarial valuation as of December 31, 2022, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2022, including updating the discount rate at December 31, 2022, as noted below.

Actuarial Cost Method	Entry-Age Normal
Actuarial Value of Assets	N/A
Salary Increases	2.75%
Discount Rate	3.72%
Healthcare Cost Trend Rates	8.50% to 10.50% Initial 5.0% to 4.75% Ultimate
Retirees Share of Benefit-Related Costs	100% Regular Plan

The actuarial assumptions used in the December 31, 2022 valuation are based on 30% participation assumed and 0% are assumed to elect spousal coverage.

F. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT JANUARY 1, 2022	<u>\$ 1,089,334</u>
Changes for the Period	
Service Cost	96,230
Interest	22,154
Difference Between Expected and Actual Experience	(404,072)
Changes in Benefit Terms	-
Changes in Assumptions	(88,231)
Benefit Payments	<u>(27,845)</u>
Net Changes	<u>(401,764)</u>
BALANCES AT DECEMBER 31, 2022	<u><u>\$ 687,570</u></u>

Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were made since the previous measurement date.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

G. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.72% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.72%) or 1 percentage point higher (4.72%) than the current rate:

	1% Decrease (2.72%)	Current Discount Rate (3.72%)	1% Increase (4.72%)
Total OPEB Liability	\$ 754,440	\$ 687,570	\$ 625,858

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8.50% to 10.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.50% to 9.50%) or 1 percentage point higher (9.50% to 11.50%) than the current rate:

	1% Decrease (7.50% to 9.50%)	Current Healthcare Rate (8.50% to 10.50%)	1% Increase (9.50% to 11.50%)
Total OPEB Liability	\$ 588,921	\$ 687,570	\$ 810,161

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

For the year ended December 31, 2022, the Village recognized OPEB expense of \$92,359. At December 31, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 414,925
Changes in Assumptions	150,715	135,068
TOTAL	<u>\$ 150,715</u>	<u>\$ 549,993</u>

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

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

<u>Year Ending</u> <u>December 31,</u>		
2023	\$	(26,025)
2024		(26,025)
2025		(26,025)
2026		(26,025)
2027		(26,025)
Thereafter		<u>(269,153)</u>
 TOTAL	 \$	 <u>(399,278)</u>

11. INDIVIDUAL FUND DISCLOSURES

A. Interfund Transfers

Interfund transfers during the year ended December 31, 2022, consisted of the following:

	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 562,041	\$ -
Water	-	504,976
Airport	-	57,065
General	-	10,675,857
Police Facility Capital Project	10,298,357	-
Capital Improvement	377,500	-
TOTAL	<u>\$ 11,237,898</u>	<u>\$ 11,237,898</u>

Significant transfers between funds for the year ended December 31, 2022 consist of the following:

- \$562,041 transferred to the General Fund with \$504,976 from the Water fund and \$57,065 from the Airport Fund for shared operating costs paid by the General Fund for the cost of audit, computer maintenance, insurance premiums and deductibles, and personnel costs.

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

11. INDIVIDUAL FUND DISCLOSURES (Continued)

- \$10,675,857 transferred from the General Fund with \$10,298,357 going to the Police Facility Fund to establish the fund and \$377,500 going to the Capital Improvement Fund for the Village Hall HVAC & Ballasted Roof Improvement Project.

B. Due To/From Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Lakes Projects	\$ 595,093
General	Veterans Memorial	<u>45</u>
TOTAL		<u><u>\$ 595,138</u></u>

\$595,093 to eliminate a negative cash position owed to the General Fund, payable from the Lakes Restoration Fund. Repayment is expected within one year.

C. Negative Fund Balance

The Lakes Projects Fund had a negative fund balance due to a grant not received within the 60-day revenue recognition period which was eliminated in fiscal 2023.

12. LEASES RECEIVABLE

In 2022, the Village implemented GASB Statement No. 87 – *Leases*. The Village has four leases with wireless companies for the use of the Village’s cell towers. The Village also has 17 leases subject to GASB Statement No. 87 for airport hangars.

The Village has recorded receivables measured at the present value of lease payments expected to be received during the lease terms with such terms including options to extend the leases that are reasonably certain to be exercised. At the initial measurement of the leases, deferred inflows of resources were recorded equal to the lease receivables. The deferred inflows of resources are being recognized as revenue over the terms of the leases.

The interest rates used to determine the present value of the cell tower leases ranged from 2.10% to 2.75% and the lease terms ranged from 2031 to 2040. The interest rates used to determine the present value of the airport hangar leases were 2.75% and the lease terms ranged from 2040 to 2044.

Lease revenue and interest revenue were recorded in the General Fund for the cell tower leases in the amount of \$212,718 and \$62,136, respectively. Lease revenue and interest revenue were recorded in the Airport Fund for the hangar leases in the amount of \$39,483 and \$19,659, respectively.

13. ECONOMIC INCENTIVE AGREEMENT

The Village has entered into a certain economic incentive agreement with a restaurant as allowed by Illinois Compiled Statutes (65 ILCS 5/8-11-20), its home rule authority, and all other applicable law. The Village rebated to the restaurant, 60% of the net sales tax received by the Village for taxable sales generated at the restaurant from the commencement date of the agreement, March 1, 2022, through the end of its fiscal year, December 31, 2022. The rebates for the year amounted to \$27,259. The 60% rebates will continue through taxable sales made through December 31, 2024. Effective January 1, 2025, the rebates will be reduced to 50% of the net sales tax received by the Village above \$2,500 per calendar year quarter. Rebates will terminate upon the earlier of the expiration of the agreement on March 31, 2032 or when a cumulative total of \$300,000 has been rebated.

14. PRIOR PERIOD ADJUSTMENT

During the year, the Village determined that depreciation had been calculated incorrectly in prior years on certain Airport Fund capital assets resulting in an understatement of accumulated depreciation and an overstatement of net position in that fund and for business-type activities totaling \$128,415 as of December 31, 2021. The beginning net position has been adjusted to correct the error.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Taxes	\$ 12,783,810	\$ 13,034,505	\$ 15,644,626	\$ 2,610,121
Licenses and Permits	320,280	320,280	322,337	2,057
Intergovernmental	3,806,080	7,702,720	8,689,513	986,793
Charges for Services	1,530,240	1,562,640	1,640,253	77,613
Fines, Fees and Forfeits	193,200	193,200	193,441	241
Investment Income	150,000	153,320	(20,814)	(174,134)
Miscellaneous	35,000	35,000	242,251	207,251
Total Revenues	<u>18,818,610</u>	<u>23,001,665</u>	<u>26,711,607</u>	<u>3,709,942</u>
Expenditures				
General Government				
Executive				
Personal Services	59,430	59,430	58,885	(545)
Professional Development	45,051	45,051	19,954	(25,097)
Contractual Services	23,850	23,850	27,259	3,409
Commodities	9,300	9,300	7,604	(1,696)
Total Executive	<u>137,631</u>	<u>137,631</u>	<u>113,702</u>	<u>(23,929)</u>
Village Administration				
Personal Services	887,450	875,689	726,357	(149,332)
Professional Development	21,990	21,990	11,685	(10,305)
Contractual Services	99,390	111,151	109,319	(1,832)
Commodities	3,590	3,590	1,561	(2,029)
Total Village Administration	<u>1,012,420</u>	<u>1,012,420</u>	<u>848,922</u>	<u>(163,498)</u>
Finance				
Personal Services	1,019,380	1,019,380	982,381	(36,999)
Professional Development	12,120	12,120	4,850	(7,270)
Contractual Services	48,100	48,100	50,962	2,862
Commodities	6,700	6,700	6,829	129
Total Finance	<u>1,086,300</u>	<u>1,086,300</u>	<u>1,045,022</u>	<u>(41,278)</u>
Insurance and Tort				
Contractual Services - Insurance	<u>575,730</u>	<u>575,730</u>	<u>532,136</u>	<u>(43,594)</u>
Community Development				
Community Development				
Personal Services	656,530	643,950	584,845	(59,105)
Professional Development	12,485	12,485	8,390	(4,095)
Contractual Services	77,970	90,550	51,166	(39,384)
Commodities	6,650	9,145	8,015	(1,130)
Total Community Development	<u>753,635</u>	<u>756,130</u>	<u>652,416</u>	<u>(103,714)</u>
Management Information Systems				
Personal Services	248,590	255,760	246,733	(9,027)
Professional Development	6,500	6,500	5,225	(1,275)
Contractual Services	348,228	341,058	296,458	(44,600)
Commodities	86,740	86,740	87,655	915
Total Management Information Systems	<u>690,058</u>	<u>690,058</u>	<u>636,071</u>	<u>(53,987)</u>
Total General Government	<u>4,255,774</u>	<u>4,258,269</u>	<u>3,828,269</u>	<u>(430,000)</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
EXPENDITURES (Continued)				
Public Safety				
Police Administration				
Personal Services	\$ 825,780	\$ 1,309,470	\$ 1,304,132	\$ (5,338)
Professional Development	10,425	10,425	9,339	(1,086)
Contractual Services	641,452	639,857	602,487	(37,370)
Commodities	30,746	33,332	25,603	(7,729)
Total Police Administration	<u>1,508,403</u>	<u>1,993,084</u>	<u>1,941,561</u>	<u>(51,523)</u>
Patrol				
Personal Services	5,493,880	8,963,460	8,920,444	(43,016)
Professional Development	36,457	43,482	28,027	(15,455)
Contractual Services	27,377	27,377	24,275	(3,102)
Commodities	189,599	252,115	222,160	(29,955)
Total Patrol	<u>5,747,313</u>	<u>9,286,434</u>	<u>9,194,906</u>	<u>(91,528)</u>
Support Services				
Personal Services	1,725,140	2,492,593	2,438,546	(54,047)
Professional Development	29,530	29,530	20,439	(9,091)
Contractual Services	6,220	6,220	5,103	(1,117)
Commodities	15,938	24,150	21,910	(2,240)
Total Support Services	<u>1,776,828</u>	<u>2,552,493</u>	<u>2,485,998</u>	<u>(66,495)</u>
Total Public Safety	<u>9,032,544</u>	<u>13,832,011</u>	<u>13,622,465</u>	<u>(209,546)</u>
Public Works				
Public Works Administration				
Personal Services	525,600	543,760	537,074	(6,686)
Professional Development	10,159	10,159	4,970	(5,189)
Contractual Services	59,645	59,645	47,312	(12,333)
Commodities	5,461	5,553	5,311	(242)
Total Public Works Administration	<u>600,865</u>	<u>619,117</u>	<u>594,667</u>	<u>(24,450)</u>
Streets and Roads				
Personal Services	1,590,890	1,590,890	1,472,879	(118,011)
Professional Development	12,213	14,073	11,328	(2,745)
Contractual Services	516,515	516,515	497,690	(18,825)
Commodities	348,000	371,907	353,503	(18,404)
Total Streets and Roads	<u>2,467,618</u>	<u>2,493,385</u>	<u>2,335,400</u>	<u>(157,985)</u>

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
EXPENDITURES (Continued)				
Public Works (Continued)				
Public Properties				
Personal Services	\$ 1,061,170	\$ 1,061,170	\$ 1,031,979	\$ (29,191)
Professional Development	9,636	9,636	8,635	(1,001)
Contractual Services	563,684	541,360	523,033	(18,327)
Commodities	167,184	201,218	215,787	14,569
Total Public Properties	<u>1,801,674</u>	<u>1,813,384</u>	<u>1,779,434</u>	<u>(33,950)</u>
Total Public Works	<u>4,870,157</u>	<u>4,925,886</u>	<u>4,709,501</u>	<u>(216,385)</u>
Recreation				
Recreation				
Personal Services	536,580	671,650	667,461	(4,189)
Professional Development	83,021	83,021	78,924	(4,097)
Contractual Services	253,123	275,323	265,226	(10,097)
Commodities	44,231	44,405	47,999	3,594
Total Recreation	<u>916,955</u>	<u>1,074,399</u>	<u>1,059,610</u>	<u>(14,789)</u>
Total Expenditures	<u>19,075,430</u>	<u>24,090,565</u>	<u>23,219,845</u>	<u>(870,720)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(256,820)</u>	<u>(1,088,900)</u>	<u>3,491,762</u>	<u>4,580,662</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	570,580	570,580	562,041	(8,539)
Transfers Out	<u>(313,760)</u>	<u>(10,675,857)</u>	<u>(10,675,857)</u>	<u>-</u>
Total Other Financing Sources (Uses)	256,820	(10,105,277)	(10,113,816)	(8,539)
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ (11,194,177)</u>	(6,622,054)	<u>\$ 4,572,123</u>
Fund Balance, Beginning of Year			<u>19,171,364</u>	
Fund Balance, End of Year			<u>\$ 12,549,310</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2022

BUDGETS AND BUDGETARY ACCOUNTING

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

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

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

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
TOTAL OPEB LIABILITY AND RELATED RATIOS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

	Last Five Fiscal Years				
	2018	2019	2020	2021	2022
Total OPEB Liability					
Service Cost	\$ 35,948	\$ 33,157	\$ 39,217	\$ 93,483	\$ 96,230
Interest	27,761	32,141	27,197	21,509	22,154
Differences Between Expected and Actual Experience	-	-	(52,284)	-	(404,072)
Changes of Benefit Terms	-	-	-	-	-
Changes of Assumptions	(51,763)	185,556	41,808	(29,268)	(88,231)
Benefit Payments	(31,432)	(37,984)	(45,969)	(21,962)	(27,845)
Net Change in Total OPEB Liability	(19,486)	212,870	9,969	63,762	(401,764)
Total OPEB Liability - Beginning	822,219	802,733	1,015,603	1,025,572	1,089,334
Total OPEB Liability - Ending	<u>\$ 802,733</u>	<u>\$ 1,015,603</u>	<u>\$ 1,025,572</u>	<u>\$ 1,089,334</u>	<u>\$ 687,570</u>
Covered-Employee Payroll	\$ 5,671,095	\$ 5,995,529	\$ 9,120,222	\$ 9,371,028	\$ 10,012,478
Net OPEB Liability as a Percentage of Covered-Employee Payroll	14.15%	16.94%	11.25%	11.62%	6.87%

2022: There were changes to the discount rate assumptions

2021: Changes in assumptions related to the discount rate, mortality rates, mortality improvement rates, retirement rates, termination rates and disability rates were made since the previous measurement date.

2020: There were changes to the discount rate and medical cost assumptions.

2018-2019: There were changes to the discount rate assumptions.

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

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

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Eight Fiscal Years

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 625,872	\$ 609,857	\$ 590,932	\$ 515,933	\$ 460,821	\$ 543,249	\$ 608,357	\$ 481,552
Contributions in Relation to the Actuarially Determined Contribution	<u>625,872</u>	<u>609,857</u>	<u>590,932</u>	<u>515,933</u>	<u>460,821</u>	<u>543,249</u>	<u>608,357</u>	<u>481,552</u>
Contribution Deficiency (Excess)	-	-	-	-	-	-	-	-
Covered-Employee Payroll	\$ 5,953,927	\$ 5,933,525	\$ 5,748,364	\$ 5,428,425	\$ 5,692,499	\$ 5,617,879	\$ 6,077,286	\$ 6,142,244
Contributions as a Percentage of Covered- Employee Payroll	10.51%	10.28%	10.28%	9.50%	8.10%	9.67%	10.01%	7.84%

Notes to the Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 3.35% to 14.25% compounded annually and postretirement benefit increases of 3.25% compounded annually.

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

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

Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 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	\$ 1,435,317
Contributions in Relation to the Actuarially Determined Contribution	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	6,048,402
Contribution Deficiency (Excess)	(1,098)	(1,325)	1,442	1,970	1,044	1,169	1,851	13,620	(10,657)	(4,613,085)
Covered Payroll	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	4,001,969
Contributions as a Percentage of Covered Payroll	28.62%	29.09%	27.82%	34.42%	34.50%	43.15%	41.83%	37.62%	42.02%	151.14%

Notes to the Required Supplementary Information

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry-Age Normal
Amortization Method	Level Percent of Pay, Closed; 100% through 2033
Remaining Amortization Period	11 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

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND
DECEMBER 31, 2022**

Last Eight Fiscal Years

	2014	2015	2016	2017	2018	2019	2020	2021
Total Pension Liability								
Service Cost	\$ 625,988	\$ 624,607	\$ 623,734	\$ 604,315	\$ 514,234	\$ 544,929	\$ 583,729	\$ 549,574
Interest	1,145,350	1,295,898	1,436,784	1,508,681	1,564,885	1,700,221	1,819,896	1,869,604
Changes of Benefit Terms	-	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	174,674	427,511	(595,827)	(211,790)	286,461	66,813	(628,845)	(166,984)
Changes of Assumptions	463,039	29,763	(29,281)	(623,698)	765,579	-	(322,659)	-
Benefit Payments, Including Refunds of Member Contributions	(363,167)	(438,933)	(507,648)	(477,631)	(488,533)	(632,114)	(729,234)	(769,578)
Net Change in Total Pension Liability	<u>2,045,884</u>	<u>1,938,846</u>	<u>927,762</u>	<u>799,877</u>	<u>2,642,626</u>	<u>1,679,849</u>	<u>722,887</u>	<u>1,482,616</u>
Total Pension Liability - Beginning	<u>15,139,918</u>	<u>17,185,802</u>	<u>19,124,648</u>	<u>20,052,410</u>	<u>20,852,287</u>	<u>23,494,913</u>	<u>25,174,762</u>	<u>25,897,649</u>
Total Pension Liability - Ending (a)	<u>\$ 17,185,802</u>	<u>\$ 19,124,648</u>	<u>\$ 20,052,410</u>	<u>\$ 20,852,287</u>	<u>\$ 23,494,913</u>	<u>\$ 25,174,762</u>	<u>\$ 25,897,649</u>	<u>\$ 27,380,265</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 599,711	\$ 625,872	\$ 609,857	\$ 590,932	\$ 533,671	\$ 459,384	\$ 549,096	\$ 608,357
Contributions - Member	262,532	270,908	280,301	289,155	271,263	256,163	252,804	273,233
Net Investment Income	878,917	79,133	1,095,186	2,845,511	(790,437)	3,427,136	3,124,441	4,222,107
Benefit Payments, Including Refunds of Member Contributions	(363,167)	(438,933)	(507,648)	(477,631)	(488,533)	(632,114)	(729,234)	(769,578)
Administrative Expense	60,813	(353,942)	15,112	(176,499)	184,925	(304,370)	176,137	(749,425)
Net Change in Fiduciary Net Position	<u>\$ 1,438,806</u>	<u>\$ 183,038</u>	<u>\$ 1,492,808</u>	<u>\$ 3,071,468</u>	<u>\$ (289,111)</u>	<u>\$ 3,206,199</u>	<u>\$ 3,373,244</u>	<u>\$ 3,584,694</u>
Plan Fiduciary Net Position - Beginning	<u>14,158,945</u>	<u>15,597,751</u>	<u>15,780,789</u>	<u>17,273,597</u>	<u>20,345,065</u>	<u>20,055,954</u>	<u>23,262,153</u>	<u>26,635,397</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 15,597,751</u>	<u>\$ 15,780,789</u>	<u>\$ 17,273,597</u>	<u>\$ 20,345,065</u>	<u>\$ 20,055,954</u>	<u>\$ 23,262,153</u>	<u>\$ 26,635,397</u>	<u>\$ 30,220,091</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 1,588,051</u>	<u>\$ 3,343,859</u>	<u>\$ 2,778,813</u>	<u>\$ 507,222</u>	<u>\$ 3,438,959</u>	<u>\$ 1,912,609</u>	<u>\$ (737,748)</u>	<u>\$ (2,839,826)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.76%	82.52%	86.14%	97.57%	85.36%	92.40%	102.85%	110.37%
Covered Payroll	\$ 5,620,210	\$ 5,953,927	\$ 5,933,525	\$ 5,748,364	\$ 5,428,425	\$ 5,692,499	\$ 5,617,879	\$ 6,071,431
Net Pension Liability as a Percentage of Covered Payroll	28.26%	56.16%	46.83%	8.82%	63.35%	33.60%	-13.13%	-46.77%

Notes to Required Supplementary Information

Measurement Date December 31, 2020 - There was a change in assumption related to the inflation rate, salary rates and mortality rates

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

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

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

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

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

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

**VILLAGE OF LAKE IN THE HILLS, ILLINOIS
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
POLICE PENSION FUND**

	Last Nine Fiscal Years								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Pension Liability									
Service Cost	\$ 914,462	\$ 819,172	\$ 927,272	\$ 989,863	\$ 973,114	\$ 1,017,162	\$ 1,089,035	\$ 1,126,128	\$ 1,134,941
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	3,057,382
Changes of Benefit Terms	-	-	-	-	-	171,924	-	-	(21,581)
Differences Between Expected and Actual Experience	723,430	(965,189)	56,947	109,340	(581,406)	127,910	(2,070,960)	(1,476,642)	953,572
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)	(1,489,933)
Net Change in Total Pension Liability	<u>3,947,854</u>	<u>1,946,288</u>	<u>1,410,279</u>	<u>2,453,851</u>	<u>1,923,810</u>	<u>3,321,700</u>	<u>342,495</u>	<u>1,224,064</u>	<u>3,634,381</u>
Total Pension Liability - Beginning	<u>28,546,180</u>	<u>32,494,034</u>	<u>34,440,322</u>	<u>35,850,601</u>	<u>38,304,452</u>	<u>40,228,262</u>	<u>43,549,962</u>	<u>43,892,457</u>	<u>45,116,521</u>
Total Pension Liability - Ending (a)	<u>\$ 32,494,034</u>	<u>\$ 34,440,322</u>	<u>\$ 35,850,601</u>	<u>\$ 38,304,452</u>	<u>\$ 40,228,262</u>	<u>\$ 43,549,962</u>	<u>\$ 43,892,457</u>	<u>\$ 45,116,521</u>	<u>\$ 48,750,902</u>
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	\$ 6,048,402
Contributions - Member	328,681	347,585	410,317	379,776	352,025	389,244	439,448	445,060	396,608
Contributions - Other	-	105	-	-	-	-	-	-	72,633
Net Investment Income	1,101,370	(83,151)	1,386,255	3,005,889	(1,388,420)	5,598,402	4,426,285	5,231,524	(6,422,254)
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)	(1,489,933)
Administrative Expense	11,959	(27,935)	(27,378)	(25,049)	(44,211)	(45,326)	(50,524)	(66,541)	(59,934)
Net Change in Fiduciary Net Position	<u>\$ 1,722,531</u>	<u>\$ 519,112</u>	<u>\$ 2,015,821</u>	<u>\$ 3,622,562</u>	<u>\$ (730,651)</u>	<u>\$ 6,177,089</u>	<u>\$ 5,188,554</u>	<u>\$ 6,009,311</u>	<u>\$ (1,454,478)</u>
Plan Fiduciary Net Position - Beginning	<u>20,861,794</u>	<u>22,584,325</u>	<u>23,103,437</u>	<u>25,119,258</u>	<u>28,741,820</u>	<u>28,011,169</u>	<u>34,188,258</u>	<u>39,376,812</u>	<u>45,386,123</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 22,584,325</u>	<u>\$ 23,103,437</u>	<u>\$ 25,119,258</u>	<u>\$ 28,741,820</u>	<u>\$ 28,011,169</u>	<u>\$ 34,188,258</u>	<u>\$ 39,376,812</u>	<u>\$ 45,386,123</u>	<u>\$ 43,931,645</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 9,909,709</u>	<u>\$ 11,336,885</u>	<u>\$ 10,731,343</u>	<u>\$ 9,562,632</u>	<u>\$ 12,217,093</u>	<u>\$ 9,361,704</u>	<u>\$ 4,515,645</u>	<u>\$ (269,602)</u>	<u>\$ 4,819,257</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.5%	67.1%	70.1%	75.0%	69.6%	78.5%	89.7%	100.6%	90.1%
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	\$ 4,001,969
Net Pension Liability as a Percentage of Covered Payroll	282.5%	295.7%	295.8%	255.3%	385.0%	285.8%	114.5%	-6.9%	120.4%

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

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

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 rate 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.

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

MAJOR GOVERNMENTAL FUNDS

Police Facility Capital Project Fund - to account for the resources and costs related to the improvement of Police Department facilities.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 POLICE FACILITY CAPITAL PROJECT FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Taxes				
Amusement Tax	\$ 150,000	\$ 150,000	\$ -	\$ (150,000)
Investment Income	-	-	105,749	105,749
Total Revenues	<u>150,000</u>	<u>150,000</u>	<u>105,749</u>	<u>(44,251)</u>
Expenditures				
Capital Outlay	<u>247,500</u>	<u>391,380</u>	<u>250,602</u>	<u>(140,778)</u>
Excess (Deficiency) of Revenues Over Expenditures				
	<u>(97,500)</u>	<u>(241,380)</u>	<u>(144,853)</u>	<u>96,527</u>
Other Financing Sources (Uses)				
Transfers In	<u>313,760</u>	<u>10,298,357</u>	<u>10,298,357</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>313,760</u>	<u>10,298,357</u>	<u>10,298,357</u>	<u>-</u>
Net Change in Fund Balance	<u><u>\$ 216,260</u></u>	<u><u>\$ 10,056,977</u></u>	<u>10,153,504</u>	<u><u>\$ 96,527</u></u>
Fund Balance - Beginning of Year			<u>-</u>	
Fund Balance - End of Year			<u><u>\$ 10,153,504</u></u>	

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax Fund - to account for capital improvement projects, such as road reconstruction and resurfacing, which are financed by the Village's share of restricted state motor fuel taxes. All projects require the advance approval of the Illinois Department of Transportation.

Police Seizure Fund - to account for revenues and expenditures restricted for police seizure activity.

Veterans Memorial Fund - to account for revenues and expenditures restricted for veterans memorial activity.

Special Service Areas Fund - to account for revenues and expenditures restricted to the 12 special service areas within the Village. Maintenance and infrastructure concerns involve items such as detention and retention facilities, wetlands and stormwater drainage. The 12 special service areas are as follows:

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

CAPITAL PROJECTS FUNDS

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

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Special Service Areas	Motor Fuel Tax	Police Seizure	Veterans Memorial	Capital Improvements Plan	Lakes Projects	
Assets							
Cash and Investments	\$ 1,236,809	\$ 3,070,017	\$ 328,950	\$ 9,293	\$ 936,253	\$ -	\$ 5,581,322
Property Tax Receivable	395,910	-	-	-	-	-	395,910
Due from Other Governments	-	113,118	-	-	169,252	933,629	1,215,999
Accounts Receivable	49	-	-	-	148,082	-	148,131
Accrued Interest Receivable	-	15,500	-	-	9,563	-	25,063
Total Assets	\$ 1,632,768	\$ 3,198,635	\$ 328,950	\$ 9,293	\$ 1,263,150	\$ 933,629	\$ 7,366,425
Liabilities							
Accounts Payable	\$ 2,136	\$ 779,592	\$ -	\$ -	\$ 94,751	\$ 34,396	\$ 910,875
Due to Other Funds	-	-	-	45	-	595,093	595,138
Retainage Payable	-	179,260	-	-	-	109,700	288,960
Total Liabilities	2,136	958,852	-	45	94,751	739,189	1,794,973
Deferred Inflows of Resources							
Unavailable Grant Revenues	-	-	-	-	44,955	425,560	470,515
Unavailable Property Taxes	395,910	-	-	-	-	-	395,910
Total Deferred Inflows of Resources	395,910	-	-	-	44,955	425,560	866,425
Fund Balances							
Restricted							
Special Service Areas	1,234,722	-	-	-	-	-	1,234,722
Public Works	-	2,239,783	-	-	-	-	2,239,783
Public Safety	-	-	328,950	-	-	-	328,950
Veterans Memorial	-	-	-	9,248	-	-	9,248
Assigned							
Capital Projects	-	-	-	-	1,123,444	-	1,123,444
Unassigned						(231,120)	(231,120)
Total Fund Balances	1,234,722	2,239,783	328,950	9,248	1,123,444	(231,120)	4,705,027
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 1,632,768	\$ 3,198,635	\$ 328,950	\$ 9,293	\$ 1,263,150	\$ 933,629	\$ 7,366,425

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue				Capital Projects		Total Nonmajor Governmental Funds
	Special Service Areas	Motor Fuel Tax	Police Seizure	Veterans Memorial	Capital Improvements Plan	Lakes Projects	
	Revenues						
Taxes	\$ 386,593	\$ -	\$ -	\$ -	\$ 1,284,023	\$ -	\$ 1,670,616
Charges for Services	-	-	-	-	-	461	461
Contributions	501	78,649	-	1,011	-	-	80,161
Intergovernmental	-	1,815,209	23,582	-	36,962	474,522	2,350,275
Investment Income	17,032	38,746	1,322	47	8,361	4,763	70,271
Total Revenues	404,126	1,932,604	24,904	1,058	1,329,346	479,746	4,171,784
Expenditures							
Current							-
General Government	316,971	-	-	257	-	-	317,228
Public Safety	-	-	25,928	-	-	-	25,928
Capital Outlay	64,501	2,228,700	-	-	1,294,849	1,191,844	4,779,894
Total Expenditures	381,472	2,228,700	25,928	257	1,294,849	1,191,844	5,123,050
Excess (Deficiency) of Revenues Over Expenditures	22,654	(296,096)	(1,024)	801	34,497	(712,098)	(951,266)
Other Financing Sources (Uses)							
Transfer In	-	-	-	-	377,500	-	377,500
Sale of Capital Assets	-	-	-	-	46,645	-	46,645
Total Other Financing Sources (Uses)	-	-	-	-	424,145	-	424,145
Net Change in Fund Balances	22,654	(296,096)	(1,024)	801	458,642	(712,098)	(527,121)
Fund Balances - Beginning of Year	1,212,068	2,535,879	329,974	8,447	664,802	480,978	5,232,148
Fund Balances - End of Year	\$ 1,234,722	\$ 2,239,783	\$ 328,950	\$ 9,248	\$ 1,123,444	\$ (231,120)	\$ 4,705,027

See independent auditor's report.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 SPECIAL SERVICE AREAS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Taxes				
Property	\$ 387,270	\$ 387,270	\$ 386,593	\$ (677)
Contributions	500	500	501	1
Investment Income	2,440	2,440	17,032	14,592
Total Revenues	<u>390,210</u>	<u>390,210</u>	<u>404,126</u>	<u>13,916</u>
Expenditures				
General Government				
Personal Services	73,700	74,100	63,733	(10,367)
Contractual Services	252,382	254,782	234,547	(20,235)
Commodities	23,480	23,480	18,691	(4,789)
Capital Outlay	94,000	94,000	64,501	(29,499)
Total Expenditures	<u>443,562</u>	<u>446,362</u>	<u>381,472</u>	<u>(64,890)</u>
Net Change in Fund Balance	<u>\$ (53,352)</u>	<u>\$ (56,152)</u>	22,654	<u>\$ 78,806</u>
Fund Balance - Beginning of Year			<u>1,212,068</u>	
Fund Balance - End of Year			<u>\$ 1,234,722</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 MOTOR FUEL TAX FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Intergovernmental				
Motor Fuel Tax Allotments	\$ 1,177,000	\$ 1,177,000	\$ 1,173,129	\$ (3,871)
Rebuild Illinois Grant	642,080	642,080	642,080	-
Contributions	291,280	291,280	78,649	(212,631)
Investment Income	2,310	2,310	38,746	36,436
Total Revenues	<u>2,112,670</u>	<u>2,112,670</u>	<u>1,932,604</u>	<u>(180,066)</u>
Expenditures				
Capital Outlay	<u>2,813,305</u>	<u>2,862,440</u>	<u>2,228,700</u>	<u>(633,740)</u>
Total Expenditures	<u>2,813,305</u>	<u>2,862,440</u>	<u>2,228,700</u>	<u>(633,740)</u>
Net Change in Fund Balance	<u>\$ (700,635)</u>	<u>\$ (749,770)</u>	(296,096)	<u>\$ 453,674</u>
Fund Balance - Beginning of Year			<u>2,535,879</u>	
Fund Balance - End of Year			<u>\$ 2,239,783</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 POLICE SEIZURE FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Intergovernmental	\$ -	\$ -	\$ 23,582	\$ 23,582
Investment Income	120	120	1,322	1,202
Total Revenues	<u>120</u>	<u>120</u>	<u>24,904</u>	<u>24,784</u>
Expenditures				
Public Safety	-	26,100	25,928	(172)
Net Change in Fund Balance	<u>\$ 120</u>	<u>\$ (25,980)</u>	(1,024)	<u>\$ 24,956</u>
Fund Balance - Beginning of Year			<u>329,974</u>	
Fund Balance - End of Year			<u>\$ 328,950</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 VETERANS MEMORIAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Contributions	\$ 750	\$ 750	\$ 1,011	\$ 261
Investment Income	-	-	47	47
Total Revenues	<u>750</u>	<u>750</u>	<u>1,058</u>	<u>308</u>
Expenditures				
General Government				
Contractual Services	-	100	23	(77)
Commodities	250	250	234	(16)
Total Expenditures	<u>250</u>	<u>350</u>	<u>257</u>	<u>(93)</u>
Net Change in Fund Balance	<u>\$ 500</u>	<u>\$ 400</u>	801	<u>\$ 401</u>
Fund Balance - Beginning of Year			<u>8,447</u>	
Fund Balance - End of Year			<u>\$ 9,248</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 CAPITAL IMPROVEMENT PLAN FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Taxes				
Utility Tax	\$ 1,240,000	\$ 1,240,000	\$ 1,284,023	\$ 44,023
Intergovernmental	137,220	137,220	36,962	(100,258)
Investment Income	-	-	8,361	8,361
Total Revenues	<u>1,377,220</u>	<u>1,377,220</u>	<u>1,329,346</u>	<u>(47,874)</u>
Expenditures				
Capital Outlay	<u>1,924,221</u>	<u>2,301,721</u>	<u>1,294,849</u>	<u>(1,006,872)</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(547,001)</u>	<u>(924,501)</u>	<u>34,497</u>	<u>958,998</u>
Other Financing Sources (Uses)				
Transfers In	-	377,500	377,500	-
Sale of Capital Assets	47,500	47,500	46,645	(855)
Total Other Financing Sources (Uses)	<u>47,500</u>	<u>425,000</u>	<u>424,145</u>	<u>(855)</u>
Net Change in Fund Balance	<u>\$ (499,501)</u>	<u>\$ (499,501)</u>	458,642	<u>\$ 958,143</u>
Fund Balance - Beginning of Year			<u>664,802</u>	
Fund Balance - End of Year			<u>\$ 1,123,444</u>	

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 LAKES PROJECTS FUND
 FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Charges for Services	\$ -	\$ -	\$ 461	\$ 461
Intergovernmental	1,487,370	1,487,370	474,522	(1,012,848)
Investment Income	600	600	4,763	4,163
Total Revenues	<u>1,487,970</u>	<u>1,487,970</u>	<u>479,746</u>	<u>(1,008,224)</u>
Expenditures				
General Government				
Contractual Services	500	500	-	(500)
Capital Outlay	1,758,200	1,758,200	1,191,844	(566,356)
Total Expenditures	<u>1,758,700</u>	<u>1,758,700</u>	<u>1,191,844</u>	<u>(566,856)</u>
Net Change in Fund Balance	<u>\$ (270,730)</u>	<u>\$ (270,730)</u>	(712,098)	<u>\$ (441,368)</u>
Fund Balance - Beginning of Year			<u>480,978</u>	
Fund Balance - End of Year			<u>\$ (231,120)</u>	

SUPPLEMENTARY FINANCIAL INFORMATION

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance Over (Under) Final Budget
Revenues				
Taxes				
Property Tax	\$ 5,712,910	\$ 5,712,910	\$ 5,712,301	\$ (609)
Sales Tax	3,128,000	3,378,695	4,355,439	976,744
Home Rule Sales Tax	2,000,000	2,000,000	3,073,822	1,073,822
Use Tax	1,120,000	1,120,000	1,174,587	54,587
Cannabis Use Tax	52,000	52,000	50,213	(1,787)
Cannabis Home Rule Tax	300,000	300,000	621,578	321,578
Simplified Telecommunications Tax	200,000	200,000	222,337	22,337
Video Gaming Tax	220,000	220,000	321,175	101,175
Charitable Games/Pull Tab Tax	900	900	1,027	127
Amusement Tax	50,000	50,000	112,147	62,147
Total Taxes	12,783,810	13,034,505	15,644,626	2,610,121
Licenses and Permits				
Business Licenses	4,280	4,280	3,920	(360)
Contractor Licenses	32,250	32,250	36,150	3,900
Other Licenses	34,930	34,930	39,432	4,502
Liquor and Tobacco Licenses	49,050	49,050	50,746	1,696
Building Permits	188,870	188,870	180,751	(8,119)
Fishing Permits	-	-	11,347	11,347
Lake Use Permits and Fees	10,900	10,900	(9)	(10,909)
Total Licenses and Permits	320,280	320,280	322,337	2,057
Intergovernmental				
Income Tax	3,720,000	3,720,000	4,722,537	1,002,537
Personal Property Replacement Tax	8,800	8,800	23,984	15,184
Grants	77,280	3,973,920	3,942,992	(30,928)
Total Intergovernmental	3,806,080	7,702,720	8,689,513	986,793
Charges for Services				
Planning and Zoning Hearing Fees	12,130	12,130	8,217	(3,913)
Road Impact Fees	61,540	61,540	58,503	(3,037)
Annexation/Platting Fees	13,600	13,600	-	(13,600)
Cable Franchise Fees	406,000	406,000	402,983	(3,017)
Natural Gas Franchise Fees	36,400	36,400	38,694	2,294
Police Services	103,420	103,420	92,707	(10,713)
Commercial Activity Fees	36,500	36,500	55,349	18,849
Parks Programs	35,900	35,900	33,755	(2,145)
Recreation Programs	361,650	390,350	457,444	67,094
Sunset Fest	172,650	176,350	176,387	37
Facility Rental Fee	62,350	62,350	72,490	10,140
Rental Income	228,100	228,100	243,724	15,624
Total Charges for Services	1,530,240	1,562,640	1,640,253	77,613
Fines, Fees and Forfeits				
Court Fines	110,000	110,000	100,992	(9,008)
Ordinance Violations	55,000	55,000	64,553	9,553
Redlight Enforcement Fines	-	-	144	144
Electronic Citation Fines	1,700	1,700	1,976	276
Warrant Execution Fees	1,500	1,500	1,520	20
Vehicle Impoundment Fees	25,000	25,000	24,256	(744)
Total Fines, Fees and Forfeits	193,200	193,200	193,441	241
Investment Income	150,000	153,320	(20,814)	(174,134)
Miscellaneous				
Miscellaneous	23,000	23,000	34,389	11,389
Contributions	2,000	2,000	5,404	3,404
Insurance/Restitutions	10,000	10,000	202,458	192,458
Total Miscellaneous	35,000	35,000	242,251	207,251
Total Revenues	\$ 18,818,610	\$ 23,001,665	\$ 26,711,607	\$ 3,709,942

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page(s)</u>
Financial Trends These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.	73-77
Revenue Capacity These schedules contain information to help the reader assess the Village's most significant local revenue source, the property tax.	78-82
Debt Capacity These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.	83-86
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.	87-88
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.	89-92

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015*	2016	2017	2018	2019	2020	2021	2022**
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 190,880,305	\$ 190,299,799	\$ 182,703,352	\$ 182,548,831	\$ 180,977,897	\$ 179,978,488	\$ 179,300,458	\$ 178,975,675	\$ 178,913,961	\$ 177,967,200
Restricted for										
Maintenance of Roadways	1,710,589	1,891,178	1,763,871	1,837,522	1,603,067	1,491,323	1,416,611	2,116,939	2,535,879	2,239,783
Special Service Areas	1,173,573	1,226,390	1,362,670	1,412,319	1,410,574	1,291,085	1,425,428	1,325,451	1,212,068	1,234,722
Pensions	-	-	-	-	-	-	-	-	827,583	2,173,784
Other Restrictions	26,568	98,565	98,032	90,910	108,344	147,380	158,934	167,289	338,421	338,198
Unrestricted (Deficit)	10,480,167	10,594,215	(1,665,860)	(2,363,502)	(1,919,310)	(955,766)	317,686	3,438,759	9,671,954	18,885,696
TOTAL GOVERNMENTAL ACTIVITIES	\$ 204,271,202	\$ 204,110,147	\$ 184,262,065	\$ 183,526,080	\$ 182,180,572	\$ 181,952,510	\$ 182,619,117	\$ 186,024,113	\$ 193,499,866	\$ 202,839,383
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 59,134,371	\$ 59,627,543	\$ 54,165,955	\$ 56,382,842	\$ 55,987,721	\$ 55,153,709	\$ 54,254,361	\$ 53,284,729	\$ 52,092,295	\$ 50,658,325
Restricted for Pensions	-	-	-	-	-	-	-	-	179,767	666,042
Unrestricted	4,349,867	4,403,249	3,749,125	3,881,369	4,724,410	5,841,799	6,538,133	7,374,073	8,777,444	9,657,022
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 63,484,238	\$ 64,030,792	\$ 57,915,080	\$ 60,264,211	\$ 60,712,131	\$ 60,995,508	\$ 60,792,494	\$ 60,658,802	\$ 61,049,506	\$ 60,981,389
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 250,014,676	\$ 249,927,342	\$ 236,869,307	\$ 238,931,673	\$ 236,965,618	\$ 235,132,197	\$ 233,554,819	\$ 232,260,404	\$ 231,006,256	\$ 228,625,525
Restricted	2,910,730	3,216,133	3,224,573	3,340,751	3,121,985	2,929,788	3,000,973	3,609,679	5,093,718	6,652,529
Unrestricted	14,830,034	14,997,464	2,083,265	1,517,867	2,805,100	4,886,033	6,855,819	10,812,832	18,449,398	28,542,718
TOTAL PRIMARY GOVERNMENT	\$ 267,755,440	\$ 268,140,939	\$ 242,177,145	\$ 243,790,291	\$ 242,892,703	\$ 242,948,018	\$ 243,411,611	\$ 246,682,915	\$ 254,549,372	\$ 263,820,772

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

** The Village implemented GASB Statement No. 87 for the year ended December 31, 2022.

[Data Source](#)

Audited Financial Statements

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities										
General Government	\$ 2,916,173	\$ 3,164,822	\$ 3,206,741	\$ 3,470,801	\$ 3,910,029	\$ 3,615,672	\$ 3,108,210	\$ 3,495,778	\$ 3,944,399	\$ 4,399,986
Public Safety	7,215,337	7,734,387	8,112,242	8,155,273	7,810,395	8,877,522	8,694,704	7,050,446	6,352,931	8,663,528
Public Works	6,000,330	5,935,828	6,148,140	6,316,629	6,909,990	6,462,566	6,235,830	6,691,695	6,033,251	8,349,148
Recreation	2,109,937	2,204,367	2,036,187	2,020,268	1,630,270	1,536,271	2,687,574	1,690,527	952,152	1,376,159
Interest and Fiscal Charges	184,812	102,320	82,009	60,047	27,819	-	-	-	-	-
Total Governmental Activities Expenses	18,426,589	19,141,724	19,585,319	20,023,018	20,288,503	20,492,031	20,726,318	18,928,446	17,282,733	22,788,821
Business-Type Activities										
Water	4,535,991	4,133,675	4,028,662	3,782,467	4,108,906	3,829,950	4,110,318	4,178,952	4,137,558	3,570,543
Airport	565,908	1,106,268	992,321	1,046,942	1,064,947	1,135,554	1,201,964	1,119,860	1,187,632	1,248,045
Total Business-Type Activities Expenses	5,101,899	5,239,943	5,020,983	4,829,409	5,173,853	4,965,504	5,312,282	5,298,812	5,325,190	4,818,588
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 23,528,488	\$ 24,381,667	\$ 24,606,302	\$ 24,852,427	\$ 25,462,356	\$ 25,457,535	\$ 26,038,600	\$ 24,227,258	\$ 22,607,923	\$ 27,607,409
PROGRAM REVENUES										
Governmental Activities										
Charges for Services										
General Government	\$ 1,058,446	\$ 1,428,689	\$ 1,065,735	\$ 1,109,517	\$ 1,264,642	\$ 1,488,670	\$ 1,035,586	\$ 910,546	\$ 1,413,756	\$ 1,059,966
Public Safety	859,968	868,174	819,907	670,837	420,859	377,920	318,686	265,497	442,621	309,730
Public Works	-	-	-	-	-	-	-	-	-	58,503
Recreation	818,100	896,943	929,274	961,771	893,510	763,008	755,344	210,275	582,632	751,875
Operating Grants and Contributions	922,687	1,044,453	761,270	814,318	913,585	805,205	1,488,660	2,646,614	1,363,888	5,646,633
Capital Grants and Contributions	3,904,728	752,635	-	-	-	-	-	651,179	661,309	1,233,725
Total Governmental Activities Program Revenues	7,563,929	4,990,894	3,576,186	3,556,443	3,492,596	3,434,803	3,598,276	4,684,111	4,464,206	9,060,432
Business-Type Activities										
Charges for Services										
Water	4,108,973	4,236,612	4,099,079	4,296,307	4,364,784	4,377,001	3,975,832	4,141,500	4,354,659	4,132,400
Airport	387,085	582,746	725,460	769,586	801,009	887,571	897,087	823,374	882,649	768,180
Operating Grants and Contributions	-	-	-	-	-	-	-	69,000	82,000	434,638
Capital Grants and Contributions	1,160,016	939,150	21,672	1,625,824	453,019	-	9,834	-	243,403	260
Total Business-Type Activities Program Revenues	5,656,074	5,758,508	4,846,211	6,691,717	5,618,812	5,264,572	4,882,753	5,033,874	5,562,711	5,335,478
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 13,220,003	\$ 10,749,402	\$ 8,422,397	\$ 10,248,160	\$ 9,111,408	\$ 8,699,375	\$ 8,481,029	\$ 9,717,985	\$ 10,026,917	\$ 14,395,910
NET (EXPENSE) REVENUE										
Governmental Activities	\$ (10,862,660)	\$ (14,150,830)	\$ (16,009,133)	\$ (16,466,575)	\$ (16,795,907)	\$ (17,057,228)	\$ (17,128,042)	\$ (14,244,335)	\$ (12,818,527)	\$ (13,728,389)
Business-Type Activities	554,175	518,565	(174,772)	1,862,308	444,959	299,068	(429,529)	(264,938)	237,521	516,890
TOTAL PRIMARY GOVERNMENT NET (EXPENSE) REVENUE	\$ (10,308,485)	\$ (13,632,265)	\$ (16,183,905)	\$ (14,604,267)	\$ (16,350,948)	\$ (16,758,160)	\$ (17,557,571)	\$ (14,509,273)	\$ (12,581,006)	\$ (13,211,499)

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL REVENUES AND OTHER CHANGES IN NET ACTIVITIES										
Governmental Activities										
Taxes										
Property	\$ 6,169,924	\$ 6,145,378	\$ 6,140,013	\$ 6,124,535	\$ 6,134,871	\$ 6,125,852	\$ 6,118,576	\$ 6,117,992	\$ 6,053,275	\$ 6,098,894
Sales	2,434,315	2,527,527	2,589,229	2,648,940	2,871,786	2,921,636	2,943,025	2,962,031	3,876,140	4,355,439
Home Rule	1,262,587	1,305,137	1,301,079	1,529,995	1,853,019	1,927,663	1,912,454	1,777,259	3,000,252	3,695,400
Use	498,975	565,875	644,237	684,747	774,313	858,587	986,201	1,305,125	1,117,225	1,174,587
Simplified Telecommunications	799,915	667,704	653,187	576,941	504,066	454,644	368,547	304,470	236,362	222,337
Utility	-	-	-	-	-	1,372,683	1,328,767	1,211,991	1,280,695	1,284,023
Other	25,850	36,319	114,690	154,114	361,606	385,743	385,618	184,226	348,770	508,546
Intergovernmental - Unrestricted										
Income Tax	2,759,796	2,773,220	3,081,968	2,819,570	2,675,681	2,799,051	3,111,000	3,176,175	3,858,855	4,722,537
Investment Income	59,790	(179,964)	48,875	72,650	113,607	363,672	502,675	515,234	(1,152)	155,206
Miscellaneous	114,803	148,579	65,870	123,494	161,450	193,450	127,952	94,828	297,197	242,251
Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-	45,967	46,645
Transfers In	-	-	-	-	-	-	9,834	-	-	562,041
Total Governmental Activities	14,125,955	13,989,775	14,639,148	14,734,986	15,450,399	17,402,981	17,794,649	17,649,331	20,113,586	23,067,906
Business-Type Activities										
Property Taxes	-	-	-	-	-	-	-	75,372	104,199	104,120
Taxes										
Home Rule	-	-	-	-	-	-	-	-	2,545	4,317
Investment Income	16,514	16,814	13,442	23,780	29,793	73,773	97,501	53,097	5,788	(16,527)
Miscellaneous	4,353	11,175	9,475	198,829	7,656	6,050	138,848	2,777	15,528	11,114
Gain on Disposal of Capital Assets	-	-	-	5,820	(34,488)	-	-	-	-	2,425
Transfers (Out)	-	-	-	-	-	-	(9,834)	-	-	(562,041)
Total Business-Type Activities	20,867	27,989	22,917	228,429	2,961	79,823	226,515	131,246	128,060	(456,592)
TOTAL PRIMARY GOVERNMENT	\$ 14,146,822	\$ 14,017,764	\$ 14,662,065	\$ 14,963,415	\$ 15,453,360	\$ 17,482,804	\$ 18,021,164	\$ 17,780,577	\$ 20,241,646	\$ 22,611,314
CHANGES IN NET POSITION										
Governmental Activities	\$ 3,263,295	\$ (161,055)	\$ (1,369,985)	\$ (1,731,589)	\$ (1,345,508)	\$ 345,753	\$ 666,607	\$ 3,404,996	\$ 7,295,059	\$ 9,339,517
Business-Type Activities	575,042	546,554	(151,855)	2,090,737	447,920	378,891	(203,014)	(133,692)	365,581	60,298
TOTAL PRIMARY GOVERNMENT CHANGES IN NET POSITION	\$ 3,838,337	\$ 385,499	\$ (1,521,840)	\$ 359,148	\$ (897,588)	\$ 724,644	\$ 463,593	\$ 3,271,304	\$ 7,660,640	\$ 9,399,815

Data Source

Audited Financial Statements

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021*	2022
GENERAL FUND										
Nonspendable										
Inventory	\$ 57,893	\$ 73,684	\$ 77,649	\$ 87,539	\$ 90,113	\$ 83,601	\$ 89,404	\$ 88,706	\$ 88,496	\$ 93,321
Prepaid Items	231,913	352,844	224,956	303,737	134,755	249,508	339,463	659,389	904,546	1,033,335
Committed										
Maintenance of Roadways	-	-	-	-	-	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Assigned										
Subsequent Year's Budget	-	-	260,354	903,368	-	-	-	828,322	-	-
Unassigned	9,087,964	9,106,526	9,377,612	8,461,085	9,545,408	10,085,089	11,500,216	12,574,595	16,678,322	9,922,654
TOTAL GENERAL FUND	\$ 9,377,770	\$ 9,533,054	\$ 9,940,571	\$ 9,755,729	\$ 9,770,276	\$ 11,918,198	\$ 13,429,083	\$ 15,651,012	\$ 19,171,364	\$ 12,549,310
ALL OTHER GOVERNMENTAL FUNDS										
Restricted										
Public Works	\$ 1,710,589	\$ 1,891,178	\$ 1,763,871	\$ 1,837,522	\$ 1,603,067	\$ 1,491,323	\$ 1,416,611	\$ 2,116,939	\$ 2,535,879	\$ 2,239,783
Special Service Areas	1,173,573	1,226,390	1,362,670	1,412,319	1,410,574	1,291,085	1,425,428	1,325,451	1,212,068	1,234,722
Public Safety	26,568	33,004	72,658	73,316	93,152	134,255	146,098	159,215	329,974	328,950
Veterans Memorial	-	65,561	25,374	17,594	15,192	13,125	12,836	8,074	8,447	9,248
Assigned										
Capital Projects	-	-	-	-	-	106,210	401,266	337,722	664,802	11,276,948
Lake Restoration	708,211	709,672	718,140	726,675	744,194	743,463	529,288	516,006	480,978	-
Unassigned	-	-	(429)	-	-	-	-	-	-	(231,120)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 3,618,941	\$ 3,925,805	\$ 3,942,284	\$ 4,067,426	\$ 3,866,179	\$ 3,779,461	\$ 3,931,527	\$ 4,463,407	\$ 5,232,148	\$ 14,858,531

*Beginning in fiscal year 2021, the Village separated restricted activity specific to Public Safety and Veterans Memorial into separate funds. This change has been reported prospectively in the financial statements.

Data Source

Audited Financial Statements

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Taxes	\$ 11,184,734	\$ 11,241,651	\$ 11,434,902	\$ 11,714,267	\$ 12,493,651	\$ 14,042,810	\$ 14,033,363	\$ 13,856,511	\$ 15,900,846	\$ 17,315,242
Licenses and Permits	271,729	369,805	256,269	280,094	368,371	398,604	289,630	212,069	390,477	322,337
Intergovernmental	3,785,000	3,900,761	3,850,770	3,638,894	3,595,276	3,608,255	4,609,485	6,480,551	6,043,050	11,039,788
Charges for Services	1,751,849	2,091,826	1,882,622	1,815,358	1,699,988	1,747,391	1,394,972	978,504	1,702,179	1,640,714
Fines, Fees, and Forfeits	559,811	561,990	497,924	461,476	353,762	367,653	286,627	195,748	188,845	193,441
Contributions	2,500	2,500	4,810	4,580	41	1,010	4,570	4,879	10,383	80,161
Investment Income	59,790	(179,964)	48,875	72,650	113,607	363,672	502,675	515,234	(1,152)	155,206
Miscellaneous	267,929	318,764	239,162	304,110	318,299	308,389	261,769	89,946	297,197	242,251
Total Revenues	17,883,342	18,307,333	18,215,334	18,291,429	18,942,995	20,837,784	21,383,091	22,333,442	24,531,825	30,989,140
EXPENDITURES										
General Government	3,020,558	3,123,204	3,378,531	3,327,033	3,599,983	3,297,081	2,862,689	3,080,203	3,766,078	4,145,497
Public Safety	7,144,603	7,603,204	7,558,232	7,838,943	7,909,995	7,935,683	8,162,963	8,276,991	8,799,492	13,648,393
Public Works	3,501,702	3,652,589	3,551,762	4,213,400	4,881,972	4,662,039	5,035,785	5,051,984	4,503,299	4,709,501
Recreation	1,770,917	1,854,634	1,754,322	1,691,213	1,483,491	1,361,209	1,915,005	1,454,619	784,922	1,059,610
Capital Outlay	829,344	858,046	822,311	572,041	578,254	1,609,755	1,726,839	1,829,321	2,590,602	5,030,496
Debt Service										
Principal	2,315,000	690,000	655,000	650,000	650,000	-	-	-	-	-
Interest	185,500	100,488	79,788	58,499	26,000	-	-	-	-	-
Total Expenditures	18,767,624	17,882,165	17,799,946	18,351,129	19,129,695	18,865,767	19,703,281	19,693,118	20,444,393	28,593,497
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(884,282)	425,168	415,388	(59,700)	(186,700)	1,972,017	1,679,810	2,640,324	4,087,432	2,395,643
OTHER FINANCING SOURCES (USES)										
Sale of Capital Assets	38,803	36,980	8,608	-	-	89,187	73,307	113,485	45,967	46,645
Transfers In	2,529,218	819,218	763,090	2,019,912	1,246,755	20,005	9,834	-	-	11,237,898
Transfers (Out)	(2,529,218)	(819,218)	(763,090)	(2,019,912)	(1,246,755)	(20,005)	(100,000)	-	(25,000)	(10,675,857)
Total Other Financing Sources (Uses)	38,803	36,980	8,608	-	-	89,187	(16,859)	113,485	20,967	608,686
NET CHANGE IN FUND BALANCES	\$ (845,479)	\$ 462,148	\$ 423,996	\$ (59,700)	\$ (186,700)	\$ 2,061,204	\$ 1,662,951	\$ 2,753,809	\$ 4,108,399	\$ 3,004,329
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	13.75%	4.63%	4.16%	4.01%	3.67%	0.00%	0.00%	0.00%	0.00%	0.00%

Data Source

Audited Financial Statements

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Farm Property	Residential Property	Commercial Property	Industrial Property	Mineral Property	Rail State	Rail Local	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
2013	\$ 326,929	\$ 517,637,826	\$ 41,492,688	\$ 16,546,082	\$ 3,594,510	\$ -	\$ -	\$ 579,598,035	0.946109	\$ 1,738,794,105	33.333%
2014	337,729	500,232,836	39,842,919	15,762,642	3,592,332	-	-	559,768,458	0.979279	1,679,305,374	33.333%
2015	339,858	512,782,359	41,717,939	16,208,605	3,594,790	-	-	574,643,551	0.953929	1,723,930,653	33.333%
2016	359,329	547,463,788	43,998,527	17,146,121	3,598,226	-	-	612,565,991	0.894873	1,837,697,973	33.333%
2017	284,104	580,496,043	45,614,071	17,896,239	3,624,406	-	-	647,914,863	0.846056	1,943,744,589	33.333%
2018	274,112	617,749,425	47,850,516	19,067,848	3,628,035	-	-	688,569,936	0.796106	2,065,709,808	33.333%
2019	369,182	661,404,962	51,841,878	20,351,757	3,633,202	-	-	737,600,981	0.743190	2,212,802,943	33.333%
2020	389,164	683,378,631	53,364,804	20,976,723	3,636,240	-	-	761,745,562	0.719633	2,285,236,686	33.333%
2021	406,143	706,462,339	57,259,167	21,574,655	3,638,840	-	-	789,341,144	0.698675	2,368,023,432	33.333%
2022	431,724	756,477,070	60,562,759	23,158,153	3,644,231	-	-	844,273,937	0.655199	2,532,821,811	33.333%

Note: Property in the Village is reassessed each year. Property is assessed at 33.333% of actual value.

Data Source

Office of the County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Levy Years

Tax Levy Year	2013	2014	2015	2016
VILLAGE DIRECT RATES				
Corporate	0.400951	0.385814	0.334363	0.306933
Retirement	0.085313	0.094958	0.090953	0.080885
Police Protection	0.094052	0.102253	0.106081	0.102311
Police Pension	0.176119	0.190770	0.217685	0.211158
Audit	0.001745	0.001855	0.002167	0.002261
Tort Insurance	0.032300	0.034813	0.034712	0.030971
Social Security	0.107430	0.118632	0.117884	0.115758
Workers' Compensation	0.048199	0.050184	0.050084	0.044596
Total Direct Rate	0.946109	0.979279	0.953929	0.894873
OVERLAPPING RATES				
McHenry County	1.096045	1.141220	1.078148	1.053873
McHenry County Conservation	0.274794	0.283996	0.276611	0.258847
Community College District Number 509	0.510087	0.673813	0.565665	0.534163
Community College District Number 528	0.430644	0.445272	0.434758	0.406599
Unit School District Number 26	4.443286	4.748174	4.624609	4.299815
Unit School District Number 47	4.407178	4.652244	4.559118	4.373579
Unit School District Number 155	2.961301	3.094811	3.025533	2.828663
Unit School District Number 158	5.896330	5.971234	5.947242	5.732077
Unit School District Number 300	6.351913	6.714705	6.532134	6.130890
Algonquin - Lake in the Hills Fire Protection District	0.936399	0.998683	0.991473	1.043646
Cary Fire District	0.615333	0.654702	0.621952	0.606503
Crystal Lake Rural Fire Protection	0.458519	0.493759	0.492390	0.476400
Huntley Fire Protection	0.886367	0.875560	0.855863	0.804949
Algonquin Public Library District	0.586797	0.624553	0.621774	0.595732
Cary Area Public Library District	0.276129	0.293560	0.287550	0.273070
Huntley Library District	0.262655	0.269283	0.262657	0.255948
Cary Park District	0.836003	0.902666	0.881835	0.835921
Crystal Lake Park District	0.519276	0.558211	0.553483	0.531007
Huntley Park District	0.420795	0.399144	0.373703	0.270037
Lake in the Hills Sanitary District	0.090750	0.131154	0.093890	0.089060
LITH Special Service Area #1	0.009152	0.010057	0.009640	0.008966
LITH Special Service Area #2	0.096452	0.100464	0.099731	0.091775
LITH Special Service Area #3	0.195356	0.204740	0.195055	0.187171
LITH Special Service Area #5	0.252048	0.279135	0.248217	0.239216
LITH Special Service Area #6	0.120676	0.118603	0.117809	0.110442
LITH Special Service Area #7	0.017273	0.017599	0.017907	0.016065
LITH Special Service Area #10	4.865517	5.079894	4.839369	5.306208
LITH Special Service Area #14	2.986239	3.117816	0.000000	0.000000
LITH Special Service Area #15	0.181163	0.162148	0.180489	0.167608
LITH Special Service Area #4A	0.179138	0.187772	0.174291	0.171143
LITH Special Service Area #4B	0.215990	0.226088	0.222898	0.203888
LITH Special Service Area #8B	0.022057	0.042780	0.042415	0.039746
LITH Special Service Area #8C	0.004203	0.007541	0.007486	0.006755
Algonquin Township	0.082064	0.085052	0.082803	0.071218
Algonquin Township Road and Bridge	0.182712	0.191279	0.186219	0.170493
Grafton Township	0.088730	0.091760	0.088754	0.074555
Grafton Township Road and Bridge	0.062580	0.064720	0.063924	0.060776
Total Overlapping Rate	41.821951	43.914192	39.657395	38.326804

Data Source

Office of the County Clerk

2017	2018	2019	2020	2021	2022
0.283041	0.280903	0.249540	0.219839	0.697786	0.654366
0.074041	0.061979	0.048683	0.057553	0.000127	0.000119
0.094346	0.093635	0.083180	0.071531	0.000127	0.000119
0.211476	0.199271	0.203095	0.214558	0.000127	0.000119
0.002566	0.001888	0.001798	0.001791	0.000127	0.000119
0.029823	0.024807	0.025929	0.025107	0.000127	0.000119
0.107315	0.098853	0.094359	0.093809	0.000127	0.000119
0.043448	0.034770	0.036606	0.035445	0.000127	0.000119
0.846056	0.796106	0.743190	0.719633	0.698675	0.655199
0.901887	0.831721	0.786789	0.762108	0.736456	0.698158
0.244906	0.237971	0.228597	0.223645	0.221944	0.212478
0.512954	0.520708	0.501878	0.451271	0.459764	0.435048
0.384701	0.365514	0.356415	0.343310	0.329673	0.306028
4.055285	3.864743	3.780234	3.662077	3.683886	3.544801
4.260696	3.946850	3.885120	3.854838	3.804758	3.749583
2.701887	2.613021	2.570190	2.512101	2.475408	2.477388
5.500207	5.308388	5.265908	5.255137	5.203771	5.077194
5.870639	5.685693	5.477905	5.375118	5.313932	5.138573
1.013270	0.984782	0.959996	0.949558	0.940841	0.924217
0.584132	0.566516	0.552965	0.545960	0.541248	0.529293
0.467880	0.460650	0.458280	0.456630	0.450157	0.447332
0.756729	0.728989	0.718880	0.725925	0.717822	0.709190
0.576145	0.480285	0.467710	0.464610	0.457852	0.450246
0.263660	0.255710	0.250810	0.247029	0.245021	0.241276
0.243938	0.234851	0.302258	0.297635	0.292730	0.282757
0.804928	0.779711	0.763186	0.752929	0.744510	0.726403
0.517814	0.500282	0.488628	0.481266	0.470328	0.462895
0.204279	0.197013	0.195993	0.195532	0.193424	0.190904
0.086130	0.082929	0.069917	0.077097	0.075852	0.073240
0.008306	0.007809	0.007290	0.007088	0.007243	0.007156
0.087244	0.082115	0.076516	0.074545	0.076123	0.075162
0.174961	0.164585	0.158900	0.126089	0.121629	0.112983
0.226930	0.213312	0.194441	0.113222	0.110133	0.103681
0.105042	0.098630	0.092009	0.089713	0.090958	0.089750
0.015142	0.014360	0.014373	0.013986	0.014266	0.014078
4.976759	0.000000	0.000000	0.000000	0.000000	0.000000
0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
0.160562	0.153681	0.161666	0.157433	0.152869	0.144448
0.159751	0.149887	0.138232	0.105730	0.101883	0.094411
0.188257	0.175757	0.161116	0.076928	0.074279	0.069076
0.037103	0.035494	0.031849	0.030478	0.029320	0.027295
0.006164	0.005754	0.005068	0.004890	0.004810	0.004584
0.063774	0.060283	0.057335	0.055794	0.054295	0.052367
0.152671	0.141705	0.132340	0.126474	0.123082	0.120111
0.063825	0.054617	0.003136	0.046439	0.040759	0.034769
0.057499	0.050736	0.044259	0.042989	0.047016	0.045835
36.436057	30.055052	29.360189	28.705574	28.408042	27.672710

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Taxpayer	2022			2013		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
Costco Wholesale Corp	\$ 3,851,991	1	0.46%	\$ 2,941,358	2	0.51%
Randall Algonquin Plaza LLC	3,048,279	2	0.36%			
AL MC LITH Assoc LLC	2,773,050	3	0.33%			
AMH 2014 2 Borrower LLC	2,626,832	4	0.31%			
LITH Alg Road LLC	2,483,897	5	0.29%			
Lowes Home Centers Inc	2,146,800	6	0.25%	2,481,855	4	0.43%
Amerco Real Estate Co	2,078,034	7	0.25%			
All Safe Self Storage LLC	1,721,915	8	0.20%			
1st Midwest Bank Trust 12871	1,709,505	9	0.20%	1,506,121	9	0.26%
Prairie Stone Shops LLC	1,588,243	10	0.19%	1,373,359	10	0.24%
Ryan Inc				3,820,369	1	0.66%
LNR Partners LLC.				2,586,792	3	0.45%
National Shopping Plazas Inc				2,373,276	5	0.41%
Chicago Title Land Trust 113439				2,331,522	6	0.40%
Chicago Title Land Trust 008002350412				2,026,443	7	0.35%
Realty Income Corp / Kerasotes Theatres				1,977,841	8	0.34%
TOTAL	\$ 24,028,546		2.85%	\$ 23,418,936		4.04%

Note: Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

Data Source

Office of the County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Collected in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 6,149,493	\$ 6,146,209	99.95%	\$ (2,722)	\$ 6,143,487	99.90%
2014	6,148,101	6,142,813	99.91%	(675)	6,142,138	99.90%
2015	6,134,087	6,125,210	99.86%	1,277	6,126,487	99.88%
2016	6,140,157	6,134,284	99.90%	(494)	6,133,790	99.90%
2017	6,132,453	6,125,656	99.89%	(848)	6,124,808	99.88%
2018	6,127,367	6,119,424	99.87%	(786)	6,118,638	99.86%
2019	6,204,099	6,194,150	99.84%	(1,765)	6,192,385	99.81%
2020	6,163,732	6,159,238	99.93%	1,275	6,160,513	99.95%
2021	6,211,829	6,201,743	99.84%	(10,916)	6,190,827	99.66%
2022	6,250,402	6,237,281	N/A	N/A	N/A	N/A

N/A - Information not available.

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

Data Sources

Office of the County Clerk
Office of the County Treasurer

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage of Personal Income*	Per Capita*
	General Obligation Bonds	Installment Notes Payable	Special Assessment Payable	General Obligation Bonds	Installment Notes Payable	Capital Leases			
2013	\$ 2,741,911	\$ -	\$ -	\$ 1,233,230	\$ -	\$ -	\$ 3,975,141	0.42%	138
2014	2,027,684	-	-	840,827	-	-	2,868,511	0.30%	100
2015	1,348,455	-	-	448,426	-	-	1,796,881	0.19%	62
2016	674,228	-	-	387,221	-	-	1,061,449	0.11%	36
2017	-	-	-	326,018	-	-	326,018	0.03%	11
2018	-	-	-	264,814	-	-	264,814	0.03%	9
2019	-	-	-	1,837,283	-	-	1,837,283	0.18%	64
2020	-	-	-	1,714,146	-	-	1,714,146	0.16%	59
2021	-	-	-	1,586,009	-	-	1,586,009	0.14%	55
2022	-	-	-	1,447,871	-	-	1,447,871	0.12%	50

*See the Schedule of Demographic and Economic Information on [page 87](#) for personal income and population data.

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

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property	Per Capita
2013	\$ 3,975,141	\$ -	\$ 3,975,141	0.23%	\$ 138
2014	2,868,511	-	2,868,511	0.17%	100
2015	1,796,881	-	1,796,881	0.10%	62
2016	1,061,449	-	1,061,449	0.06%	36
2017	326,018	-	326,018	0.02%	11
2018	264,814	-	264,814	0.01%	9
2019	1,837,283	-	1,837,283	0.08%	64
2020	1,714,146	-	1,714,146	0.08%	59
2021	1,586,009	-	1,586,009	0.07%	55
2022	1,447,871	-	1,447,871	0.06%	50

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

Data Source

Village and County Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2022

Governmental Unit	(1) Gross Debt	(2) Percentage of Debt Applicable to the Village	Village's Share of Debt
Schools:			
Community College District Number 509	\$ 192,020,000	26.55%	\$ 50,984,011
Community College District Number 528	-	6.19%	-
High School District Number 155	-	5.74%	-
School District Number 26	7,660,000	0.00%	-
School District Number 47	-	8.79%	-
Unit School District Number 158	51,155,000	27.18%	13,901,836
Unit School District Number 300	200,210,000	26.84%	53,726,470
Total Schools	\$ 451,045,000		\$ 118,612,317
Other:			
McHenry County	\$ -	8.21%	\$ -
McHenry County Conservation District	58,315,000	8.21%	4,788,905
Algonquin/Lake in the Hills Fire District	-	33.91%	-
Cary Fire District	-	0.00%	-
Crystal Lake Rural Fire District	-	2.48%	-
Huntley Fire District	-	32.13%	-
Algonquin Library District	-	37.58%	-
Cary Public Library	-	0.00%	-
Huntley Library District	12,555,000	27.10%	3,402,684
Cary Park District	14,535,000	0.00%	624
Crystal Lake Park District	1,630,000	1.17%	19,031
Huntley Park District	2,577,000	33.34%	859,293
Lake in the Hills Sanitary District	-	86.80%	-
Algonquin Township	-	12.29%	-
Grafton Township	-	24.67%	-
Total Other	\$ 89,612,000		\$ 9,070,537
Total Schools and Other Overlapping Bonded Debt	\$ 540,657,000		\$ 127,682,854
Village of Lake in the Hills, Direct Debt	\$ -	100.00%	\$ -
Total direct and overlapping debt	\$ 540,657,000		\$ 127,682,854

(1) Outstanding debt data comes from McHenry County Clerk's office.

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

Data Source

Village and County Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

December 31, 2022

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

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income	Per Capita Personal Income (2)	Unemployment Rate (3)
2013	28,850 E	939,356,000	32,560	7.3%
2014	28,792 E	941,671,152	32,706	4.9%
2015	28,871 E	956,611,714	33,134	4.9%
2016	29,228 A	963,267,196	32,957	4.4%
2017	28,756 E	951,909,868	33,103	3.8%
2018	28,743 E	970,852,311	33,777	3.1%
2019	28,634 E	1,015,132,568	35,452	2.8%
2020	28,982 A	1,066,073,888	36,784	6.6%
2021	28,945 E	1,122,544,990	38,782	3.2%
2022	28,700 E	1,227,728,600	42,778	3.5%

A - Actual

E - Estimated

Data Sources

(1) U.S. Census Bureau and Village Records

(2) U.S. Census Bureau

(3) Illinois Department of Employment Security

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percent of Total Village Population	Employees	Rank	Percent of Total Village Population
School District 158	400	1	1.39%	440	1	1.53%
Costco Wholesale	266	2	0.93%	150	2	0.52%
School District 300	198	3	0.69%	92	8	0.32%
Village of Lake in the Hills	194	4	0.68%	131	3	0.45%
Lowe's Home Center	141	5	0.49%	111	6	0.38%
Advanced Flexible Composites	140	6	0.49%			
Moretti's Ristorante & Pizza	86	7	0.30%	75	9	0.26%
Alg-LITH Fire Protection District	85	8	0.30%			0.00%
Boulder Ridge Country Club	77	9	0.27%	120	5	0.42%
JA Frate Inc	72	10	0.25%	72	10	0.25%
Dominick's Finer Foods				123	4	0.43%
Electric Conduit Construction Inc.				100	7	0.35%
TOTAL	<u>1,659</u>		<u>5.78%</u>	<u>1,414</u>		<u>4.90%</u>

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL GOVERNMENT										
Administration	3.00	3.00	3.00	3.00	5.42	4.42	4.52	5.52	6.40	6.63
Community Development	-	-	-	7.30	7.95	6.01	7.20	4.70	5.49	5.48
Building and Zoning	3.63	3.63	3.99	-	-	-	-	-	-	-
Planning	2.50	2.50	2.50	-	-	-	-	-	-	-
Executive	0.50	0.65	0.65	0.65	0.00	-	-	-	-	-
Finance	5.30	5.74	6.34	6.59	4.97	4.97	7.37	7.37	7.01	9.49
Management Information Systems	-	-	-	1.00	1.00	1.00	1.00	2.00	1.72	2.00
PUBLIC SAFETY										
Police										
Civilians	19.45	19.52	17.86	-	-	-	-	-	-	-
Officers	38.00	38.00	39.00	-	-	-	-	-	-	-
Administration	-	-	-	4.00	4.00	4.00	4.00	4.00	4.00	4.00
Communications	-	-	-	10.50	9.50	-	-	-	-	-
Patrol	-	-	-	33.36	33.36	33.36	33.36	33.36	33.36	32.36
Support Services	-	-	-	9.00	9.00	10.00	11.00	10.00	10.00	11.60
PUBLIC WORKS										
Administration	2.00	3.42	3.42	3.42	3.42	3.42	3.26	3.09	3.08	4.48
Airport	1.00	2.35	2.58	2.95	3.22	3.22	2.85	2.85	2.94	2.84
Public Properties	12.15	12.23	11.69	11.69	11.69	9.23	9.23	9.50	10.62	10.85
Street Maintenance	15.04	14.94	14.94	15.88	16.36	16.42	15.90	15.90	15.95	15.94
Water Operations	17.64	16.94	16.94	16.88	16.88	16.88	15.43	15.43	15.43	12.00
RECREATION										
Administration	2.50	2.50	2.50	2.50	2.50	2.50	1.50	1.50	-	-
Parks	0.88	1.39	1.38	1.38	1.38	1.38	1.40	1.80	-	-
Recreation and Beaches	12.16	14.74	15.11	16.16	18.16	16.05	17.10	16.60	6.65	8.43
TOTAL FULL-TIME EQUIVALENT EMPLOYEES	135.75	141.55	141.90	146.26	148.81	132.86	135.12	133.62	122.65	126.10

Data Source

Village records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
GENERAL GOVERNMENT										
Administration										
Business Retention Programs	-	-	-	-	1	1	1	1	-	-
Ordinances Adopted	64	64	60	62	65	88	66	53	62	56
Resolutions Adopted	19	29	14	25	30	17	7	21	26	17
Shop LITH Partners	25	32	81	79	-	-	-	-	-	-
Shop LITH Registrations	1,150	1,264	1,320	1,450	-	-	-	-	-	-
Symposiums and Trade Shows	-	-	-	-	2	-	-	-	-	-
Village eNewsletters	57	64	146	173	247	209	138	124	96	88
Village Newsletters	2	2	2	2	2	2	2	2	2	2
Community Development - Building and Zoning										
Building Inspections	1,899	5,413	2,300	2,940	3,525	3,233	3,373	3,069	3,583	3,206
Certificates of Occupancy - Commercial	45	41	28	12	8	4	9	2	8	1
Construction										
Commercial	1	3	3	3	2	2	4	21	1	1
Duplex	16	12	10	2	10	14	6	4	-	2
Single Family Detached	2	2	2	8	7	12	2	2	13	12
Townhomes	-	-	-	-	-	-	-	-	-	-
Contractor Licenses	452	683	485	484	348	421	450	478	355	479
Permits Issued	1,078	3,257	1,520	1,317	1,493	1,523	1,482	1,786	1,748	1,567
Community Development - Planning										
Development Plans Reviewed	1	2	3	1	-	-	-	-	-	-
Final Plats Reviewed	-	3	2	-	4	-	-	-	-	-
Planning and Zoning Commission Meetings	9	9	-	11	9	-	-	-	-	7
Planning and Zoning Commission Public Hearings	7	9	-	17	14	-	-	-	-	12
Sketch Plans Reviewed	1	2	3	1	1	-	-	-	-	-
Tentative Plats Reviewed	1	2	2	-	-	-	-	-	-	-
Finance										
Business Licenses Issued	570	630	550	551	526	462	435	440	379	296
Garage Sale Permits Issued	673	540	640	528	452	388	354	183	232	219
Investment Portfolio Value	\$16.4 mil	\$16.6 mil	\$18.5 mil	\$16.6 mil	\$17.2 mil	\$20.6 mil	\$23.7 mil	\$25.3 mil	\$32.8 mil	\$34.3 mil
Payroll Checks/Vouchers Issued	4,205	4,194	4,330	5,455	4,354	4,486	4,233	5,131	5,023	4,930
Purchase Orders Issued	218	228	205	264	222	192	131	143	149	176
Receipts Processed	46,165	46,187	46,150	44,059	30,634	30,790	30,285	27,284	38,140	39,647
Vendor Checks Issued	4,030	4,096	3,800	4,128	3,666	3,256	3,265	3,147	3,437	4,030

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

OPERATING INDICATORS (Continued)

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PUBLIC SAFETY										
Police										
Calls for Service	13,122	13,347	13,160	17,371	12,306	11,268	10,486	9,679	9,166	9,737
Crime Prevention Meetings	247	276	266	247	189	294	291	171	158	122
Investigation Case Workload	108	154	174	123	87	-	99	62	125	64
Ordinance Citations Issued	2,216	1,550	2,268	2,424	2,606	2,019	1,371	1,111	-	-
* Social Service Case Contacts	684	799	723	833	970	736	763	583	751	-
* Social Service Cases	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	233
Total Number of Citizen Police Academy Graduates	480	494	494	494	-	-	-	-	-	-
Traffic Accidents	668	595	624	739	526	566	463	353	428	474
Traffic Citations	3,471	3,530	2,367	3,778	2,083	2,262	1,708	1,124	-	-
Traffic Stops & Ordinance Enforcement	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3,040	4,080
** Training Hours (External)	2,421	3,002	3,258	1,489	1,008	1,251	1,686	512	578	57.9%
PUBLIC WORKS										
Maintenance Performed on										
Cul-De-Sacs/Courts	166	167	167	167	167	167	167	167	167	167
Miles of Streets Reconstructed	-	-	-	-	-	-	-	-	-	-
Miles of Streets Resurfaced	4.0	3.2	3.1	3.25	4.43	4.05	4.63	4.63	5.40	3.14
Streets (in Miles)	79.8	80.0	80	80	80	80	80	80	80	80
Vehicles/Major Equipment	107	107	107	107	107	107	107	107	107	108
RECREATION										
Parks & Recreation										
Labahn Hain House Uses	143	148	307	195	240	268	259	31	90	165
New Park Sites	-	-	-	-	-	-	-	-	-	-
Park Acreage and Open Space	803	803	803	803	803	803	803	803	803	803
Picnic Shelter Uses	97	88	84	81	58	98	79	17	79	61
Playground Installations/Renovations	-	-	-	1	3	4	1	3	3	3
Program Participants	6,389	7,851	12,874	5,131	4,908	5,348	5,129	1,389	4,980	4,924
Recreation Programs	950	825	756	826	704	672	642	75	248	319
Village Hall Facility Rentals	305	312	571	372	582	642	532	7	41	81
WATER										
Water Operations										
Daily Pumpage - Average (Gallons)	2,241,988	2,233,146	2,117,702	2,119,562	2,128,770	2,073,414	2,066,223	2,183,053	1,848,000	2,027,666
Daily Pumpage - Peak (Gallons)	3,256,460	2,916,475	3,294,200	3,322,200	3,648,000	3,498,000	3,446,000	3,598,000	2,345,000	3,453,000
Number of J.U.L.I.E. Locates	2,617	2,120	2,467	2,820	4,912	3,898	3,877	4,153	3,401	3,610
Number of Water Services	9,432	9,432	9,463	9,471	9,509	9,535	9,541	9,535	9,542	9,574

* Beginning in Fiscal Year 2022 the Police Department began tracking the total number of social service cases.

** Training Hours (External) will represent the amount of training hours conducted externally as a portion of the total hours trained.

N/A - Data not available.

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
PUBLIC SAFETY										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Vehicles	29	29	28	25	26	26	26	29	26	26
PUBLIC WORKS										
Streets										
Miles of Storm Sewer	104.39	104.39	104.39	104.39	104.39	104.39	104.39	104.39	104.39	104.41
Miles of Streets	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00	91.00
WATER										
Water Operations										
Fire Hydrants	1,364	1,374	1,380	1,384	1,384	1,388	1,394	1,394	1,429	1,434
Storage Capacity (Gallons)	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
Valves	1,023	1,025	1,034	1,038	1,038	1,043	1,048	1,048	1,143	1,145
Water Mains (Miles)	140.19	140.70	141.10	141.10	141.10	141.60	142.00	142.00	144.00	144.00

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

CONTINUING DISCLOSURES

December 31, 2022

**Village of Lake in the Hills, McHenry County, Illinois
2022 Continuing Disclosures Relating to the Following Debt Issue:**

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

For further information please contact:

Mr. Peter J. Stefan
Finance Director/Treasurer
Village of Lake in the Hills
600 Harvest Gate
Lake in the Hills, Illinois 60156-4803

Telephone Number: (847) 960-7400

Fax Number: (847) 960-7415

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

RETAILER'S OCCUPATION, SERVICE OCCUPATION AND USE TAX

Last Ten Fiscal Years

Fiscal Year	State Sales Tax Distributions	Annual Percent Change
2013	2,434,315	1.48%
2014	2,527,527	3.83%
2015	2,589,229	2.44%
2016	2,648,940	2.31%
2017	2,871,786	8.41%
2018	2,921,636	1.74%
2019	2,943,025	0.73%
2020	2,962,031	0.65%
2021	3,876,140	30.86%
2022	4,355,439	12.37%
Growth from 2013 to 2022		78.92%

Notes:

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

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PROPERTY ASSESSMENT AND TAX INFORMATION

EQUALIZED ASSESSED VALUATION

Last Five Levy Years

Property Class	Levy Year				
	2018	2019	2020	2021	2022
Residential	\$ 617,749,425	\$ 661,404,962	\$ 683,378,631	\$ 706,462,339	\$ 756,477,070
Farm	274,112	369,182	389,164	406,143	431,724
Commercial	47,850,516	51,841,878	53,364,804	57,259,167	60,562,759
Industrial	19,067,848	20,351,757	20,976,723	21,574,655	23,158,153
Mineral	3,628,035	3,633,202	3,636,240	3,638,840	3,644,231
Railroad	0	0	0	0	0
Total	\$ 688,569,936	\$ 737,600,981	\$ 761,745,562	\$ 789,341,144	\$ 844,273,937
Percent Change	6.27%	7.12%	3.27%	3.62%	6.96%

Data Source

McHenry County Clerk

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

REPRESENTATIVE TAX RATES

Last Five Levy Years

Tax Levy Year	2018	2019	2020	2021	2022
Village Rates					
Corporate	0.280903	0.249540	0.219839	0.697786	0.654366
Audit	0.001888	0.001798	0.001791	0.000127	0.000119
Retirement	0.061979	0.048683	0.057553	0.000127	0.000119
Police Protection	0.093635	0.083180	0.071531	0.000127	0.000119
Police Pension	0.199271	0.203095	0.214558	0.000127	0.000119
Tort Insurance	0.024807	0.025929	0.025107	0.000127	0.000119
Social Security	0.098853	0.094359	0.093809	0.000127	0.000119
Worker's Compensation	0.034770	0.036606	0.035445	0.000127	0.000119
Total Village Rate	0.796106	0.743190	0.719633	0.698675	0.655199
McHenry County	0.831721	0.786789	0.762108	0.736456	0.698158
McHenry County Conservation	0.237971	0.228597	0.223645	0.221944	0.212478
Algonquin Township	0.060283	0.057335	0.055794	0.054295	0.052367
Algonquin Township Road and Bridge	0.141705	0.132340	0.126474	0.123082	0.120111
Algonquin - Lake in the Hills					
Fire Protection District	0.984782	0.959996	0.949558	0.940841	0.924217
Algonquin Public Library District	0.480285	0.467710	0.464610	0.457852	0.450246
Lake in the Hills Sanitary District	0.082929	0.069917	0.077097	0.075852	0.073240
Unit School District Number 300	5.685693	5.477905	5.375118	5.313932	5.138573
Community College District Number 509	0.520708	0.501878	0.451271	0.459764	0.435048
Total Tax Rates	9.822183	9.425657	9.205308	9.082693	8.759637

Data Source

McHenry County Clerk

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

Last Five Levy Years

Levy Year	Collection Year	Tax Extended	Total Collections	
			Amount	Percent
2017	2018	5,657,207	5,649,858	99.87%
2018	2019	5,672,110	5,663,820	99.85%
2019	2020	5,674,619	5,662,268	99.78%
2020	2021	5,680,518	5,677,425	99.95%
2021	2022	5,720,458	5,700,112	99.64%

Note: Includes Road and Bridge Levies but does not include Special Service Area Levies

Data Source

McHenry County Treasurer

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

PRINCIPAL VILLAGE TAXPAYERS

December 31, 2022

Taxpayer	Business/Service	2022 Assessed Value
Costco Wholesale Corp	Retail Warehouse Store	\$ 3,851,991
Randall Algonquin Plaza LLC	Real Property - Commercial	3,048,279
AL MC LITH Assoc LLC	Real Property - Commercial	2,773,050
AMH 2014 2 Borrower LLC	Real Property	2,626,832
LITH ALG Road LLC	Real Property - Commercial	2,483,897
Lowe's Home Centers, Inc.	Home Improvement Store	2,146,800
Amerco Real Estate Co.	Real Property - Commercial	2,078,034
All Safe Self Storage LLC	Real Property - Industrial	1,721,915
1st Midwest Bank Trust 12871	Real Property - Industrial & Multi-Family	1,709,505
Prairie Stone Shops LLC	Real Property - Commercial	1,588,243
Total		\$ 24,028,546
Ten Largest Taxpayers as a Percent of the Village's 2022 EAV (\$844,273,937)		2.85%

Note:

Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers contain multiple parcels, and it is possible that some parcels and their valuations have been overlooked. The 2022 EAV is the most current available.

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION

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

Calendar Year	General Obligation Bonds Series 2019		Total Debt	Cumulative Principal Retired			
				Amount	Percent		
2023	\$	60,000	\$	60,000	\$	225,000	15.05%
2024		60,000		60,000		285,000	19.06%
2025		65,000		65,000		350,000	23.41%
2026		65,000		65,000		415,000	27.76%
2027		70,000		70,000		485,000	32.44%
2028 - 2039		1,010,000		1,010,000		1,495,000	100.00%
Total	\$	1,330,000	\$	1,330,000			

Data Source

Village Records

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION

DETAILED OVERLAPPING BONDED DEBT

December 31, 2022

Governmental Unit	Outstanding Debt	Applicable to Village	
		Percent	Amount
Schools:			
Community College District Number 509	\$ 192,020,000	26.55%	\$ 50,984,011
Community College District Number 528	-	6.19%	-
High School District Number 155	-	5.74%	-
School District Number 26	7,660,000	0.00%	-
School District Number 47	-	8.79%	-
Unit School District Number 158	51,155,000	27.18%	13,901,836
Unit School District Number 300	200,210,000	26.84%	53,726,470
Total Schools			\$ 118,612,317
Other:			
McHenry County	\$ -	8.21%	\$ -
McHenry County Conservation District	58,315,000	8.21%	4,788,905
Algonquin/Lake in the Hills Fire District	-	33.91%	-
Cary Fire District	-	0.00%	-
Crystal Lake Rural Fire District	-	2.48%	-
Huntley Fire District	-	32.13%	-
Algonquin Library District	-	37.58%	-
Cary Public Library	-	0.00%	-
Huntley Library District	12,555,000	27.10%	3,402,684
Cary Park District	14,535,000	0.00%	624
Crystal Lake Park District	1,630,000	1.17%	19,031
Huntley Park District	2,577,000	33.34%	859,293
Lake in the Hills Sanitary District	-	86.80%	-
Algonquin Township	-	12.29%	-
Grafton Township	-	24.67%	-
Total Other			\$ 9,070,537
Total Schools and Others Overlapping Bonded Debt			\$ 127,682,854

Note: Overlapping debt percentages based on 2022 EAV, the most current available.

Data Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

DEBT INFORMATION
STATEMENT OF BONDED INDEBTEDNESS

December 31, 2022

	Amount Applicable	Ratio To		Per Capita
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2022	\$ 844,273,937	100.00%	33.33%	\$ 29,417
Estimated Actual Value, 2022	2,532,821,811	300.00%	100.00%	88,252
Total Direct Bonded and Certificated Debt	\$ 1,330,000	0.16%	0.05%	\$ 46
Less: Self-Supporting	-	0.00%	0.00%	-
Net Direct Bonded and Certificated Debt	\$ 1,330,000	0.16%	0.05%	\$ 46
Overlapping Bonded Debt:				
Schools	\$ 118,612,317	14.05%	4.68%	\$ 4,133
Other	9,070,537	1.07%	0.36%	316
Total Overlapping Bonded Debt	\$ 127,682,854	15.12%	5.04%	\$ 4,449
Net Direct and Total Overlapping Bonded Debt	\$ 129,012,854	15.28%	5.09%	\$ 4,495

Note: The most recent per capita number is based on the 2022 United States Census Bureau population estimate of 28,700.

Date Source

McHenry County Clerk

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GOVERNMENTAL ACTIVITIES
STATEMENT OF NET POSITION

Last Two Audited Fiscal Years

Fiscal Year	2021	2022
Assets:		
Cash and Investments	\$ 23,907,266	\$ 24,738,162
Due from Other Governments	2,475,769	3,660,740
Accounts Receivable	621,693	582,367
Property Tax Receivable	6,107,709	6,146,213
Accrued Interest Receivable	-	50,943
Lease Receivable	-	2,544,200
Due from (to) Other Funds	(2,545)	-
Inventory	88,496	93,321
Prepaid Expenses	904,546	1,033,335
Net Pension Asset - IMRF	557,981	2,173,784
Net Pension Asset - Police Pension Plan	269,602	-
Capital Assets not Being Depreciated	148,472,742	151,088,491
Capital Assets (Net of Accumulated Depreciation)	30,441,219	28,088,793
Total Assets	\$ 213,844,478	\$ 220,200,349
Deferred Outflows of Resources:		
Pension Items - Police Pension	\$ 585,773	\$ 5,856,072
Pension Items - IMRF	747,716	467,262
OPEB Items	149,983	135,157
Total Deferred Outflows of Resources	\$ 1,483,472	\$ 6,458,491
Total Assets and Deferred Outflows of Resources	\$ 215,327,950	\$ 226,658,840
Liabilities:		
Accounts Payable	\$ 859,585	\$ 1,474,961
Accrued Payroll	363,116	243,693
Retainage Payable	131,422	288,960
Unearned Revenue	1,964,484	11,918
Deposits Payable	108,685	130,224
Noncurrent Liabilities:		
Due within One Year	285,449	261,055
Due in More Than One Year	2,002,228	6,480,071
Total Liabilities	\$ 5,714,969	\$ 8,890,882
Deferred Inflows of Resources:		
Pension Items - Police Pension	\$ 7,873,336	\$ 2,978,309
Pension Items - IMRF	2,040,941	2,844,392
OPEB Items	91,129	493,217
Leases	-	2,466,444
Deferred Property Taxes	6,107,709	6,146,213
Total Deferred Inflows of Resources	\$ 16,113,115	\$ 14,928,575
Total Liabilities and Deferred Outflows of Resources	\$ 21,828,084	\$ 23,819,457
Net Position:		
Net Investment in Capital Asset	\$ 178,913,961	\$ 177,967,200
Restricted for:		
Public Safety	329,974	328,950
Veterans Memorial	8,447	9,248
Maintenance of Roadways	2,535,879	2,239,783
Special Service Areas	1,212,068	1,234,722
Unrestricted	10,499,537	21,059,480
Total Net Position	\$ 193,499,866	\$ 202,839,383

Note:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GOVERNMENTAL ACTIVITIES
STATEMENT OF ACTIVITIES

Last Two Audited Fiscal Years

Fiscal Year	2021	2022
Governmental Activities:		
General Government	\$ (3,944,399)	\$ (4,399,986)
Public Safety	(6,352,931)	(8,663,528)
Public Works	(6,033,251)	(8,349,148)
Recreation	(952,152)	(1,376,159)
Total Governmental Activities	\$ (17,282,733)	\$ (22,788,821)
Program Revenues:		
Charges for Services	\$ 2,439,009	\$ 2,180,074
Operating Grants and Contributions	1,363,888	5,646,633
Capital Grants and Contributions	661,309	1,233,725
Total Program Revenues	\$ 4,464,206	\$ 9,060,432
General Revenues:		
Taxes:		
Property	6,053,275	6,098,894
Sales	3,876,140	4,355,439
Home Rule	3,000,252	3,695,400
Use	1,117,225	1,174,587
Simplified Telecommunications	236,362	222,337
Utility	1,280,695	1,284,023
Other	348,770	508,546
Intergovernmental - Unrestricted		
Income Tax	3,858,855	4,722,537
Investment Income	(1,152)	155,206
Miscellaneous	297,197	242,251
Gain on Disposal of Capital Asset	45,967	46,645
Transfer	-	562,041
Total General Revenues	20,113,586	23,067,906
CHANGE IN NET POSITION	7,295,059	9,339,517
NET POSITION, JANUARY 1	186,024,113	193,499,866
Prior Period Adjustment	180,694	-
NET POSITION, DECEMBER 31	\$ 193,499,866	\$ 202,839,383

Note:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
BALANCE SHEET

Last Five Fiscal Years

Fiscal Year	2018	2019	2020	2021	2022
Assets					
Cash and Investments	\$ 11,050,281	\$ 11,998,154	\$ 12,767,784	\$ 18,306,194	\$ 8,653,293
Due from Other Governments	1,672,832	1,668,465	2,929,608	2,230,038	2,444,741
Accounts Receivable	218,884	187,900	245,337	418,510	430,412
Property Taxes Receivable	5,661,723	5,661,747	5,721,732	5,720,439	5,750,303
Lease Receivable	-	-	-	-	2,544,200
Accrued Interest Receivable	6,261	18,269	-	-	25,880
Due from Other Funds	-	9,834	-	-	595,138
Inventory	83,601	89,404	88,706	88,496	93,321
Prepaid Items	249,508	339,463	659,389	904,546	1,033,335
Total Assets	\$ 18,943,090	\$ 19,973,236	\$ 22,412,556	\$ 27,668,223	\$ 21,570,623
Liabilities					
Liabilities:					
Accounts Payable	\$ 338,324	\$ 217,420	\$ 332,905	\$ 337,942	\$ 358,985
Accrued Payroll	519,996	176,192	269,394	363,116	243,693
Due to Other Funds	-	-	-	2,545	-
Unearned Revenues	36,139	25,184	5,406	1,964,132	11,667
Deposits Payable	321,330	304,676	306,058	108,685	130,224
Total Liabilities	\$ 1,215,789	\$ 723,472	\$ 913,763	\$ 2,776,420	\$ 744,569
Deferred Inflows of Resources					
Leases	-	-	-	-	2,466,444
Unavailable Grant Revenues	-	-	-	-	59,997
Unavailable Property Taxes	5,661,723	5,661,747	5,680,492	5,720,439	5,750,303
Total Deferred Inflows of Resources	\$ 5,661,723	\$ 5,661,747	\$ 5,680,492	\$ 5,720,439	\$ 8,276,744
Total Liabilities and Deferred Inflows of Resources	\$ 6,877,512	\$ 6,385,219	\$ 6,594,255	\$ 8,496,859	\$ 9,021,313
Fund Balances					
Fund Balances:					
Nonspendable	\$ 333,109	\$ 428,867	\$ 748,095	\$ 993,042	\$ 1,126,656
Committed	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Restricted	147,380	158,934	167,289	-	-
Assigned	-	-	828,322	-	-
Unassigned	10,085,089	11,500,216	12,574,595	16,678,322	9,922,654
Total Fund Balances	\$ 12,065,578	\$ 13,588,017	\$ 15,818,301	\$ 19,171,364	\$ 12,549,310
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 18,943,090	\$ 19,973,236	\$ 22,412,556	\$ 27,668,223	\$ 21,570,623

Note:

Each Fiscal Year has been audited as of December 31.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
REVENUES AND EXPENDITURES

Last Five Fiscal Years

Fiscal Year	2018	2019	2020	2021	2022
Revenues					
Taxes	\$ 12,195,120	\$ 12,249,762	\$ 12,189,809	\$ 14,241,280	\$ 15,644,626
Licenses and Permits	398,604	289,630	212,069	390,477	322,337
Intergovernmental	2,825,128	3,147,838	4,428,936	3,923,246	8,689,513
Charges for Services	1,747,391	1,394,972	978,504	1,702,179	1,640,253
Fines, Fees, and Forfeits	367,653	286,627	195,748	188,845	193,441
Investment Income	298,018	411,323	491,460	(6,928)	(20,814)
Miscellaneous	288,387	236,135	89,946	297,197	242,251
Total Revenues	18,120,301	18,016,287	18,586,472	20,736,296	26,711,607
Expenditures					
Current:					
General Government	2,919,808	2,379,236	2,671,439	3,344,998	3,828,269
Public Safety	7,935,683	8,162,963	8,276,991	8,799,213	13,622,465
Public Works	3,736,648	3,946,478	3,953,139	4,429,100	4,709,501
Recreation	1,361,209	1,915,005	1,454,619	784,922	1,059,610
Total Expenditures	15,953,348	16,403,682	16,356,188	17,358,233	23,219,845
Excess (Deficiency) of Revenues Over Expenditures	2,166,953	1,612,605	2,230,284	3,378,063	3,491,762
Other Financing Sources (Uses)					
Transfers Out	-	(100,000)	-	(25,000)	(10,675,857)
Transfers In	20,005	9,834	-	-	562,041
Total Other Financing Sources (Uses)	20,005	(90,166)	-	(25,000)	(10,113,816)
Net Change in Fund Balance	2,186,958	1,522,439	2,230,284	3,353,063	(6,622,054)
Fund Balance - Beginning of Year	9,878,620	12,065,578	13,588,017	15,818,301	19,171,364
Fund Balance - End of Year	\$ 12,065,578	\$ 13,588,017	\$ 15,818,301	\$ 19,171,364	\$ 12,549,310

Notes:

Each Fiscal Year has been audited as of December 31.

Significant interfund transfers out are for capital improvement projects and transfers in are for support services provided by the General Fund to other funds.

VILLAGE OF LAKE IN THE HILLS, ILLINOIS

GENERAL FUND
BUDGET AND FINANCIAL INFORMATION

	Budget Twelve Months Ending 12/31/2022	Budget Twelve Months Ending 12/31/2023
Revenues		
Taxes	\$ 13,034,505	\$ 15,102,620
Licenses and Permits	320,280	242,625
Intergovernmental	7,702,720	4,481,300
Charges for Services	1,562,640	1,431,300
Fines, Fees, and Forfeits	193,200	176,500
Investment Income	153,320	350,000
Miscellaneous	35,000	233,156
Transfers	570,580	578,969
Total Revenues	\$ 23,572,245	\$ 22,596,470
Expenditures		
Current:		
General Government	\$ 4,258,269	\$ 4,428,188
Public Safety	13,832,011	9,103,824
Public Works	4,925,886	5,071,314
Recreation	1,074,399	1,308,941
Transfers	10,675,857	2,684,203
Total Expenditures	\$ 34,766,422	\$ 22,596,470



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Public Works

SUBJECT: Plat of Easement Granting County 11.34 AC-FT of Compensatory Storage

EXECUTIVE SUMMARY

Staff is seeking Board approval of a Plat of Easement granting compensatory storage to the County of McHenry ("County") in exchange for a fee of \$200,000.00.

The Village entered into an intergovernmental agreement ("IGA") with the County on July 16, 2019, with respect to the compensatory storage for the Randall Road project. As the Village was embarking on the adjacent Woods Creek Reach 11 project, the County's need for additional compensatory storage could be easily accommodated as part of the Village's project. Within the IGA, the Village agreed to provide the County with compensatory storage for any floodway storage lost due to their project. It was initially anticipated that this would be no more than 20% of the total compensatory storage available. Based on the As-Built conditions at the conclusion of the Village's project, it was determined that there was a total of 12.48 AC-FT of available compensatory storage, of which the Village retained 1.14 AC-FT or 9%. This left 11.34 AC-FT or 91% available to the County.

According to the IGA, the compensatory storage on Village property would be granted to the County in perpetuity through an easement. In exchange, the County would pay for the construction and engineering costs associated with the compensatory storage. Based on the As-Built conditions of the project discussed in the engineer's memo titled, "Woods Creek Reach 11 Floodplain Compensatory Storage Summary," the County agreed to compensate the Village for 91% of the available compensatory storage at a cost of \$459,447.41. In addition, also per the IGA, the County will pay a flat fee of \$200,000.00 for the easement, which grants the County 11.34 AC-FT of compensatory storage.

FINANCIAL IMPACT

The IGA stipulates that the County will pay the Village \$200,000 for the plat of easement.

ATTACHMENTS

1. Plat of Easement
2. Woods Creek Reach 11 Floodplain Compensatory Storage Summary - CBBEL

SUGGESTED DIRECTION

Motion to Approve the Plat of Easement granting the County 11.34 AC-FT of compensatory storage.

PLAT OF EASEMENT

LEGEND

- IRON PIPE FOUND (IPF)
- 00.00 MEASURED
- (00.00) RECORD
- R.O.W. LINE
- FORMER R.O.W. LINE
- PROPERTY LINE
- SECTION LINE
- 1/2 SECTION LINE
- EASEMENT LINE
- - - - PROPOSED EASEMENT LINE

VILLAGE ENGINEER'S CERTIFICATE

STATE OF ILLINOIS)
 COUNTY OF MCHENRY)
 I, _____, VILLAGE ENGINEER OF THE VILLAGE OF LAKE IN THE HILLS, ILLINOIS, HEREBY CERTIFY THAT PLAT OF EASEMENT IS APPROVED AND ACCEPTED.
 DATED AT VILLAGE OF LAKE IN THE HILLS, MCHENRY COUNTY, ILLINOIS, THIS _____ DAY OF _____, 20____ A.D.

VILLAGE ENGINEER _____

VILLAGE BOARD CERTIFICATE

STATE OF ILLINOIS)
 COUNTY OF MCHENRY)
 APPROVED AND ACCEPTED BY THE VILLAGE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF LAKE IN THE HILLS, ILLINOIS, AT A MEETING HELD
 THIS _____ DAY OF _____, 20____ A.D.
 BY: _____ VILLAGE PRESIDENT
 ATTEST: _____ VILLAGE CLERK

OWNER'S CERTIFICATE

STATE OF ILLINOIS)
 COUNTY OF MCHENRY)
 THIS IS TO CERTIFY THAT THE VILLAGE OF LAKE IN THE HILLS IS/ARE THE OWNER(S) OF THE PROPERTY SHOWN AND DESCRIBED ON THE PLAT OF EASEMENT AND THAT THEY HAVE CAUSED THE SAME TO BE PLATTED AS INDICATED HEREON FOR THE USES AND PURPOSES HEREIN SET FORTH, AND DO HEREBY ACKNOWLEDGE AND ADOPT THE SAME UNDER THE STYLE AND TITLE HEREON INDICATED.
 THIS _____ DAY OF _____, 20____ A.D.
 TITLE: _____
 ATTEST: _____
 TITLE: _____

OWNER'S NOTARY

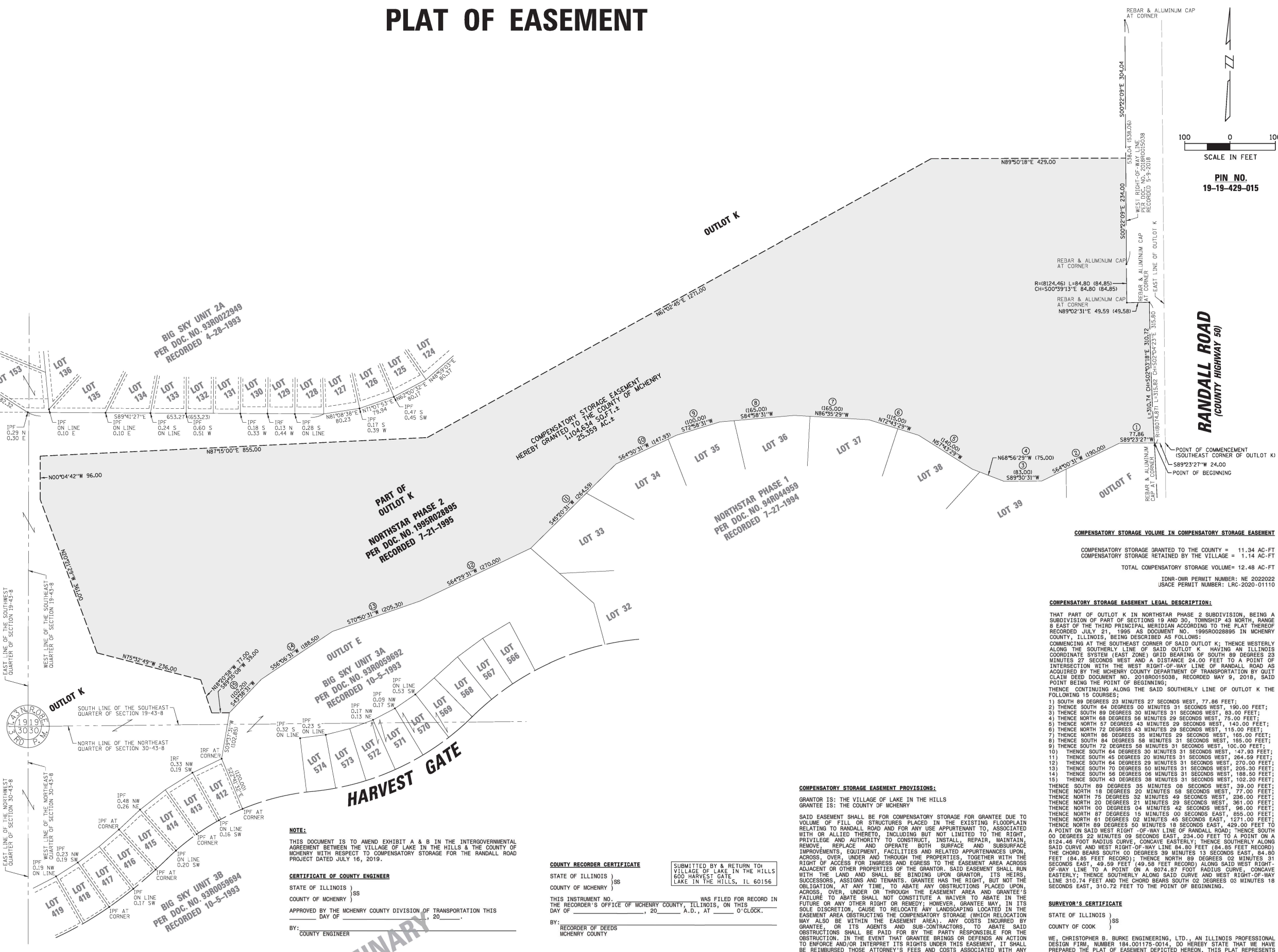
STATE OF ILLINOIS)
 COUNTY OF MCHENRY)
 THIS IS TO CERTIFY THAT I, _____, A NOTARY PUBLIC IN AND FOR SAID COUNTY, IN THE STATE AFORESAID, DO HEREBY CERTIFY THAT _____ PERSONALLY KNOWN TO ME TO BE THE SAME PERSONS WHOSE NAMES ARE SUBSCRIBED TO THE FOREGOING INSTRUMENT AS SUCH OWNERS, APPEARED BEFORE ME THIS DAY IN PERSON AND ACKNOWLEDGED THAT THEY SIGNED AND DELIVERED SAID INSTRUMENT AS THEIR OWN FREE AND VOLUNTARY ACT FOR THE USES AND PURPOSES THEREIN SET FORTH, GIVEN UNDER MY HAND AND NOTARIAL SEAL.
 THIS _____ DAY OF _____, 20____ A.D.

NOTARY PUBLIC

MY COMMISSION EXPIRES: _____

GENERAL NOTES:

- ALL DIMENSIONS ARE GIVEN IN FEET AND DECIMAL PARTS THEREOF.
 - ONLY THOSE BUILDING LINE SETBACKS AND EASEMENTS WHICH ARE SHOWN ON THE RECORDED PLAT OF SUBDIVISIONS ARE SHOWN HEREON. REFER TO THE DEED, TITLE INSURANCE POLICY AND LOCAL ORDINANCES FOR OTHER RESTRICTIONS.
 - COMPARE DEED DESCRIPTION AND SITE CONDITIONS WITH THE DATA GIVEN ON THIS PLAT AND REPORT ANY DISCREPANCIES TO THE SURVEYOR AT ONCE.
 - NO DIMENSIONS SHALL BE DERIVED FROM SCALE MEASUREMENT.
 - CONTRACTOR/DEVELOPER SHALL NOTIFY J.U.L.I.E. AT 1-800-892-0123 AT LEAST 48 HOURS PRIOR TO COMMENCEMENT OF ANY WORK.
- SURVEYOR NOTES:**
- BEARINGS AND DISTANCES SHOWN HEREON ARE ON THE ILLINOIS STATE PLANE COORDINATE SYSTEM, EAST ZONE, NORTH AMERICAN DATUM OF 1983 (2011 ADJUSTMENT) GRID.
 - THIS SURVEY IS SUBJECT TO MATTERS OF TITLE WHICH MAY BE REVEALED BY A CURRENT TITLE REPORT.
 - PROPERTY IS SUBJECT TO: RIGHTS OF THE PUBLIC, THE STATE OF ILLINOIS, AND THE MUNICIPALITY IN AND TO THAT PART OF THE LAND, IF ANY, TAKEN OR USED FOR ROAD PURPOSES.
 - THIS SURVEY IS BASED ON FIELD WORK PERFORMED ON 12-9-2020 THRU 12-18-2020, 1-14-2021, 1-22-2021, 3-31-2023 THRU 4-3-2023.



COMPENSATORY STORAGE VOLUME IN COMPENSATORY STORAGE EASEMENT
 COMPENSATORY STORAGE GRANTED TO THE COUNTY = 11.34 AC-FT
 COMPENSATORY STORAGE RETAINED BY THE VILLAGE = 1.14 AC-FT
 TOTAL COMPENSATORY STORAGE VOLUME = 12.48 AC-FT
 IDNR-OWR PERMIT NUMBER: NE 2022022
 USACE PERMIT NUMBER: LRC-2020-01110

COMPENSATORY STORAGE EASEMENT LEGAL DESCRIPTION:

THAT PART OF OUTLOT K IN NORTHSTAR PHASE 2 SUBDIVISION, BEING A SUBDIVISION OF PART OF SECTIONS 19 AND 30, TOWNSHIP 43 NORTH, RANGE 8 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED JULY 21, 1995 AS DOCUMENT NO. 1995R0028895 IN MCHENRY COUNTY, ILLINOIS, BEING DESCRIBED AS FOLLOWS:
 COMMENCING AT THE SOUTHEAST CORNER OF SAID OUTLOT K; THENCE WESTERLY ALONG THE SOUTHERLY LINE OF SAID OUTLOT K HAVING AN ILLINOIS COORDINATE SYSTEM (EAST ZONE) GRID BEARING OF SOUTH 89 DEGREES 23 MINUTES 27 SECONDS WEST AND A DISTANCE 24.00 FEET TO A POINT OF INTERSECTION WITH THE WEST RIGHT-OF-WAY LINE OF RANDALL ROAD AS ACQUIRED BY THE MCHENRY COUNTY DEPARTMENT OF TRANSPORTATION BY QUIT CLAIM DEED DOCUMENT NO. 2018R0016038, RECORDED MAY 9, 2018, SAID POINT BEING THE POINT OF BEGINNING;
 THENCE CONTINUING ALONG THE SAID SOUTHERLY LINE OF OUTLOT K THE FOLLOWING 15 COURSES:
 1) SOUTH 89 DEGREES 23 MINUTES 27 SECONDS WEST, 77.86 FEET;
 2) THENCE SOUTH 64 DEGREES 00 MINUTES 31 SECONDS WEST, 190.00 FEET;
 3) THENCE SOUTH 69 DEGREES 30 MINUTES 31 SECONDS WEST, 83.00 FEET;
 4) THENCE NORTH 68 DEGREES 56 MINUTES 29 SECONDS WEST, 75.00 FEET;
 5) THENCE NORTH 57 DEGREES 43 MINUTES 29 SECONDS WEST, 140.00 FEET;
 6) THENCE NORTH 72 DEGREES 43 MINUTES 19 SECONDS WEST, 115.00 FEET;
 7) THENCE NORTH 86 DEGREES 35 MINUTES 29 SECONDS WEST, 165.00 FEET;
 8) THENCE SOUTH 84 DEGREES 58 MINUTES 31 SECONDS WEST, 165.00 FEET;
 9) THENCE SOUTH 72 DEGREES 58 MINUTES 31 SECONDS WEST, 100.00 FEET;
 10) THENCE SOUTH 64 DEGREES 30 MINUTES 31 SECONDS WEST, 47.93 FEET;
 11) THENCE SOUTH 45 DEGREES 20 MINUTES 31 SECONDS WEST, 264.59 FEET;
 12) THENCE SOUTH 64 DEGREES 29 MINUTES 31 SECONDS WEST, 270.00 FEET;
 13) THENCE SOUTH 70 DEGREES 50 MINUTES 31 SECONDS WEST, 205.30 FEET;
 14) THENCE SOUTH 56 DEGREES 06 MINUTES 31 SECONDS WEST, 188.50 FEET;
 15) THENCE SOUTH 43 DEGREES 38 MINUTES 31 SECONDS WEST, 102.20 FEET;
 THENCE SOUTH 89 DEGREES 35 MINUTES 08 SECONDS WEST, 39.00 FEET;
 THENCE SOUTH 89 DEGREES 30 MINUTES 31 SECONDS WEST, 77.00 FEET;
 THENCE NORTH 75 DEGREES 32 MINUTES 49 SECONDS WEST, 236.00 FEET;
 THENCE NORTH 20 DEGREES 21 MINUTES 29 SECONDS WEST, 361.00 FEET;
 THENCE NORTH 00 DEGREES 00 MINUTES 42 SECONDS WEST, 96.00 FEET;
 THENCE NORTH 87 DEGREES 15 MINUTES 00 SECONDS EAST, 655.00 FEET;
 THENCE NORTH 61 DEGREES 02 MINUTES 45 SECONDS EAST, 1271.00 FEET;
 THENCE NORTH 89 DEGREES 50 MINUTES 18 SECONDS EAST, 429.00 FEET TO A POINT ON SAID WEST RIGHT-OF-WAY LINE OF RANDALL ROAD; THENCE SOUTH 00 DEGREES 22 MINUTES 09 SECONDS EAST, 234.00 FEET TO A POINT ON A 812.46 FOOT RADIUS CURVE, CONCAVE EASTERLY, THENCE SOUTHERLY ALONG SAID CURVE AND WEST RIGHT-OF-WAY LINE 84.80 FEET (84.85 FEET RECORD); THE CHORD BEARS SOUTH 00 DEGREES 39 MINUTES 13 SECONDS EAST, 84.80 FEET (84.85 FEET RECORD); THENCE NORTH 89 DEGREES 02 MINUTES 31 SECONDS EAST, 49.59 FEET (49.58 FEET RECORD) ALONG SAID WEST RIGHT-OF-WAY LINE TO A POINT ON A 8074.67 FOOT RADIUS CURVE, CONCAVE EASTERLY; THENCE SOUTHERLY ALONG SAID CURVE AND WEST RIGHT-OF-WAY LINE 310.74 FEET AND THE CHORD BEARS SOUTH 02 DEGREES 03 MINUTES 18 SECONDS EAST, 310.72 FEET TO THE POINT OF BEGINNING.

COMPENSATORY STORAGE EASEMENT PROVISIONS:

GRANTOR IS: THE VILLAGE OF LAKE IN THE HILLS
 GRANTEE IS: THE COUNTY OF MCHENRY

SAID EASEMENT SHALL BE FOR COMPENSATORY STORAGE FOR GRANTEE DUE TO VOLUME OF FILL OR STRUCTURES PLACED IN THE EXISTING FLOODPLAIN RELATING TO RANDALL ROAD AND FOR ANY USE APPURTENANT TO, ASSOCIATED WITH OR ALLIED THERETO, INCLUDING BUT NOT LIMITED TO THE RIGHT, PRIVILEGE AND AUTHORITY TO CONSTRUCT, INSTALL, REPAIR, MAINTAIN, REMOVE, REPLACE AND OPERATE BOTH SURFACE AND SUBSURFACE IMPROVEMENTS, EQUIPMENT, FACILITIES AND RELATED APPURTENANCES UPON ACROSS, OVER, UNDER AND THROUGH THE PROPERTIES, TOGETHER WITH THE RIGHT OF ACCESS FOR INGRESS AND EGRESS TO THE EASEMENT AREA ACROSS ADJACENT OR OTHER PROPERTIES OF THE GRANTEE, SAID COSTS INCURRED BY GRANTEE, OR ITS AGENTS AND SUB-CONTRACTORS, TO ABATE SAID FAILURE TO ABATE SHALL NOT CONSTITUTE A WAIVER TO ABATE IN THE FUTURE OR ANY OTHER RIGHT OR REMEDY; HOWEVER, GRANTEE MAY, IN ITS SOLE DISCRETION, CHOOSE TO RELOCATE ANY LANDSCAPING LOCATED IN THE EASEMENT AREA DESTROYING THE COMPENSATORY STORAGE (WHICH RELOCATION MAY ALSO BE WITHIN THE EASEMENT AREA). ANY COSTS INCURRED BY GRANTEE, OR ITS AGENTS AND SUB-CONTRACTORS, TO ABATE SAID OBSTRUCTIONS SHALL BE PAID FOR BY THE PARTY RESPONSIBLE FOR THE OBSTRUCTION. IN THE EVENT THAT GRANTEE BRINGS OR DEFENDS AN ACTION TO ENFORCE AND/OR INTERPRET ITS RIGHTS UNDER THIS EASEMENT, IT SHALL BE REIMBURSED THOSE ATTORNEY'S FEES AND COSTS ASSOCIATED WITH ANY SUCH ACTION BY SAID PARTY RESPONSIBLE FOR THE OBSTRUCTION. IN THE EVENT GRANTEE, ITS HEIRS, SUCCESSORS OR ASSIGNS DESIRES TO GRANT ANY ADDITIONAL EASEMENT OR RIGHT OVER, ON, ACROSS, OR UNDER THIS EASEMENT, A GRANTING OF CROSS EASEMENT RIGHTS AND PERMISSION WOULD FIRST NEED TO BE REQUESTED (WITHOUT GUARANTEE OF FUTURE GRANTING) AND NEGOTIATED FROM AND WITH GRANTEE, AND GRANTEE WOULD NEED TO SIGNIFY THEIR GRANTING OF SUCH (PROVIDED IT IS THE DECISION OF GRANTEE TO SO GRANT) BY A SIGNATURE OF AUTHORIZATION FROM THE COUNTY ON SAID POTENTIAL FUTURE EASEMENT DOCUMENTATION.

SURVEYOR'S CERTIFICATE

STATE OF ILLINOIS)
 COUNTY OF COOK)
 I, CHRISTOPHER B. BURKE ENGINEERING, LTD., AN ILLINOIS PROFESSIONAL DESIGN FIRM, NUMBER 184.001175-0014, DO HEREBY STATE THAT I HAVE PREPARED THE PLAT OF EASEMENT DEPICTED HEREON. THIS PLAT REPRESENTS THE CONDITIONS FOUND AT THE TIME OF SAID SURVEY.
 THIS _____ DAY OF _____, 20____ A.D.
 KENNETH J. RASMUSSEN, P.L.S.
 ILLINOIS PROFESSIONAL LAND SURVEYOR NO. 95-3240
 MY LICENSE EXPIRES 11/30/2024

COUNTY RECORDER CERTIFICATE
 STATE OF ILLINOIS)
 COUNTY OF MCHENRY)
 THIS INSTRUMENT NO. _____ WAS FILED FOR RECORD IN THE RECORDER'S OFFICE OF MCHENRY COUNTY, ILLINOIS, ON THIS DAY OF _____, 20____ A.D., AT _____ O'CLOCK.
 BY: _____ RECORDER OF DEEDS
 MCHENRY COUNTY

PLAT OF EASEMENT
 IN
 VILLAGE OF LAKE OF THE HILLS, ILLINOIS
 PREPARED FOR
 VILLAGE OF LAKE OF THE HILLS

CALC.	KJR	PROJECT NO.
DWN.	AJK	200382
CHKD.	JRM	SHEET 1 OF 1
SCALE:	1"=100'	DRAWING NO.
DATE:	04-26-2024	EASE190424.35A

CHRISTOPHER B. BURKE ENGINEERING, LTD.
 9575 West Higgins Road, Suite 600
 Rosemont, Illinois 60018
 (847) 823-0500

N:\LAKE IN THE HILLS\200382 SURVEY\EASE190424.35A.DWG

MEMORANDUM

December 11, 2023

TO: Shannon Andrews – Village Administrator, Village of Lake in the Hills
Ryan McDillon – Public Works Director, Village of Lake in the Hills
Guy Fehrman – Superintendent of Streets, Village of Lake in the Hills

CC: Doug Paulus – CBBEL
Travis Parry, PE – CBBEL

FROM: Darren Olson, PE, CFM, D.WRE

SUBJECT: Woods Creek Reach 11 Floodplain Compensatory Storage Summary
Village of Lake in the Hills, McHenry County, IL
(CBBEL Project 20-382.00002)

The purpose of this memorandum is to summarize the floodplain compensatory storage that was provided as part of the recently completed Woods Creek Reach 11 Stream Restoration Project.

In 2019, during development of the Illinois Environmental Protection Agency (IEPA) 319 grant for the project, an Intergovernmental Agreement (IGA) was developed with the McHenry County Division of Transportation (MCDOT) to provide excess floodplain compensatory storage volume from the Reach 11 Stream Restoration Project to MCDOT for use in their Randall Road widening project. The project was completed in 2023, and the as-built summary of floodplain fill and compensatory storage is shown below in Table 1. There is a maximum of 11.34 acre-ft (18,343 cubic yards) of compensatory storage available for the Randall Road project. The calculations are provided in Appendix 1.

TABLE 1

Summary of As-Built Floodplain Fill and Compensatory Storage for Woods Creek Reach 11 Streambank Stabilization Project

Increment	Floodplain Fill (ac-ft)	Compensatory Storage Required (ac-ft)	Compensatory Storage Proposed (ac-ft)	As-Built Compensatory Storage (ac-ft)	Compensatory Storage Available for Randall Road Project (ac-ft)
0-10 Year	0.91	1.09	6.34	6.34	5.25
10-100 Year	0.04	0.05	6.16	6.14	6.09
TOTAL	0.95	1.14	12.50	12.48	11.34

Based on the discussions between the Village and MCDOT on December 4, 2023, it is our understanding that both parties acknowledged that 91% of the compensatory storage for the project (11.34 ac-ft of the total 12.48 ac-ft) will be utilized by MCDOT. As such, it was agreed during these discussions that MCDOT would be responsible for 91% of the construction and engineering costs for the compensatory storage. This is in addition to the \$200,000 easement fee that was outlined in the IGA. The costs are summarized in Table 2, which shows that the County's financial responsibility for the project is \$659,447.41. A revised plat of easement is being prepared based on comments provided by the County.



MEMORANDUM

TABLE 2
Summary of As-Built Floodplain Fill and Compensatory Storage for Woods Creek Reach 11
Streambank Stabilization Project

Financial Item	Streambank	Compensatory Storage	Total
Construction Cost*	\$ 747,676.01	\$ 424,942.26	\$ 1,172,618.27
Design Engineering Cost - CBBEL	\$ 100,000.00	\$ 33,660.00	\$ 133,660.00
Construction Engineering - CBBEL	\$ 64,679.63	\$ 30,000.00	\$ 94,679.63
Permit Fee - IDNROWR	\$ 3,460.00		\$ 3,460.00
Preparation/Revision of Easement - CBBEL		\$ 16,285.00	\$ 16,285.00
Total Project Costs	\$ 915,815.64	\$ 504,887.26	\$ 1,420,702.90
IEPA Reimbursement to Village @ 60%	\$ 549,489.38		\$ 549,489.38
County Reimbursement to Village @ 91%		\$ 459,447.41	\$ 459,447.41
Total Project Reimbursable Costs	\$ 549,489.38	\$ 459,447.41	\$ 1,008,936.79
Village Contibution	\$ 366,326.26	\$ 45,439.85	\$ 411,766.11
<i>* Does not include 3-Year M&M as that is not reimbursable by IEPA</i>			
County Easement Fee		\$ 200,000.00	
County Compensatory Storage Cost		\$ 459,447.41	
Total County Contribution		\$ 659,447.41	

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APPENDIX 1
Floodplain Fill and Compensatory Storage As-Built Summary Memorandum

MEMORANDUM

March 27, 2023

TO: Guy Fehrman – Village of Lake in the Hills Public Works

CC: Doug Paulus – Christopher B. Burke Engineering, Ltd. (CBBEL)

FROM: Darren Olson, PE, D.WRE

SUBJECT: Woods Creek Reach 11 Restoration
Compensatory Storage As-Built Calculations
Village of Lake in the Hills
(CBBEL Project 20-0382)

The purpose of this memorandum is to summarize the as-built review for the recently completed construction of the Woods Creek Reach 11 stream restoration project. The following items were provided for review:

- “Creek As-Built Exhibit of Woods Creek Reach 11” by V3 Companies, dated January 12, 2023.

The hydraulic model cross-sections from the Illinois Department of Natural Resources – Office of Water Resources (IDNR-OWR) Floodway Construction permit submittal were utilized to re-calculate the compensatory storage based on as-built conditions. The results are provided in Table 1, and the calculations are attached to this memorandum. The as-built conditions match closely with the design plans, and the compensatory storage volumes meet the volumes that were designed and permitted.

TABLE 1
Woods Creek Reach 11 As-Built Compensatory Storage Volumes

Increment	Floodplain Fill (ac-ft)	Compensatory Storage Required (ac-ft)	Compensatory Storage Proposed (ac-ft)	As-Built Compensatory Storage (ac-ft)	Compensatory Storage Available for Randall Road Project (ac-ft)
0-10 Year	0.91	1.09	6.34	6.34	5.25
10-100 Year	0.04	0.05	6.16	6.14	6.09
TOTAL	0.95	1.14	12.50	12.48	11.34

DTO

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CHRISTOPHER B. BURKE ENGINEERING, LTD.

9575 W Higgins Road, Suite 600 Rosemont, Illinois 60018-4920 Tel (847) 823-0500 Fax (847) 823-0520

As-Built Conditions
CUT VOLUME (0-10 YR)

JOB NO. 200382
PROJECT: Woods Creek
LOCATION: Lake in the Hills
FILE: N:\Lake in the Hills\200382\Water\Spreadsheets\[AsBuiltCutFill.xls]Summary Table
DATE: 27-Mar-23

10 YR ELEVATION: Varies
100 YR ELEVATION: Varies

CROSS-SECTION (Sta.)	AREA* (s.f.)	AVERAGE AREA (s.f.)	Δ DISTANCE (ft)	INCREMENTAL VOLUME (cu-ft)	CUMULATIVE VOLUME (cu-ft)	CUMULATIVE VOLUME (ac-ft)
0	0.0				0	0.00
95	122.0	61.0	20.0	1,220	1,220	0.03
215	164.0	143.0	120.0	17,160	18,380	0.42
405	95.0	129.5	190.0	24,605	42,985	0.99
505	76.0	85.5	100.0	8,550	51,535	1.18
725	110.0	93.0	220.0	20,460	71,995	1.65
975	96.0	103.0	250.0	25,750	97,745	2.24
1150	82.0	89.0	175.0	15,575	113,320	2.60
1370	80.0	81.0	220.0	17,820	131,140	3.01
1670	54.0	67.0	300.0	20,100	151,240	3.47
1800	218.0	136.0	130.0	17,680	168,920	3.88
1935	48.0	133.0	135.0	17,955	186,875	4.29
2090	65.0	56.5	155.0	8,758	195,633	4.49
2180	180.0	122.5	90.0	11,025	206,658	4.74
2335	361.0	270.5	155.0	41,928	248,585	5.71
2405	108.0	234.5	70.0	16,415	265,000	6.08
2550	35.0	71.5	145.0	10,368	275,368	6.32
2570	56.0	45.5	20.0	910	276,278	6.34

VOLUME = 6.34 ac-ft

*Cross sections were visually compared to the proposed cross-sections to verify as-built cut met proposed cut

As-Built Conditions
CUT VOLUME (10-100 YR)

JOB NO.: 200382
PROJECT: Woods Creek
LOCATION: Lake in the Hills
FILE: N:\Lake in the Hills\200382\Water\Spreadsheets\[AsBuiltCutFill.xls]Summary Table
DATE: 27-Mar-23

10 YR ELEVATION: Varies
100 YR ELEVATION: Varies

CROSS-SECTION (Sta.)	AREA* (s.f.)	AVERAGE AREA (s.f.)	Δ DISTANCE (ft)	INCREMENTAL VOLUME (cu-ft)	CUMULATIVE VOLUME (cu-ft)	CUMULATIVE VOLUME (ac-ft)
0	0.0				0	0.00
95	0.0	0.0	95.0	0	0	0.00
215	0.0	0.0	120.0	0	0	0.00
405	0.0	0.0	190.0	0	0	0.00
505	0.0	0.0	100.0	0	0	0.00
725	0.0	0.0	220.0	0	0	0.00
975	0.0	0.0	250.0	0	0	0.00
1150	0.0	0.0	175.0	0	0	0.00
1370	0.0	0.0	220.0	0	0	0.00
1670	0.0	0.0	300.0	0	0	0.00
1800	0.0	0.0	130.0	0	0	0.00
1935	0.0	0.0	135.0	0	0	0.00
2090	2.0	1.0	155.0	155	155	0.00
2180	10.0	6.0	90.0	540	695	0.02
2335	734.0	372.0	155.0	57,660	58,355	1.34
2405	920.0	827.0	70.0	57,890	116,245	2.67
2550	919.0	919.5	145.0	133,328	249,573	5.73
2570	870.0	894.5	20.0	17,890	267,463	6.14

VOLUME = 6.14 ac-ft

*Cross sections 0 - 2090 were visually compared to the proposed cross-sections to verify as-built cut met proposed cut



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Public Works

SUBJECT: Purchase One Ford F-450 Dump Truck and Outfitting Services

EXECUTIVE SUMMARY

Staff seeks Board approval to purchase a truck cab and chassis from Sutton Ford of Matteson, IL and to purchase vehicle outfitting services from Henderson Products of Huntley, IL.

The Fiscal Year (FY) 2024 Village budget includes \$170,000.00 for the replacement of unit 33, a 1½ ton dump truck used by the Public Works Streets Division. Village staff researched different vehicle makes and models and determined that purchasing a Ford F-450 would provide the most value to the Village. After identifying the specifications for the vehicle, staff researched a number of purchasing cooperatives, which are aggregated joint purchasing programs that receive competitive bid prices for vehicles for government purchase. Staff determined that the Suburban Purchasing Cooperative's joint bid for Ford F-450 cab and chassis, awarded to Sutton Ford of Matteson, IL, and the Sourcewell Cooperative's joint bid for vehicle outfitting services, awarded to Henderson Products of Huntley, IL, provides the best pricing for the replacement vehicle that Village needs to purchase.

FINANCIAL IMPACT

The Village's 2024 budget includes \$170,000.00 in the capital improvement fund for the purchase of the replacement vehicle. The total expense for the Ford F-450 cab and chassis is \$62,463.00 and the total expense for the vehicle outfitting is \$80,051.00 for a total cost of \$142,514.00 which is \$27,486.00 under the budgeted amount.

ATTACHMENTS

1. Capital Asset Request Form
2. Cab and Chassis Specifications
3. Vehicle Outfitting Specifications

RECOMMENDED MOTION

Motion to approve the purchase of one Ford F-450 cab and chassis from Sutton Ford, through the Suburban Purchasing Cooperative in the amount of \$62,463.00.

Motion to approve the purchase of vehicle outfitting services from Henderson Products, through the Sourcewell Cooperative in the amount of \$80,051.00.

CAPITAL ASSET REQUEST FORM

CAPITAL ASSET: F-450 Dump Truck (#33) with Plow 2012

TOTAL COST: \$170,000.00

DEPARTMENT: Public Works

CLASSIFICATION: Rehabilitation or Asset Management

DESCRIPTION:

The Streets Division seeks to replace Truck #33. The truck is used by employees on a daily basis to perform a variety of tasks, carry tools, haul equipment, and conduct snow and ice control operations.

Truck #33 is a 2012 Ford F-450 dump truck with 67,455 miles. The Vehicle Replacement Rating (VVR) score is 18.31. The truck will need a new pre-wet tank next year due to corrosion of the tank from inside-out. The plow is in fair condition and is showing some signs of wear and cracking at weld points.

If the purchase is approved, the truck will be replaced with a similar two-yard dump truck with a plow and de-icing equipment. If the purchase is not approved, the truck will require a new pre-wet tank to prevent further corrosion and the VRR score will continue to rise.





2024 FORD F450 CONTRACT #226



WWW.SUTTONTRUCKS.COM

CONTACT: BRIAN TARPO, MUNICIPAL ACCOUNTS MANAGER

PHONE 708-720-8008

EMAIL: btarpo@suttonford.com

**2024 FORD F450 REG CAB 4X2 60 CA
BASE PRICE \$46,483**



Please enter the following information

Agency Name & Address	Village of Lake in the Hills
	9010 Haligus Road
	Lake in the Hills IL 60156
Contact Name	Guy Fehrman
Contact phone number	847-960-7500
Purchase order number	
Total Dollar amount	\$62,463.00
Total number of units	1
Tax Exempt #	E99950936
Delivery Address	9010 Haligus Road
	Lake in the Hills IL 60156

PLEASE SUBMIT P.O. & TAX EXEMPT LETTER WITH VEHICLE ORDER

Sutton Ford Commercial Truck Center

21315 Central Ave

Matteson, IL 60443

Contact : Brian Tarpo

Phone# 708-720-8008

E-Mail: btarpo@suttonford.com

MECHANICAL

- Brakes – Four-wheel Disc Brakes; Anti-lock Brake System (ABS)
- Electronic-Shift-On-the-Fly (ESOF) (4x4 only)
- Engine
 - 7.3L 2V DEVCT NA PFI V8 Gas Standard
- Operator Commanded Regeneration (OCR) (6.7L Power Stroke Diesel engine only)
- Transmission – Ten-Speed Automatic Transmission with Neutral Idle and Selectable Drive

Modes: Normal, Eco, Slippery Roads, Tow/Haul

- Transmission Power Take-Off Provision

EXTERIOR

- Bumper – front, black painted
- Fender vents – front
- Fuel Tank
 - 40 gallon aft axle
- Glass – solar-tinted
- Grille – black painted
- Scuff plates – front, color-coordinated
- Splash Guards/Mud Flaps – Front (F-450/550/F-600 only)
- "Three Blink" Lane change signal
- Tow hooks – front (2)
- Trailer wiring – 7 wire harness w/relays, blunt cut & labeled
- Wheels
 - F-350 SRW – 18" Argent Painted Steel wheel w/Painted Hub Cover/Center

Ornaments

- F-350 DRW – 17" Argent Painted Steel (hub covers/center ornaments not included)
- F-450, F-550 & F-600 – 19.5" Argent Painted Steel
- Manual Locking Hub (4x4)
- Windshield Wipers – intermittent

INTERIOR/COMFORT

- 8" LCD Productivity Screen: Includes menus for Gauge Setup, Trip Computer, Fuel

Economy and Towing/Off-Road applications

- 12V Powerpoint, auxiliary
- Air conditioning – single-zone, manual
- Air conditioning vents – black w/chrome ring and knob
- Cabin Air Particulate Filter

- Door-trim – armrest/grab handle and reflector

- Floor covering – black, full length vinyl

- Mirror – rearview 11.5" day/night

- Outside Temperature Display

- Power Equipment Group – 1

st row (front-seat) windows w/one-touch up/down, power 2nd

row (rear-seat) windows (Super/Crew Cab); power/door-locks w/backlit switches & accessory delay

- Seat – Front, HD vinyl, 40/20/40 split bench w/center armrest, cupholder and storage (manual lumbar – driver's side)

- Steering – power

- Steering wheel – black urethane with tilt and telescoping steering wheel/column; includes three (3) button message control

- Sun visors – color-coordinated vinyl, driver w/pocket, passenger w/uncovered mirror insert with 6 inch overhead

- Upfitter switches – 6 located in Overhead Console

- Window – Rear, fixed

SAFETY/SECURITY

- AdvanceTrac® with RSC® (Roll Stability Control™)

- Belt-Minder® (front safety belt reminder)

- Driver and passenger frontal airbag; passenger side deactivation switch

- Headlamps – Quad beam jewel effect halogen

- Lamps – Roof marker/clearance – LED

- Mirrors – manually telescoping/folding trailer tow with power/heated glass, heated convex spotter mirror, integrated clearance lamps/turn signals

- Remote keyless entry

- Safety Belts – w/height adjustment (front-outboard seating positions only)

- Safety Canopy® System (incl. side-curtain airbags)

- Stationary Elevated Idle Control (SEIC)

- SecuriLock® Passive Anti-Theft System (PATS)

- SOS Post-Crash Alert System™

FORD CO-PILOT360™ TECHNOLOGY

- Audible Lane Departure Warning

- AutoLamp – Auto On/Off Headlamps

- Cruise Control (Steering wheel-mounted)

- Pre-Collision Assist (PCA) with Automatic Emergency Braking (AEB)

FUNCTIONAL

- Alternators:

- 7.3L 2 Valve Gas – 250 AMP

- 6.7L 4 Valve OHV Power Stroke® V8 Turbo Diesel – 250 AMP

- Audio – AM/FM stereo (four (4) speakers)

- FordPass™ Connect 4G Wi-Fi Modem

- 4G LTE Wi-Fi hotspot connects up to 10 devices¹

- Remotely start, lock and unlock vehicle²

- Schedule specific times to remotely start vehicle

2

- Locate parked vehicle

2

- Check vehicle status²

Note: Ford Telematics™ and Data Services Prep included for Fleet Only:

FordPass™ Connect 4G Wi-Fi Modem provides data to support telematics and data services including but not limited to vehicle location, speed, idle time, fuel, vehicle diagnostics and maintenance alerts. Device enables telematics services through Ford or authorized providers. Activate at www.fleet.ford.com or call 833-FCS-FORD or 833-327-3673.

- Stabilizer bars – front & rear

- SYNC® 4

- Enhanced Voice Recognition Communication and Entertainment

- 911 Assist®

- 8" LCD Center Stack screen

- AppLink®

- Smart-Charging USB port – one (1)

- Trailer Brake Controller

	OPTION CODE		PRICE
<input type="checkbox"/>	F4G	XL 4X2 REGULAR CAB 84" CA	\$48,495
<input type="checkbox"/>	F4G	XL 4X2 REGULAR CAB 108" CA	\$48,649
<input type="checkbox"/>	F4G	XL4X2 REGULAR CAB 120" CA	\$48,809
<input type="checkbox"/>	X4G	XL 4X2 SUPER CAB 60" CA	\$50,400
<input type="checkbox"/>	X4G	XL 4X2 SUPER CAB 84" CA	\$50,557
<input type="checkbox"/>	W4G	XL 4X2 CREW CAB 60" CA	\$51,353
<input type="checkbox"/>	W4G	XL 4X2 CREW CAB 84" CA	\$51,516
<input type="checkbox"/>	F4H	XL 4X4 REGULAR CAB 60" CA	\$50,950
<input checked="" type="checkbox"/>	F4H	XL 4X4 REGULAR CAB 84" CA	\$51,108
<input type="checkbox"/>	F4H	XL 4X4 REGULAR CAB 108" CA	\$51,263
<input type="checkbox"/>	F4H	XL 4X4 REGULAR CAB 120" CA	\$51,421
<input type="checkbox"/>	X4H	XL 4X4 SUPER CAB 60" CA	\$53,560
<input type="checkbox"/>	X4H	XL 4X4 SUPER CAB 84" CA	\$53,714
<input type="checkbox"/>	W4H	XL 4X4 CREW CAB 60" CA	\$54,516
<input type="checkbox"/>	W4H	XL 4X4 CREW CAB 84" CA	\$54,668
	OPTION CODE	POWERTRAINS	DEALER INVOICE W/HOLDBACK
<input checked="" type="checkbox"/>	99T	6.7L Diesel 6.7L Diesel (X4G w/ 192 wheelbase)	\$9,096
<input checked="" type="checkbox"/>	X4N	Axle, Limited Slip 4.10 Ratio (6.7L)	\$360
<input type="checkbox"/>	X4L	Axle, Limited Slip 4.30 Ratio (6.7L)	\$360
<input type="checkbox"/>	X8L	Axle, Limited-Slip 4.88 Ratio (7.3L)	\$360
	OPTION CODE	TIRES	DEALER INVOICE W/HOLDBACK
<input type="checkbox"/>	64D	Wheels, Forged Polished Aluminum (w/ XLT)	\$997
<input type="checkbox"/>	TGM	LT225/70Rx19.5G BSW Traction (4) A/P (2)	\$173
<input checked="" type="checkbox"/>	TGK	LT225/70Rx19.5G BSW Traction (Six) (4x4)	\$195
<input type="checkbox"/>	S12	Spare Tire, Jack and Wheel	\$319
	TRIM TYPE	SEATS	PRICE

<input type="checkbox"/>	L	Vinyl High Back Bucket	\$323
<input type="checkbox"/>	2	Cloth Luxury Captains Chairs w/ Console	\$273
<input checked="" type="checkbox"/>	1	Cloth 40/20/40 Split Bench - (XL Only) (Regular Cab)	\$91
<input type="checkbox"/>	1	Cloth 40/20/40 Split Bench - Crew Cab (XL Only)	\$286
<input type="checkbox"/>	1	Cloth 40/20/40 Split Bench - Super Cab (XL Only)	\$91
<input type="checkbox"/>	4	Cloth High Back Bucket - Regular	\$468
<input type="checkbox"/>	4	Cloth High Back Bucket - Super	\$468
<input type="checkbox"/>	4	Cloth High Back Bucket - Crew	\$559
	OPTION CODE	OTHER OPTIONS (continued)	PRICE
<input type="checkbox"/>	98G	CNG/LPG Fuel Capable Engine (w/ 7.3L only)	\$286
<input checked="" type="checkbox"/>	18B	Platform Running Boards (w/ Regular Cab)	\$291
<input type="checkbox"/>		Platform Running Boards (w/ Super/Crew Cab)	\$405
<input type="checkbox"/>	166	Carpet Delete	(46)
<input type="checkbox"/>	16T	Floor Mats, All-Weather (Excludes Carpet Floor Mats)	\$119
<input type="checkbox"/>	65M	Fuel Tank, 26.5 Gal. Midship	\$114
<input type="checkbox"/>	65C	Fuel Tank, Dual Diesel (26.5 Gal.& 40 Gal.)	\$569
<input checked="" type="checkbox"/>	41H	Heater, Engine Block	\$91
<input checked="" type="checkbox"/>	473	Snow Plow Package	\$228
<input type="checkbox"/>	41P	Skid Plate Package	\$91
<input type="checkbox"/>	68D	15K GVWR Package	NC
<input type="checkbox"/>	68L	16K GVWR Package	NC
<input type="checkbox"/>	60X	Automated Emergency Braking (AEB) Removal – XL only	NC
<input type="checkbox"/>	86K	Programmable Engine Idle Shutdown Timer	\$228
<input type="checkbox"/>	86M	Dual Batteries (78 Amp.)	\$191
<input type="checkbox"/>	86S	Low Deflection Package	\$100
<input checked="" type="checkbox"/>	67X	Suspension Package, Extra Heavy Service	\$114
<input type="checkbox"/>	67H	Suspension Package, Heavy Service	\$114
<input type="checkbox"/>	61J	Tire Jack	\$50
<input type="checkbox"/>		Tire Jack (with spare tire)	NC
<input type="checkbox"/>	535	High Capacity Trailer Tow	\$528

<input type="checkbox"/>	41A	Rapid-Heat Supplemental Cab Heater	\$228
<input checked="" type="checkbox"/>	61L	Front Wheel Well Liners	\$164
<input checked="" type="checkbox"/>	872	Rear View Camera & Prep Kit	\$377
<input type="checkbox"/>	59H	Center High Mount Stop Lamp (CHMSL)	NC
<input type="checkbox"/>	52S	Interior Work Surface	\$128
<input type="checkbox"/>	43K	Pro Power 2K W	\$897
<input type="checkbox"/>	76C	Exterior Back-up Chime	\$160
<input type="checkbox"/>	945	Stainless Steel Wheel Cover (w/64Z)	\$455
<input type="checkbox"/>	96V	XL Value Package	\$1,961
<input type="checkbox"/>	67P	Extra HD Front End Suspension - GAWR 7,500 lbs.	\$260
<input type="checkbox"/>	43C	110V/400W Outlet	\$160
<input type="checkbox"/>	63C	Aft-Axle Frame Extension (beyond wheel base)	\$104
<input type="checkbox"/>	67B	Dual Extra Heavy-Duty Alternator	\$104
<input type="checkbox"/>		Dual Extra Heavy-Duty Alternator w/ 43C & 473 (XL)	\$104
<input type="checkbox"/>	21X	Vehicle Safe by Console Vault	\$319
<input type="checkbox"/>	18Y	Upfit Integration System Removal	(364)
<input type="checkbox"/>	PD4	Paint, Rapid Red Metallic Tinted Clearcoat (Chassis Cabs)	\$228
<input type="checkbox"/>	PR7	Paint, Glacier Grey Metallic Tri-Coat (Chassis Cabs)	\$451
<input type="checkbox"/>	PAZ	Paint, Star White Metallic Tri-Coat (Chassis Cabs)	\$451
	OPTION CODE	LIMITED PRODUCTION OPTIONS	PRICE
<input type="checkbox"/>	47A	Ambulance Preparation Package	\$1,096
<input type="checkbox"/>	47L	Ambulance Prep. Pkg. (Special Emissions)	\$1,096
<input type="checkbox"/>	47J	Fire Rescue Prep. Pkg. (Special Emissions)	\$1,096
	OPTION CODE	FLEET OPTIONS	PRICE
<input type="checkbox"/>	927	Customizable Speed Limit (75 mph)	\$73
<input type="checkbox"/>	91G	360-Degree Dual Beacon LED Warning Strobes – White	\$592
<input type="checkbox"/>	91S	360-Degree Dual Beacon LED Warning Strobes – Amber	\$592
<input type="checkbox"/>	51D	Spare Tire Delete (Only available to Pool Accounts for sale to RI)	(78)
<input type="checkbox"/>	PGR	Paint, Green (Fleet Only)	\$600

<input type="checkbox"/>	PW6	Paint, Green Gem (Fleet Only)	\$600
<input type="checkbox"/>	PMB	Paint, Orange (Fleet Only)	\$600
<input type="checkbox"/>	PBY	Paint, School Bus Yellow (Fleet Only)	\$600
<input type="checkbox"/>	PE4	Paint, Vermillion Red (Fleet Only)	\$600
<input type="checkbox"/>	PAT	Paint, Yellow (Fleet Only)	\$600
	OPTION CODE	MISC	PRICE
<input checked="" type="checkbox"/>	DELIVER	DELIVER TO CUSTOMER	\$175
<input checked="" type="checkbox"/>	TITLE	DEALER WILL TITLE AND PLATE	\$173

<input type="checkbox"/>	UM	AGATE BLACK METALLIC	NC
<input type="checkbox"/>	HX	ANTIMATTER BLUE METALLIC	NC
<input type="checkbox"/>	M7	CARBONIZED GRAY METALLIC	NC
<input type="checkbox"/>	JS	ICONIC SILVER METALLIC	NC
<input checked="" type="checkbox"/>	Z1	OXFORD WHITE	NC
<input type="checkbox"/>	PQ	RACE RED	NC
<input type="checkbox"/>	LJ	DARKENED BRONZED METALLIC	NC
<input type="checkbox"/>	GR	GREEN	\$600
<input type="checkbox"/>	MB	ORANGE	\$600
<input type="checkbox"/>	BY	SCHOOL BUS YELLOW	\$600
<input type="checkbox"/>	E4	VERMILLION RED	\$600
<input type="checkbox"/>	AT	YELLOW	\$600
<input type="checkbox"/>	W6	GREEN GEM	\$600



HENDERSON

PRODUCTS, INC.

11921 SMITH DRIVE
HUNTLEY, IL 60142
PHONE: 847-836-4996
FAX: 563-927-7108

CUSTOMER QUOTE

Page 1
Quote #182152
Rev #25

To: VILLAGE OF LAKE IN THE HILLS
Attn: HOWARD RAU (847)960-7510
Quote Date: 4/22/2024
Valid Until: 6/21/2024
Sourcewell Contract# 080818-HPI
Sourcewell #: 94223
Quoted:
2024 F450 LITH

Quoted By: Chris Fack
Phone: 847-836-4996
Cell: 847-754-5035
Fax: 563-927-7108
Email: cfack@hendersonproducts.com

Henderson Products is pleased to present the following quote. Please contact us if you have any questions.

Mark III utility sized single axle dump body

Body Length: **9' 6" body length**
Side / Tailgate Height: **18" side height / 24" tailgate height 3.9/5.3 yd**
Hoist Type: **Scissor hoist, NTEA class 40 (Req's Min 3250 PSI)**
Side Construction: **Double Wall 12 ga FIXED Sides**
Optional Sides/Ends Materials: **201SS sides and ends**
Optional Floor Materials: **3/16" AR400 floor ILO std grade 50**
Tailgate Style: **Quick Release handle offset toward curb side**
Headsheet Type: **Headsheet without integral cabshield and windows**
Weld-on Cabshield: **12" x 72" 201SS steel**
Option 1 Description: **10 GAUGE ILO 12 GUAGE**
Option 2 Description: **DEDUCT STANDARD LIGHT KIT**
Option 3 Description: **LIGHTS IN CABSHIELD, 2 FW, 4 RW, 1 EA SIDE**
Option 4 Description: **TWO REAR FACING LIGHT HOLES IN EACH REAR BOLSTER**
Option 5 Description: **VARIFY INWARD TAPER ON HEADSHEET**

TGS salt / sand spreader

TROUGH MATERIAL: **201SS**
AUGER SIZE AND TYPE: **6" dia. auger, 5:1 gearcase drive**
MOUNTING BRACKETS: **MTG Kit for MK3 94.75" Width**
AUGER SPEED SENSOR: **Auger speed sensor**
Option 1 Description: **SLURRY TUBE KIT INSTALLED**

PWS liquid pre-wetting system

Power Source: **Hydrualic Powered Pump**
Application: **Munibody**
Product Size: **Munibody 9ft RDO**
Control Box: **No Valve, Hydraulic Powered Pump and Flow Meter**
Pump: **Standard 4.1 GPM Bronze Gear Pump**





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CUSTOMER QUOTE

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Installation Workup

Facility: **IDC-IL**

Chassis Delivery To Henderson: **Truck Dealer/Customer Delivers**

Completed Truck Delivery Method: **Henderson Delivers (100 miles or less)**

Chassis Make: **Ford**

Chassis Model Yr: **2024**

Chassis Model: **F450**

Vin Number: **TBD**

Useable CA/CT: **84in.**

Front Axle Rating: **N/A**

Rear Axle Rating: **N/A**

Pump Location: **Transmission Mount Pump**

Transmission Type: **Automatic**

Front Plow Type: **Western/Fisher Type Plow**

Western/Fisher Plow Spec: **Plow, WESTERN PRO PLUS, 9ft., Central Hydraulics**

Plow Options 1: **Rubber Snow Deflector**

Plow Options 2: **Halogen Lights**

Dump Body Type: **Mark Three**

Floor Length: **9' floor length**

Hoist Type: **Benchpress Scissor Hoist W/ Subframe**

Cylinder Type: **Double Acting**

Body Material (Sides/ends): **Stainless Steel Type Body Material**

Cabshield Install: **Supl'd by fact, welded to body @ IDC, sales to order w/ unit**

Shovel Holder: **(1) IDC Supl'd Spring Loaded SS Shovel Holder w/ SS brckt**

Shovel Holder Loc (1): **Driver side body**

Fuel Fill Neck Mod, Ford/Dodge: **Yes**

Def Tank Filler Tube Mod, Ford: **Yes**

Body Spec Notes:

Spreader Type: **TGS**

TGS Drive Type: **Hydraulic Drive**

TGS Spinner Configuration: **Single Spinner Install**

TGS Body Type: **Standard straight gate body install**

TGS mounting type: **STD TGS brackets (supplied with unit)**

HYD QD Mount Brackets: **Stainless Steel QD Mount in front of dump body bolster**

Spreader Options 1: **(3)164575 LIGHTBAR, 17in., 11 LED RED, S/T/T**

Spreader Options 2: **(3)162146 CABLE, 4PIN, M12, M-F, 2M**

Prewet/Liquid System: **Frame Mount Prewet System**

Configuration: **IDC Supplied (sales to quote from vendor)**

Vendor Supplied Kit: **(1)165743 MOUNT KIT, TANK, 120G, SS; VAR CS120-MK-SS**

Install Location: **Cradle Mount (verify fit or CA/CT if Req'd)**

Drive Configuration: **Hydraulic Drive, Henderson Supplied (Sales to order w/unit)**

Controls: **Supplied by IDC (sales to order w/ hyd cntrls)**





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CUSTOMER QUOTE

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Liquid Options 1: (1)161566 TANK,POLY,2.5 GAL,FLUSH
Liquid Options 2: (1)165484.201 BRACKET,MOUNT,FLUSH TANK
Liquid Options 3: (1)165742 TANK KIT,PREWET,120G,CS MNT

Liquid Details:

Chassis Accessories: **Yes (SELECT RELATED OPTIONS BELOW)**

Mudflaps (Rear): **Frame Mounted w/Logo**

Mudflap Type (Rear): **Frame Mounted, SS (w/Logo)**

Pintle Plate: **Yes (select from options below)**

Pintle Plate Configuration: **1 Ton, 5/8" Plate, 2" Recvr (w/3LTC)**

Pintle Plate D-Rings: **Qty (2) 5/8" D-rings**

Trailer Plug (1): **Remount OEM Trailer Plug (QTY 1)**

Trailer Plug (2): **7 Pin Trailer Plug, Truck end 7-Way RV,new style (municipal)**

Truck Wash: **Complete Truck Wash/Clean/Vac 1**

Warranty: **Standard 1 Year Warranty**

Inspection: **Walk-around meeting only**

Reflective Tape: **Reflective Tape, Henderson Logo (60' Linear)**

Chassis Install Options 1: (2)108753.201 FLAT,MUDFLAP BRKT

Chassis Install Options 2: (1)160932 FENDER SET,ONE TON

Chassis Install Options 3: (2)162028 KIT,MOUNT,FENDER,PR,MULTI MNT

Electrical: **Yes (SELECT RELATED OPTIONS BELOW)**

Power Distribution Panel: **Power Distribution Panel**

Worklight(s) QTY: **(QTY 2) Work Lights (Select type below)**

Worklight (1) Type: **LED, Worklight, 4in Round (Optilux)**

Worklight (1) Gen Location: **On rear of body**

Worklight (2) Type: **LED, Worklight, 4in Round (Optilux)**

Worklight (2) Gen Location: **On rear of body**

Cabshield Warning Light Qty: **Qty 6 Lights (Order Holes with Unit)**

Cabshield Warning Lights: **QTY 6, 6" LED Oval Strobes, Amber (order holes w/unit)**

Cabshield S/T/T: **QTY 2, 6.5" LED S/T/T for Cabshield (order boxes w/unit)**

Cabshield Lighting Harness: **Cabshield Warning (2-6) & STT**

Rear Dump Bolster (S/T/T): **LED S/T/T/BU, MK3, Grote harness light kit**

OEM Light Remount: **Remount OEM Chassis Lights**

Rear Dump Bolster Strobes: **6" LED Oval Strobes, Amber, 1 PR, (order holes w/unit)**

Back up alarm: **Backup Alarm, 97db**

Body up switch/light: **Body UP Switch/Body Up Light (Trucklite)**

Backbone & Wire Standoffs: **10' Backbone (For SA)**

Camera: **Camera supplied with chassis**

Electrical Install Opt 1: (1)157992.201 BRACKET,MOUNT,CAMERA,RVS,ZONE

Electrical Spec Notes:

Hydraulics: **Full Hydraulic Package**

Hyd Supplier: **Force America (Select Pkg Below)**





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CUSTOMER QUOTE

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Hyd Supplier (Spec): **QT001-1353597-1**
Controls Type: **Electric Controls**
PTO Type: **Included in Hydraulics Package**
Reservoir Type: **Supplied With Hydraulics**
Valve Enclosure Type: **Supplied With Hydraulics**
SS Tubing Upgrade: **1 Ton Kit (w/spreader)**
Quick Coupler Upgrade: **Standard Quick Couplers**
Hyd Options 1: **(1)153195.201WLDT,MNT,HEADREST,HYD,FORD**

Hydraulics Notes:

FORCE 1 PKG W/5100EX, CONTROLLER, ELECTRIC JOYSTICK PKG, PTO/PUMP ON TRANSMISSION, AND SS VALVE/TANK COMBO

Total package price: \$88,236.00
Total package w/applicable 10% Sourcewell discount: \$79,412.00
Freight: \$639.00
Single package total: \$80,051.00
Package(s) : 1
Total: \$80,051.00

**10% Sourcewell discount applies to all equipment and installation only.

Due to the volatility in material costs and chassis delays, pricing is subject to change at time of manufacturing and/or upfit.

Signed: _____ Date: _____

Quote notes:





REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Public Works

SUBJECT: Purchase of Three Ford F-250 Pickup Trucks

EXECUTIVE SUMMARY

Staff seeks Board approval to purchase three Ford F-250 pickup trucks from Sutton Ford of Matteson, IL, through the Suburban Purchasing Cooperative in the amount of \$155,574.00.

The Fiscal Year (FY) 2024 Budget includes \$75,000.00 for the replacement of unit 87, a ½ ton pickup truck used by the Public Works Water Division, \$80,000.00 for the replacement of unit 99, an F-250 Super Duty pickup truck used by the Public Works Public Properties Division, and \$75,000.00 for the replacement of unit 76, a ½ ton pickup truck used by the Public Works Streets Division. Staff researched different vehicle makes and models and determined that purchasing three Ford F-250's as replacement vehicles for units 76, 87 and 99 would provide the most value to the Village. Purchasing cooperatives are aggregated joint purchasing programs that receive competitive bid prices for vehicles for governmental purchase. Staff determined that the Suburban Purchasing Cooperative's joint bids for these three Ford vehicles, awarded to Sutton Ford of Matteson, IL, offers the lowest pricing for all three vehicles. The total cost for all three vehicles without snow plows is \$155,574.00, which is \$74,426.00 under the budgeted amount of \$230,000.00. The snow plows will be purchased separately.

FINANCIAL IMPACT

The Village's FY2024 Budget includes \$230,000.00 for the purchase of these three vehicles, with \$155,000.00 in the Capital Improvement Fund and \$75,000.00 in the Water Fund. The total cost for all three vehicles is \$155,574.00, which is \$51,284.00 under budget in the Capital Improvement Fund and \$23,142.00 under budget in the Water Fund.

ATTACHMENTS

1. Capital Asset Request Forms
2. Vehicle Specifications

RECOMMENDED MOTION

Motion to approve the purchase of three Ford F-250 pickup trucks from Sutton Ford, through the Suburban Purchasing Cooperative in the amount of \$155,574.00.

CAPITAL ASSET REQUEST FORM

CAPITAL ASSET: Truck #87 Replacement
TOTAL COST: \$75,000.00
DEPARTMENT: Public Works
CLASSIFICATION: Rehabilitation or Asset Management

DESCRIPTION:

The Water Division seeks to replace Truck #87. The truck is used by the superintendent to oversee and supervise the division, meet with contractors and residents, and oversee contractual construction projects.

Truck #87 is a 2007 Ford Ranger with 73,410 miles. The truck was scheduled for replacement in 2019, but the purchase was delayed to allow for the purchasing of higher priority vehicles. The truck is in fair condition. The Vehicle Replacement Rating (VRR) score is 18.98.

If the purchase is approved, the truck will be replaced with a three-quarter ton truck with a plow to be used for snow and ice control operations when needed.

If not replaced, the VRR score will continue to rise and the resale value will decline.



CAPITAL ASSET REQUEST FORM

CAPITAL ASSET: F-250 Super Duty Pickup Truck (#99) 2013

TOTAL COST: \$80,000.00

DEPARTMENT: Public Works

CLASSIFICATION: Rehabilitation or Asset Management

DESCRIPTION:

The Public Properties Division seeks to replace Truck #99, a 2013 F250 Super Duty pickup truck with 57,812 miles and has reached the end of its useful life. The truck has age-appropriate wear at this time and over \$10,000 has been spent on repairs to this vehicle since 2016. The plow is in poor condition and is showing signs of wear and cracking at weld points. The current Vehicle Replacement Rating (VRR) score is 14.67.

If the purchase is approved, the truck will be replaced with a similar F250 Super Duty Pickup with a plow. If the purchase is not approved, the truck will continue to corrode and the VRR score will continue to rise.



CAPITAL ASSET REQUEST FORM

CAPITAL ASSET: ½ Ton Pickup Truck (#76) 2004

TOTAL COST: \$75,000.00

DEPARTMENT: Public Works

CLASSIFICATION: Rehabilitation or Asset Management

DESCRIPTION:

The Streets Division seeks to replace Truck #76. The truck is used by the superintendent to oversee and supervise the division, meet with contractors and residents, and oversee contractual construction projects.

Truck #76 is a 2004 Ford Ranger with 128,266 miles. The truck was scheduled for replacement in 2019, but the purchase was delayed to allow for the purchasing of higher priority vehicles. The truck is in fair condition. The underbody has corrosion to the body, frame, and suspension parts. The Vehicle Replacement Rating (VVR) score is 20.45.

If the purchase is approved, the truck will be replaced with a three-quarter ton truck with a plow to be used for snow and ice control operations when needed.

If not replaced, the truck will require body and undercarriage work to prevent further corrosion. The VRR score will continue to rise and the resale value will decline.





2024 FORD F250 PICK UP SRW CONTRACT #221



WWW.SUTTONTRUCKS.COM

CONTACT: BRIAN TARPO, MUNICIPAL ACCOUNTS MANAGER

PHONE 708-720-8008

EMAIL: btarpo@suttonford.com

24 FORD F250 REG CAB 4X2

BASE PRICE \$41,271



Please enter the following information

Agency Name & Address _____

Contact Name _____

Contact phone number _____

Purchase order number _____

Total Dollar amount _____

Total number of units _____

Tax Exempt # _____

Delivery Address _____

PLEASE SUBMIT P.O. & TAX EXEMPT LETTER WITH VEHICLE ORDER

Sutton Ford Commercial Truck Center

21315 Central Ave

Matteson, IL 60443

Contact : Brian Tarpo

Phone# 708-720-8008

E-Mail: btarpo@suttonford.com

MECHANICAL

- **Brakes – Four-Wheel Disc Anti-lock Brake System (ABS)**
- **Electronic-Shift-On-the-Fly (ESOF) (4x4 only)**
- **Engine**
 - **F-250/F-350 – 6.8L 2V DEVCT NA PFI V8 Gas**
 - **F-450 – 6.7L 4 Valve OHV Power Stroke® V8 Turbo Diesel B20**
- **Transmission**
 - **TorqShift®-G ten-speed automatic w/ Selectable Drive Modes:
Normal, Eco, Slippery Roads, Tow/Haul (6.8L Gas)**
 - **TorqShift® ten-speed automatic w/ Selectable Drive Modes:
Normal, Eco, Slippery Roads, Tow/Haul (6.7L Diesel)**

EXTERIOR

- **Bumpers – front & rear, black painted**
- **Daytime Running Lamps**
- **Fender vents – front**
- **Front Box Step and Rear Bumper Step**
- **Glass – solar-tinted**
- **Grille – black painted**
- **Handles – door & tailgate, black**
- **Jack**
 - **3-Ton mechanical (250/350 SRW)**
 - **4-Ton hydraulic (350 DRW/450)**
- **Manually telescoping/folding trailer tow with power/heated glass, heated convex spotter mirror, integrated clearance lamps/turn signals**
- **Operator Commanded Regeneration (OCR) (6.7L Power Stroke® Diesel engine only)**
- **Splash Guards/Mud Flaps – Front (F-450 only)**

- Tailgate – Removable w/key lock
- "Three-Blink" lane change signal
- Tow hooks – front, two (2)
- 2.5" Built Ford Tough® Trailer Hitch Receiver
- Trailer Sway Control
- Trailer Tow Package – 7-wire harness w/relays & 7/4 pin connector
- Wheels
 - F-250/F-350 SRW – 17" Argent Painted Steel w/painted hub covers/center ornaments
 - F-350 DRW – 17" Argent Painted Steel (hub covers/center ornaments not included)
 - F-450 – 19.5" Forged Polished Aluminum w/bright hub covers/center ornaments
 - Manual Locking Hub (4x4)
 - Spare tire, wheel & carrier
- Windshield wipers – intermittent

INTERIOR/COMFORT

- 4.2" LCD Productivity Screen: includes menus for Gauge Setup, Trip Computer, Fuel Economy and Towing/Off-Road applications
- Air conditioning – manual, single zone
- Cabin Air Particulate Filter
- Door-trim – armrest/grab handle & reflector
- Floor covering – Black, full length vinyl
- Instrumentation – Multi-function switch message center
- Mirror – rearview 11.5" day/night
- Outside Temperature Display
- Overhead console w/dual storage bins and map lights

- **Power Equipment Group – 1**

st row (front-seat) windows w/one-touch

up/down, power 2nd row (rear-seat) windows; power door-locks w/backlit switches & accessory delay; power tailgate lock

- **Powerpoint – auxiliary two (2) in instrument panel**

- **Scuff plates – front, color-coordinated**

- **Seats – Front, HD vinyl, 40/20/40 split bench w/center armrest, cupholder and storage (manual lumbar – driver’s side), front center-seat w/integrated restraint**

- **Steering wheel – black urethane with tilt and telescoping steering wheel/column; includes three (3) button message control**

- **Sun visors – color-coordinated cloth, driver w/pocket, passenger w/uncovered mirror**

- **Window – Rear, fixed**

SAFETY/SECURITY

- **AdvanceTrac® with RSC® (Roll Stability Control™)**

- **Belt-Minder® (front safety belt reminder)**

— chime & flashing warning light on I/P if belts not buckled

- **Center High-mounted Stop Lamp (CHMSL)**

- **Driver and passenger frontal airbag; passenger side deactivation Switch**

- **Engine Only Traction Control (DRW only)**

- **Headlamps – Quad beam jewel effect halogen**

- **Individual Tire Pressure Monitoring System (TPMS) – SRW/F-350 DRW only**

- **Mirrors – Manually telescoping/folding trailer tow with power/heated glass, heated convex spotter mirror, integrated clearance lamps/turn signals**

- Rear View Camera
- Remote keyless entry
- Safety belts – w/height adjustment D-ring
- Safety Canopy® System (incl. side-curtain airbags)
- SecuriLock® Passive Anti-Theft System
- SOS Post-Crash Alert System™
- Stationary Elevated Idle Control

FORD CO-PILOT360™ TECHNOLOGY

- AutoLamp (Auto On/Off Headlamps)
- Cruise Control
- Hill Start Assist

FUNCTIONAL

- Audio – AM/FM stereo/MP3 Player (four (4))
- FordPass Connect™ (5G)
- 5G Wi-Fi hotspot connects up to 10 devices

1

- Remotely start, lock and unlock vehicle²
- Schedule specific times to remotely start vehicle²
- Locate parked vehicle²
- Check vehicle status²

Note: Telematics Solutions (both complimentary and subscription based) are available for Fleet Customers, providing access to manufacturer-grade data including but not limited to vehicle location, speed, idle time, fuel/energy, range, vehicle diagnostics, and maintenance alerts. FordPass Connect™ 5G Wi-Fi Modem, enables telematics services directly from Ford or through authorized third party providers. Learn more at commercialsolutions.ford.com

or email fcs1@ford.com or by calling 833-FCS-Ford. (833-327-3673).

- **Rear axle**
 - **Non-Limited-Slip (F-250 and F-350)**
 - **4.30 Limited-Slip (F-450)**
- **SYNC® 4**
 - **8" LCD Capacitive Touchscreen with Swipe Capability**
 - **Wireless Phone Connection**
 - **Cloud Connected**
 - **AppLink® w/App Catalog**
 - **911 Assist®**
 - **Apple CarPlay® and Android Auto™ Compatibility**
 - **Digital Owner's Manual**
- **Trailer Brake Controller (incl. Smart Trailer Tow Connector)**

<input type="checkbox"/>	X2A	XL 4X2 SUPERCAB WITH 6.5 BED	\$45,229
<input type="checkbox"/>	X2A	XL 4X2 SUPERCAB WITH 8' BED	\$45,410
<input type="checkbox"/>	W2A	XL 4X2 CREW CAB WITH 6.5' BED	\$46,554
<input type="checkbox"/>	W2A	XL 4X2 CREW CAB WITH 8' BED	\$46,722
<input type="checkbox"/>	F2B	XL 4X4 REGULAR CAB WITH 8' BED	\$45,639
<input type="checkbox"/>	X2B	XL 4X4 SUPERCAB WITH 6.5' BED	\$47,747
<input type="checkbox"/>	X2B	XL 4X4 SUPER CAB WITH 8.0' BED	\$47,937
<input type="checkbox"/>	W2B	XL 4X4 CREW CAB WITH 6.5' BED	\$49,070
<input type="checkbox"/>	W2B	XL 4X4 CREW CAB WITH 8.0 BED	\$49,260
<input type="checkbox"/>			
<input type="checkbox"/>			
<input type="checkbox"/>	OPTION CODE	POWERTRAINS	PRICE
<input type="checkbox"/>	99T	6.7L Powerstroke Diesel V-8	\$9,096
<input type="checkbox"/>	99M	6.7L HO Powerstroke Diesel V-8	\$11,471
<input type="checkbox"/>	99N	7.3L Engine Option on F250 Pick-up	\$1,651
<input type="checkbox"/>	X3H	Axle, Electronic-Locking 3.31	\$392
<input type="checkbox"/>	X3J	Axle, Electronic-Locking 3.55	\$392
<input type="checkbox"/>	X3E	Axle, Electronic-Locking 3.73	\$392
<input type="checkbox"/>	X4M	Axle, Electronic-Locking 4.30	\$392

	OPTION CODE	TIRES	PRICE
<input type="checkbox"/>	TBM	LT245/75Rx17E BSW AT (XL)	\$150
<input type="checkbox"/>	TDX	LT275/70Rx18E BSW AT	\$241
	TRIM TYPE	SEATS	PRICE
<input type="checkbox"/>	L	Vinyl High Back Bucket	\$323
<input type="checkbox"/>	1	Cloth 40/20/40 Split Bench - Regular (XL Only)	\$91
<input type="checkbox"/>	4	Cloth High Back Bucket (Regular Cab)	\$468
<input type="checkbox"/>	4	Cloth High Back Bucket (Super Cab)	\$468
<input type="checkbox"/>		Cloth High Back Bucket (Crew Cab)	\$559
<input type="checkbox"/>	OPTION CODE	OTHER OPTIONS	PRICE
<input type="checkbox"/>	18B	Platform Running Boards (w/ Regular Cab)	\$291
<input type="checkbox"/>		Platform Running Boards (w/ Super/Crew Cab)	\$405
<input type="checkbox"/>	471	Camper Package	\$145

	OPTION CODE	OTHER OPTIONS (continued)	PRICE
<input type="checkbox"/>	16T	Floor Mats, All-Weather (Excludes Carpet Floor Mats)	\$119
<input type="checkbox"/>	592	Clearance Lights, Roof	\$87
<input type="checkbox"/>	41H	Heater, Engine Block	\$91
<input type="checkbox"/>	17C	Chrome Package	\$1,129
<input type="checkbox"/>	17X	4X4 Off-Road Package	\$451
<input type="checkbox"/>	66S	Upfitter Switches (6)	\$451
<input type="checkbox"/>	473	Snow Plow Package	\$228
<input type="checkbox"/>	67H	Suspension Package, Heavy Service	\$114

<input type="checkbox"/>	62R	Transmission Power Take-Off Provision	\$255
<input type="checkbox"/>	435	Window, Power Sliding Rear	\$368
<input type="checkbox"/>	43B	Heated Backlight/Rear Window Defrost (Included w/ 435 only)	N/C
<input type="checkbox"/>	85G	Tailgate Step	\$342
<input type="checkbox"/>	41A	Rapid-Heat Supplemental Cab Heater	\$228
<input type="checkbox"/>	85S	Tough Bed® Spray-in bedliner	\$542
<input type="checkbox"/>	85L	Drop-in Bedliner	\$319
<input type="checkbox"/>	61M	Wheel Well Liner	\$164
<input type="checkbox"/>	76S	Remote Start System	\$228
	OPTION CODE	OTHER OPTIONS (continued)	PRICE
<input type="checkbox"/>	62R	Transmission Power Take-Off Provision	\$114
<input type="checkbox"/>	435	Window, Power Sliding Rear	\$368
<input type="checkbox"/>	43B	Heated Backlight/Rear Window Defrost (Included w/ 435 only)	N/C
<input type="checkbox"/>	85G	Tailgate Step	\$342
<input type="checkbox"/>		Tailgate Step w/ 96U	N/C
<input type="checkbox"/>	41A	Rapid-Heat Supplemental Cab Heater	\$228
<input type="checkbox"/>	85S	Tough Bed® Spray-in bedliner	\$542
<input type="checkbox"/>	85L	Drop-in Bedliner	\$319
<input type="checkbox"/>	61M	Wheel Well Liner	\$164
<input type="checkbox"/>		Wheel Well Liner (KR/Plat/Ltd)	n/c
<input type="checkbox"/>	535	Trailer Tow Package - High Capacity	\$1,029
<input type="checkbox"/>		Trailer Tow Package - High Capacity (w/ 99M)	N/C

	OPTION CODE	OTHER OPTIONS (Continued)	
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<input type="checkbox"/>	85M	Bed Mat	\$137
<input type="checkbox"/>	61S	Splash Guards/Mud Flaps (Front & Rear)	\$119
<input type="checkbox"/>	62S	Splash Guards/Mud Flaps (Rear)	N/C
<input type="checkbox"/>	15J	Gooseneck Hitch Kit	\$228
<input type="checkbox"/>	15L	5th Wheel Hitch Kit (20K)	\$1,224
<input type="checkbox"/>	53W	5th Wheel/Gooseneck Hitch Prep Package	\$501
<input type="checkbox"/>	76C	Exterior Back-up Chime	\$160
<input type="checkbox"/>	96V	XL Chrome Package	\$205
<input type="checkbox"/>	61L	Front Wheel Well Liners	\$296
<input type="checkbox"/>	61N	Front & Rear Wheel Well Liners	\$296
<input type="checkbox"/>	90M	Max Recline Seat	\$305
<input type="checkbox"/>	17Z	XL Off Road Package	\$906
<input type="checkbox"/>	52S	Interior Work Surface	\$128
<input type="checkbox"/>	43K	2kW Pro Power	\$897
<input type="checkbox"/>	874	360 Camera Package	\$1,047
<input type="checkbox"/>	96D	XL Driver Assist Package	\$665
<input type="checkbox"/>		XL Driver Assist Package W/ 17S	N/C
<input type="checkbox"/>	68U	F-250 >10K GVWR PACKAGE	\$91
<input type="checkbox"/>	98F	CNG/Propane Gaseous Engine Prep Package (6.8L only)	\$286
<input type="checkbox"/>	43C	120V/400W Outlet	\$160
<input type="checkbox"/>	66L	Box Rail Lighting, LED Lighting system	\$54
	OPTION CODE	OTHER OPTIONS (continued)	
<input type="checkbox"/>	43B	Defrost w/ Fixed & Privacy Glass	\$54
<input type="checkbox"/>	67E	Extra-Extra Heavy Duty Alternator	\$78
<input type="checkbox"/>	67D	190 Amp Alternator on Gas engines and 250 Amp Alternator on Diesel engines	N/C

<input type="checkbox"/>	86M	Dual Batteries (68 Amp.) (w/ 99M or 99T)	\$191
<input type="checkbox"/>	86K	Programmable Engine Idle Shutdown Timer	\$228
<input type="checkbox"/>	17S	STX	\$4,654
<input type="checkbox"/>	47B	SNOWPLOW/CAMPER PACKAGE	\$277
<input type="checkbox"/>	67B	Dual Extra Heavy-Duty Alternator	\$104
<input type="checkbox"/>		Dual Extra Heavy-Duty Alternator w/ 43C & 66S & 473 or 47B	\$104
<input type="checkbox"/>	924	Privacy Glass	\$28
<input type="checkbox"/>	91D	On-Board Scales & Smart Hitch	\$592
<input type="checkbox"/>	21X	Vehicle Safe by Console Vault	\$319
<input type="checkbox"/>	19J	Aluminum Cross Bed Tool Box - Matte Black (Weather Guard model #127-52-03)	\$865
<input type="checkbox"/>	19K	Aluminum Cross Bed Tool Box - Bright (Weather Guard model #127-0-03)	\$865
	OPTION CODE	OTHER OPTIONS (continued)	
<input type="checkbox"/>	19H	Pickup Box Bed Side Storage	\$1543
<input type="checkbox"/>	66D	Pickup Box Delete (XL/XLT w/ 8 ft. Box only)	\$569
<input type="checkbox"/>	91X	Multi Contour Seat Removal (King Ranch, Platinum and Limited)	\$273
<input type="checkbox"/>	21D	Tonneau Pickup Box Cover - Soft Folding	\$537
<input type="checkbox"/>	21E	Tonneau Pickup Box Cover - Hard Folding	\$1,092
<input type="checkbox"/>	21J	Tonneau Pickup Box Cover - Retractable	\$2,002
<input type="checkbox"/>	PD4	Paint, Rapid Red Metallic Tinted Clearcoat	\$451
<input type="checkbox"/>	PAZ	Paint, Star White Metallic Tri-Coat	\$906
<input type="checkbox"/>	PR7	Paint, Glacier Grey Metallic Tri-Coat	\$906
<input type="checkbox"/>	153	Front License Plate Bracket	N/C

<input type="checkbox"/>	87B	Retractable Bed Step (Corner)	\$355
<input type="checkbox"/>	87S	Retractable Bed Step (Side)	\$710
	OPTION CODE	FLEET OPTIONS	PRICE
<input type="checkbox"/>	91G	360-Degree Dual Beacon LED Warning Strobes - White	\$592
	91S	360-Degree Dual Beacon LED Warning Strobes - Amber	\$592
<input type="checkbox"/>	18A	Ford Pro Upfit Integration System	\$364
<input type="checkbox"/>	PGR	Paint, Green (Fleet Only)	\$600
<input type="checkbox"/>	PW6	Paint, Green Gem (Fleet Only)	\$600
<input type="checkbox"/>	PMB	Paint, Orange (Fleet Only)	\$600
<input type="checkbox"/>	PBY	Paint, School Bus Yellow (Fleet Only)	\$600
<input type="checkbox"/>	PE4	Paint, Vermillion Red (Fleet Only)	\$600
<input type="checkbox"/>	PAT	Paint, Yellow (Fleet Only)	\$600
<input type="checkbox"/>	95K	Paint, School Bus Yellow w/ Agate Black Hood (Fleet Only)	\$150
	OPTION CODE	DEALER INSTALLED OPTIONS	PRICE
	OPTION CODE	MISC	PRICE
<input type="checkbox"/>	DELIVERY	DELIVER VEHICLE TO CUSTOMER	\$175
<input type="checkbox"/>	TITLE	DEALER WILL TITLE AND PLATE VEHICLE	\$173

	OPTION CODE	EXTERIOR COLOR	PRICE
<input type="checkbox"/>	UM	AGATE BLACK METALLIC	N/C
<input type="checkbox"/>	HX	ANTIMATTER BLUE METALLIC	N/C
<input type="checkbox"/>	M7	CARBONIZED GRAY METALLIC	N/C
<input type="checkbox"/>	JS	ICONIC SILVER METALLIC	N/C
<input type="checkbox"/>	Z1	OXFORD WHITE	N/C
<input type="checkbox"/>	PQ	RACE RED	N/C
<input type="checkbox"/>	LJ	DARKENED BRONZE METALLIC	N/C
<input type="checkbox"/>	GR	GREEN	\$600
<input type="checkbox"/>	MB	ORANGE	\$600
<input type="checkbox"/>	BY	SCHOOL BUS YELLOW	\$600
<input type="checkbox"/>	E4	VERMILLION RED	\$600
<input type="checkbox"/>	AT	YELLOW	\$600
<input type="checkbox"/>	W6	GREEN GEM	\$600



REQUEST FOR BOARD ACTION

MEETING DATE: May 7, 2024

DEPARTMENT: Public Works - Airport

SUBJECT: Airport Ground Lease for Hangar PAP-51

EXECUTIVE SUMMARY

In accordance with Chapter 3.1 of the Lake in the Hills Airport Rules and Regulations, no person shall store any aircraft at the airport except pursuant to a written Lease, license and/or storage agreement approved by the Village. A new ground lease is required upon each change in ownership of a private hangar.

On April 1, 2024, Eric Shipman, representing P-51 Aircraft Storage Solutions LLC, completed the purchase of Hangar PAP-51 from GPM Holding, LLC for the sum of \$34,000. It is important to note that GPM Holdings, LLC has fulfilled ground lease payments up to May 1, 2024.

P-51 Aircraft Storage Solutions LLC, a registered entity in good standing with the Illinois Secretary of State, is now the rightful owner of Hangar PAP-51. As per the airport regulations, a new ground lease is required upon each change in ownership of a private hangar.

The proposed initial term of this lease is twenty years, commencing on May 1, 2024, and concluding on April 30, 2044. Additionally, the lease includes options to renew for four additional five-year terms. Mr. Shipman has diligently executed all required lease documentation and has provided the necessary certificate of insurance.

FINANCIAL IMPACT

The Airport Fund will receive \$2,437.80 annually from the ground lease and \$240 from electrical fees. The rent and fees are subject to annual increases as approved by the Board.

ATTACHMENTS

1. Proposed Ordinance
2. PAP-51 Ground Lease

RECOMMENDED ACTION

Motion to approve the Ordinance Authorizing the Approval of a Ground Lease between the Village of Lake in the Hills and P-51 Aircraft Storage Solutions LLC for PAP-51.

VILLAGE OF LAKE IN THE HILLS

ORDINANCE NO. 2024- _____

**An Ordinance Authorizing the Approval of a Ground Lease
between the Village of Lake in the Hills
and P-51 Aircraft Storage Solutions LLC for PAP-51**

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 PAP-51 Aircraft Storage Solutions LLC wish to enter into a Ground Lease for PAP-51 at the Lake in the Hills Airport for an initial period of 20 years, ending April 30, 2044 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-51 is approximately 42'3"x18' by 16'5"x20'7" 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 P-51 Aircraft Storage Solutions LLC for PAP-51 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 9th day of May, 2024 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 9TH DAY OF MAY, 2024

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 1st day of May, 2024 by and between the Village of Lake in the Hills, an Illinois municipal corporation (the “Lessor”) and P-51 Aircraft Storage Solutions LLC (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-51]

Lot dimensions 42’3” x 18’ by 16’5” x 20’7” (The “Premises”).
Monthly Land Lease Amount: \$203.15
Electrical Amount: \$20.00

ARTICLE 1: TERM; RENEWAL

1.01 This Lease shall commence on May 1, 2024, and shall continue for a period of 20 years and shall terminate April 30, 2044 (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 term, is subject to rate increases, as approved by the Village Board of Trustees, effective at or near the beginning of each calendar year, up to a maximum 10 percent increase over the prior calendar year's rent. 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.

3.02 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.

3.03 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.

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:

P-51 Aircraft Storage Solutions LLC / Eric Shipman
883 Prairie Avenue
Bartlett, IL 60103

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

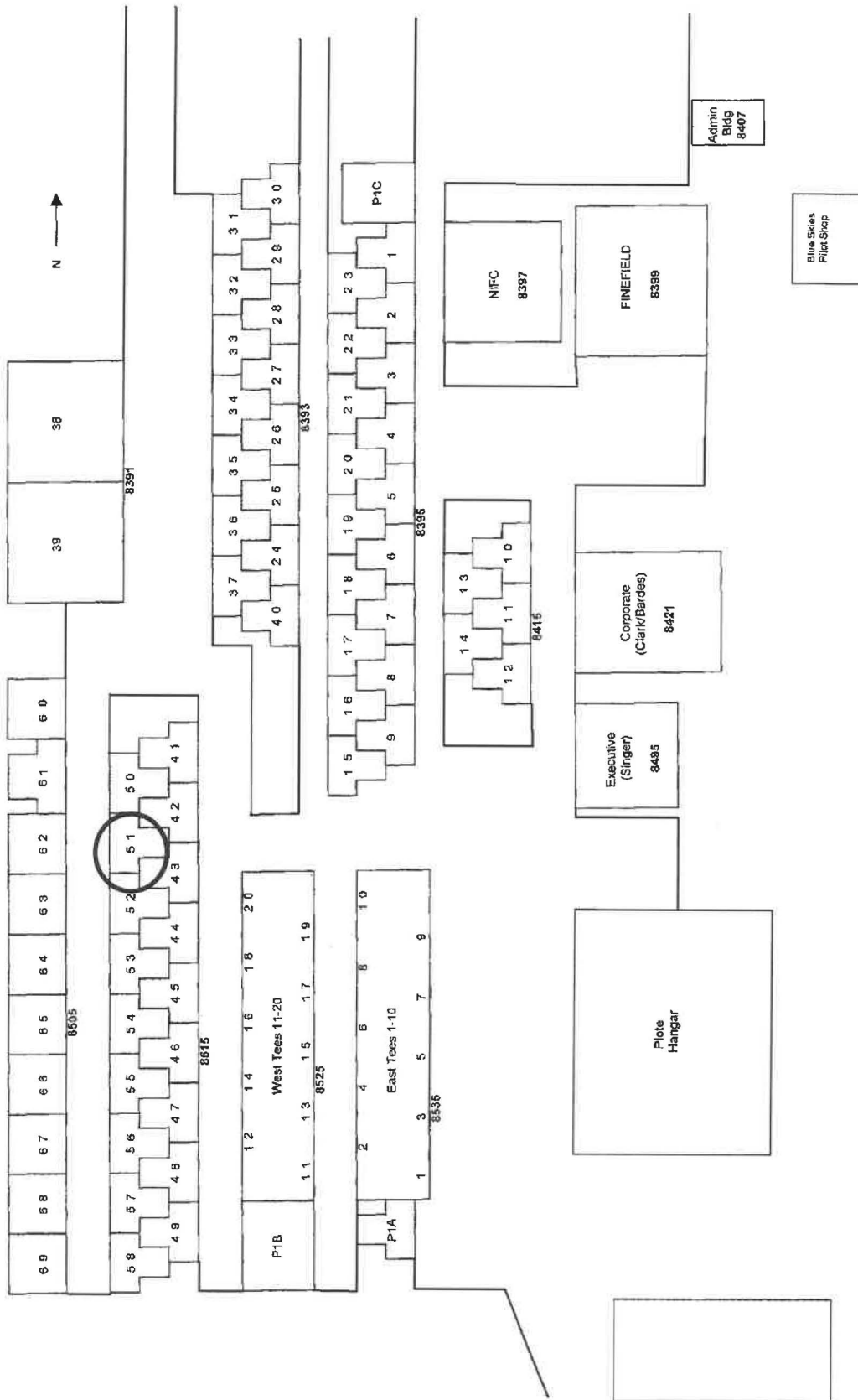
Attest: _____
Village Clerk

[LESSEE] P-51 Aircraft Storage Solutions LLC / Eric Shipman

By: _____


Title: CEO / PRESIDENT

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
Airport Office Sublease	375.00	Monthly

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

Overnight Transient Storage

*\$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.

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

Land Leases

*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.

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.