SIKICH®

VILLAGE OF ITASCA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022

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INTRODUCTORY SECTION

VILLAGE OF ITASCA, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2022

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ADMINISTRATIVE

Carie Anne Ergo, Village Administrator

Jennifer Ramsay, Finance Director

December 15, 2022

To the Honorable Mayor, Members of the Village Board, and Citizens of the Village of Itasca, Illinois:

The annual report for the Village of Itasca, Illinois, for the year ended April 30, 2022 is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Itasca's management. The Village has established internal controls that are designed to protect the municipality's assets from loss, theft and misuse and to compile total and reliable information. As the cost of internal control should not exceed its benefits, the controls in place have been designed to provide reasonable, rather than absolute assurance, that the financial statements presented are free from material misstatements. To the best of our knowledge, this financial report is accurate and complete in all material aspects and fairly reflects the Village's financial position and changes in financial position of the various funds of the Village and the Village as a whole.

We are pleased to report that independent audit firm Sikich LLP has issued an unmodified opinion on the Village of Itasca' financial statements for the year ended April 30, 2022. The independent auditor's report is located at the front of the financial section of this report.

Included with the financial statements is a narrative overview and analysis of the financial statements in the form of *Management Discussion and Analysis (MD&A).* The MD&A complements this transmittal letter and should be read in conjunction with it. The financial statements include a view at the government-wide level, the fund level, and are supplemented by notes to the financial statements.

Profile of the Government

The Village of Itasca, incorporated in 1890, is located at the junction of Interstate 290, Veterans Memorial Tollway, and the Elgin-O'Hare Expressway. Itasca began with a population of 76, which has since grown to 9,543. The Village covers an area of approximately 5.1 square miles and is located in DuPage County, Illinois, approximately 23 miles northwest of Chicago. Itasca is an upscale, residential community that prides itself on the high quality of living it affords its residents. It also boasts a large Class A Office park and two manufacturing districts.

The Village is governed by a Board consisting of a mayor and six trustees, all of whom are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The Board is responsible for, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Mayor is responsible for appointing the heads of various departments with the Village Board's consent. The Mayor is elected to serve a four-year term and the trustees serve four-year staggered terms, with three Board members elected every other two years. The elected officials collectively work as a unified Board, volunteer their time and resources to advance good government, and remain supportive of the professionals who run daily departmental operations of the Village government.

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 government. The Village of Itasca provides a full range of services, including but not limited to; administrative, financial, police protection, public works, snow plowing, planning and zoning, economic development, a nature center, code enforcement, and community events. The Village also operates a water and sewer utility.

The annual budget serves as the foundation for the Village of Itasca's financial planning and control. The Village Board is required to adopt a final budget and appropriation ordinance by no later than July 31st. The budget is prepared by each departmental Director and reviewed by the Finance Director (as of FY 2023) and Village Administrator. It is reflected at a fund, function and activity level. After administrative review and adjustments, the budget is presented to the finance committee and the Village Board for final review. The Village Board holds a public hearing and may add to, subtract from, or change budgeted amounts. After the budget has been adopted, any revisions that alter the total expenditures of any fund requires special approval of the Village Board.

Local Economy and Finances

Itasca is a mature community located in the O'Hare Industrial corridor of the Chicago metropolitan area, with limited land for new development. Equalized assessed valuation, (EAV) of real property at the end of the fiscal year totaled $726,071,280, an increase of 4.3% over previous year. At a rate of 33.3% of market value, the equalized assessed valuation translates into $2.18 billion of investment in the community.

More than 500 businesses operate in the Village - many located within industrial and business parks in the north and west portions of Itasca. The Village continued to experience substantial permit revenue due to continued construction within Hamilton Lakes and Bridge Point Itasca. Permit revenue may drop back in line with historical averages in the coming years as the number of development opportunities decrease and inflation seen in FY2023 affects building activity.

Income tax revenue collections were up approximately $300,000 over the previous year as the economy and employment began to recover from the COVID-19 Pandemic. Telecommunications tax, however, remained flat and is predicted to be obsolete in the next ten years unless Springfield allows municipalities to tax the data packages that are replacing landlines at record rates. Additionally, due to state laws limiting non-home rule communities, it is difficult for Itasca to implement new revenue strategies to compensate for diminishing revenues such as telecommunications taxes.

In March 2020, the nation was struck with a health emergency that is unique to our lifetimes. While the State encouraged residents to "shelter in place," the Village worked to keep the basic functions running smoothly – some processes moved online and others were adjusted to keep employees and customers safe and healthy. Because the pandemic hit Illinois in mid-March, just 6 weeks before fiscal year 2020 closed, the financial impact on FYE 2020 was moderated. As a result, the Village only experienced a slight decrease in collected sales tax revenue over the prior year. In FY2021, the pandemic continued and total governmental fund revenues were down $2.4 million from FY2021 levels. In FY2022, total governmental fund revenues returned to pre-pandemic levels, with the exception of Hotel Tax revenues which have experienced a $.5 million annual decrease due to the loss of one hotel and other hotels located in the Village struggling to recover.

Unfortunately, as the economy recovers from the impact of the COVID-19 Pandemic, the economy is facing inflation that has led to a 2022 CPI of 7%. Due to this uncertainty and lingering effects of the COVID-19 Pandemic, management remains vigilant in monitoring operating and capital expenditures to sustain financial stability.

Long-term Financial Planning

In the fall of 2015, the Village of Itasca's elected officials, officers and key management staff participated in a strategic planning process. The Village Board reached a collective agreement that maintaining fiscal sustainability, following established policies and procedures, and pursuing intergovernmental relations should be at the core of short-term and long-term decisions in order to support and enhance quality of life and resident satisfaction in the Village. Management is dedicated to pursuing economic development opportunities, addressing staffing priorities, and recommending infrastructure and capital improvements to achieve these goals.

The Village Board has identified projects in its five-year Capital Improvement Plan that supports the desired outcome of resident satisfaction and quality of life. This plan is updated annually prior to the start of the budget process.

As a non-home rule community, the Village is vulnerable to the impacts of declined revenue without sufficient means to raise revenues without voter approval, uncertainty of what Springfield could impose on local governments, both through unfunded mandates and reduced revenues, and pension expenses that are increasing at a rate faster than what we are able to collect through property tax increases due to PTELL.

The Village Board's directive for the past several years indicated its strong commitment to maintain a healthy fund balances as a priority for long term financial health. The Village reports that as of April 30, 2022, the fund balance in the general fund is $8,242,925, which is equal to 65% of the FY2022 operating expenditure budget. This fund balance exceeds the Village's goal of 50% of the following year's annual operating budget. Without the availability of fund balance to balance operations during the COVID-19 Pandemic, the Village would have been forced to significantly reduce staffing, programs and capital projects, which would have a negative impact on quality of life and resident satisfaction.

Major Initiatives

As part of the 5-Year Capital Improvement Plan, the Village had several major projects in FY2022 including:

- The Administration Department continued the implementation of a new financial software with an Enterprise Resource Program, working to modernize the experience for both residents and staff. The financial modules including utility billing, accounts payable, general ledger, project accounting and accounts receivable were implemented during FY2022 which resulted in the audit straddling two separate financial systems.
- The Village began a project to complete intersection capacity improvements at Park/Pierce and Park/Devon Avenue intersections to provide an improved level of service.
- The Village began a project to construct a sidewalk extension along Pierce Road from Hamilton Parkway to Park Boulevard to provide improved pedestrian access within Hamilton Lakes Business Park.
- The Village initiated a project to reconstruct Bloomingdale Road with curb and gutter, storm sewers, and resurfacing from I-290 bridge to Rohlwing Road. These improvements are expected to improve traffic safety and drainage and add pedestrian access.
- The Village proceeded with work on the Elm Street Stormwater and Northside Infrastructure projects with the goal of providing additional relief to residents with drainage issues by removing existing surface drainage from ancient drain tiles and installing curbs and gutter. The Village authorized GO Bond 2022B in the amount of $13.64 million to provide resources for the expansion of this project and other critical capital infrastructure projects.
- The Village initiated a project to install new entryway signage throughout the Village.
- The Village initiated a project to acquire the former Starbucks property located at 102 E. Irving Park Road.

- Along with their typical workload, Community Development continued to support major development projects including the following:
    - Bridge Point Itasca – Leased 741,162 SF industrial complex in less than 12 months and started construction on the frontage.
    - NTT Data Center – Completed first data center on the campus located on Pierce Road in Hamilton Lakes. A second data center building is in the planning process.
- The Village continued annual street and sidewalk maintenance programs.
- The Village continued to offer the Rear Yard Assistance Program for residents to alleviate their rear yard drainage issues.
- The Village continued to offer the Sanitary Sewer Backflow Preventive Program to assist residents with the cost associated with the installation of a backflow prevention system.
- The Village initiated a lead service line replacement program with grant funds received through the IEPA.
- The Village continued to replace vehicles and equipment as identified in the CIP.

Acknowledgements

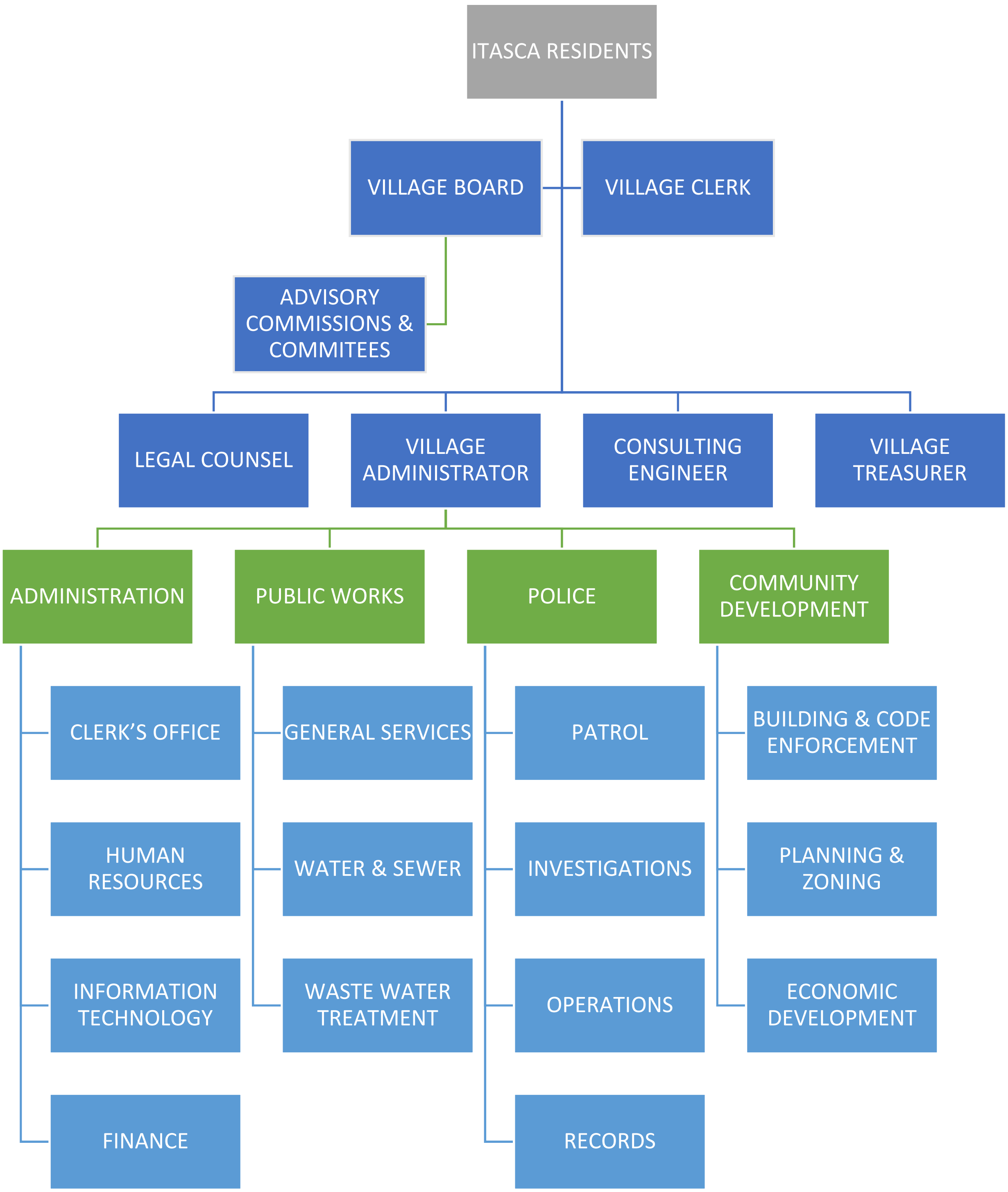
We express our appreciation to the Village Board of Trustees for their interest and support in planning and conducting the operations of the Village of Itasca in a responsible manner. The preparation of this report could not have been accomplished without the dedicated services of the staff in Administration and accounting consultants. We would like to express our appreciation to all everyone that assisted and contributed in the preparation of this report especially Amanda Socha, the Village's accountant from Selden Fox. We are pleased to present to you the Annual Financial Report as we continue to pursue our goal of providing high quality municipal services in a fiscally responsible manner.

Respectfully Submitted,

Jennifer Ramsay
Finance Director

Carie Anne Ergo
Village Administrator

Village of Itasca
MUNICIPAL ORGANIZATION STRUCTURE



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

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 Itasca, Illinois (the Village), as of and for the year ended April 30, 2022, and the related notes to financial statements which collectively comprise the Village's 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 Itasca, Illinois as of April 30, 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS 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's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information 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's basic financial statements. The 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. The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

This 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 introductory and supplemental data section 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 December 15, 2022 on our consideration of the Village's 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's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
December 15, 2022

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

As the management of the Village of Itasca (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2022. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Letter of Transmittal on pages ii through v and the Village's financial statements beginning on page 5.

FINANCIAL HIGHLIGHTS

- Total Village's net position increased from $84.4 million as of April 30, 2021 to $85.7 million as of April 30, 2022.
- As of April 30, 2022, the unrestricted fund balance for the General fund balance was $ 8.2 million or 65% of General Fund expenditures. This is up from $7.3 million as of April 30, 2021 and 60% of General Fund expenditures.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

In accordance with generally accepted accounting principles, the Village presents its financial statements so as to offer two perspectives of its financial position and results of operations. The government-wide perspective presents financial information for the government as a whole. The fund perspective involves the presentation of financial information for individual accounting entities established by the Village for specific purposes. The focus of the fund statements is on major funds. Both perspectives (government-wide and major fund) address likely user questions, provide a broad 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.

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 aggregate difference 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. Additionally, one would need to evaluate nonfinancial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved or deteriorated.

The Statement of Activities 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 an 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 (e.g., earned but unused sick leave).

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, community development, and public works. The business-type activities of the Village include a water and sewer system. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and, therefore, are not included in government-wide statements.

The Village's financial reporting includes the funds of the Village (primary government). The Village is required to adopt the library tax levy and the budget in the form of the appropriations ordinance. The library has a separate governing board that is elected, and therefore, the Village is not financially accountable for the Library because the Library is not a component unit. The financial information for the Library is reported separately from the financial information of the Village.

The government-wide financial statements can be found on pages 5-8 of this report.

Fund Financial Statements.
A fund is a grouping of related accounts that is used to maintain control over resources 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 funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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 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 is useful in evaluating a government's near-term financing requirements.

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

The Village maintains 11 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be "major" funds. Data from the other 9 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic government fund financial statements are presented on pages 9-12 of this report.

Proprietary funds. The Village maintains one proprietary fund, the enterprise fund. 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 and sewer utilities function. Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. As the proprietary funds are reported on a full accrual bases, the Village of Itasca fund statements for the Water and Sewer fund mirror the government-wide statements.

The basic proprietary fund financial statements are presented on pages 13-15 of this report.

Fiduciary funds. Fiduciary Funds are used to account for resources held for 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 are presented on pages 16-17 of this report.

Notes to the financial statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 18 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the General Fund and major governmental funds and the Village's progress in funding its obligation to provide pensions to its employees. Required supplementary information can be found on pages 56-64 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 65-92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position.

Condensed Statement of Net Position

Aprril 30, 2022

	Governmental Activities		Business-type Activities		Totals	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Current and other assets	$ 40,506,903	$ 26,185,868	$ 11,613,352	$ 8,530,586	$ 52,120,255	$ 34,716,454
Capital assets	76,179,028	74,653,580	45,997,279	45,305,527	122,176,307	119,959,107
Deferred outflows of resources	3,652,526	3,557,114	366,070	113,386	4,018,596	3,670,500
Total assets and deferred outflows	120,338,457	104,396,562	57,976,701	53,949,499	178,315,158	158,346,061
Current liabilities	$ 3,052,666	$ 2,076,370	$ 2,468,411	$ 777,459	$ 5,521,077	$ 2,853,829
Noncurrent liabilities	44,799,812	28,463,953	36,040,251	35,888,295	80,840,063	64,352,248
Deferred inflows of resources	4,691,056	5,758,692	1,543,410	990,092	6,234,466	6,748,784
Total liabilities and deferred inflows	52,543,534	36,299,014	40,052,072	39,686,627	92,595,606	73,954,860
Net position:						
Net investment in capital assets	$ 74,433,776	$ 73,204,865	$ 10,683,252	$ 10,048,531	$ 85,117,028	$ 83,253,396
Restricted	7,061,388	6,977,134	-	-	7,061,388	6,977,134
Unrestricted	(13,700,241)	(12,084,452)	7,241,438	6,245,122	(6,458,803)	(5,839,330)
Total net position	$ 67,794,923	$ 68,097,547	$ 17,924,690	$ 16,293,653	$ 85,719,613	$ 84,391,200

A large portion of the Village's net position, $85,117,028 or 99.2 percent, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, $7,061,388 or 8.2 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. As of April 30, 2022, the Village is reporting unrestricted net position of ($6,458,803) or (7.5) percent. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Activities

Condensed Statement of Activities

For the Year Ended April 30, 2022

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	**2021**	**2022**	**2021**	**2022**	**2021**
Revenues:						
Program revenues:						
Charges for services	1,475,394	1,391,621	10,246,643	8,993,296	11,722,037	10,384,917
Grants and contributions	-	-	-	-	-	
Operating	619,150	349,935	-	-	619,150	349,935
Capital	190,001	325,818	-	-	190,001	325,818
General revenues:			-	-	-	
Property taxes	3,114,474	3,053,181	-	-	3,114,474	3,053,181
Other taxes	10,734,133	7,438,705	464,989	428,546	11,199,122	7,867,251
Other	837,217	626,502	191,383	114,997	1,028,600	741,499
Total revenues	16,970,369	13,185,762	10,903,015	9,536,839	27,873,384	22,722,601
Expenses:						
General government	3,105,174	2,890,712	-	-	3,105,174	2,890,712
Public safety	7,286,046	6,236,191	-	-	7,286,046	6,236,191
Community development	1,208,084	1,265,851	-	-	1,208,084	1,265,851
Public works	5,145,922	3,572,225	-	-	5,145,922	3,572,225
Water and sewer	-	-	9,271,978	9,019,885	9,271,978	9,019,885
Interest expense	527,767	158,525	-	-	527,767	158,525
Total expenses	17,272,993	14,123,504	9,271,978	9,019,885	26,544,971	23,143,389
Changes in net position	(302,624)	(937,742)	1,631,037	516,954	1,328,413	(420,788)
Net position, May 1	68,097,547	69,035,289	16,293,653	15,776,699	84,391,200	84,811,988
Net position, April 30	67,794,923	68,097,547	17,924,690	16,293,653	85,719,613	84,391,200

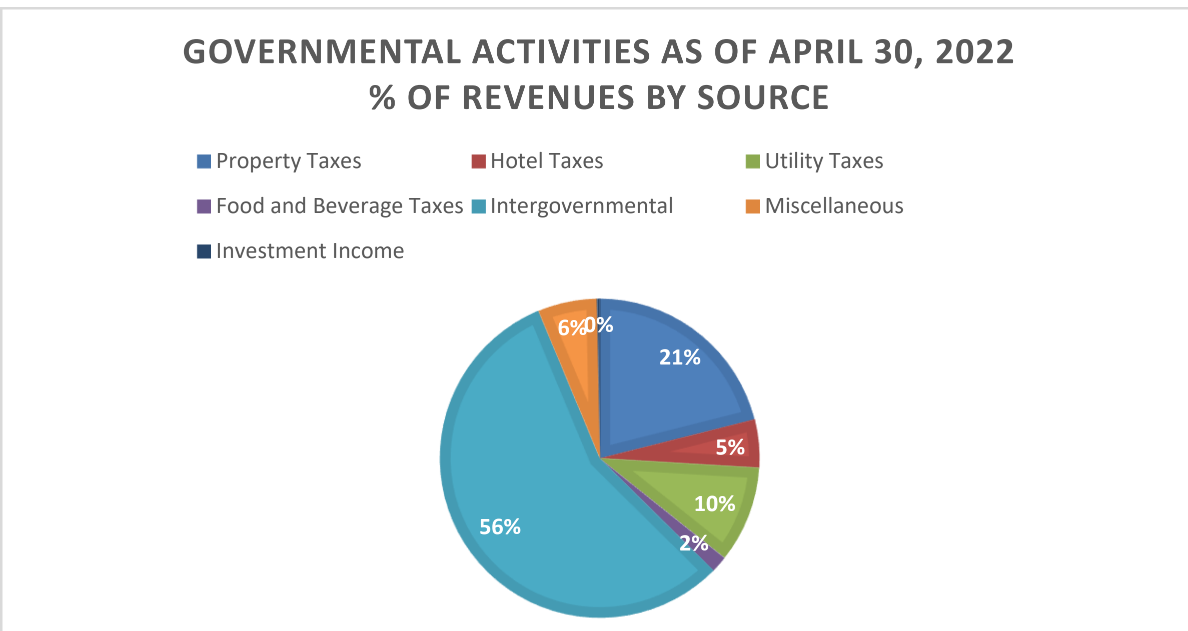
GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The Village's combined net position increased by $1.3 million from $84.4 to $85.7 million during 2022. This change is the result of $.3 million decrease and $1.6 million increase in the net position of governmental activities and business-type activities, respectively. The change in net position was significantly impacted several years ago by the Village's implementation of Statement No. 68, Accounting and Financial Reporting for Pensions, of the Governmental Accounting Standards Board. These items pertain to the Village's participation in the Itasca Police Pension Fund and Illinois Municipal Retirement Fund. Under previous financial reporting standards, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e., the obligations did not affect the statement of net position). In addition, the Village was required to implement GASB Statement No. 75 in FY19. This requires the reporting of the other postemployment liability resulting in an additional $2.1 million liability on the financial statements.

For more detailed information, see the Statement of Net Position on pages 5 and 6.

Governmental Activities

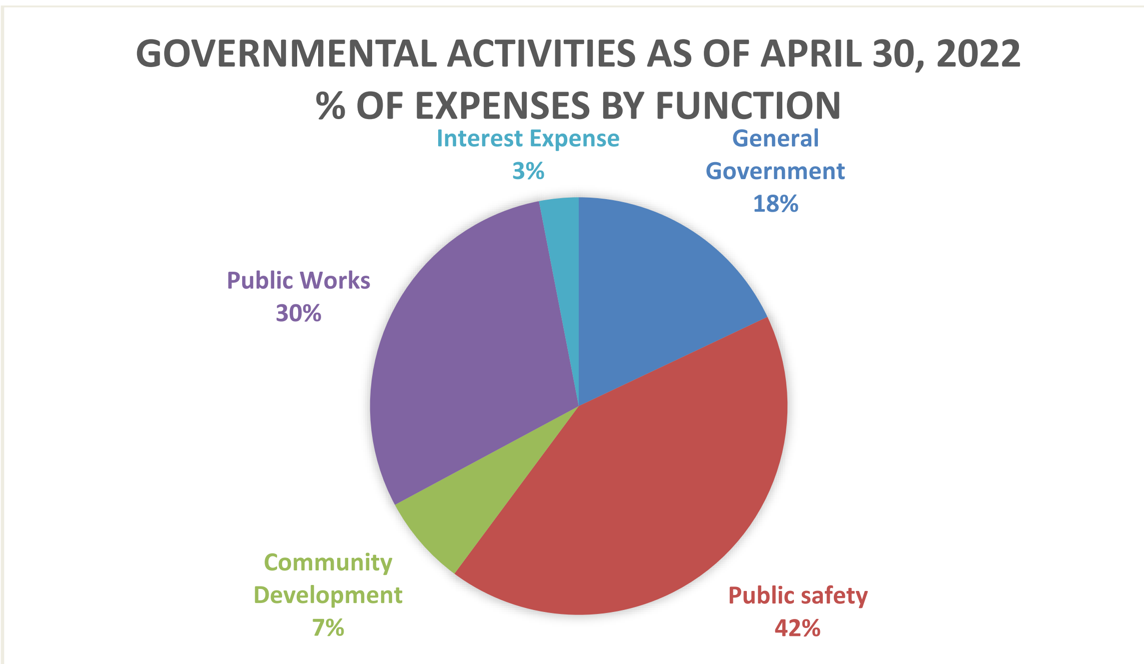
Revenues for governmental activities totaled $17.0 million, while the cost of all governmental functions totaled $17.3 million. This results in a decrease in net position of $.3 million. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on property taxes and intergovernmental revenues and taxes to fund governmental activities.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

FYE 2022 expenses for governmental activities totaled $17.3 million, increasing by $3.2 million or 22.3% compared to FYE 2021 expenses.

Itasca's largest share of costs allocated to governmental activities was in the area of Public Safety (law enforcement), accounting for 42.2% of total governmental expenses. This was followed by Public Works activities, making up 29.8% of total governmental spending, which includes Public Works operating and maintenance activities as well as the Village's infrastructure rehabilitation and replacement program. General Government activities round out total governmental activities at 18.0% which includes legislative boards and commissions, general administration, legal services, financial management, engineering services, employee relations, and building maintenance. Community Development, accounts for 7.0% of total government spending, and Interest Expense accounts for 3.1% of total government spending.

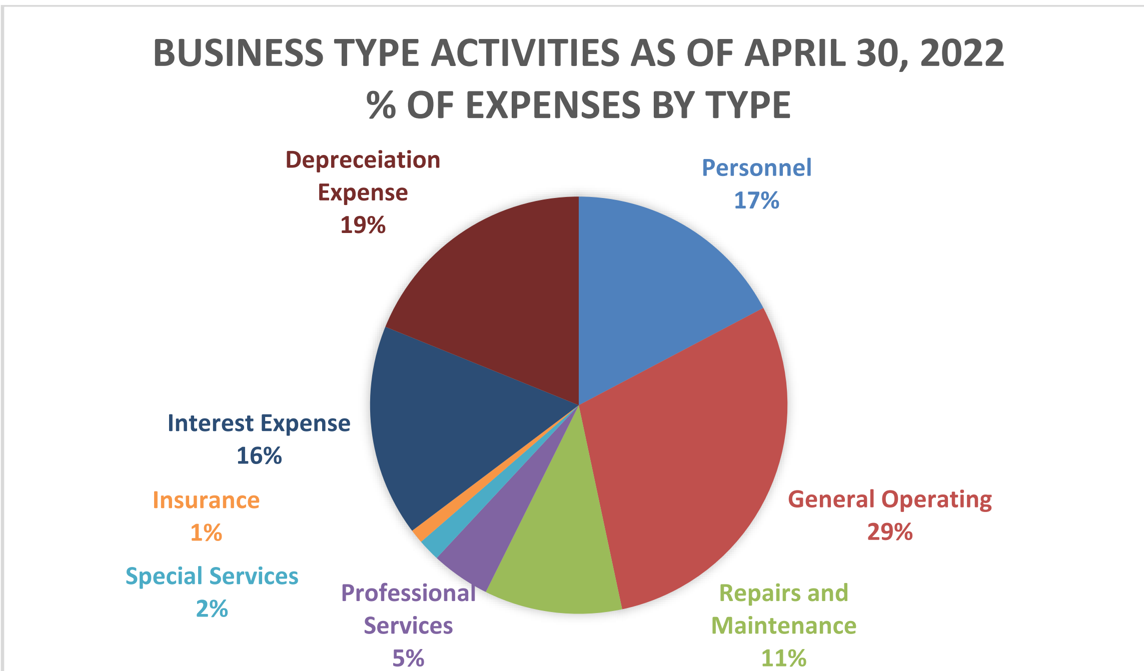


Business-Type activities

Business-Type activities posted total revenues of $10.9 million, while the cost of all business-type activities totaled $9.3 million. This results in an increase in net position before transfers of $1.6 million. For the prior year ending April 30, 2021, revenues were $9.5 million, while the cost of all business-type activities totaled $9 million. This resulted in an increase in net position before transfers of $.5 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Itasca's total business-type activities are limited to the activities of its sole enterprise fund, the Water and Sewer Fund. Total expenses for water and sewer activities for FY2022 totaled $9.3 million, an increase of $.3 million or 2.8% from the prior year. Water and sewer activities include the purchase of Lake Michigan water though the Village's participation in the DuPage Water Commission, maintaining the Village's water distribution systems including mains, pumps, reservoirs, metering and billing, as well as, the maintenance of the Village's sanitary sewage collection system and its treatment at the Sewer Treatment Plan. Total system expenses can be categorized in the following manner:



Governmental Funds

As noted earlier, the focus of fund reporting is the short-term inflow and outflow of expendable resources. Fund balance is a useful indicator in assessing available resources with respect to meeting future obligations.

At April 30, 2022 governmental funds reported combined fund balances of $33.6 million. Of this amount, $8.1 million is unassigned and is available for future obligations. In addition, $18.4 million is assigned for capital projects. This is a $11.8 million increase from FY2021 year-end due primarily to general obligation bond proceeds received in the amount of $13.64 million which was assigned for capital projects. About $7.1 million is restricted, with $1.4 million for tourism, generated by the hotel tax, $3.3 million for Special Service areas and $0.4 million for debt service. The remainder of restricted funds relate to public safety, and highway and streets.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. For the fiscal year ended April 30, 2022, fund balance in the General Fund increased by $882,186. The change to the fund balance is a combination of revenues of $13.1 million compared to expenditures of $12.7 million, adjusted for other financing sources and uses of a net $424,620. After all activity and adjustments are accounted for, the General Fund has an ending fund balance of $8.2 million.

Proprietary Funds

The focus for the proprietary fund at the fund level is synonymous with that found at the government-wide level. Reporting is on a full-accrual basis with short-term and long-term emphasis on financial data. The Water and Sewer Fund is the sole proprietary fund for the Village of Itasca. This fund records all financial activity relating to the municipality's water and sewer operations. The Water and Sewer Fund provides the same type of information in the government-wide financial statements reflected as "Business-type" activities, but in more detail.

At April 30, 2022, net position of the proprietary fund totaled $17.9 million. Cash and investments totaled $7.2 million, increasing from prior year by $.6 million. Operating revenues increased 14.6% from the previous year to $10.4 million. Operating expenses (including depreciation) of $7.8 million were 1.2% higher than the previous year. As of January 1, 2017, the volumetric rate was increased and the fixed revenue rate structure was adjusted to bring in an additional $500,000 annually to offset the predicted shortfall the fund would experience to meet the service demands to maintain and operate a water and sewer system. The projected rate increases are sufficient to account for a consistent decline of 2.5% in water usage, debt repayment, anticipated debt repayment of loans related to correcting the treatment plant, ongoing litigation and engineering expenses related to the treatment plant, increasing resources dedicated to capital expenditures, and to accumulate sufficient reserves to meet the funds current liabilities.

Fiduciary Funds

The Village's one single-employer pension plan experienced a net decrease in the Net Position of $1,766,105 in the fiscal year ended April 30, 2022 due primarily to a net decrease in the fair value of investments in the amount of $2.5 million. Deductions for benefits and other smaller items increased about 6.0%, from $1.96 million in the prior year to $2.07 million this year. As of April 30th, total assets were $18.5 million.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS (cont.)

General Fund Budgetary Highlights

The original budget for the General Fund was not amended during the year. Actual expenditures exceeded the budgeted amount by $128,320. The General Fund budgeted to use fund reserves in FYE 2022, with revenues budgeted at $11.1 million and expenses at $12.5 million. Actual revenues in the General Fund were $2.0 million over budget. The majority of the increase was a result of favorable budget variances in building permit revenue, sales tax, income tax, and utility tax. As a result, actual revenues received exceeded actual expenses by $455,857 and budgeted reserves were not used during the fiscal year.

General Fund Budgetary Highlights
Fiscal Year Ended April 30, 2022

	Final Budget	Actual
Revenues:		
Taxes	$ 3,781,797	$ 4,254,916
Licenses and permits	921,800	1,263,328
Intergovernmental	4,736,545	6,166,784
Charges for services	134,250	85,489
Fines and forfeits	204,050	126,577
Other revenue	1,329,397	1,235,807
Total revenues	11,107,839	13,132,901
Expenditures:		
General government	2,528,441	2,584,663
Public safety	6,280,893	6,185,993
Community development	1,383,127	1,267,674
Public works	1,663,263	1,944,805
Debt service	693,000	692,200
Total expenditures	12,548,724	12,675,335
Other financing sources (uses):		
Transfers in	424,620	424,620
Total other financing sources (uses)	424,620	424,620
Net change in fund balance	$ (1,016,265)	882,186
Fund balance, May 1		7,360,739
Fund balance, April 30		$ 8,242,925

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Village's investment in capital assets for both its governmental and business-type activities as of April 30, 2022 is $122 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines, water towers, water wells and water treatment facilities as well as intangible assets. The following schedule reflects the Village's capital asset balances as of April 30, 2022.

Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	**2022**	2021	**2022**	2021
Land and improvements	$ **40,473,800**	$ 40,473,800	$ **1,335,645**	$ 1,335,645	$ **41,809,445**	$ 41,809,445
Construction in progress	**3,289,774**	588,237	**2,244,940**	-	**5,534,714**	588,237
Capital assets not being depreciated	**43,763,574**	41,062,037	**3,580,585**	1,335,645	**47,344,159**	42,397,682
Building and improvements	$ **11,267,976**	$ 11,548,476	$ **107,995**	$ 113,749	$ **11,375,971**	$ 11,662,225
Machinery and equipment	**879,559**	685,568	**758,947**	674,541	**1,638,506**	1,360,109
Transportation equipment	**166,376**	277,646	**-**	-	**166,376**	277,646
Infrastructure	**20,101,543**	21,079,853	**-**	-	**20,101,543**	21,079,853
Water and sewer systems	**-**	-	**41,549,752**	43,181,592	**41,549,752**	43,181,592
Total capital assets being depreciated	**32,415,454**	33,591,543	**42,416,694**	43,969,882	**74,832,148**	77,561,425
Capital assets, net	$ **76,179,028**	$ 74,653,580	$ **45,997,279**	$ 45,305,527	$ **122,176,307**	$ 119,959,107

Capital additions for the year totaled $3,457,121 for total governmental funds, not including $459,204 construction in progress placed in service in the current year. Net capital assets for governmental activities and business-type activities increased $1.5 million and $.7 million, respectively. Additional information on the Village's capital assets is presented in the notes to the basic financial statements on pages 29 and 30.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued.)

Long-term debt

During the fiscal year, the Village's total debt obligation increased for governmental activities and business-type activities by $16.3 million and $.1 million, respectively. During FY2022, the Village refunded GO Bond 2009A to GO Bond 2022A and authorized the issuance of GO Bond 2022B in the amount of $13.64 million which resulted in the increase of the debt obligation affecting governmental activities. At the end of the fiscal year, the Village's total debt obligation was $80.8 million. Of that, $50.4 million is bonded debt. $2.3 million is funded directly from property taxes revived from the Village's special services areas.

As a non-home rule government, under Illinois Law, the Village is limited to issuing debt to a level no greater than 8.625 % of the equalized assessed value. As of April 30, 2022, the net debt applicable to the debt limit was 1.06%.

Long-Term Debt Outstanding

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	**2022**	2021	**2022**	2021
General obligation bonds	$ **13,640,000**	$ -	$ **19,345,000**	$ 20,970,000	$ **32,985,000**	$ 20,970,000
General Fund refunding certificate	**665,000**	1,305,000	**-**	-	**665,000**	1,305,000
Special service area bonds	**2,325,000**	2,550,000	**-**	-	**2,325,000**	2,550,000
IEPA loan	**-**	-	**14,466,530**	14,237,152	**14,466,530**	14,237,152
Bonded debt total	**16,630,000**	3,855,000	**33,811,530**	35,207,152	**50,441,530**	39,062,152
Compensated absences	**490,697**	482,398	**89,906**	131,631	**580,603**	614,029
Net postemployment benefit	**1,631,216**	1,927,082	**422,954**	499,668	**2,054,170**	2,426,750
Net pension liability	**24,966,094**	22,132,653	**-**	-	**24,966,094**	22,132,653
Other	**1,081,805**	66,820	**1,715,861**	49,844	**2,797,666**	116,664
Combined long-term debt total	**28,169,812**	24,608,953	**2,228,721**	681,143	**30,398,533**	25,290,096
Total	$ **44,799,812**	$ 28,463,953	$ **36,040,251**	$ 35,888,295	$ **80,840,063**	$ 64,352,248

Bond Ratings

During FY2022, the Village engage S&P Global Ratings and received a bond rating of AA+ long-term rating to GO Bonds 2022A and 2022B. In addition, the spring of 2016, the Village was able to maintain its Aa2, very strong credit position, bond rating from Moody's. Additional information on the Village's long-term debt is presented in the notes to the basic financial statements on pages 31 to 34

ECONOMIC FACTORS

The local Village economy continues to hold firm in spite of a weak State economy. The Village of Itasca is primarily an affluent residential community heavily reliant on property, sales taxes and utility sales.

- The Village is directly impacted by the financial condition of the State of Illinois. The political environment in Springfield is being closely monitored for legislation that could reduce or eliminate the shared revenue, and in turn impact the level of service to the residents.
- The Illinois Department of Revenue certified the CPI used for calculating the Village's 2021 Tax Levy to be 1.4%. Any increase in CPI along with the value of new construction will be used to offset the growing cost of funding for the police pension fund for the Village. The Village has been impacted by actuarial assumption changes in the calculation of the Annual Required Contribution (ARC). The increases in the ARC have been higher than the combined CPI and new construction, as a result, has decreased the portion of the property tax levy available for operations since 2018.
- The Village has a strong reliance on sales tax revenue. The Village will continue to monitor economic trends relating to retail sales and adjust forecasts/spending as appropriate.
- COVID has caused uncertainty in the short and long-term planning for the Village as the unplanned expenses accumulated. Itasca's diverse revenue base and strong financial planning puts the Village in a good position to weather the financial uncertainties that remains as a result of the pandemic. However, revenues such as Hotel Tax, may be impacted for the long-term as a result of the COVID pandemic.
- Inflation and a 2022 CPI of 7% have caused additional uncertainty. The Village will need to continue its long-term planning due to these economic conditions.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. As of April 30, 2022 the unassigned fund balance of the General Fund was 65% of total expenditures of the current year, exceeding the current practiced policy of 50%.

The Water/Sewer Fund had cash and investments of $7.3 million as of April 30, 2022. The Village monitors both revenues and expenses to determine the utility rate levels necessary to cover the maintenance and long term replacement infrastructure needs of the Water/Sewer Fund. The Village Board approved a rate increase plan, with increases effective January 1st of each year.

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

This financial report is designed to provide our citizens, 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 information, should be directed to Carie Anne Ergo, Village Administrator or Jennifer Ramsay, Finance Director, at Village of Itasca, 550 N. Irving Park Road, Itasca, IL.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 34,268,654	$ 7,262,837	$ 41,531,491
Receivables			
Property taxes	3,161,878	-	3,161,878
Accounts receivable	-	2,128,015	2,128,015
Sales taxes	1,290,311	-	1,290,311
Other	769,941	-	769,941
Intergovernmental	11,844	1,303,991	1,315,835
Due from other governments	21,800	-	21,800
Prepaid items	143,030	-	143,030
Net pension asset	839,445	918,568	1,758,013
Capital assets			
Capital assets not being depreciated	43,763,574	3,626,819	47,390,393
Capital assets being depreciated (net of accumulated depreciation)	32,415,454	42,416,694	74,832,148
Total assets	116,685,931	57,656,924	174,342,855
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	181,801	198,940	380,741
Pension items - Police Pension	3,469,172	-	3,469,172
Unamortized loss on refunding	1,553	167,130	168,683
Total deferred outflows of resources	3,652,526	366,070	4,018,596
Total assets and deferred outflows of resources	120,338,457	58,022,994	178,361,451

(This statement is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2022

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	$ 1,992,997	$ 2,270,706	$ 4,263,703
Accrued payroll	143,313	56,739	200,052
Accrued interest	158,361	187,198	345,559
Intergovernmental payables	5,841	-	5,841
Unearned revenue	18,435	-	18,435
Escrow deposits	651,736	-	651,736
Due to library	53,328	-	53,328
Due to component unit	28,655	-	28,655
Noncurrent liabilities			
Due within one year	1,015,286	1,556,961	2,572,247
Due in more than one year	43,784,526	34,483,290	78,267,816
Total liabilities	47,852,478	38,554,894	86,407,372
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	1,410,464	1,543,410	2,953,874
Pension items - Police Pension	126,990	-	126,990
Property taxes	3,153,602	-	3,153,602
Total deferred inflows of resources	4,691,056	1,543,410	6,234,466
Total liabilities and deferred inflows of resources	52,543,534	40,098,304	92,641,838
NET POSITION			
Net investment in capital assets	74,433,776	10,683,252	85,117,028
Restricted			
Public safety	8,362	-	8,362
Streets	1,998,156	-	1,998,156
Tourism	1,359,686	-	1,359,686
Debt service	369,361	-	369,361
Special service areas	3,325,823	-	3,325,823
Unrestricted (deficit)	(13,700,241)	7,241,438	(6,458,803)
TOTAL NET POSITION	$ 67,794,923	$ 17,924,690	$ 85,719,613

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 3,105,174	$ -	$ 300	$ -
Public safety	7,286,046	158,350	21,085	-
Community development	1,208,084	1,263,328	-	-
Public works	5,145,922	53,716	597,765	190,001
Interest expense	527,767	-	-	-
Total governmental activities	17,272,993	1,475,394	619,150	190,001
Business-Type Activities				
Water and sewer	9,271,978	10,246,643	-	-
TOTAL PRIMARY GOVERNMENT	$ 26,544,971	$ 11,722,037	$ 619,150	$ 190,001

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (3,104,874)	$ -	$ (3,104,874)
	(7,106,611)	-	(7,106,611)
	55,244	-	55,244
	(4,304,440)	-	(4,304,440)
	(527,767)	-	(527,767)
	(14,988,448)	-	(14,988,448)
	-	974,665	974,665
	(14,988,448)	974,665	(14,013,783)
General Revenues			
Taxes			
Property	3,114,474	-	3,114,474
Hotel	718,542	-	718,542
Utility	1,443,188	-	1,443,188
Food and beverage	252,108	-	252,108
Intergovernmental	8,320,295	464,989	8,785,284
Miscellaneous	881,970	190,170	1,072,140
Investment income	(44,753)	1,213	(43,540)
Total	14,685,824	656,372	15,342,196
CHANGE IN NET POSITION	(302,624)	1,631,037	1,328,413
NET POSITION, MAY 1	68,097,547	16,293,653	84,391,200
NET POSITION, APRIL 30	$ 67,794,923	$ 17,924,690	$ 85,719,613

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 8,091,176	$ 19,260,218	$ 6,917,260	$ 34,268,654
Receivables				
Property taxes	2,662,404	-	499,474	3,161,878
Other	592,351	-	177,590	769,941
Sales taxes	915,794	374,517	-	1,290,311
Intergovernmental	-	11,844	-	11,844
Due from other funds	191,688	-	-	191,688
Due from other governments	21,800	-	-	21,800
Prepaid items	-	-	143,030	143,030
TOTAL ASSETS	$ 12,475,213	$ 19,646,579	$ 7,737,354	$ 39,859,146
LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 677,512	$ 1,287,446	$ 28,039	$ 1,992,997
Accrued payroll	142,653	-	660	143,313
Intergovernmental payables	5,841	-	-	5,841
Unearned revenue	18,435	-	-	18,435
Escrow deposits	651,736	-	-	651,736
Due to other funds	-	-	191,688	191,688
Due to library	53,328	-	-	53,328
Due to fiduciary fund	28,655	-	-	28,655
Total liabilities	1,578,160	1,287,446	220,387	3,085,993
DEFERRED INFLOWS OF RESOURCES				
Property taxes	2,654,128	-	499,474	3,153,602
Total deferred inflows of resources	2,654,128	-	499,474	3,153,602
Total liabilities and deferred inflows of resources	4,232,288	1,287,446	719,861	6,239,595
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	143,030	143,030
Restricted				
Public safety	8,362	-	-	8,362
Debt service	-	-	369,361	369,361
Highway and streets	-	-	1,998,156	1,998,156
Tourism	-	-	1,359,686	1,359,686
Special service areas	-	-	3,325,823	3,325,823
Unrestricted				
Assigned				
Capital projects	-	18,359,133	-	18,359,133
Unassigned (deficit)	8,234,563	-	(178,563)	8,056,000
Total fund balances	8,242,925	18,359,133	7,017,493	33,619,551
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 12,475,213	$ 19,646,579	$ 7,737,354	$ 39,859,146

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 33,619,551
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	76,179,028
Premiums (discounts) on bonds are expensed in governmental funds but capitalized and amortized in the statement of net position	
Premium on issuance of bonds	(1,081,805)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation debt certificates	(665,000)
General obligation bonds	(13,640,000)
Special service area bonds	(2,325,000)
Unamortized loss on refunding	1,553
Accrued interest payable	(158,361)
Compensated absences	(490,697)
Total OPEB liability	(1,631,216)
Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position	839,445
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	(1,228,663)
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(24,966,094)
Differences between expected and actual experiences, assumption changes, and net differences between projected, and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	3,342,182
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 67,794,923

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 2,559,620	$ -	$ 554,854	$ 3,114,474
Hotel taxes	-	-	718,542	718,542
Licenses and permits	1,263,328	-	-	1,263,328
Intergovernmental	6,166,784	1,486,356	-	7,653,140
Other taxes	1,695,296	-	-	1,695,296
Grants	688,540	252,975	534,791	1,476,306
Charges for services	85,489	-	-	85,489
Fines	126,577	-	-	126,577
Investment income	(50,121)	405	4,963	(44,753)
Miscellaneous	597,388	258,394	26,188	881,970
Total revenues	13,132,901	1,998,130	1,839,338	16,970,369
EXPENDITURES				
Current				
General government	2,584,663	-	837,835	3,422,498
Public safety	6,185,993	-	-	6,185,993
Community development	1,267,674	-	-	1,267,674
Public works	1,944,805	-	-	1,944,805
Debt service				
Principal	640,000	-	225,000	865,000
Interest and fiscal agent fees	52,200	298,259	115,765	466,224
Capital outlay	-	4,798,805	22,603	4,821,408
Total expenditures	12,675,335	5,097,064	1,201,203	18,973,602
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	457,566	(3,098,934)	638,135	(2,003,233)
OTHER FINANCING SOURCES (USES)				
Transfers in	424,620	166,000	-	590,620
Transfer (out)	-	-	(590,620)	(590,620)
Bonds issued, at par	-	13,640,000	-	13,640,000
Premium on bonds issued	-	1,048,394	-	1,048,394
Total other financing sources (uses)	424,620	14,854,394	(590,620)	14,688,394
NET CHANGE IN FUND BALANCES	882,186	11,755,460	47,515	12,685,161
FUND BALANCES, MAY 1	7,360,739	6,603,673	6,969,978	20,934,390
FUND BALANCES, APRIL 30	$ 8,242,925	$ 18,359,133	$ 7,017,493	$ 33,619,551

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 12,685,161
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	3,457,121
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	
General obligation bonds	(13,640,000)
Premium on general obligation bonds	(1,048,394)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a decrease of principal outstanding in the statement of activities	865,000
The change in the net pension asset for the Illinois Municipal Retirement Retirement Fund is reported only in the statement of activities	728,703
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(427,472)
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(2,833,441)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	1,616,347
The change in the OPEB liability is reported only in the statement of activities	295,866
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(1,931,673)
Change in compensated absences payable	(8,299)
Amortization of bond premium	33,409
Amortization of loss on refunding	(1,552)
Change in accrued interest payable	(93,400)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ (302,624)

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND

April 30, 2022

	Water and Sewer
CURRENT ASSETS	
Cash and investments	$ 7,262,837
Accounts receivable	2,128,015
Intergovernmental receivable	1,303,991
Total current assets	10,694,843
NONCURRENT ASSETS	
Net pension asset	918,568
Capital assets	
Cost	81,683,430
Less accumulated depreciation	35,639,917
Total noncurrent assets	46,962,081
Total assets	57,656,924
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	198,940
Unamortized loss on refunding	167,130
Total deferred outflows of resources	366,070
Total assets and deferred outflows of resources	58,022,994
CURRENT LIABILITIES	
Accounts payable	2,270,706
Accrued payroll	56,739
Bonds and loans payable - current portion	1,508,762
Compensated absences payable	8,991
Total OPEB liability	39,208
Accrued interest	187,198
Total current liabilities	4,071,604
NONCURRENT LIABILITIES	
Bonds payable	20,595,861
IEPA loan payable	13,422,768
Compensated absences payable	80,915
Total OPEB liability	383,746
Total noncurrent liabilities	34,483,290
Total liabilities	38,554,894
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	1,543,410
Total deferred inflows of resources	1,543,410
Total liabilities and deferred inflows of resources	40,098,304
NET POSITION	
Net investment in capital assets	10,683,252
Unrestricted	7,241,438
TOTAL NET POSITION	$ 17,924,690

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Water and Sewer
OPERATING REVENUES	
Charges for services	
Water fees	$ 4,218,502
Sewer fees	6,028,141
Miscellaneous	190,170
Total operating revenues	10,436,813
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Salaries/stipends	1,029,209
Payroll taxes	302,359
Employee benefits	270,256
General operating	2,724,961
Repairs and maintenance	990,537
Professional services	423,862
Special services	159,218
Insurance	100,575
Total operating expenses excluding depreciation	6,000,977
OPERATING INCOME BEFORE DEPRECATION	4,435,836
Depreciation	1,749,380
OPERATING INCOME	2,686,456
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(1,521,621)
Bond stimulus payment	455,293
Intergovernmental revenue	9,696
Investment income	1,213
Total non-operating revenues (expenses)	(1,055,419)
CHANGE IN NET POSITION	1,631,037
NET POSITION, MAY 1	16,293,653
NET POSITION, APRIL 30	$ 17,924,690

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended April 30, 2022

	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 10,097,273
Receipts from intergovernmental revenue	9,696
Payments to suppliers	(3,762,678)
Payments to employees	(2,046,559)
Net cash from operating activities	4,297,732
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	-
Net cash from noncapital financing activities	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(1,223,421)
Bond proceeds	21,058,092
IEPA loan proceeds	175,000
Bond stimulus payment	245,891
IEPA loan principal payments	(1,040,211)
Bond principal payments	(20,970,000)
Interest paid on bonds payable	(1,902,391)
Net cash from capital and related financing activities	(3,657,040)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	1,213
Net cash from investing activities	1,213
NET INCREASE IN CASH AND CASH EQUIVALENTS	641,905
CASH AND CASH EQUIVALENTS, MAY 1	6,620,932
CASH AND CASH EQUIVALENTS, APRIL 30	$ 7,262,837
NONCASH TRANSACTIONS	
Intergovernmental receivable	$ 1,094,589
IEPA loan payable	(1,094,589)
Intergovernmental receivable	209,402
Bond stimulus payment	(209,402)
Capital asset additions in accounts payable	1,263,946
TOTAL NONCASH TRANSACTIONS	$ 1,263,946
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	$ 2,686,456
Intergovernmental revenues	9,696
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation and amortization	1,749,380
Changes in assets and liabilities	
Accounts receivable	(339,540)
Accounts payable	636,475
Accrued payroll	3,329
Compensated absences	(41,725)
Pension items - IMRF	(329,625)
OPEB items	(76,714)
NET CASH FROM OPERATING ACTIVITIES	$ 4,297,732

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

April 30, 2022

ASSETS		
Cash and short-term investments	$	35,467
Investments, at fair value		
Mutual funds		10,840,570
Stock equities		1,499,156
U.S. Treasury securities		3,163,043
U.S. agency securities		457,534
Corporate bonds		2,335,501
Money market mutual funds		105,729
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest		34,298
Due from Village		28,655
Prepaids		23,820
Total assets		18,523,773
LIABILITIES		
Accounts payable		621
NET POSITION RESTRICTED FOR PENSIONS	$	18,523,152

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

For the Year Ended April 30, 2022

ADDITIONS	
Contributions	
Employer contributions	$ 1,982,876
Employee contributions	208,341
Total contributions	2,191,217
Investment income	
Interest and dividend income	700,044
Net decrease in fair value of investments	(2,454,031)
Total investment income	(1,753,987)
Less investment expense	(130,059)
Net investment income	(1,884,046)
Total additions	307,171
DEDUCTIONS	
Benefit payments	2,034,898
Administrative expenses	38,378
Total deductions	2,073,276
NET DECREASE	(1,766,105)
NET POSITION RESTRICTED FOR PENSIONS	
May 1	20,289,257
April 30	$ 18,523,152

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Itasca, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applicable to governments (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village operates under a Board of Trustees-President-Administrator form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, water and sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by GAAP, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary component unit reported as a Pension Trust Fund. The Police Pension Fund functions for the benefit of the Village's sworn police employees and is governed by a five-member pension board. Two members appointed by the Mayor, the Village Treasurer and two elected police officers constitute the pension board. The Village and the Police Pension Fund participants are obligated to fund all the Police Pension Fund 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 Police Pension Fund is fiscally dependent on the Village. Separate financial statements are available for the Police Pension Fund.

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 Village functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts.

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

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 to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension trust funds which are 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 financial 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 contributions 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.

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 Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

The Village reports the following major proprietary fund:

The Water and Sewer Fund accounts for the provision of potable water services and sewer services to the residential, commercial, and industrial users. All activities necessary to provide such services are accounted for in this fund, including but not limited to: administration, operations, maintenance, billing, and collection.

The Village reports the following fiduciary component unit:

The Police Pension Fund accounts for the accumulation of resources to pay police pension costs. Resources are contributed by members at rates fixed by state statutes and by the government through an annual property tax levy.

d. Measurement Focus, Basis of Accounting, and Basis of 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 pension 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 and expenses are directly attributable to the operation of the proprietary funds. Non-operating revenue/expenses are incidental to the operations of these funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunications taxes which use a 90-day period. The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end; franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village are also recognized as revenue. Fines and permits 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 guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

Short-term investments are stated at cost or amortized cost plus accrued interest. Long-term investments (those with original maturities greater than one year from the date of purchase) are recorded at fair value.

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

f. 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."

g. Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories, if any, are recorded as expenditures when purchased.

h. Prepaid Items/Expenses

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than $75,000 for streets, bridges, and storm sewers, $15,000 for sidewalks, $2,500 for lights, and $1,500 for all other capital assets. 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 that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Assets	Years
Buildings and improvements	10-50
Machinery, vehicles, and equipment	7-10
Transportation equipment	10
Infrastructure	20-50
Water and sewer system	40

j. Compensated Absences

The Village’s employees earn vacation leave pay, which generally must be taken within the next year following its accumulation. Nine paid holidays are granted to full-time employees. Employees also earn personal leave pay, which must be taken in the calendar year granted. It is also the Village’s policy to allow employees to earn sick leave up to a maximum of 72 days. An employee may be compensated for any unused accumulated sick leave upon separation, provided that the employee meets certain criteria. All pay due in the event of termination is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured; for example, as a result of employee resignations and retirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. 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.

In the fund financial statements, government funds recognize bond premiums and discounts 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.

l. Fund Balances/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. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village 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 Administrator. Any residual fund balance of the General Fund or any deficit fund balance in other governmental funds are reported as unassigned.

The Village has not adopted a flow of funds policy and, therefore, applies the flow of funds from GASB Statement No. 54, which 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. For net position, restricted funds are spent first then unrestricted funds.

In the government-wide financial statements, restricted net position is 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balances/Net Position (Continued)

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village.

m. Interfund Transactions

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

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

n. 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.

o. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

p. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

2. DEPOSITS AND INVESTMENTS

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include 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 agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five-day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and US government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

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

2. DEPOSITS AND INVESTMENTS (Continued)

The Village maintains a cash and investment pool that is available for use by most funds. The deposits and investments of the Police Pension Fund are held separately from those of other funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments."

a. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be return to it. The Village's investment policy requires pledging of collateral with a fair value of 110% of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

b. Investments

As of April 30, 2022, the Village has the following investments and maturities in debt securities:

		Investment Maturities (in Years)	
Investment Type	Fair Value	Less than 1	1-5
Illinois Metropolitan Investment Trust	$ 1,493,601	$ -	$ 1,493,601
TOTAL	$ 1,493,601	$ -	$ 1,493,601

c. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk 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.

d. Fair Value Measurements

The Village has the following recurring fair value measurements as of April 30, 2022. The IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

2. DEPOSITS AND INVESTMENTS (Continued)

e. Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity: The Village primarily invests in negotiable certificates of deposit and external investment pools. The Illinois Funds, the money market mutual funds, and the Illinois Metropolitan Investment Fund are all rated AAA.

f. Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village investment policy requires third party safekeeping based on a written agreement.

g. Concentration of 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. It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over-concentration in a security, maturity, issuer, or class of securities. The Village's investment policy requires the Village to diversify its investments by security instrument and institution. Diversification by security instrument is as follows: U.S. Treasury obligations - 100% maximum; United States Government agency securities and instrumentalities of government sponsored corporations - 100% maximum; certificates of deposit (CDs) commercial banks - 33% maximum, the exception would be when the CDs are being invested using the Certificate of Deposit Account Registry Service (CDARS) or similar system; Illinois Governmental Cash Investment Fund - 20% maximum; and Illinois Metropolitan Investment Fund - 15%. Diversification by institution is as follows: CDs - no more than 15% of the total portfolio with any one institution.

3. RECEIVABLES

a. Property Taxes

Property taxes for 2021 attached as an enforceable lien on January 1, 2021 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2022. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2021 (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County payable in two installments, on or about June 1 and September 1, 2022. The County collects such taxes and remits them periodically. The 2022 tax levy, which attached as an enforceable lien on property as of January 1, 2022, has not been recorded as a receivable as of April 30, 2022 as the tax has not yet been levied by the Village and will not be levied until December 2022 and, therefore, the levy is not measurable at April 30, 2022.

3. RECEIVABLES (Continued)

b. Other Receivables

Other receivables consist of the following receivables at April 30, 2022:

GOVERNMENTAL ACTIVITIES	
Other miscellaneous receivables	$ 167,614
Hotel tax	135,442
Food and beverage tax	24,090
Utility tax	120,066
Telecommunication tax	159,760
Use tax	86,490
Cable TV franchise fee	47,456
Motor fuel tax	29,023
TOTAL GOVERNMENTAL ACTIVITIES	$ 769,941

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 40,473,800	$ -	$ -	$ 40,473,800
Construction in progress	588,237	3,160,741	459,204	3,289,774
Total capital assets not being depreciated	41,062,037	3,160,741	459,204	43,763,574
Capital assets being depreciated				
Buildings and improvements	19,255,038	-	-	19,255,038
Machinery and equipment	1,807,504	296,380	-	2,103,884
Transportation equipment	2,137,699	-	-	2,137,699
Infrastructure	111,350,642	459,204	-	111,809,846
Total capital assets being depreciated	134,550,883	755,584	-	135,306,467
Less accumulated depreciation for				
Buildings and improvements	7,706,562	280,500	-	7,987,062
Machinery, vehicles, and equipment	1,121,936	102,389	-	1,224,325
Transportation equipment	1,860,053	111,270	-	1,971,323
Infrastructure	90,270,789	1,437,514	-	91,708,303
Total accumulated depreciation	100,959,340	1,931,673	-	102,891,013
Total capital assets being depreciated, net	33,591,543	(1,176,089)	-	32,415,454
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 74,653,580	$ 1,984,652	$ 459,204	$ 76,179,028

4. CAPITAL ASSETS (Continued)

		Balances May 1		Increases		Decreases		Balances April 30
BUSINESS-TYPE ACTIVITIES								
Capital assets not being depreciated								
Land and improvements	$	1,335,645	$	-	$	-	$	1,335,645
Construction in progress		-		2,291,174		-		2,291,174
Total capital assets not being depreciated		1,335,645		2,291,174		-		3,626,819
Capital assets being depreciated								
Buildings and improvements		615,240		-		-		615,240
Equipment		2,473,946		196,193		-		2,670,139
Water and sewer system		74,771,232		-		-		74,771,232
Total capital assets being depreciated		77,860,418		196,193		-		78,056,611
Less accumulated depreciation for								
Buildings and improvements		501,491		5,754		-		507,245
Equipment		1,799,405		111,787		-		1,911,192
Water and sewer system		31,589,640		1,631,840		-		33,221,480
Total accumulated depreciation		33,890,536		1,749,381		-		35,639,917
Total capital assets being depreciated, net		43,969,882		(1,553,188)		-		42,416,694
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$	45,305,527	$	737,986	$	-	$	46,043,513

Depreciation expense related to governmental activities was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES		
General government	$	163,991
Public safety		102,418
Community development		5,968
Public works		1,659,296
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$	1,931,673

5. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. In addition, general obligation bonds have been issued to refund both general obligation bonds and revenue bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the government. The Village also issued bonds where the government pledges income derived from the special service areas to pay debt service.

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2022 is as follows:

Governmental Activities

Issue	Interest Rate	Final Maturity Date	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
General fund refunding debt certificates							
Series 2010	2.00% to 4.00%	12/1/2022	$ 1,305,000	$ -	$ 640,000	$ 665,000	$ 665,000
Plus amortized premium Series 2010			66,820	-	33,409	33,411	-
General obligation bonds							
Series 2022B (ARB)	3.00% to 5.00%	2/1/2047	-	13,640,000	-	13,640,000	-
Plus amortized premium Series 2022B (ARB)			-	1,048,394	-	1,048,394	-
Special service area bonds							
Series 2014	4.50%	12/15/2033	2,470,000	-	145,000	2,325,000	150,000
Series 2006	4.50%	12/15/2021	80,000	-	80,000	-	-
Compensated absences payable			482,398	56,539	48,240	490,697	49,070
Total OPEB liability			1,927,082	-	295,866	1,631,216	151,216
Net pension liability - Police Pension			22,132,653	2,833,441	-	24,966,094	-
TOTAL GOVERNMENTAL ACTIVITIES			$ 28,463,953	$ 17,578,374	$ 1,242,515	$ 44,799,812	$ 1,015,286

Business-Type Activities

Issue	Beginning Balances	Additions	Retirements/ Refundings	Ending Balances	Due Within One Year
General obligation bonds -					
Series 2009A	$ 20,970,000	$ -	$ 20,970,000	$ -	$ -
Series 2022A (ARS)	-	19,345,000	-	19,345,000	465,000
IEPA loans					
EPA loan I	8,250,000	-	750,000	7,500,000	750,000
EPA loan II	5,987,152	-	290,211	5,696,941	293,762
EPA loan III*	-	1,269,589	-	1,269,589	-
Unamortized bond premium	49,844	1,715,861	49,844	1,715,861	-
Compensated absences payable	131,631	89,906	131,631	89,906	8,991
Total OPEB liability	499,668	-	76,714	422,954	39,208
TOTAL BUSINESS-TYPE ACTIVITIES	$ 35,888,295	$ 22,420,356	$ 22,268,400	$ 36,040,251	$ 1,556,961

5. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Refunding Certificates		SSA Bonds	
	Principal	Interest	Principal	Interest
2023	$ 665,000	$ 26,600	$ 150,000	$ 104,625
2024	-	-	155,000	97,875
2025	-	-	165,000	90,900
2026	-	-	170,000	83,475
2027	-	-	180,000	75,825
2028	-	-	185,000	67,725
2029	-	-	195,000	59,400
2030	-	-	205,000	50,625
2031	-	-	215,000	41,400
2032	-	-	225,000	31,725
2033	-	-	235,000	21,600
2034	-	-	245,000	11,025
TOTAL	$ 665,000	$ 26,600	$ 2,325,000	$ 736,200

Fiscal Year	Alternate Revenue Bonds	
	Principal	Interest
2023	$ -	$ 478,897
2024	330,000	525,619
2025	345,000	509,119
2026	360,000	491,869
2027	380,000	473,869
2028	400,000	454,869
2029	420,000	434,869
2030	440,000	413,869
2031	460,000	391,869
2032	485,000	368,869
2033	510,000	344,619
2034	535,000	319,119
2035	555,000	297,719
2036	580,000	275,519
2037	600,000	252,319
2038	625,000	228,319
2039	650,000	203,319
2040	670,000	183,819
2041	690,000	163,719
2042	710,000	143,019
2043	730,000	121,719
2044	755,000	98,906
2045	780,000	75,313
2046	800,000	50,938
2047	830,000	25,938
TOTAL	$ 13,640,000	$ 7,328,022

5. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Annual debt service requirements to maturity are as follows (Continued):

	Business-Type Activities			
Fiscal	Alternate Revenue Source		IEPA Loan*	
Year	Principal	Interest	Principal	Interest
2023	$ 465,000	$ 675,589	$ 1,043,762	$ 74,840
2024	435,000	718,250	1,047,653	70,949
2025	470,000	696,500	1,051,594	67,008
2026	505,000	673,000	1,055,589	63,013
2027	540,000	647,750	1,059,635	58,966
2028	570,000	620,750	1,063,736	54,866
2029	615,000	592,250	1,067,891	50,710
2030	660,000	561,500	1,072,101	46,500
2031	705,000	528,500	1,076,367	42,234
2032	1,140,000	493,250	1,080,689	37,912
2033	1,580,000	447,650	335,068	33,532
2034	1,680,000	384,450	339,506	29,095
2035	1,785,000	317,250	344,002	24,599
2036	1,895,000	245,850	348,558	20,043
2037	1,990,000	189,000	353,174	15,427
2038	2,100,000	129,300	357,851	10,749
2039	2,210,000	66,300	362,591	6,011
2040	-	-	137,174	1,209
TOTAL	$ 19,345,000	$ 7,987,139	$ 13,196,941	$ 707,663

*EPA Loan III was not fully disbursed at April 30, 2022 and, therefore, a debt service to maturity schedule is not available at the time of report issuance.

c. Current Refunding

On March 3, 2022, The Village issued $19,345,000 General Obligation Refunding (Alternate Revenue Source) Bonds, Series 2022A, to refund $20,550,000 of the General Obligation Bonds, Series 2009A. The refunded bonds were paid from escrow on April 3, 2022. As a result of the refunding, the Village achieved a cash flow savings of $2,650,714 and an economic gain on the refunding of $2,090,127.

5. LONG-TERM DEBT (Continued)

d. Alternate Revenue Bonds Payable

Revenue bonds currently outstanding are shown in the table above. The issuance is collateralized by the revenue of the water and sewer system and the various restricted accounts established by the bond ordinances. The amount of pledge remaining as of April 30, 2022, is as follows:

	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Pledged Revenue Collected	Principal and Interest Paid
Water and Sewer System Revenue Bonds of Series 2022A	Revenues of the System	$ 27,332,139	2/1/39	$ 10,246,643	$ -
Alternative Revenue Bonds of Series 2022B	Revenues of the sales, income, telecom, and utility taxes	20,968,022	2/1/47	6,968,851	-

6. INDIVIDUAL FUND DISCLOSURES

a. Due To/Due From

Individual interfund due to/due from as of April 30, 2022 were as follows:

	Due To	Due From
General	$ 28,655	$ 191,688
Fiduciary component unit	-	28,655
Nonmajor Funds	191,688	-
TOTAL	$ 220,343	$ 220,343

These amounts will be repaid after year end.

6. INDIVIDUAL FUND DISCLOSURES

b. Transfers In/Out

Individual interfund transfers during the fiscal year ended April 30, 2022 were as follows:

	Transfers In	Transfers Out
General	$ 424,620	$ -
Capital Projects	166,000	-
Nonmajor Funds	-	590,620
TOTAL	$ 590,620	$ 590,620

The transfer from the Hotel Tax Fund were both to transfer excess funds.

7. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

8. COMMITMENTS

a. DuPage Water Commission

The Village is a customer of the DuPage Water Commission (the Commission) and has executed a Water Supply Contract with the Commission for a term ending in the year 2024. The contract provides that the Village pay its proportionate share of "fixed costs" (debt service and capital costs) to the Commission, such obligation being unconditional and irrevocable whether or not water is delivered.

8. COMMITMENTS (Continued)

a. DuPage Water Commission (Continued)

The Village's water supply agreement with the Commission provides that the Village is responsible for water usage under the contract. Additionally, each customer is liable for its proportionate share of any costs arising from defaults in payment obligations by other customers.

9. RISK MANAGEMENT

The Village is exposed to various risks 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 purchases private insurance for its workers' compensation and liability coverages.

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi governmental, and nonprofit public service entities.

IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years experience factor for premiums.

IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: A Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

10. TAX ABATEMENTS

The Village rebates sales taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

10. TAX ABATEMENTS (Continued)

The Village has an agreement with a local retailer based upon sales tax revenue generated and paid by this retailer during the calendar year. The Village will remit 40% of sales tax revenue in excess of $376,373 paid by this retailer. The agreement expires on March 26, 2034 or when total payments to the retailer are $1,000,000. As of and for the year ended April 30, 2022, a liability of $3,232 has been accrued and payments of $0 were made. As of April 30, 2022, the Village has incurred total incentives of $850,582.

11. 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 both plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not 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 Police Pension Plan also issues a separate report which is available on the Village's website at www.itasca.com/1913/Annual-Financial-Reports.

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. The plan is treated as a cost sharing plan by the Village and Itasca Community Library (the Library). 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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2021, most recent information available, IMRF membership consisted of:

Inactive plan members currently receiving benefits	82
Inactive plan members entitled to but not yet receiving benefits	60
Active plan members	49
TOTAL	191

The IMRF data included in the table above includes membership of both the Village and the Library.

Benefits Provided

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. 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 are established by state statute.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended April 30, 2022 was 12.03% of covered payroll.

Actuarial Assumptions

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 was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2021
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	3.00%
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.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

<u>Illinois Municipal Retirement Fund</u> (Continued)

Discount Rate

The discount rate used to measure the IMRF 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.

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	$ 27,970,765	$ 28,259,905	$ (289,140)
Changes for the period			
Service cost	314,692	-	314,692
Interest	1,984,960	-	1,984,960
Difference between expected and actual experience	566,922	-	566,922
Changes in assumptions	-	-	-
Employer contributions	-	455,563	(455,563)
Employee contributions	-	154,303	(154,303)
Net investment income	-	4,683,771	(4,683,771)
Benefit payments and refunds	(1,498,706)	(1,498,706)	-
Other (net transfer)	-	(524,440)	524,440
Net changes	1,367,868	3,270,491	(1,902,623)
BALANCES AT DECEMBER 31, 2021	$ 29,338,633	$ 31,530,396	$ (2,191,763)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

The table presented includes amounts for both the Village and the Library. The Village's proportionate share of the net pension asset at January 1, 2021, the employer contributions, and net pension asset at December 31, 2021 was $(231,919), $365,407, and $(1,758,013), respectively. The Library's proportionate share of the net pension liability at January 1, 2021, the employer contributions, and net pension asset at December 31, 2021 was $(57,221), $90,156, and $(433,750), respectively.

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

For the year ended April 30, 2022, the Village recognized pension expense of $(306,065).

At April 30, 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	$ 366,487	$ -
Changes in assumption	-	67,736
Contributions made after measurement date	108,194	-
Net difference between projected and actual earnings on pension plan investments	-	3,614,940
TOTAL	$ 474,681	$ 3,682,676

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2022 were $380,741 and $2,953,874, respectively. The Library's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2022 were $93,940 and $728,802, respectively.

11. 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 (Continued)

The $108,194 contributed after the measurement date of the plan will be recognized as a reduction of net pension liability for the fiscal year ended April 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

Year Ending April 30,	
2023	$ (648,799)
2024	(1,245,516)
2025	(884,643)
2026	(537,231)
2027	-
Thereafter	-
TOTAL	$ (3,316,189)

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 and the Library calculated using the discount rate of 7.25% as well as what the Village and the Library'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) (Village)	$ 1,088,837	$ (1,758,013)	$ (4,000,192)
Net pension liability (asset) (Library)	268,646	(433,750)	(986,957)
Net pension liability (asset) (Total)	$ 1,357,483	$ (2,191,763)	$ (4,987,149)

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

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 plan as a pension trust fund.

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

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

Plan Membership

At April 30, 2022, membership consisted of:

Inactive plan members currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	21
TOTAL	49

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to 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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension, and 3% compounded annually thereafter.

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, 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 been contributing 100% of the past service costs by 2040. For the year ended April 30, 2022, the Village's contribution was 94.32% of covered payroll.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

ILCS limits the Police Pension Fund's (the Fund) investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Fund's investment policy authorizes the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity securities, and real estate investment trusts. The investment policy was not changed during the year.

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Cash	3.00%	(1.00%)
U.S. Fixed Income	32.00%	(0.36%)
U.S. Large Cap Equity	14.00%	3.54%
U.S. Mid Cap Equity	6.50%	4.74%
U.S. Small Cap Equity	4.50%	5.54%
International Developed Markets Equity	12.50%	5.89%
Emerging Markets Equity	8.50%	5.59%
Real Estate	10.00%	2.98%
Commodities	5.00%	2.03%
US Corp High Yield FI	4.00%	1.02%

ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.40%) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2022 are listed in the table on the previous page.

Investment Valuations

All investments in the plan are stated at fair value and are recorded as of the trade-date. Fair value is based on quoted market prices at April 30 for debt securities, equity securities, and mutual funds and contract values for insurance contracts.

Investment Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

Investment Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (9.02%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	$ 457,534	$ -	$ -	$ 22,036	$ 435,498
U.S. Treasury securities	3,163,043	123,315	1,694,424	587,261	758,043
Corporate bonds	2,335,501	35,212	515,198	1,405,368	379,723
TOTAL	$ 5,956,078	$ 158,527	$ 2,209,622	$ 2,014,665	$ 1,573,264

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

Fair Value Measurements

The Fund has the following recurring fair value measurements as of April 30, 2022: the mutual funds and corporate equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, and corporate bonds are valued using quoted prices of similar securities (Level 2 inputs).

Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment grade corporate bonds rated by one of the two largest rating agencies. The U.S. agency obligations are rated AA+ and corporate bonds are rated BBB- to AA by Standard and Poor’s.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investment held in a third party custodial account. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 mortality projected five years past the valuation date with Scale MP-2021. The actuarial assumptions used in the April 30, 2022 valuation were based on the results of a 2022 actuarial experience study conducted by the Illinois Police Officers' Pension Investment Fund.

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

<u>Police Pension Plan</u> (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50% (6.50% prior year). 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 Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	$ 31,222,059	$ 24,966,094	$ 19,872,819

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2021	$ 42,421,910	$ 20,289,257	$ 22,132,653
Changes for the period			
Service cost	528,950	-	528,950
Interest	2,725,672	-	2,725,672
Difference between expected and actual experience	(46,955)	-	(46,955)
Changes of assumptions	(105,433)	-	(105,433)
Changes of benefit terms	-	-	-
Employer contributions	-	1,982,876	(1,982,876)
Employee contributions	-	208,341	(208,341)
Buy back contributions	-	-	-
Net investment income	-	(1,884,046)	1,884,046
Benefit payments and refunds	(2,034,898)	(2,034,898)	-
Administrative expense	-	(38,378)	38,378
Net changes	1,067,336	(1,766,105)	2,833,441
BALANCES AT APRIL 30, 2022	$ 43,489,246	$ 18,523,152	$ 24,966,094

There were changes in assumptions relating to mortality rates, retirement rates, disability rates, termination rates, salary increase rates, and assumed payroll growth rate.

11. 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 April 30, 2022, the Village recognized police pension expense of $3,199,970. At April 30, 2022, the Village reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 635,405	$ 39,130
Changes in assumption	1,730,962	87,860
Net difference between projected and actual earnings on pension plan investments	1,102,805	-
TOTAL	$ 3,469,172	$ 126,990

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

Year Ending April 30,	
2023	$ 1,337,667
2024	1,242,520
2025	100,480
2026	686,913
2027	(25,398)
Thereafter	-
TOTAL	$ 3,342,182

12. 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. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible. 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 April 30, 2021 (most recent information) membership consisted of:

Retirees and beneficiaries currently receiving benefits	21
Terminated employees entitled to benefits by not yet receiving them	-
Active employees	54
TOTAL	75
Participating employers	1

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The Village's total OPEB liability of $2,054,170 was measured as of April 30, 2022, determined by an actuarial valuation as of April 30, 2021 and was rolled forward to April 30, 2022.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2022, as determined by an actuarial valuation as of April 30, 2021, was determined using the alternative measurement method using following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	3.00%
Salary increases	3.00%
Discount rate	3.98%
Healthcare cost trend rates	6.50% initial 4.50% ultimate
Retirees share of benefit-related costs	100% regular plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2022. The discount rate at April 30, 2021 was 1.83%.

IMRF mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Police mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2016 Improvement Rates. Spousal mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study. These rates are improved generationally using MP-2016 Improvement Rates. Disabled mortality follows the Sex Distinct Raw Rates as developed in the RP-2014 Study for Disabled Pensioners. These rates are improved generationally using MP-2016 Improvement Rates.

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the April 30, 2022 valuation are based on 33% participation assumed, with 50% electing spouse coverage.

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT MAY 1, 2021	$ 2,426,750
Changes for the period	
Service cost	71,889
Interest	42,667
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	(296,712)
Benefit payments	(190,424)
Net changes	(372,580)
BALANCES AT APRIL 30, 2022	$ 2,054,170

The discount rate was changed from 1.83% to 3.98%.

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 3.98% 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 (2.98%) or 1 percentage point higher (4.98%) than the current rate:

	1% Decrease (2.98%)	Current Discount Rate (3.98%)	1% Increase (4.98%)
Total OPEB liability	$ 2,184,270	$ 2,054,170	$ 1,936,424

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 6.50% to 4.50% 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 (5.50% to 3.50%) or 1 percentage point higher (7.50% to 5.50%) than the current rate:

	1% Decrease (5.50% to 3.50%)	Current Healthcare Rate (6.50% to 4.50%)	1% Increase (7.50% to 5.50%)
Total OPEB liability	$ 1,917,561	$ 2,054,170	$ 2,209,754

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

For the year ended April 30, 2022, the Village recognized OPEB expense of $(182,156). At April 30, 2022, the Village did not report deferred outflows of resources or deferred inflows of resources related to OPEB.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Original and Final Budget	Actual
REVENUES		
Property taxes	$ 2,404,097	$ 2,559,620
Licenses	111,100	124,305
Building and other permits	810,700	1,139,023
Intergovernmental		
Sales	2,808,500	3,600,877
Less incentives	(197,000)	41,203
State income	948,200	1,299,835
Replacement	105,000	242,654
Local use	338,200	357,264
Telecommunications	733,645	624,951
Utility tax	1,193,200	1,443,188
Food and beverage tax	184,500	252,108
Grants	663,091	688,540
Parking and other fees	134,250	85,489
Police fines and other receipts	204,050	126,577
Investment income	90,000	(50,121)
Miscellaneous	576,306	597,388
Total revenues	11,107,839	13,132,901
EXPENDITURES		
Current		
General government		
Administrative	2,322,960	2,456,698
Nature center	205,481	127,965
Public safety	6,280,893	6,185,993
Community development	1,383,127	1,267,674
Public works	1,663,263	1,944,805
Debt service		
Principal	640,000	640,000
Interest and fiscal agent fees	53,000	52,200
Total expenditures	12,548,724	12,675,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,440,885)	457,566
OTHER FINANCING SOURCES (USES)		
Transfers in	424,620	424,620
Total other financing sources (uses)	424,620	424,620
NET CHANGE IN FUND BALANCE	$ (1,016,265)	882,186
FUND BALANCE, MAY 1		7,360,739
FUND BALANCE, APRIL 30		$ 8,242,925

(See independent auditor's report.)

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Village Board of Trustees passes and approves an annual appropriation ordinance and an operating budget. The operating budget proposes expenditures and a means to finance them. The appropriations ordinance determines the legal level at which expenditures/expenses may not exceed appropriations. The legal level of control is administered at the fund level. All appropriations lapse at year end.

The following procedures have been established in approving the budget and passing the appropriation ordinance:

a. A proposed budget is prepared by the Village President and Village Administrator and is reviewed by the Village Board of Trustees. Public meetings are held to obtain citizen comment.

b. The proposed budget is approved by motion of the Village Board of Trustees.

c. An annual appropriation ordinance with the same level of revenues and expenditures is prepared based upon the approved budget. A public hearing is held to obtain citizen comment.

d. The appropriation ordinance is passed and approved by the Village Board of Trustees.

e. The Village Board of Trustees may modify the appropriation ordinance through a supplemental appropriation ordinance. There were no supplemental appropriation ordinances during the year.

The approved budget is reflected in these schedules to provide a more meaningful comparison of planned to actual operations. The budget is adopted for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. The Stop the CPKC Coalition and General Obligation 2008 was not budgeted.

2. EXPENDITURES OVER BUDGET OF INDIVIDUAL FUNDS

Expenditures may not legally exceed budgeted appropriations at the fund level. The Hamilton Lakes Special Service Area Debt Service Fund had expenditures of $256,685 with a budget of $254,835. The General Fund had expenditures of $12,677,044 with a budget of $12,548,724.

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Fiscal Years

FISCAL YEAR ENDED APRIL 30,	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Actuarially determined contribution	$ 365,966	$ 349,848	$ 376,298	$ 340,546	$ 297,843	$ 358,871	$ 318,803
Contributions in relation to the actuarially determined contribution	365,966	349,848	376,298	340,546	297,843	358,871	318,803
CONTRIBUTION DEFICIENCY (Excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,106,255	$ 2,913,041	$ 3,096,736	$ 2,818,935	$ 2,645,757	$ 2,709,658	$ 2,650,513
Contributions as a percentage of covered payroll	11.78%	12.01%	12.15%	12.08%	11.26%	13.24%	12.03%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar 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 inflation of 2.50%.

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 ITASCA, ILLINOIS

SCHEDULE OF THE VILLAGE'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
ILLINOIS MUNICIPAL RETIREMENT FUND

Last Seven Calendar Years

MEASUREMENT DATE DECEMBER 31,	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**
Employer's proportion of net pension liability	83.39%	82.72%	83.20%	83.20%	80.21%	80.21%	80.21%
Employer's proportionate share of net pension liability (asset)	$ 2,624,791	$ 2,872,854	$ 663,736	$ 3,272,708	$ 1,416,012	$ (231,919)	$ (1,758,013)
Employer's covered payroll	2,988,468	2,921,014	2,923,088	2,848,140	2,723,425	2,679,866	2,738,877
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	87.83%	98.35%	22.71%	114.91%	51.99%	(8.65%)	(64.19%)
Plan fiduciary net position as a percentage of the total pension liability	86.14%	85.70%	96.67%	84.96%	93.50%	101.03%	107.47%

Notes to Required Supplementary Information

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

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Actuarially determined contribution	$ 537,359	$ 576,591	$ 676,543	$ 694,619	$ 906,688	$ 1,131,221	$ 1,188,065	$ 1,630,283	$ 1,815,820	$ 1,979,295
Contributions in relation to the actuarially determined contribution	545,817	578,545	677,725	704,812	925,806	1,168,415	1,220,168	1,617,305	1,813,835	1,982,876
CONTRIBUTION DEFICIENCY (Excess)	$ (8,458)	$ (1,954)	$ (1,182)	$ (10,193)	$ (19,118)	$ (37,194)	$ (32,103)	$ 12,978	$ 1,985	$ (3,581)
Covered payroll	$ 1,998,734	$ 1,991,755	$ 2,148,640	$ 1,977,927	$ 1,869,508	$ 2,021,561	$ 2,132,165	$ 2,097,039	$ 2,131,862	$ 2,102,331
Contributions as a percentage of covered payroll	27.31%	29.05%	31.54%	35.63%	49.52%	57.80%	57.23%	77.12%	85.08%	94.32%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 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 18 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 5.10% compounded annually, and postretirement benefit increases of 3.25% compounded annually.

VILLAGE OF ITASCA, ILLINOIS

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

Last Eight Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY								
Service cost	$ 360,963	$ 409,850	$ 397,093	$ 386,940	$ 409,935	$ 534,501	$ 528,569	$ 528,950
Interest	1,739,122	2,074,655	2,358,281	2,311,466	2,404,613	2,492,055	2,621,669	2,725,672
Changes of benefit terms	-	-	-	-	-	165,740	-	-
Differences between expected and actual experience	814,832	316,067	(1,824,410)	132,389	70,553	655,973	425,848	(46,955)
Changes of assumptions*	1,724,772	1,935,023	-	-	5,192,883	-	-	(105,433)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)	(1,778,605)	(1,917,950)	(2,034,898)
Net change in total pension liability	3,598,537	3,479,324	(564,870)	1,244,897	6,427,755	2,069,664	1,658,136	1,067,336
Total pension liability - beginning	24,508,467	28,107,004	31,586,328	31,021,458	32,266,355	38,694,110	40,763,774	42,421,910
TOTAL PENSION LIABILITY - ENDING	$ 28,107,004	$ 31,586,328	$ 31,021,458	$ 32,266,355	$ 38,694,110	$ 40,763,774	$ 42,421,910	$ 43,489,246
PLAN FIDUCIARY NET POSITION								
Contributions - employer	$ 677,725	$ 704,812	$ 925,806	$ 1,168,415	$ 1,220,168	$ 1,617,305	$ 1,813,835	$ 1,982,876
Contributions - member	215,723	219,289	199,897	196,565	207,939	207,795	209,393	208,341
Net investment income	759,851	(410,736)	1,035,795	758,725	689,505	(284,242)	4,502,741	(1,884,046)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)	(1,778,605)	(1,917,950)	(2,034,898)
Administrative expense	(25,762)	(45,250)	(41,300)	(43,576)	(37,014)	(36,819)	(37,783)	(38,378)
Net change in plan fiduciary net position	586,385	(788,156)	624,364	494,231	430,369	(274,566)	4,570,236	(1,766,105)
Plan fiduciary net position - beginning	14,646,394	15,232,779	14,444,623	15,068,987	15,563,218	15,993,587	15,719,021	20,289,257
PLAN FIDUCIARY NET POSITION - ENDING	$ 15,232,779	$ 14,444,623	$ 15,068,987	$ 15,563,218	$ 15,993,587	$ 15,719,021	$ 20,289,257	$ 18,523,152
EMPLOYER'S NET PENSION LIABILITY	$ 12,874,225	$ 17,141,705	$ 15,952,471	$ 16,703,137	$ 22,700,523	$ 25,044,753	$ 22,132,653	$ 24,966,094

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	54.20%	45.70%	48.60%	48.20%	41.30%	38.60%	47.80%	42.60%
Covered payroll	$ 2,148,640	$ 1,977,927	$ 1,869,508	$ 2,021,561	$ 2,132,165	$ 2,097,039	$ 2,131,862	$ 2,102,331
Employer's net pension liability as a percentage of covered payroll	599.20%	866.70%	853.30%	826.20%	1,064.70%	1,194.30%	1,038.20%	1,187.50%

Notes to Required Supplementary Information

*There was a change in assumptions in 2015 and 2016 to reflect revised mortality rates.
*There was a change in assumptions in 2019 to reflect the change in interest rate assumption from 7.55% to 6.50%.
*Change of benefit terms in 2020 was related to the use of actual spousal data and Tier II benefit changes.
*There was a change in assumptions in 2022 to reflect changes in mortality, retirement, disability, termination, salary increases, and assumed payroll growth 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 ITASCA, ILLINOIS

SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	5.19%	(2.68%)	7.33%	5.00%	4.44%	(1.73%)	27.68%	(9.02%)

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 ITASCA, ILLINOIS

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

Last Four Fiscal Years

MEASUREMENT DATE APRIL 30,	**2019**	**2020**	**2021**	**2022**
TOTAL PENSION LIABILITY				
Service cost	$ 31,867	$ 34,067	$ 60,130	$ 71,889
Interest	90,617	85,953	63,071	42,667
Differences between expected and actual experience	-	-	(127,616)	-
Changes of benefit terms	-	-	-	-
Changes of assumptions	29,466	253,265	62,196	(296,712)
Benefit payments	(165,815)	(166,516)	(189,460)	(190,424)
Net change in total OPEB liability	(13,865)	206,769	(131,679)	(372,580)
Total OPEB liability - beginning	2,365,525	2,351,660	2,558,429	2,426,750
TOTAL OPEB LIABILITY - ENDING	$ 2,351,660	$ 2,558,429	$ 2,426,750	$ 2,054,170
Covered payroll	$ 4,730,470	$ 4,872,384	$ 4,438,864	$ 4,571,934
Employer's total OPEB liability as a percentage of covered payroll	49.70%	52.50%	54.70%	44.90%

Notes to Required Supplementary Information

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

The change in assumptions in 2019 relate to the discount rate.
The change in assumptions in 2020 relate to the discount rate.
The change in assumptions in 2021 relate to the discount rate, inflation rate, and health care trend rates.
The change in assumptions in 2022 relate to the discount rate.

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

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2022

	Budget	Actual
ADMINISTRATIVE		
Salaries/stipends		
Village board	$ 40,400	$ 64,193
Administration department	234,630	295,307
Facilities maintenance	16,524	20,872
IT department	44,522	6,439
Intern	4,800	-
Total salaries/stipends	340,876	386,811
Payroll taxes		
FICA	27,212	24,086
Unemployment tax	3,431	116
IMRF	44,949	24,286
Total payroll taxes	75,592	48,488
Employee benefits		
Group insurance	61,836	52,901
Wellness program	2,500	-
Uniforms	500	-
Total employee benefits	64,836	52,901
Operating		
Gas heating/electric	20,000	33,631
Telephone	25,000	30,625
Postage	1,000	2,527
Publication legal notices	6,000	(299)
Codification	5,000	350
Councils of government	4,000	7,680
Advertising	12,000	-
Operating supplies - general	7,500	-
Conferences	9,750	959
Office supplies	8,000	21,257
Employee recruitment	3,500	3,010
Training	7,700	23,190
Travel	1,000	1,091
Employee assistance program	2,100	1,986
Tuition reimbursement	10,000	4,105
Dues, subscriptions, and meetings	19,216	9,337
Rentals	10,848	1,397
Community relations	-	616
Safety program	14,326	-
Software	12,400	40,868
Support agreements - IT	86,031	9,338
Bad debt expense	-	9,207
Miscellaneous	8,500	16,702
Haymarket	100,000	150,682
COVID 19	50,000	12,681
Total operating	423,871	380,940

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
ADMINISTRATIVE (Continued)		
Repairs and maintenance		
Building	$ 41,550	$ 32,093
Total repairs and maintenance	41,550	32,093
Professional services		
Legal and accounting	261,833	325,120
Payroll	12,800	17,234
Audit	28,305	53,517
Marketing	35,200	25,193
Janitorial	83,802	87,156
Consulting services	42,000	160,630
Other	17,000	12,974
Total professional services	480,940	681,824
Special services		
Village share - garbage	795,505	798,105
Total special services	795,505	798,105
Grants		
Seniors	8,000	8,000
Total grants	8,000	8,000
Insurance		
Liability	27,800	27,836
Workers' compensation	940	6,030
Total insurance	28,740	33,866
Capital expenditures		
Equipment	63,050	33,670
Total capital expenditures	63,050	33,670
Total administrative	2,322,960	2,456,698
NATURE CENTER		
Salaries/stipends		
General labor	76,650	56,400
Total salaries/stipends	76,650	56,400

(This schedule is continued on the following pages.)

	Budget	Actual
NATURE CENTER (Continued)		
Operating		
Gas heating	$ 2,000	$ 2,399
Telephone	5,000	1,885
Operating supplies	3,400	-
Office supplies	400	423
Rentals	100	-
Non-capital program engineering	5,000	-
Program supplies	6,000	10,205
Total operating	21,900	14,912
Repair and maintenance		
Structures	4,500	13,673
Total repairs and maintenance	4,500	13,673
Professional services		
Veterinary	2,800	1,000
Janitorial	19,671	10,644
Other services	67,000	29,480
Total professional services	89,471	41,124
Insurance		
Liability	1,900	1,856
Workers' compensation	1,060	-
Total insurance	2,960	1,856
Capital expenditures		
Building additions	10,000	-
Total capital expenditures	10,000	-
Total nature center	205,481	127,965
Total general government	2,528,441	2,584,663
PUBLIC SAFETY		
Salaries/stipends		
Sergeant	-	24,072
Patrol officer	2,108,024	2,212,315
Non-union	327,426	319,830
Police overtime	224,433	250,324
Police court time	25,000	-
Total salaries/stipends	2,684,883	2,806,541

(This schedule is continued on the following pages.)

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

For the Year Ended April 30, 2022

	Budget	Actual
PUBLIC SAFETY (Continued)		
Payroll taxes		
FICA	$ 186,309	$ 204,690
Unemployment tax	-	3,457
IMRF	16,212	17,316
Total payroll taxes	202,521	225,463
Employee benefits		
Group insurance	570,501	488,092
Uniforms	17,050	17,894
Pension contribution	1,999,087	1,928,906
Total employee benefits	2,586,638	2,434,892
Operating		
Telephone	18,360	20,222
Postage	3,000	3,007
Operating supplies	4,200	-
Motor fuel and lubrication	37,000	38,547
Office supplies	10,000	14,366
Court, meetings, local, and miscellaneous	6,250	7,719
Dues, subscriptions, and conferences	21,795	17,055
Travel	-	40
Training	23,905	29,803
Employee screenings	1,000	571
Shooting expenditure	17,434	13,701
Evidence	4,000	2,471
D.A.R.E.	16,490	14,166
Crime prevention	8,150	3,545
DUI technology	800	-
Volunteer	2,300	-
Addison dispatch center	236,281	236,279
Safety program	3,175	3,025
Elder services	1,000	-
COVID 19	-	913
Other operating expenditures	2,500	1,947
Total operating	417,640	407,377
Repairs and maintenance		
Vehicles	40,000	21,902
Hand-held equipment	3,100	2,114
Equipment	74,833	35,158
Building maintenance	39,000	13,044
Total repairs and maintenance	156,933	72,218

(This schedule is continued on the following pages.)

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

For the Year Ended April 30, 2022

	Budget	Actual
PUBLIC SAFETY (Continued)		
Professional services		
Prosecution cost	$ 81,750	$ 83,799
Police social services	18,000	17,500
IT support agreements	14,500	11,109
Accounting and legal	250	6,753
Police commission	10,000	10,006
Total professional services	124,500	129,167
Insurance		
Liability	46,300	46,394
Workers' compensation	52,968	57,888
Total insurance	99,268	104,282
Capital expenditures		
Equipment	8,510	6,053
Total capital expenditures	8,510	6,053
Total public safety	6,280,893	6,185,993
COMMUNITY DEVELOPMENT		
Salaries/stipends		
Community development	379,419	319,930
Intern	21,600	-
Total salaries/stipends	401,019	319,930
Payroll taxes		
FICA	30,677	19,439
Unemployment tax	4,010	746
IMRF	52,533	39,507
Total payroll taxes	87,220	59,692
Employee benefits		
Group insurance	22,304	40,237
Tuition reimbursement	5,000	-
Employee screenings	200	-
Uniforms	1,500	-
Total employee benefits	29,004	40,237

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
COMMUNITY DEVELOPMENT (Continued)		
Operating		
Telephone	$ 10,000	$ 5,792
Postage	1,000	1,000
Publication legal notices	1,000	1,203
Operating supplies	2,000	-
Motor fuel and lubrication	2,500	1,628
Travel	300	1,074
Dues and subscriptions	3,925	2,291
Office supplies	2,000	6,543
Training	3,700	1,016
Meetings	2,000	-
Haymarket	2,500	164,198
COVID 19	7,000	785
Other	500	3,066
Total operating	38,425	188,596
Repairs and maintenance		
Vehicles	800	760
Buildings	8,500	4,021
Equipment	12,000	3,446
Total repairs and maintenance	21,300	8,227
Professional services		
Planning	75,000	44,472
Engineering	155,000	111,383
Inspections	296,000	369,337
GIS mapping	5,000	6,468
Consulting	-	26,474
Other professional services	-	300
Total professional services	531,000	558,434
Commissions		
Planning	12,000	7,660
Historical	3,501	360
Itasca youth	7,350	6,865
Legislative	-	10,000
Economic development	225,000	44,385
Total commissions	247,851	69,270
Insurance		
Liability	15,000	14,846
Workers' compensation	12,308	8,442
Total insurance	27,308	23,288
Total community development	1,383,127	1,267,674

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
PUBLIC WORKS		
Salaries/stipends		
Union	$ 299,093	$ 247,624
Non-union	150,708	126,747
Overtime	-	18,938
Total salaries/stipends	449,801	393,309
Payroll taxes		
FICA	34,808	31,654
Unemployment tax	4,550	950
IMRF	53,790	39,259
Total payroll taxes	93,148	71,863
Employee benefits		
Group insurance	82,949	66,099
Uniforms	2,400	4,075
Total employee benefits	85,349	70,174
Operating		
Electricity	50,000	64,922
Gas heating	15,000	17,209
Telephone	10,000	12,531
Postage	300	300
Conferences	1,200	860
Operating supplies	6,500	390
Motor fuel and lubrication	30,000	37,016
Office supplies	1,500	7,789
Training	1,500	180
Dues, subscriptions, and meetings	1,850	11,593
Rentals	3,000	1,750
Employee screenings	2,350	2,376
Tuition reimbursement	5,000	828
Rubbish removal	8,000	4,813
Streets - bulk materials	18,000	10,426
Haymarket	3,000	6
COVID 19	5,000	3,682
Other	-	2,741
Total operating	162,200	179,412
Repairs and maintenance		
Vehicles	40,000	27,778
Building	42,600	54,960
Equipment	18,000	30,145
Street lights	55,000	75,004
Parking lots	22,000	8,437
Storm sewers	40,000	8,136
Parkways and parks	25,000	27,013

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
PUBLIC WORKS (Continued)		
Repairs and maintenance (Continued)		
Street signs	$ 8,000	$ 5,595
Street sweeping	62,000	55,658
Other repairs and maintenance	23,885	48,773
Total repairs and maintenance	336,485	341,499
Professional services		
Engineering	20,000	36,438
Consulting	-	4,486
Landscape services	10,000	-
Total professional services	30,000	40,924
Special services		
Veterinary and animal control	4,000	2,114
Mosquito abatement	60,000	63,046
Snow removal	163,000	503,049
Lawn maintenance	83,000	83,898
Tree trimming	69,500	90,423
Tree planting	15,000	14,978
Traffic signals	48,000	46,523
Total special services	442,500	804,031
Insurance		
Liability	27,800	27,836
Workers' compensation	32,980	10,854
Total insurance	60,780	38,690
Capital expenditures		
Streets (not MFT)	3,000	4,903
Total capital expenditures	3,000	4,903
Total public works	1,663,263	1,944,805
DEBT SERVICE		
Principal	640,000	640,000
Interest and fiscal agents	53,000	52,200
Total debt service	693,000	692,200
TOTAL EXPENDITURES	$ 12,548,724	$ 12,675,335

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Intergovernmental		
Sales tax	$ 1,504,500	$ 1,486,356
Grants	2,336,430	252,975
Investment income	1,000	405
Miscellaneous	291,420	258,394
Total revenues	4,133,350	1,998,130
EXPENDITURES		
Capital outlay	6,122,547	4,798,805
Debt service		
Interest and fiscal charges	-	298,259
Total expenditures	6,122,547	5,097,064
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,989,197)	(3,098,934)
OTHER FINANCING SOURCES (USES)		
Transfers in	166,000	166,000
Bonds issued, at par	-	13,640,000
Premium on bond issued	-	1,048,394
Total other financing sources (uses)	166,000	14,854,394
NET CHANGE IN FUND BALANCE	$ (1,823,197)	11,755,460
FUND BALANCE, MAY 1		6,603,673
FUND BALANCE, APRIL 30		$ 18,359,133

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF ITASCA, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	Special Revenue			Debt Service
	Motor Fuel Tax	**Hotel Tax**	**Stop the CPKC Coalition**	**General Obligation 2008**
ASSETS				
Cash and investments	$ 1,983,250	$ 1,238,826	$ -	$ 6,546
Receivables				
Property taxes	-	-	-	-
Other	29,023	135,442	13,125	-
Prepaid items	-	143,030	-	-
TOTAL ASSETS	$ 2,012,273	$ 1,517,298	$ 13,125	$ 6,546
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 14,117	$ 13,922	$ -	$ -
Accrued payroll	-	660	-	-
Due to other funds	-	-	191,688	-
Total liabilities	14,117	14,582	191,688	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	14,117	14,582	191,688	-
FUND BALANCES				
Nonspendable				
Prepaid items	-	143,030	-	-
Restricted				
Debt service	-	-		6,546
Highway and streets	1,998,156	-		-
Tourism	-	1,359,686		-
Special service areas	-	-		-
Unassigned (deficit)	-	-	(178,563)	-
Total fund balances (deficit)	1,998,156	1,502,716	(178,563)	6,546
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,012,273	$ 1,517,298	$ 13,125	$ 6,546

Debt Service		Capital Projects			
Spring Lake Special Service Area	Hamilton Lakes Special Service Area	Spring Lake Special Service Area	Special Service Area Capital Projects	Hamilton Lakes Special Service Area	Total Nonmajor Governmental Funds
$ 94,861	$ 267,954	$ 614,318	$ 424,509	$ 2,286,996	$ 6,917,260
2,829	264,870	60,706	-	171,069	499,474
-	-	-	-	-	177,590
-	-	-	-	-	143,030
$ 97,690	$ 532,824	$ 675,024	$ 424,509	$ 2,458,065	$ 7,737,354
$ -	$ -	$ -	$ -	$ -	$ 28,039
-	-	-	-	-	660
-	-	-	-	-	191,688
-	-	-	-	-	220,387
2,829	264,870	60,706	-	171,069	499,474
2,829	264,870	60,706	-	171,069	499,474
2,829	264,870	60,706	-	171,069	719,861
-	-	-	-	-	143,030
94,861	267,954	-	-	-	369,361
-	-	-	-	-	1,998,156
-	-	-	-	-	1,359,686
-	-	614,318	424,509	2,286,996	3,325,823
-	-	-	-	-	(178,563)
94,861	267,954	614,318	424,509	2,286,996	7,017,493
$ 97,690	$ 532,824	$ 675,024	$ 424,509	$ 2,458,065	$ 7,737,354

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Special Revenue			Debt Service
	Motor Fuel Tax	**Hotel Tax**	**Stop the CPKC Coalition**	**General Obligation 2008**
REVENUES				
Property taxes	$ -	$ -	$ -	$ -
Hotel tax	-	718,542	-	-
Operating grants	344,790	-	-	-
Capital grants	190,001	-	-	-
Investment income	2,257	1,164	-	139
Miscellaneous	-	26,188	-	-
Total revenues	537,048	745,894	-	139
EXPENDITURES				
General government	-	659,272	178,563	-
Debt service				
Principal	-	-	-	-
Interest and fiscal agent fees	-	-	-	-
Capital outlay				
Streets and highways	14,116	-	-	-
Total expenditures	14,116	659,272	178,563	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	522,932	86,622	(178,563)	139
OTHER FINANCING SOURCES (USES)				
Transfers (out)	-	(590,620)	-	-
Total other financing sources (uses)	-	(590,620)	-	-
NET CHANGE IN FUND BALANCES	522,932	(503,998)	(178,563)	139
FUND BALANCES, MAY 1	1,475,224	2,006,714	-	6,407
FUND BALANCES (DEFICIT), APRIL 30	$ 1,998,156	$ 1,502,716	$ (178,563)	$ 6,546

Debt Service		Capital Projects			
Spring Lake Special Service Area	Hamilton Lakes Special Service Area	Spring Lake Special Service Area	Special Service Area Capital Projects	Hamilton Lakes Special Service Area	Total Nonmajor Governmental Funds
$ 83,251	$ 254,138	$ 56,720	$ -	$ 160,745	$ 554,854
-	-	-	-	-	718,542
-	-	-	-	-	344,790
-	-	-	-	-	190,001
28	152	202	281	740	4,963
-	-	-	-	-	26,188
83,279	254,290	56,922	281	161,485	1,839,338
-	-	-	-	-	837,835
80,000	145,000	-	-	-	225,000
4,080	111,685	-	-	-	115,765
-	-	-	-	8,487	22,603
84,080	256,685	-	-	8,487	1,201,203
(801)	(2,395)	56,922	281	152,998	638,135
-	-	-	-	-	(590,620)
-	-	-	-	-	(590,620)
(801)	(2,395)	56,922	281	152,998	47,515
95,662	270,349	557,396	424,228	2,133,998	6,969,978
$ 94,861	$ 267,954	$ 614,318	$ 424,509	$ 2,286,996	$ 7,017,493

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Intergovernmental allotments - operating grants	$ 373,800	$ 344,790
Intergovernmental allotments - capital grants	285,000	190,001
Investment income	2,500	2,257
Total revenues	661,300	537,048
EXPENDITURES		
Capital outlay		
Streets and highways	361,000	14,116
Total expenditures	361,000	14,116
NET CHANGE IN FUND BALANCE	$ 300,300	522,932
FUND BALANCE, MAY 1		1,475,224
FUND BALANCE, APRIL 30		$ 1,998,156

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Hotel tax	$ 153,700	$ 718,542
Investment income	10,000	1,164
Miscellaneous	5,991	26,188
Total revenues	169,691	745,894
EXPENDITURES		
General government		
Operation staff	378,407	256,015
Public relations	415,912	345,106
Professional services	16,318	-
Marketing	145,000	54,996
Equipment	35,640	3,155
Total expenditures	991,277	659,272
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(821,586)	86,622
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(590,620)	(590,620)
Total other financing sources (uses)	(590,620)	(590,620)
NET CHANGE IN FUND BALANCE	$ (1,412,206)	(503,998)
FUND BALANCE, MAY 1		2,006,714
FUND BALANCE, APRIL 30		$ 1,502,716

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPRING LAKE SPECIAL SERVICE AREA DEBT SERVICE FUND

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Property taxes	$ 84,920	$ 83,251
Investment income	400	28
Total revenues	85,320	83,279
EXPENDITURES		
Debt service		
Principal	80,000	80,000
Interest	4,080	4,080
Total expenditures	84,080	84,080
NET CHANGE IN FUND BALANCE	$ 1,240	(801)
FUND BALANCE, MAY 1		95,662
FUND BALANCE, APRIL 30		$ 94,861

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HAMILTON LAKES SPECIAL SERVICE AREA DEBT SERVICE FUND

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Property taxes	$ 258,711	$ 254,138
Investment income	3,000	152
Total revenues	261,711	254,290
EXPENDITURES		
Debt service		
Principal	140,000	145,000
Interest	114,300	111,150
Bond agent fees	535	535
Total expenditures	254,835	256,685
NET CHANGE IN FUND BALANCE	$ 6,876	(2,395)
FUND BALANCE, MAY 1		270,349
FUND BALANCE, APRIL 30		$ 267,954

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPRING LAKE SPECIAL SERVICE AREA CAPITAL PROJECTS FUND

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Property taxes	$ 57,842	$ 56,720
Investment income	3,500	202
Total revenues	61,342	56,922
EXPENDITURES		
Capital outlay		
Professional services	1,000	-
Capital maintenance	51,000	-
Total expenditures	52,000	-
NET CHANGE IN FUND BALANCE	$ 9,342	56,922
FUND BALANCE, MAY 1		557,396
FUND BALANCE, APRIL 30		$ 614,318

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA CAPITAL PROJECTS FUND

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Investment income	$ 3,750	$ 281
EXPENDITURES		
Capital outlay	30,000	-
Total expenditures	30,000	-
NET CHANGE IN FUND BALANCE	$ (26,250)	281
FUND BALANCE, MAY 1		424,228
FUND BALANCE, APRIL 30		$ 424,509

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HAMILTON LAKES SPECIAL SERVICE AREA CAPITAL PROJECTS FUND

For the Year Ended April 30, 2022

	Budget	Actual
REVENUES		
Property taxes	$ 163,620	$ 160,745
Investment income	7,500	740
Total revenues	171,120	161,485
EXPENDITURES		
Current		
General government	15,000	-
Capital outlay	50,000	8,487
Total expenditures	65,000	8,487
NET CHANGE IN FUND BALANCE	$ 106,120	152,998
FUND BALANCE, MAY 1		2,133,998
FUND BALANCE, APRIL 30		$ 2,286,996

(See independent auditor's report.)

MAJOR PROPRIETARY FUND

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF NET POSITION
WATER AND SEWER FUND BY SUBACCOUNT

April 30, 2022

	Operating and Maintenance	Capital	Total
CURRENT ASSETS			
Cash and investments	$ 7,121,702	$ 141,135	$ 7,262,837
Accounts receivable	2,128,015	-	2,128,015
Intergovernmental receivable	1,303,991	-	1,303,991
Total current assets	10,553,708	141,135	10,694,843
NONCURRENT ASSETS			
Net pension asset	918,568	-	918,568
Capital assets			
Cost	81,683,430	-	81,683,430
Less accumulated depreciation	35,639,917	-	35,639,917
Total noncurrent assets	46,962,081	-	46,962,081
Total assets	57,515,789	141,135	57,656,924
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	198,940	-	198,940
Unamortized loss on refunding	167,130	-	167,130
Total deferred outflows of resources	366,070	-	366,070
Total assets and deferred outflows of resources	57,881,859	141,135	58,022,994
CURRENT LIABILITIES			
Accounts payable	394,789	1,875,917	2,270,706
Accrued payroll	56,739	-	56,739
Bonds and loans payable - current portion	1,508,762	-	1,508,762
Compensated absences payable	8,991	-	8,991
Total OPEB liability	39,208	-	39,208
Accrued interest	187,198	-	187,198
Total current liabilities	2,195,687	1,875,917	4,071,604
NONCURRENT LIABILITIES			
Bonds payable	20,595,861	-	20,595,861
IEPA loan payable	13,422,768	-	13,422,768
Compensated absences payable	80,915	-	80,915
Total OPEB liability	383,746	-	383,746
Total noncurrent liabilities	34,483,290	-	34,483,290
Total liabilities	36,678,977	1,875,917	38,554,894
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	1,543,410	-	1,543,410
Total deferred inflows of resources	1,543,410	-	1,543,410
Total liabilities and deferred inflows of resources	38,222,387	1,875,917	40,098,304
NET POSITION			
Net investment in capital assets	10,683,252	-	10,683,252
Unrestricted (deficit)	8,976,220	(1,734,782)	7,241,438
TOTAL NET POSITION (DEFICIT)	$ 19,659,472	$ (1,734,782)	$ 17,924,690

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
WATER AND SEWER FUND BY SUBACCOUNT

For the Year Ended April 30, 2022

	Operating and Maintenance	Capital	Eliminations	Total
OPERATING REVENUES				
Charges for services				
Water fees	$ 4,218,502	$ -	$ -	$ 4,218,502
Sewer fees	6,028,141	-	-	6,028,141
Other revenues	190,170	-	-	190,170
Total operating revenues	10,436,813	-	-	10,436,813
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Salaries and stipends	1,029,209	-	-	1,029,209
Payroll taxes	302,359	-	-	302,359
Employee benefits	270,256	-	-	270,256
General operating	2,724,961	-	-	2,724,961
Repairs and maintenance	339,283	-	-	339,283
Professional services	423,862	-	-	423,862
Special services	159,218	-	-	159,218
Insurance	100,575	-	-	100,575
Capital	-	651,254	-	651,254
Total operating expenses excluding depreciation	5,349,723	651,254	-	6,000,977
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	5,087,090	(651,254)	-	4,435,836
Depreciation and amortization	1,749,380	-	-	1,749,380
OPERATING INCOME (LOSS)	3,337,710	(651,254)	-	2,686,456
NON-OPERATING REVENUES (EXPENSES)				
Investment income	1,226	(13)	-	1,213
Bond stimulus payment	455,293	-	-	455,293
Intergovernmental revenue	9,696	-	-	9,696
Interest expense	(1,521,621)	-	-	(1,521,621)
Total non-operating revenues (expenses)	(1,055,406)	(13)	-	(1,055,419)
INCOME (LOSS) BEFORE TRANSFERS	2,282,304	(651,267)	-	1,631,037
TRANSFERS				
Transfers in	2,431,667	-	(2,431,667)	-
Transfers (out)	-	(2,431,667)	2,431,667	-
Total transfers	2,431,667	(2,431,667)	-	-
CHANGE IN NET POSITION	4,713,971	(3,082,934)	-	1,631,037
NET POSITION, MAY 1	14,945,501	1,348,152	-	16,293,653
NET POSITION (DEFICIT), APRIL 30	$ 19,659,472	$ (1,734,782)	$ -	$ 17,924,690

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND -
OPERATING SUBACCOUNT

For the Year Ended April 30, 2022

	Budget	Actual
OPERATING REVENUES		
Charges for services		
Water fees	$ 4,903,014	$ 4,218,502
Sewer fees	4,772,439	6,028,141
Other revenues	131,433	190,170
Total operating revenues	9,806,886	10,436,813
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Salaries and stipends	1,935,480	1,435,549
Payroll taxes	338,157	302,359
Employee benefits	286,611	270,256
General operating	2,490,115	2,724,961
Repairs and maintenance	493,355	394,983
Professional services	503,002	423,862
Special services	175,000	159,218
Insurance	106,871	100,575
Total operating expenses excluding depreciation	6,328,591	5,811,763
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	3,478,295	4,625,050
Depreciation and amortization	-	1,749,380
OPERATING INCOME	3,478,295	2,875,670
NON-OPERATING REVENUES (EXPENSES)		
Investment income	12,000	1,226
Bond stimulus payment	433,798	455,293
Intergovernmental revenue	-	9,696
Debt service		
Principal repayment	(1,558,966)	(1,510,211)
Interest expense	(1,270,510)	(1,521,621)
Total non-operating revenues (expenses)	(2,383,678)	(2,565,617)
INCOME BEFORE TRANSFERS	1,094,617	310,053
TRANSFERS		
Transfers in	-	2,431,667
Total transfers	-	2,431,667
NET INCOME BUDGETARY BASIS	$ 1,094,617	2,741,720
ADJUSTMENTS TO GAAP BASIS		
Capitalized assets		55,700
Decrease in net pension asset		329,626
Decrease in OPEB liability		76,714
Principal repayment		1,510,211
Total adjustments to GAAP basis		1,972,251
CHANGE IN NET POSITION		4,713,971
NET POSITION, MAY 1		14,945,501
NET POSITION, APRIL 30		$ 19,659,472

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
WATER AND SEWER FUND -
OPERATING SUBACCOUNT

For the Year Ended April 30, 2022

	Budget	Actual
OPERATING EXPENSES		
Salaries and stipends		
Trustees	$ 24,240	$ 62,148
Administration	487,207	119,518
Non-union	403,917	435,206
Union	907,969	754,782
Overtime	112,147	63,895
Total salaries and stipends	1,935,480	1,435,549
Payroll taxes		
FICA	118,938	110,093
Unemployment taxes	15,546	2,516
IMRF	203,673	189,750
Total payroll taxes	338,157	302,359
Employee benefits		
Group insurance	279,811	263,214
Uniforms	6,800	7,042
Total employee benefits	286,611	270,256
General operating		
Gas heat	21,000	34,161
Electricity	272,000	336,534
Telephone	15,000	16,291
Postage	3,000	211
Payroll services	3,376	-
Supplies - operating	10,600	-
Supplies - office	6,500	15,093
Supplies - sewer treatment	158,000	110,501
Supplies - water treatment	7,000	3,587
Motor fuel and lubrication	19,000	26,612
Conferences	9,000	3,448
Dues, subscriptions, and meetings	4,900	2,988
Training	6,000	9,007
Tuition reimbursement	3,000	-
Rentals	4,500	-
Employee physicals	700	161

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND -
OPERATING SUBACCOUNT

For the Year Ended April 30, 2022

	Budget	Actual
OPERATING EXPENSES (Continued)		
General operating (Continued)		
Rubbish removal	$ 15,000	$ 4,950
Water meters	10,000	8,186
Non-capital program engineering	5,000	-
Safety program	4,700	1,477
Lab tests pretreatment	10,000	5,189
Operating software	19,104	41,441
Hardware	4,075	-
Bad debt expense	-	66,144
Other	-	9,404
DuPage Water Commission	1,878,660	2,029,576
Total general operating	2,490,115	2,724,961
Repairs and maintenance		
Vehicles	21,500	12,389
Equipment	25,575	15,632
Structures	119,130	36,578
Bulk material	15,000	9,860
Wells	19,600	25,281
Treatment plant	36,000	112,446
Lift stations	85,000	45,261
Sanitary sewers	101,500	11,991
Water systems	45,050	60,861
Meter repair	25,000	8,984
Total repairs and maintenance	493,355	339,283
Professional services		
Legal	20,300	1,209
Engineering	46,000	74,013
Accounting	73,666	95,383
IT services	134,864	107,711
Utility billing services	85,188	84,760
Water and sewer consulting	98,250	48,621
Audit	26,964	1,200
Janitorial	17,770	10,965
Total professional services	503,002	423,862

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)
WATER AND SEWER FUND -
OPERATING SUBACCOUNT

For the Year Ended April 30, 2022

	Budget	Actual
OPERATING EXPENSES (Continued)		
Special services		
Sludge removal	$ 30,000	$ 20,101
Industrial pre-treatment	145,000	139,117
Total special services	175,000	159,218
Insurance		
Liability	67,500	66,807
Workers' compensation	39,371	33,768
Total insurance	106,871	100,575
TOTAL OPERATING EXPENSES	$ 6,328,591	$ 5,756,063

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL
WATER AND SEWER FUND -
CAPITAL SUBACCOUNT

For the Year Ended April 30, 2022

	Budget	Actual
OPERATING REVENUES		
None	$ -	$ -
Total operating revenues	-	-
OPERATING EXPENSES		
Capital	7,012,750	3,082,921
Total operating expenses	7,012,750	3,082,921
OPERATING INCOME (LOSS)	(7,012,750)	(3,082,921)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	-	(13)
Intergovernmental revenue	4,000,000	-
Total non-operating revenues (expenses)	4,000,000	(13)
INCOME (LOSS) BEFORE TRANSFERS	(3,012,750)	(3,082,934)
NON-OPERATING REVENUES (EXPENSES)		
Transfers in	1,550,300	-
Transfers (out)	-	(2,431,667)
Total transfers	1,550,300	(2,431,667)
NET INCOME (LOSS) BUDGETARY BASIS	$ (1,462,450)	(5,514,601)
ADJUSTMENTS TO GAAP BASIS		
Capitalized assets		2,431,667
Total adjustments to GAAP basis		2,431,667
CHANGE IN NET POSITION		(3,082,934)
NET POSITION, MAY 1		1,348,152
NET POSITION (DEFICIT), APRIL 30		$ (1,734,782)

(See independent auditor's report.)

OTHER SUPPLEMENTAL INFORMATION

VILLAGE OF ITASCA, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended April 30, 2022

CSFA Number	**Program Name**	**State**	**Federal**	**Other**	**Total**
420-00-0505	Grants Management Program	$ 241,130	$ -	$ -	$ 241,130
492-10-4491	Coronavirus State and Local Fiscal Recove	-	667,155	-	667,155
494-00-1488	Motor Fuel Tax Program	14,116	-	-	14,116
532-60-0379	USEPA Capitalization Grant for Drinking Water State Revolving Funds	1,269,589	-	-	1,269,589
	Other grant programs and activities	-	11,844	16,237	28,081
	All other costs not allocated	-	-	25,594,489	25,594,489
	TOTALS	$ 1,524,835	$ 678,999	$ 25,610,726	$ 27,814,560

NOTE: The expenses listed above for the USEPA Capitalization Grant consists of all loan drawdowns for the current year on the accrual basis. All loans drawdowns were capitalized by the Village. As such, all other expenditures included on the schedule above agree to the total expenses on the Village's Statement of Activities.

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF ITASCA, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING DEBT CERTIFICATE, SERIES 2010

April 30, 2022

Date of Issue	May 11, 2010
Date of Maturity	December 1, 2022
Authorized Issue	$ 6,955,000
Denomination of Bonds	$ 5,000
Interest Rates	2% to 4%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	Bank of New York Mellon
	Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total	Interest Due On June 1	Amount	December 1	Amount
2023	$ 665,000	$ 26,600	$ 691,600	2022	$ 13,300	2022	$ 13,300
	$ 665,000	$ 26,600	$ 691,600		$ 13,300		$ 13,300

VILLAGE OF ITASCA, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SPECIAL SERVICE AREA BONDS, SERIES 2014

April 30, 2022

Date of Issue	February 11, 2014
Date of Maturity	December 15, 2033
Authorized Issue	$ 3,340,000
Denomination of Bonds	$ 5,000
Interest Rates	4.50%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total	Interest Due On June 15	Amount	Interest Due On December 15	Amount
2023	$ 150,000	$ 104,625	$ 254,625	2022	$ 52,312	2022	$ 52,312
2024	155,000	97,875	252,875	2023	48,938	2023	48,938
2025	165,000	90,900	255,900	2024	45,450	2024	45,450
2026	170,000	83,475	253,475	2025	41,738	2025	41,738
2027	180,000	75,825	255,825	2026	37,913	2026	37,913
2028	185,000	67,725	252,725	2027	33,863	2027	33,863
2029	195,000	59,400	254,400	2028	29,700	2028	29,700
2030	205,000	50,625	255,625	2029	25,312	2029	25,312
2031	215,000	41,400	256,400	2030	20,700	2030	20,700
2032	225,000	31,725	256,725	2031	15,862	2031	15,862
2033	235,000	21,600	256,600	2032	10,800	2032	10,800
2034	245,000	11,025	256,025	2033	5,512	2033	5,512
	$ 2,325,000	$ 736,200	$ 3,061,200		$ 368,100		$ 368,100

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS (ARS), SERIES 2022A

April 30, 2022

Date of Issue	March 3, 2022
Date of Maturity	February 1, 2039
Authorized Issue	$ 19,345,000
Denomination of Bonds	$ 5,000
Interest Rates	3% to 5%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total	Interest Due On August 1	Amount	Interest Due On February 1	Amount
2023	$ 465,000	$ 675,589	$ 1,140,589	2022	$ 304,839	2023	$ 370,750
2024	435,000	718,250	1,153,250	2023	359,125	2024	359,125
2025	470,000	696,500	1,166,500	2024	348,250	2025	348,250
2026	505,000	673,000	1,178,000	2025	336,500	2026	336,500
2027	540,000	647,750	1,187,750	2026	323,875	2027	323,875
2028	570,000	620,750	1,190,750	2027	310,375	2028	310,375
2029	615,000	592,250	1,207,250	2028	296,125	2029	296,125
2030	660,000	561,500	1,221,500	2029	280,750	2030	280,750
2031	705,000	528,500	1,233,500	2030	264,250	2031	264,250
2032	1,140,000	493,250	1,633,250	2031	246,625	2032	246,625
2033	1,580,000	447,650	2,027,650	2032	223,825	2033	223,825
2034	1,680,000	384,450	2,064,450	2033	192,225	2034	192,225
2035	1,785,000	317,250	2,102,250	2034	158,625	2035	158,625
2036	1,895,000	245,850	2,140,850	2035	122,925	2036	122,925
2037	1,990,000	189,000	2,179,000	2036	94,500	2037	94,500
2038	2,100,000	129,300	2,229,300	2037	64,650	2038	64,650
2039	2,210,000	66,300	2,276,300	2038	33,150	2039	33,150
	$ 19,345,000	$ 7,987,139	$ 27,332,139		$ 3,960,614		$ 4,026,525

VILLAGE OF ITASCA, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS (ARBs), SERIES 2022B

April 30, 2022

Date of Issue	March 3, 2022
Date of Maturity	February 1, 2047
Authorized Issue	$ 13,640,000
Denomination of Bonds	$ 5,000
Interest Rates	3% to 5%
Interest Dates	August 1 and February 1
Principal Maturity Date	February 1
Payable at	Amalgamated Bank of Chicago Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total	Interest Due On August 1	Amount	February 1	Amount
2023	$ -	$ 478,897	$ 478,897	2022	$ 216,088	2023	$ 262,809
2024	330,000	525,618	855,618	2023	262,809	2024	262,809
2025	345,000	509,118	854,118	2024	254,559	2025	254,559
2026	360,000	491,868	851,868	2025	245,934	2026	245,934
2027	380,000	473,868	853,868	2026	236,934	2027	236,934
2028	400,000	454,868	854,868	2027	227,434	2028	227,434
2029	420,000	434,868	854,868	2028	217,434	2029	217,434
2030	440,000	413,868	853,868	2029	206,934	2030	206,934
2031	460,000	391,868	851,868	2030	195,934	2031	195,934
2032	485,000	368,868	853,868	2031	184,434	2032	184,434
2033	510,000	344,618	854,618	2032	172,309	2033	172,309
2034	535,000	319,118	854,118	2033	159,559	2034	159,559
2035	555,000	297,718	852,718	2034	148,859	2035	148,859
2036	580,000	275,518	855,518	2035	137,759	2036	137,759
2037	600,000	252,318	852,318	2036	126,159	2037	126,159
2038	625,000	228,318	853,318	2037	114,159	2038	114,159
2039	650,000	203,318	853,318	2038	101,659	2039	101,659
2040	670,000	183,818	853,818	2039	91,909	2040	91,909
2041	690,000	163,718	853,718	2040	81,859	2041	81,859
2042	710,000	143,018	853,018	2041	71,509	2042	71,509
2043	730,000	121,718	851,718	2042	60,859	2043	60,859
2044	755,000	98,906	853,906	2043	49,453	2044	49,453
2045	780,000	75,312	855,312	2044	37,656	2045	37,656
2046	800,000	50,938	850,938	2045	25,469	2046	25,469
2047	830,000	25,938	855,938	2046	12,969	2047	12,969
	$ 13,640,000	$ 7,328,001	$ 20,968,001		$ 3,640,640		$ 3,687,361

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

April 30, 2022

Type of Coverage	Amount of Coverage	Deductibles	Expiration Date
Commercial Property			5/1/2022
Business real property, business personal property	$85,637,028	$25,000	
Extra expense	2,000,000		
General Liability			5/1/2022
Each occurrence	$1,000,000	$10,000	
General aggregate	3,000,000		
Products and completed operations aggregate	3,000,000		
Personal and advertising injury	1,000,000		
Employee benefits injury	1,000,000		
Fire, lightning, or explosin	500,000		
Medical payments	5,000		
Crisis management emergency response expense	$10,000/$30,000		
Identity theft expenses	$10,000/$30,000		
Workplace violence counseling	$10,000/$30,000		
Auto liability	$1,000,000 Each Accident	$10,000	
Auto physical damage: comprehensive	Included	$1,000	
Auto physical damage: collision	Included	$1,000	
Medial payments	$10,000		
Uninsured/underinsured motorist	$1,000,000		
Hired & non-owned auto	$1,000,000		
Law Enforcement Liability			5/1/2022
Each person	$1,000,000	$50,000	
Each wrongful act	1,000,000		
Annual aggregate	3,000,000		
Public Officials' Liability			5/1/2022
Each wrongful act	$1,000,000	$50,000	
Annual aggregate	3,000,000		
Employment Practices Liability			5/1/2022
Each wrongful act	$1,000,000	$50,000	
Annual aggregate	3,000,000		
Umbrella			5/1/2022
Each wrongful act	$10,000,000	$10,000	
Workers' Compensation			12/31/2022
Each accident	$3,000,000		
Disease - policy limit	3,000,000		
Disease - each employee	3,000,000		
Cyber Liability			5/1/2022
Annual aggregate	$1,000,000	$5,000	
Each and every claim	1,000,000		
Storage Tank Liability			5/1/2022
Annual aggregate	$2,000,000	$5,000	
Per storage tank incident	1,000,000		

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF ASSESSED VALUATIONS,
TAX RATES, AND TAX EXTENSIONS

April 30, 2022

Levy Year	2021	2020
Residential	$ 319,354,300	$ 305,497,029
Farms	8,420	12,069
Commercial	180,849,800	175,708,210
Industrial	225,858,760	214,927,470
	$ 726,071,280	$ 696,144,778

Levy Year	2021		2020	
	Rate Extended	Taxes Extended	Rate Extended	Taxes Extended
Corporate	0.0529	$ 384,092	0.0564	$ 392,626
Bond and interest	-	-	-	-
Police Pension	0.2779	2,017,752	0.2784	1,938,067
Aggregate refunds	0.0017	12,343	-	-
TOTAL	0.3325	$ 2,414,187	0.3348	$ 2,330,693

The Village also collects taxes from Special Service Areas within the Village for the payment of principal and interest on bonds and maintenance of roads. The taxes extended for the Special Service Areas for 2021 and 2020 were $499,475 and $565,288, respectively.

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2022

Assessed valuation - 2021	$ 726,071,280
Legal debt limit - 8.625% of assessed valuation	$ 62,623,648
Amount of debt applicable to debt limit	
Village's general obligation debt	665,000
LEGAL DEBT MARGIN	$ 61,958,648

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "…no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate, exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

VILLAGE OF ITASCA, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	$ 82,462,526	$ 79,463,098	$ 78,202,970	$ 77,774,223
Restricted	3,703,525	4,159,291	5,503,700	5,315,395
Unrestricted	7,298,521	10,516,995	7,584,042	(7,187,454)
TOTAL GOVERNMENTAL ACTIVITIES	$ 93,464,572	$ 94,139,384	$ 91,290,712	$ 75,902,164
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	$ 11,769,338	$ 10,421,964	$ 9,467,059	$ 8,705,616
Unrestricted	1,310,939	1,411,824	1,523,896	474,563
TOTAL BUSINESS-TYPE ACTIVITIES	$ 13,080,277	$ 11,833,788	$ 10,990,955	$ 9,180,179
PRIMARY GOVERNMENT				
Net investment in capital assets	$ 94,231,864	$ 89,885,062	$ 87,670,029	$ 86,479,839
Restricted	3,703,525	4,159,291	5,503,700	5,315,395
Unrestricted	8,609,460	11,928,819	9,107,938	(6,712,891)
TOTAL PRIMARY GOVERNMENT	$ 106,544,849	$ 105,973,172	$ 102,281,667	$ 85,082,343

The Village implemented GASB Statement No. 68 during 2016.

The Village implemented GASB Statement No. 75 during 2019.

Data Source

Audited Financial Statements

	2017	2018	2019	2020	2021	2022
	$ 76,396,437	$ 75,511,028	$ 74,833,102	$ 73,774,645	$ 73,204,865	$ 74,433,776
	5,751,234	5,770,684	5,996,480	6,732,265	6,977,134	7,061,388
	(7,651,157)	(7,935,629)	(10,328,256)	(11,471,621)	(12,084,452)	(13,700,241)
	$ 74,496,514	$ 73,346,083	$ 70,501,326	$ 69,035,289	$ 68,097,547	$ 67,794,923
	$ 8,453,494	$ 8,596,642	$ 8,868,512	$ 9,870,801	$ 10,048,531	$ 10,683,252
	542,401	5,157,187	6,331,285	5,905,898	6,245,122	7,241,438
	$ 8,995,895	$ 13,753,829	$ 15,199,797	$ 15,776,699	$ 16,293,653	$ 17,924,690
	$ 84,849,931	$ 84,107,670	$ 83,701,614	$ 83,645,446	$ 83,253,396	$ 85,117,028
	5,751,234	5,770,684	5,996,480	6,732,265	6,977,134	7,061,388
	(7,108,756)	(2,778,442)	(3,996,971)	(5,565,723)	(5,839,330)	(6,458,803)
	$ 83,492,409	$ 87,099,912	$ 85,701,123	$ 84,811,988	$ 84,391,200	$ 85,719,613

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016
EXPENSES				
Governmental activities				
General government	$ 2,539,131	$ 2,877,330	$ 4,703,106	$ 3,479,155
Public safety	4,898,678	4,938,440	5,440,539	6,058,119
Community development	627,001	982,497	753,760	942,210
Public works	5,320,761	5,566,081	6,281,524	5,642,221
Interest	424,737	580,185	567,260	478,048
Total governmental activities expenses	13,810,308	14,944,533	17,746,189	16,599,753
Business-type activities				
Water and sewer	6,191,690	6,933,727	8,637,501	9,558,386
Interest	1,402,734	1,400,011	-	-
Total business-type activities expenses	7,594,424	8,333,738	8,637,501	9,558,386
TOTAL PRIMARY GOVERNMENT EXPENSES	$ 21,404,732	$ 23,278,271	$ 26,383,690	$ 26,158,139
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Public safety	$ 412,952	$ 485,700	$ 390,293	$ 309,180
Community development	643,243	1,058,825	905,238	756,655
Public works	120,415	118,705	132,778	148,505
Operating grants and contributions	205,955	213,525	211,962	221,232
Capital grants and contributions	131,517	393,789	153,613	32,399
Total governmental activities program revenues	1,514,082	2,270,544	1,793,884	1,467,971
Business-type activities				
Charges for services				
Water and sewer	5,762,679	6,481,304	6,561,926	7,568,954
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	5,762,679	6,481,304	6,561,926	7,568,954
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	$ 7,276,761	$ 8,751,848	$ 8,355,810	$ 9,036,925
NET REVENUE (EXPENSE)				
Governmental activities	$ (12,296,226)	$ (12,673,989)	$ (15,952,305)	$ (15,131,782)
Business-type activities	(1,831,745)	(1,852,434)	(2,075,575)	(1,989,432)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	$ (14,127,971)	$ (14,526,423)	$ (18,027,880)	$ (17,121,214)

	2017	2018	2019	2020	2021	2022
	$ 3,501,654	$ 3,078,537	$ 2,794,474	$ 3,142,895	$ 2,890,712	$ 3,105,174
	6,699,549	6,037,115	7,106,336	8,236,535	6,236,191	7,286,046
	936,669	935,802	875,237	1,055,720	1,265,851	1,208,084
	5,134,979	5,862,683	5,493,643	5,263,337	3,572,225	5,145,922
	424,318	354,732	270,596	214,126	158,525	527,767
	16,697,169	16,268,869	16,540,286	17,912,613	14,123,504	17,272,993
	9,926,958	9,818,624	8,927,147	10,310,812	9,019,885	9,271,978
	-	-	-	-	-	-
	9,926,958	9,818,624	8,927,147	10,310,812	9,019,885	9,271,978
	$ 26,624,127	$ 26,087,493	$ 25,467,433	$ 28,223,425	$ 23,143,389	$ 26,544,971
	$ 343,201	$ 297,328	$ 276,435	$ 318,018	$ 203,296	$ 158,350
	1,154,448	854,757	781,566	1,632,091	1,141,434	1,263,328
	151,463	135,463	157,894	98,109	46,891	53,716
	274,105	220,835	219,551	827,453	349,935	619,150
	13,314	18,300	19,342	15,425	325,818	190,001
	1,936,531	1,526,683	1,454,788	2,891,096	2,067,374	2,284,545
	9,127,908	9,185,357	9,574,693	10,176,156	8,993,296	10,246,643
	-	-	-	-	-	-
	9,127,908	9,185,357	9,574,693	10,176,156	8,993,296	10,246,643
	$ 11,064,439	$ 10,712,040	$ 11,029,481	$ 13,067,252	$ 11,060,670	$ 12,531,188
	$ (14,760,638)	$ (14,742,186)	$ (15,085,498)	$ (15,021,517)	$ (12,056,130)	$ (14,988,448)
	(799,050)	(633,267)	647,546	(134,656)	(26,589)	974,665
	$ (15,559,688)	$ (15,375,453)	$ (14,437,952)	$ (15,156,173)	$ (12,082,719)	$ (14,013,783)

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2013	2014	2015	2016
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities				
Taxes				
Property	$ 2,922,967	$ 2,979,754	$ 3,269,634	$ 3,529,622
Hotel	1,229,225	1,214,144	1,260,731	1,237,362
Other taxes	-	-	-	-
Intergovernmental	8,518,068	8,474,428	8,300,237	7,548,238
Miscellaneous	626,420	639,080	713,792	995,486
Investment income	35,226	41,397	50,016	62,813
Transfers in (out)	-	-	(490,777)	-
Total governmental activities	13,331,906	13,348,803	13,103,633	13,373,521
Business-type activities				
Intergovernmental	490,777	451,761	451,761	448,652
Miscellaneous	143,008	152,334	288,910	183,328
Investment income	6,797	1,850	1,394	1,135
Transfers in (out)	-	-	490,777	-
Total business-type activities	640,582	605,945	1,232,842	633,115
TOTAL PRIMARY GOVERNMENT	$ 13,972,488	$ 13,954,748	$ 14,336,475	$ 14,006,636
CHANGE IN NET POSITION				
Governmental activities	$ 1,035,680	$ 674,814	$ (2,848,672)	$ (1,758,261)
Business-type activities	(1,191,163)	(1,246,489)	(842,733)	(1,356,317)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	$ (155,483)	$ (571,675)	$ (3,691,405)	$ (3,114,578)

Data Source

Audited Financial Statements

2017	2018	2019	2020	2021	2022
$ 3,577,481	$ 3,585,363	$ 3,678,582	$ 2,984,457	$ 3,053,181	$ 3,114,474
1,235,160	1,252,114	1,251,032	1,042,126	102,320	718,542
-	-	-	1,549,901	1,402,943	1,695,296
7,693,436	8,279,986	8,253,059	5,713,451	5,933,442	8,320,295
765,799	663,313	857,878	1,743,144	521,812	881,970
83,112	138,479	484,838	522,401	104,690	(44,753)
-	(327,500)	-	-	-	-
13,354,988	13,591,755	14,525,389	13,555,480	11,118,388	14,685,824
444,939	440,224	436,150	431,533	428,546	464,989
165,165	4,151,940	395,788	275,558	111,435	190,170
4,662	12,591	18,526	4,467	3,562	1,213
-	327,500	-	-	-	-
614,766	4,932,255	850,464	711,558	543,543	656,372
$ 13,969,754	$ 18,524,010	$ 15,375,853	$ 14,267,038	$ 11,661,931	$ 15,342,196
$ (1,405,650)	$ (1,150,431)	$ (560,109)	$ (1,466,037)	$ (937,742)	$ (302,624)
(184,284)	4,298,988	1,498,010	576,902	516,954	1,631,037
$ (1,589,934)	$ 3,148,557	$ 937,901	$ (889,135)	$ (420,788)	$ 1,328,413

VILLAGE OF ITASCA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	**2013**	**2014**	**2015**	**2016**
GENERAL FUND				
Nonspendable	$ -	$ -	$ -	$ -
Restricted	29,750	32,584	35,375	35,375
Unrestricted				
Assigned	-	-	-	-
Unassigned	8,071,249	9,851,800	10,128,426	9,642,012
TOTAL GENERAL FUND	$ 8,100,999	$ 9,884,384	$ 10,163,801	$ 9,677,387
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	$ -	$ -	$ -	$ -
Restricted				
Debt Service Funds	144,975	399,709	393,413	485,254
Highways and streets	209,596	236,020	300,244	320,821
Tourism	1,838,982	2,271,858	2,409,882	2,252,892
Special service areas	1,480,222	4,460,058	2,364,786	2,221,053
Unrestricted				
Assigned	-	-	-	-
Unassigned	(62,714)	(66,874)	(80,615)	(62,891)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	$ 3,611,061	$ 7,300,771	$ 5,387,710	$ 5,217,129

Data Source

Audited Financial Statements

2017	2018	2019	2020	2021	2022
$ -	$ -	$ -	$ 7,195	$ 11,386	$ -
39,975	40,131	40,056	40,113	7,156	8,362
-	-	-	2,183,448	1,020,779	-
10,279,454	10,050,956	7,332,176	6,108,712	6,321,418	8,234,563
$ 10,319,429	$ 10,091,087	$ 7,372,232	$ 8,339,468	$ 7,360,739	$ 8,242,925
$ -	$ -	$ -	$ -	$ -	$ 143,030
351,541	353,087	366,575	368,903	372,418	369,361
524,709	229,601	464,975	884,339	1,475,224	1,998,156
2,490,265	2,712,547	2,450,382	2,535,838	2,006,714	1,359,686
2,344,744	2,435,318	2,674,492	2,903,072	3,115,622	3,325,823
637,802	1,569,980	5,751,496	6,264,973	6,603,673	18,359,133
(66,350)	(1,253)	-	-	-	(178,563)
$ 6,282,711	$ 7,299,280	$ 11,707,920	$ 12,957,125	$ 13,573,651	$ 25,376,626

VILLAGE OF ITASCA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	**2013**	**2014**	**2015**	**2016**
REVENUES				
Taxes	$ 2,922,967	$ 2,979,754	$ 3,269,634	$ 3,529,623
Hotel taxes	1,229,225	1,214,144	1,260,731	1,236,684
Licenses and permits	643,243	1,058,825	905,238	756,655
Intergovernmental	8,219,668	8,197,985	8,019,155	7,391,561
Food and beverage tax	298,400	276,443	281,082	303,324
Grants	337,472	607,313	365,575	253,631
Charges for services	120,415	118,705	132,778	148,505
Fines and forfeits	412,952	485,700	390,293	309,180
Investment income	35,226	41,397	50,016	62,813
Miscellaneous	626,420	769,080	848,792	996,163
Total revenues	14,845,988	15,749,346	15,523,294	14,988,139
EXPENDITURES				
General government	2,492,045	3,053,028	2,956,224	3,551,876
Public safety	4,785,808	4,719,758	5,092,099	5,543,869
Community development	619,252	974,748	746,902	895,383
Public works	2,512,072	2,788,188	3,545,124	3,241,538
Debt service				
Principal	1,110,000	1,265,000	1,440,000	1,460,000
Interest	436,378	482,338	560,577	531,468
Issuance costs	-	82,385	-	-
Capital outlay	234,203	250,805	2,325,235	421,000
Total expenditures	12,189,758	13,616,250	16,666,161	15,645,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,656,230	2,133,096	(1,142,867)	(656,995)
OTHER FINANCING SOURCES (USES)				
Transfers in	119,530	127,833	315,130	240,038
Transfers (out)	(119,530)	(127,833)	(805,907)	(240,038)
Bonds issued at par	-	3,340,000	-	-
Premium on bonds issued	-	-	-	-
Payment to escrow agent	-	-	-	-
Total other financing sources (uses)	-	3,340,000	(490,777)	-
NET CHANGE IN FUND BALANCES	$ 2,656,230	$ 5,473,096	$ (1,633,644)	$ (656,995)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	12.45%	12.60%	10.53%	12.40%

Data Source

Audited Financial Statements

2017	2018	2019	2020	2021	2022
$ 3,577,481	$ 3,585,363	$ 3,678,582	$ 2,984,457	$ 3,053,181	$ 3,114,474
1,235,160	1,252,114	1,251,032	1,042,126	102,320	718,542
1,154,448	854,757	781,566	1,632,092	1,141,434	1,263,328
7,519,339	8,115,684	8,101,301	7,902,433	5,933,442	7,653,140
325,824	321,108	320,973	285,919	1,402,943	1,695,296
287,419	239,135	238,893	334,587	1,184,045	1,476,306
214,973	170,948	205,024	176,732	86,769	85,489
279,691	261,843	229,305	239,395	163,417	126,577
83,112	138,479	484,838	522,401	104,690	(44,753)
765,799	663,313	857,878	1,743,143	521,812	881,970
15,443,246	15,602,744	16,149,392	16,863,285	13,694,053	16,970,369
3,125,227	2,860,511	2,873,888	2,990,360	2,943,325	3,422,498
4,813,666	5,179,348	5,378,662	5,838,556	5,944,953	6,185,993
916,163	873,106	902,330	1,042,210	1,335,861	1,267,674
1,571,269	1,917,068	1,665,392	1,526,065	1,680,853	1,944,805
1,525,000	1,585,000	1,640,000	1,725,000	835,000	865,000
473,300	411,613	363,239	250,226	204,510	466,224
-	-	-	-	-	-
1,310,997	1,660,371	1,654,349	1,274,427	1,111,754	4,821,408
13,735,622	14,487,017	14,477,860	14,646,844	14,056,256	18,973,602
1,707,624	1,115,727	1,671,532	2,216,441	(362,203)	(2,003,233)
564,554	473,255	4,263,852	352,846	296,791	590,620
(564,554)	(800,755)	(4,263,852)	(352,846)	(296,791)	(590,620)
-	-	925,000	-	-	13,640,000
-	-	-	-	-	1,048,394
-	-	(906,747)	-	-	-
-	(327,500)	18,253	-	-	14,688,394
$ 1,707,624	$ 788,227	$ 1,689,785	$ 2,216,441	$ (362,203)	$ 12,685,161
13.28%	12.36%	12.42%	12.41%	6.85%	5.59%

VILLAGE OF ITASCA, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	**Fiscal Year**	**Farm**	**Residential Property**	**Commercial Property**	**Industrial Property**	**Total Taxable Assessed Value**	**Total Direct Tax Rate**	**Estimated Actual Taxable Value**	**Estimated Actual Taxable Value**
2012	2013	$ 10,890	$ 242,912,083	$ 150,714,120	$ 171,702,060	$ 565,339,153	0.4811	$ 1,697,715,174	33.30%
2013	2014	11,974	222,443,542	140,820,800	162,870,496	526,146,812	0.5257	1,580,020,456	33.30%
2014	2015	13,170	218,227,923	137,943,310	156,149,166	512,333,569	0.5479	1,538,539,246	33.30%
2015	2016	12,895	233,030,760	154,191,190	169,739,280	556,974,125	0.5084	1,672,594,970	33.30%
2016	2017	14,184	254,122,990	156,800,640	178,471,620	589,409,434	0.4832	1,769,998,300	33.30%
2017	2018	14,360	276,548,139	167,944,170	186,620,260	631,126,929	0.4611	1,895,276,063	33.30%
2018	2019	15,791	287,468,474	167,422,416	191,697,040	646,603,721	0.3438	1,941,752,916	33.30%
2019	2020	17,374	293,305,529	171,864,320	203,379,920	668,567,143	0.3391	2,007,709,138	33.30%
2020	2021	12,069	305,497,029	175,708,210	214,927,470	696,144,778	0.3348	2,090,524,859	33.30%
2021	2022	8,420	319,354,300	180,849,800	225,858,760	726,071,280	0.3325	2,180,394,234	33.30%

Note: Property in the Village is reassessed each year. Property is assessed at 33.30% of actual value.

Data Source

Dupage County Clerk

VILLAGE OF ITASCA, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**
Debt limit	$ 48,760,505	$ 45,380,163	$ 44,188,770	$ 48,039,018	$ 50,836,564	$ 54,434,698	$ 55,769,571	$ 57,663,916	$ 60,042,487	$ 62,623,648
Total net debt applicable to limit	9,600,000	10,140,000	8,890,000	7,600,000	6,255,000	4,855,000	3,440,000	1,920,000	1,305,000	665,000
LEGAL DEBT MARGIN	$ 39,160,505	$ 35,240,163	$ 35,298,770	$ 40,439,018	$ 44,581,564	$ 49,579,698	$ 52,329,571	$ 55,743,916	$ 58,737,487	$ 61,958,648
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	19.69%	22.34%	20.12%	15.82%	12.30%	8.92%	6.17%	3.33%	2.17%	1.06%

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

VILLAGE OF ITASCA, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	Non-Home Rule Sales Tax Rate	DuPage County Water Commission	DuPage County	Regional Transportation Authority	State Rate	Total
2013	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2014	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2015	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2016	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2017	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2018	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%
2019	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%
2020	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%
2021	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%
2022	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%

Data Source

Department of Revenue

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois (the Village), as of and for the year ended April 30, 2022 and the related notes to financial statements, which collectively comprise the Village's basic financial statements, and have issued our report thereon dated December 15,2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
December 15, 2022

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND
(A FIDUCIARY COMPONENT UNIT OF THE VILLAGE OF ITASCA)

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022

VILLAGE OF ITASCA, ILLINOIS
POLICE PENSION FUND
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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Police Pension Fund
Village of Itasca, Illinois

Opinions

We have audited the accompanying financial statements of the Village of Itasca Police Pension Fund (the Fund), a fiduciary component unit of the Village of Itasca, Illinois (the Village) as of and for the year ended April 30, 2022 and the related notes to financial statements, which collectively comprise the basic financial statements of the Fund as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Village of Itasca Police Pension Fund, as of April 30, 2022, and the changes in fiduciary net position 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 (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America 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 Fund's 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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually, or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

The Fund has not presented a Management's Discussion and Analysis as required supplementary information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information listed in the table of contents 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 inquires 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.

Sikich LLP

Naperville, Illinois
December 15, 2022

BASIC FINANCIAL STATEMENTS

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND

STATEMENT OF FIDUCIARY NET POSITION

April 30, 2022

ASSETS	
Cash and short-term investments	$ 35,467
Investments, at fair value	
Mutual funds	10,840,570
Stock equities	1,499,156
U.S. Treasury securities	3,163,043
U.S. agency securities	457,534
Corporate bonds	2,335,501
Money market mutual funds	105,729
Receivables (net, where applicable, of allowances for uncollectibles)	
Accrued interest	34,298
Prepaids	23,820
Due from Village	28,655
Total assets	18,523,773
LIABILITIES	
Accounts payable	621
Total liabilities	621
NET POSITION RESTRICTED FOR PENSIONS	$ 18,523,152

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended April 30, 2022

ADDITIONS	
Contributions	
Employer contributions	$ 1,982,876
Employee contributions	208,341
Total contributions	2,191,217
Investment income	
Interest and dividends	700,044
Net decrease in fair value of investments	(2,454,031)
Total investment income	(1,753,987)
Less investment expense	(130,059)
Net investment income	(1,884,046)
Total additions	307,171
DEDUCTIONS	
Pension benefits	2,034,898
Administrative expenses	38,378
Total deductions	2,073,276
NET DECREASE	(1,766,105)
NET POSITION RESTRICTED FOR PENSIONS	
May 1	20,289,257
April 30	$ 18,523,152

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Police Pension Fund (the Fund), a pension trust fund of the Village of Itasca, Illinois (the Village), have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the accounting policies are described below.

a. Reporting Entity

The Fund is a fiduciary component unit of the Village of Itasca, Illinois (the Village) pursuant to GASB Statement Nos. 61 and 84 and is included in the Village's fiduciary fund financial statements.

b. Fund Accounting

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

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

c. Measurement Focus and Basis of Accounting

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Investments

Investments are stated at fair value at April 30, 2022. Securities traded on national exchanges are at the last reported sale price.

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

2. PLAN DESCRIPTION

a. Plan Administration

Police sworn personnel are covered by the Police Pension Plan (the Plan), which is a defined benefit single-employer pension plan. Although the Plan is considered a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are mandated by Illinois Compiled Statutes (ILCS), 40 ILCS 5/3 and may be amended only by the Illinois legislature.

The Fund 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.

b. Plan Membership

At April 30, 2022, the measurement date, membership consisted of:

Inactive plan members currently receiving benefits	27
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	21
TOTAL	49

2. PLAN DESCRIPTION (Continued)

c. Benefits Provided

The following is a summary of the Plan as provided for in ILCS:

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

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

2. PLAN DESCRIPTION (Continued)

d. Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Plan. However, the Village has been contributing 100% of the past service costs by 2040. For the year ended April 30, 2022, the Village's contribution was 94.32% of covered payroll.

3. INVESTMENTS

The deposits and investments of the Fund are held separately from those of the Village.

a. Investment Policy

ILCS limits the Fund's investments to those allowable by ILCS and require the Fund's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. ILCS and the Fund's investment policy authorize the Fund to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds. The Fund may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds, corporate equity and corporate debt securities and real estate investment trusts.

3. INVESTMENTS (Continued)

a. Investment Policy (Continued)

The Fund's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Cash	3.00%	(1.00%)
U.S. Fixed Income	32.00%	(0.36%)
U.S. Large Cap Equity	14.00%	3.54%
U.S. Mid Cap Equity	6.50%	4.74%
U.S. Small Cap Equity	4.50%	5.54%
International Developed Markets Equity	12.50%	5.89%
Emerging Markets Equity	8.50%	5.59%
Real Estate	10.00%	2.98%
Commodities	5.00%	2.03%
US Corp High Yield FI	4.00%	1.02%

ILCS limits the Fund's investments in equities, mutual funds, and variable annuities to 65%. Securities in any one company should not exceed 5% of the total fund. There were no changes to the investment policy during the year.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.40%) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2022 are listed in the table above.

b. Concentrations

There are no significant investments (other than United States Government guaranteed obligations) in any one organization that represent 5% or more of the Fund's investments.

3. INVESTMENTS (Continued)

c. Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (9.02%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

d. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

e. Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of April 30, 2022:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	$ 457,534	$ -	$ -	$ 22,036	$ 435,498
U.S. Treasury securities	3,163,043	123,315	1,694,424	587,261	758,043
Corporate bonds	2,335,501	35,212	515,198	1,405,368	379,723
TOTAL	$ 5,956,078	$ 158,527	$ 2,209,622	$ 2,014,665	$ 1,573,264

Interest rate risk is the risk that change in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Fund.

f. Fair Value Measurements

The Fund has the following recurring fair value measurements as of April 30, 2022. The mutual funds and corporate equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations and corporate bonds are valued using quoted prices of similar securities (Level 2 inputs).

3. INVESTMENTS (Continued)

g. Credit Risk

The Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government and investment grade corporate bonds rated by one of the two largest rating agencies. The U.S. agency obligations and corporate bonds are rated AA+ and BBB- to AA, respectively, by Standard and Poor's.

h. Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Fund requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investment held in a third party custodial account. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

4. PENSION LIABILITY OF THE VILLAGE

a. Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2022 were as follows:

Total pension liability	$	43,489,246
Plan fiduciary net position		18,523,152
Village's net pension liability		24,966,094
Plan fiduciary net position as a percentage of the total pension liability		42.59%

See the schedule of changes in the employer's net pension liability and related ratios on pages 16 and 17 of the required supplementary information for additional information related to the funded status of the Fund.

4. PENSION LIABILITY OF THE VILLAGE (Continued)

b. Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2022 using the following actuarial methods and assumptions.

Actuarial valuation date	April 30, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset valuation method	Fair value

Mortality rates were based on the PubS-2010 mortality projected five years past the valuation date with Scale MP-2021. The actuarial assumptions used in the April 30, 2022 valuation were based on the results of a 2022 actuarial experience study conducted by the Illinois Police Officers' Pension Investment Fund.

c. Discount Rate

The discount rate used to measure the total pension liability was 6.50% (6.50% prior year). 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 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 Fund'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.

4. PENSION LIABILITY OF THE VILLAGE (Continued)

d. Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.50%) or one percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	$ 31,222,059	$ 24,966,094	$ 19,872,819

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Actuarially determined contribution	$ 537,359	$ 576,591	$ 676,543	$ 694,619	$ 906,688	$ 1,131,221	$ 1,188,065	$ 1,630,283	$ 1,815,820	$ 1,979,295
Contributions in relation to the actuarially determined contribution	545,817	578,545	677,725	704,812	925,806	1,168,415	1,220,168	1,617,305	1,813,835	1,982,876
CONTRIBUTION DEFICIENCY (Excess)	$ (8,458)	$ (1,954)	$ (1,182)	$ (10,193)	$ (19,118)	$ (37,194)	$ (32,103)	$ 12,978	$ 1,985	$ (3,581)
Covered payroll	$ 1,998,734	$ 1,991,755	$ 2,148,640	$ 1,977,927	$ 1,869,508	$ 2,021,561	$ 2,132,165	$ 2,097,039	$ 2,131,862	$ 2,102,331
Contributions as a percentage of covered payroll	27.31%	29.05%	31.54%	35.63%	49.52%	57.80%	57.23%	77.12%	85.08%	94.32%

Notes to Required Supplementary Information

Valuation date: Actuarially determined contribution rates are calculated as of May 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%
Remaining amortization period	18 years
Asset valuation method	Five-year smoothed market
Inflation	2.50%
Salary increases	5.10%
Investment rate of return	6.50%
Retirement age	See Note 2 in the notes to financial statements
Mortality	Mortality rates were based on the PubS-2010 mortality with Scale MP-2018.

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND

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

Last Eight Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY								
Service cost	$ 360,963	$ 409,850	$ 397,093	$ 386,940	$ 409,935	$ 534,501	$ 528,569	$ 528,950
Interest	1,739,122	2,074,655	2,358,281	2,311,466	2,404,613	2,492,055	2,621,669	2,725,672
Changes of benefit terms	-	-	-	-	-	165,740	-	-
Differences between expected and actual experience	814,832	316,067	(1,824,410)	132,389	70,553	655,973	425,848	(46,955)
Changes of assumptions	1,724,772	1,935,023	-	-	5,192,883	-	-	(105,433)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)	(1,778,605)	(1,917,950)	(2,034,898)
Net change in total pension liability	3,598,537	3,479,324	(564,870)	1,244,897	6,427,755	2,069,664	1,658,136	1,067,336
Total pension liability - beginning	24,508,467	28,107,004	31,586,328	31,021,458	32,266,355	38,694,110	40,763,774	42,421,910
TOTAL PENSION LIABILITY - ENDING	$ 28,107,004	$ 31,586,328	$ 31,021,458	$ 32,266,355	$ 38,694,110	$ 40,763,774	$ 42,421,910	$ 43,489,246
PLAN FIDUCIARY NET POSITION								
Contributions - employer	$ 677,725	$ 704,812	$ 925,806	$ 1,168,415	$ 1,220,168	$ 1,617,305	$ 1,813,835	$ 1,982,876
Contributions - member	215,723	219,289	199,897	196,565	207,939	207,795	209,393	208,341
Net investment income	759,851	(410,736)	1,035,795	758,725	689,505	(284,242)	4,502,741	(1,884,046)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)	(1,778,605)	(1,917,950)	(2,034,898)
Administrative expense	(25,762)	(45,250)	(41,300)	(43,576)	(37,014)	(36,819)	(37,783)	(38,378)
Net change in plan fiduciary net position	586,385	(788,156)	624,364	494,231	430,369	(274,566)	4,570,236	(1,766,105)
Plan fiduciary net position - beginning	14,646,394	15,232,779	14,444,623	15,068,987	15,563,218	15,993,587	15,719,021	20,289,257
PLAN FIDUCIARY NET POSITION - ENDING	$ 15,232,779	$ 14,444,623	$ 15,068,987	$ 15,563,218	$ 15,993,587	$ 15,719,021	$ 20,289,257	$ 18,523,152
EMPLOYER'S NET PENSION LIABILITY	$ 12,874,225	$ 17,141,705	$ 15,952,471	$ 16,703,137	$ 22,700,523	$ 25,044,753	$ 22,132,653	$ 24,966,094

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	54.20%	45.70%	48.60%	48.20%	41.30%	38.60%	47.80%	42.60%
Covered-employee payroll	$ 2,148,640	$ 1,977,927	$ 1,869,508	$ 2,021,561	$ 2,132,165	$ 2,097,039	$ 2,131,862	$ 2,102,331
Employer's net pension liability as a percentage of the total pension liability	599.20%	866.70%	853.30%	826.20%	1,064.70%	1,194.30%	1,038.20%	1,187.50%

Notes to Required Supplementary Information

There was a change in assumptions in 2015 and 2016 to reflect revised mortality rates.

There was a change in assumptions in 2019 to reflect the change in interest rate assumption from 7.55% to 6.50%.

There was a change of benefit terms in 2020 was related to the use of actual spousal data and Tier II benefit changes.

There was a change in assumptions in 2022 to reflect changes in mortality, retirement, disability, termination, salary increases and assumed payroll growth rates.

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

POLICE PENSION FUND

SCHEDULE OF INVESTMENT RETURNS

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2015	2016	2017	2018	2019	2020	2021	2022
Annual money-weighted rate of return, net of investment expense	5.19%	(2.68%)	7.33%	5.00%	4.44%	(1.73%)	27.68%	(9.02%)

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

REPORT ON ALLOCATION OF PENSION AMOUNTS
FOR THE ILLINOIS MUNICIPAL RETIREMENT FUNDS

For the Year Ended April 30, 2022

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VILLAGE OF ITASCA, ILLINOIS
REPORT ON ALLOCATION OF PENSION AMOUNTS
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INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying Schedule of Employer Allocations of the Village of Itasca, Illinois (the Village) as of and for the year ended April 30, 2022, and the related notes. We have also audited the total for all entities of the columns net pension liability as of December 31, 2021, total deferred outflows of resources, total deferred inflows of resources, and total pension expense subject to allocation (specified column totals) included in the accompanying Schedule of Pension Amounts by Employer (Schedules) of the Village for the year ended December 31, 2021.

In our opinion, the schedules referred to above present fairly, in all material respect, the employer allocations as of and for the year ended April 30, 2022 and the total of all participating entities of the Village of Itasca, Illinois for net pension liability as of December 31, 2021, total deferred outflows of resources, total deferred inflows of resources, and total pension expense subjected to allocation for the total of all participating entities for the Village's participation in the Illinois Municipal Retirement Fund (IMRF) as of and for year ended December 31, 2021.

Basis for Opinions

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

Responsibilities of Management for the Schedule of Employer Allocations

Management is responsible for the preparation and fair presentation of these Schedules 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 the Schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Schedules

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for a reasonable period of time.

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

Other Matter

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Village as of and for the year ended April 30, 2022, and our report thereon, dated December 15, 2022, expressed an unmodified opinion on those financial statements.

Restriction on Use

Our report is intended solely for the information and use of the Village of Itasca and the Itasca Community Library and is not intended to be, and should not be, used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
December 15, 2022

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER ALLOCATIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended December 31, 2021

	Contributions	Actual
EMPLOYER		
Village of Itasca	$ 324,792	80.21%
Itasca Community Library	80,135	19.79%
TOTAL	$ 404,927	100.00%

The contribution allocations between the Village and the Library have not materially changed since the December 31, 2020 valuation. Therefore, the Village has chosen to use the prior allocation percentages on the Schedule of Pension Amounts by Employer for the Village and Library which were 80.21% and 19.79%, respectively.

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
ILLINOIS MUNICIPAL RETIREMENT FUND

For the Year Ended December 31, 2021

		Deferred Outflows of Resources				Deferred Inflows of Resources				
Entity	**Net Pension Liability/(Asset)**	**Differences Between Expected and Actual Experience**	**Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments**	**Changes of Assumptions**	**Total Deferred Outflows of Resources**	**Differences Between Expected and Actual Experience**	**Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments**	**Changes of Assumptions**	**Total Deferred Inflows of Resources**	**Proportionate Share of Plan Pension Expense/(Income)**
Village	$ (1,758,013)	$ 293,959	$ -	$ -	$ 293,959	$ -	$ 2,899,543	$ 54,331	$ 2,953,874	$ (299,450)
Library	(433,750)	72,528	-	-	72,528	-	715,397	13,405	728,802	(73,882)
TOTAL	$ (2,191,763)	$ 366,487	$ -	$ -	$ 366,487	$ -	$ 3,614,940	$ 67,736	$ 3,682,676	$ (373,332)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Itasca, Illinois (the Village) contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions and employer contributions for the plan is governed by Illinois Compiled Statutes (ILCS) and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at https://www.imrf.org/. As noted above, IMRF is an agent multiple-employer defined benefit pension plan. The Village and the Itasca Community Library (the Library), a non-employer contributing entity, both participate in the plan and therefore, the plan is treated as a cost-sharing plan.

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.

a. Nature of Schedules

Employers participating in a cost-sharing pension plan are required to recognize their proportionate share of the collective pension amounts for pension benefits provided to members through the IMRF plan.

GASB Statement No. 68, paragraph 92, states that in determining the employer's portion of the collective net pension liability (NPL), the basis should be consistent with the manner in which contributions to the pension plan, excluding those to separately finance specific liabilities of the individual employer to the Plan, are determine, which is consistent with paragraphs 48-51. GASB Statement No. 68, paragraph 92 further states that in determining the non-employer's proportion of the collective NPL and corresponding pension amounts, the Village should follow the terms to determine the specific relationship of the contribution requirements of the non-employer contributing entity (the Library) to those of the employer (the Village).

The Schedule of Employer Allocations presents the fiscal year 2021 contributions used within the proportionate share calculation for the Village and the Library and respective allocation percentage. The contribution allocations between the Village and the Library have not materially changed since the December 31, 2020 valuation. Therefore, the Village has chosen to use the prior allocation percentages on the Schedule of Pension Amounts by Employer for the Village and Library which were 80.21% and 19.79%, respectively.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Nature of Schedules (Continued)

The Schedule of Pension Amounts by Employer presents the proportionate share of total net pension liability, total deferred outflows of resources, total deferred inflows of resources and total pension expense. The pension expense includes the amortization of the differences between expected and actual economic and demographic experience, differences between actual and projected investment earnings (net) on investments and the impact of changes of assumptions and future economic or demographic factors or other inputs.

b. Measurement Focus and Basis of Accounting

The financial transactions are recorded using the economic resources measurement focus and the accrual basis of accounting.

c. Use of Estimates in the Preparation of the Schedules

The preparation of the IMRF schedules in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts, and the changes therein, and disclosures. Actual results could differ from those estimates and differences could be material. IMRF uses an actuary to determine the total pension liability for the defined benefit plan and to calculate the actuarially determined contributions of the Village and Library.

d. Basis of Allocation

In determining the proportionate share of the net pension liability and corresponding employer pension amounts for a cost-sharing plan, the basis should be consistent with the manner in which contributions to IMRF are determined. The Village has determined that the actual contributions made to IMRF during fiscal year 2022 are appropriate as the basis because they are representative of future contributions.

The NPL is the Village's total pension liability less the fiduciary net position. The NPL was determined by an actuarial valuation measured as of December 31, 2021. The Village allocates a portion of the NPL to the Library based on the allocation percentage calculated within the Schedule of Employer Allocations.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Pension Expense and Amortization of Expense

Pension expense, as well as deferred outflows of resources and deferred inflows of resources related to pensions, should be recognized for the Village and the Library's proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Deferred outflows of resources are the consumption of net assets that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position. Deferred inflows of resources are the acquisition of net assets that is applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position. Other than differences between projected and actual investment earnings, deferred inflows and outflows of resources are recognized in pension expense beginning in the current period, using a straight-line method over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through IMRF (active or inactive), determined as of the beginning of the measurement period.

Net deferred inflows (or outflows) of resources pertaining to differences between projected and actual investment earnings are similarly recognized over a closed five-year period.

The components of pension expense/(income) are:

Service cost	$ 314,692
Interest on the total pension liability	1,984,960
Employee contributions	(154,303)
Projected earnings on plan investments	(1,997,612)
Other changes in plan fiduciary net position	524,440
Recognition of deferred outflow (inflow) of resources due to liabilities	187,721
Recognition of deferred outflow (inflow) of resources due to Assets	(1,233,230)
TOTAL	$ (373,332)

The average of the expected remaining service lives of all members for calendar year 2021 is 2.6701 years.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Net Pension Liability/(Asset)

The net pension liability (asset) for fiscal year 2022 (measurement date December 31, 2021) is set forth in the following table:

NET PENSION (ASSET) (BEGINNING)	$ (289,140)
Total pension expense/(income)	(373,332)
Deferred outflows of resources	2,542,461
Deferred inflows of resources	(3,616,189)
Employer contributions	(455,563)
NET PENSION (ASSET) (ENDING)	$ (2,191,763)