

Village of Itasca, Illinois

Annual Financial Report

For the fiscal year ended April 30, 2011

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INTRODUCTORY SECTION

Village of Itasca, Illinois

PRINCIPAL OFFICIALS

April 30, 2011

PRESIDENT

Jeff Pruyn

TRUSTEES

Jeff Aiani
Ellen Leahy
Frank Madaras

Marty Hower
Michael Latoria
Lucy Santorsola

VILLAGE ADMINISTRATOR

Evan Teich

CLERK

Melody Craven

TREASURER

William Fates

FINANCIAL SECTION



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, 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, 2011, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Itasca, Illinois' management. Our responsibility is to express opinions on these basic financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois, as of April 30, 2011, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 20, 2011 on our consideration of Village of Itasca, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Itasca, Illinois' basic financial statements. The combining and individual fund statements presented as supplemental information and supplemental data listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the supplemental data section listed in the table of contents were not audited by us and, accordingly we express no opinion thereon.

A handwritten signature in black ink that reads "Schuch LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois
October 20, 2011

VILLAGE OF ITASCA
MANAGEMENT'S
DISCUSSION AND ANALYSIS

April 30, 2011

The management discussion and analysis is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

REPORTING THE VILLAGE AS A WHOLE

Government-wide Financial Statements

The Village's annual report includes two government-wide financial statements. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting at this level uses accounting similar to full accrual accounting used in the private sector. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the *Statement of Net Assets* that presents information about all of the Village's assets and liabilities, with the difference reported as *net assets*. Over a multi-year period, an increase or decrease in net assets can detect an improvement or deterioration in the financial position of the Village as a whole. 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.

The second government-wide statement is the *Statement of Activities*, which reports how the Village's net assets changed during the current fiscal year. All current year revenues and expenses are included regardless of when the cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include general government, public safety and public services. Business-type activities include, water and sewer utilities. 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 not accountable for any outside organizations, and, therefore, no adjustments were made to blend financial information from other legally separate entities into this report.

The government-wide financial statements are presented on pages 9-11 of this report.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is an accountability unit to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basis financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in later section of this report.

The Village has three kinds of funds:

Governmental funds are reported in the fund financial statements and encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund statements report short-term fiscal accountability focusing on the use of spendable resources and balances of spendable resources available at the end of the year. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term.

The government-wide financial statements provide a long-term view. Comparisons between the individual governmental fund statements and the government-wide statements provides information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances reconcile the differences between these two perspectives.

Budgetary comparison statements are included in the required supplemental information section for the General Fund. Budgetary comparison schedules for other funds can be found in a later section of this report. These statements and schedules demonstrate compliance with the Village's budget.

The basic government fund financial statements are presented on pages 12-16 of this report.

Proprietary funds reported in the fund financial statements are for those services for which the Village charges customers a fee. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customer's external to the Village organization such as those of the electric, water, and sewer utilities and refuse function.

Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by government-wide financial statements, but with more detail for major enterprise funds and individual component units.

The basic proprietary fund financial statements are presented on 17-20 of this report.

Fiduciary funds such as the employee pension plans are reported in the fiduciary fund financial statements, but are excluded from the government-wide reporting. Fiduciary fund financial statements report resources that are not available to fund Village programs. Fiduciary fund financial statements report similarly to proprietary funds.

The basic fiduciary fund financial statements are presented on pages 21-22 of this report.

Notes to the financial statements

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 25 of this report.

Other information

In addition to the basis financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's funding of pension benefit obligations to its employees and budgetary information.

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual schedules for non-major and internal service funds are presented in a subsequent section of this report beginning on page 71.

The Village's total primary government net assets decreased \$3,311,621 as shown on page 11 of the report.

STATEMENT OF NET ASSETS (IN MILLIONS)

	Governmental Activities		Business Type Activities		Total Primary Government	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Current & Other Assets	10.6	10.5	15.5	27.5	26.1	38.0
Capital Assets	98.7	101.6	43.7	17.7	142.4	119.3
Total Assets	<u>109.3</u>	<u>112.1</u>	<u>59.2</u>	<u>45.2</u>	<u>168.5</u>	<u>157.3</u>
Current Liabilities	3.8	4.3	4.7	3.6	8.5	7.9
Non-Current Liabilities	13.5	14.6	39.1	24.1	52.6	38.7
Total Liabilities	<u>17.3</u>	<u>18.9</u>	<u>43.8</u>	<u>27.7</u>	<u>61.1</u>	<u>46.6</u>
Net Assets						
Investment in Capital Assets net of related debt	86.1	88.0	18.2	15.1	104.3	103.1
Restricted	1.5	1.2	-	-	1.5	1.2
Unrestricted	4.4	4.0	(2.8)	2.4	1.6	6.4
Total Net Assets	<u>92.0</u>	<u>93.2</u>	<u>15.4</u>	<u>17.5</u>	<u>107.4</u>	<u>110.7</u>

The following table provides a summary of the Village's changes in net assets:

STATEMENT OF ACTIVITIES (IN MILLIONS)

	Governmental Activities		Business type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenue:						
Program Revenues						
Charges for Services	\$ 1.1	\$ 1.2	\$ 4.1	4.0	\$ 5.2	5.2
Grants & Contributions	0.2	0.1	-	5.0	0.2	5.1
General Revenues						
Hotel Tax	0.9	0.8	-	-	0.9	0.8
Property Taxes	2.8	3.6	-	-	2.8	3.6
Inter-government Taxes	6.3	6.3	-	-	6.3	6.3
Investment Income	0.1	0.1	0.2	0.1	0.3	0.2
Others	0.9	0.5	0.1	0.1	1.0	0.6
Total Revenues	<u>12.3</u>	<u>12.6</u>	<u>4.4</u>	<u>9.2</u>	<u>16.7</u>	<u>21.8</u>
Expense:						
General						
Government	3.0	3.2	-	-	3.0	3.2
Public Safety	5.0	4.5	-	-	5.0	4.5
Community Development	0.5	0.6	-	-	0.5	0.6
Public Works	4.6	7.3	-	-	4.6	7.3
Interest	0.5	0.6	1.4	0.6	1.9	1.2
Water & Sewer	-	-	5.0	4.6	5.0	4.6
Total Expenses	<u>13.6</u>	<u>16.2</u>	<u>6.4</u>	<u>5.2</u>	<u>20.0</u>	<u>21.4</u>
(Increase) Decrease in net assets	(1.3)	(3.6)	(2.0)	4.0	(3.3)	0.4

Financial Analysis of the Village's Funds

Governmental Funds

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$6.8 million, up \$.6 million from the prior year total of \$6.2 million. This increase is the result of a decrease in expenditures.

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unreserved fund balance of the General Fund increased \$.3 from \$3.6 million to \$3.9 million. The General Fund cash balance of \$3.3 million remains within the policy limits established by the Village Board.

Enterprise funds

The enterprise funds operated by the Village are the Water & Sewer. The Water Fund increased rates effective November 1, 2010. The Sewer Fund rates were increased as of November 1, 2010 to provide additional Village resources directed to improving storm water drainage.

General Fund Budgetary Highlights

The original budget for the General Fund was amended on April 26, 2011 and actual expenditures did not exceed the budgeted amount.

Capital assets

The Village established a policy of capitalizing assets with \$1,500 or more in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2011 was \$98.7 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of April 30, 2011 was \$43.8 million.

Additional information about capital assets can be found in Note F to the financial statements.

Long-term debt

At the end of the fiscal year, the Village had total bonded debt outstanding of \$52.6 million. Of this amount, \$5.9 million is funded directly from property taxes. 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, 2011 the Village debt represented 7.8 % of the equalized assessed value. Additional information about long-term debt can be found in Note G to the financial statements.

Bond Ratings

The Village's general obligation bonds are rated Aa3 by Moody's Investor Rating Service. The Village's General obligation certificates are rated A2 by Moody's Investor Rating Service. The ratings were last confirmed in August 2010.

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 and sales taxes and utility sales.

Contacting the Village's Financial Management

This financial report is designed to provide a general overview of the Village's finances, comply with finance-related laws and regulations, and demonstrate the Village's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Village's Administrator at 550 N. Irving Park Road, Itasca, IL. Or access the Village website at www.itasca.com.

BASIC FINANCIAL STATEMENTS

Village of Itasca, Illinois
STATEMENT OF NET ASSETS
April 30, 2011

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Itasca Community Library
ASSETS				
Cash and investments	\$ 6,151,602	\$ 14,298,641	\$ 20,450,243	\$ 954,111
Receivables				
Property taxes	2,689,825	-	2,689,825	1,559,904
Accounts	-	772,043	772,043	-
Sales and income taxes	1,233,470	-	1,233,470	-
Other	407,830	121,945	529,775	-
Due from primary government	-	-	-	6,013
Net pension asset	142,826	-	142,826	-
Unamortized bond issuance costs	-	252,334	252,334	33,100
Capital assets				
Capital assets not being depreciated	40,134,621	36,588,836	76,723,457	-
Capital assets net of accumulated depreciation	58,550,508	7,178,308	65,728,816	3,786,760
Total assets	109,310,682	59,212,107	168,522,789	6,339,888
LIABILITIES				
Accounts payable	174,772	4,259,824	4,434,596	15,974
Accrued payroll	138,811	36,007	174,818	30,979
Accrued interest	174,566	350,555	525,121	32,714
Unearned property taxes	2,689,825	-	2,689,825	1,559,904
Escrow deposits	640,044	-	640,044	-
Due to component unit	6,013	-	6,013	-
Due to Fiduciary funds	135	-	135	-
Due to other governments	24,764	-	24,764	-
Noncurrent liabilities				
Due within one year	1,116,293	-	1,116,293	195,089
Due in more than one year	12,379,504	39,142,853	51,522,357	2,278,703
Total liabilities	17,344,727	43,789,239	61,133,966	4,113,363
NET ASSETS				
Investment in capital assets, net of related debt	86,086,632	18,219,626	104,306,258	1,331,250
Restricted for public safety	66,378	-	66,378	-
Restricted for streets	315,492	-	315,492	-
Restricted for tourism	1,003,328	-	1,003,328	-
Restricted for debt service	146,018	-	146,018	13,108
Restricted for specific purpose	-	-	-	437,516
Unrestricted	4,348,107	(2,796,758)	1,551,349	444,651
Total net assets	\$ 91,965,955	\$ 15,422,868	\$ 107,388,823	\$ 2,226,525

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
STATEMENT OF ACTIVITIES
For the year ended April 30, 2011

		Program Revenues		
	Expenses	Charges for Services	Operating Grants	Capital Grants and Contributions
<u>Functions/Programs</u>				
Primary government:				
Governmental activities:				
General government	\$ 3,023,830	\$ -	\$ -	\$ -
Public safety	5,010,422	404,189	-	-
Community development	544,921	554,281	-	180,823
Public works	4,634,428	127,079	265,159	-
Interest expense	483,783	-	-	-
Total governmental activities	13,697,384	1,085,549	265,159	180,823
Business-type activities:				
Water and sewer	6,416,013	4,100,378	-	-
Total primary government	\$ 20,113,397	\$ 5,185,927	\$ 265,159	\$ 180,823
Component unit:				
Itasca Community Library	\$ 1,462,030	\$ 27,260	\$ 8,496	\$ -

General revenues:
Property taxes
Hotel taxes
Intergovernmental taxes
Miscellaneous
Unrestricted investment earnings

Total general revenues

Change in net assets

Net assets - beginning

Net assets - ending

Net (Expense) Revenue and Changes in Net Assets			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Itasca Community Library
\$ (3,023,830)	\$ -	\$ (3,023,830)	\$ -
(4,606,233)	-	(4,606,233)	-
190,183	-	190,183	-
(4,242,190)	-	(4,242,190)	-
<u>(483,783)</u>	<u>1,402,584</u>	<u>918,801</u>	<u>-</u>
<u>(12,165,853)</u>	<u>1,402,584</u>	<u>(10,763,269)</u>	<u>-</u>
<u>-</u>	<u>(2,315,635)</u>	<u>(2,315,635)</u>	<u>-</u>
<u>(12,165,853)</u>	<u>(2,315,635)</u>	<u>(13,078,904)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,426,274)</u>
2,845,048	-	2,845,048	1,514,974
893,270	-	893,270	-
6,289,842	-	6,289,842	33,138
824,101	117,357	941,458	32,445
<u>31,137</u>	<u>169,112</u>	<u>200,249</u>	<u>4,250</u>
<u>10,883,398</u>	<u>286,469</u>	<u>11,169,867</u>	<u>1,584,807</u>
(1,282,455)	(2,029,166)	(3,311,621)	158,533
<u>93,248,410</u>	<u>17,452,034</u>	<u>110,700,444</u>	<u>2,067,992</u>
<u>\$ 91,965,955</u>	<u>\$ 15,422,868</u>	<u>\$ 107,388,823</u>	<u>\$ 2,226,525</u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2011

	General	General Obligation 2008
ASSETS		
Cash and investments	\$ 3,346,987	\$ 45
Receivables		
Property taxes	1,834,629	770,571
Other	296,685	-
Sales and income taxes	1,233,470	-
Due from other funds	49,261	-
Total assets	\$ 6,761,032	\$ 770,616
LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$ 174,772	\$ -
Accrued payroll	138,811	-
Deferred property taxes	1,834,629	770,571
Escrow deposits	640,044	-
Due to component unit	6,013	-
Due to other funds	-	49,261
Due to fiduciary funds	135	-
Due to other governments	24,764	-
Compensated absences payable	27,971	-
Total liabilities	2,847,139	819,832
Fund balances		
Reserved for public safety	66,378	-
Reserved for debt service	-	-
Reserved for highway and streets	-	-
Reserved for tourism	-	-
Unreserved	3,847,515	(49,216)
Total fund balances (deficit)	3,913,893	(49,216)
Total liabilities and fund balances	\$ 6,761,032	\$ 770,616

Amounts reported for governmental activities in the statement of net assets are different because:
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

Some of the Village's expenses are paid before the services have occurred; therefore, these expenses are reported as net pension assets.

Long-term liabilities, including bonds payable, accrued interest, and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net assets of governmental activities

<u>Non- Major Funds</u>	<u>Total Governmental Funds</u>
\$ 2,804,570	\$ 6,151,602
84,625	2,689,825
111,145	407,830
-	1,233,470
<u>19,671</u>	<u>68,932</u>
\$ <u><u>3,020,011</u></u>	\$ <u><u>10,551,659</u></u>
\$ -	\$ 174,772
-	138,811
84,625	2,689,825
-	640,044
-	6,013
19,671	68,932
-	135
-	24,764
-	27,971
<u>104,296</u>	<u>3,771,267</u>
-	66,378
146,018	146,018
315,492	315,492
1,003,328	1,003,328
<u>1,450,877</u>	<u>5,249,176</u>
<u>2,915,715</u>	6,780,392
\$ <u><u>3,020,011</u></u>	
	98,685,129
	142,826
	<u>(13,642,392)</u>
	\$ <u><u>91,965,955</u></u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois

Governmental Funds

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

For the year ended April 30, 2011

	General	General Obligation 2008	Non- Major Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 1,969,601	\$ 782,074	\$ 93,373	\$ 2,845,048
Hotel taxes	-	-	893,270	893,270
Licenses and permits	554,281	-	-	554,281
Intergovernmental	6,289,842	-	-	6,289,842
Grants	180,823	-	265,159	445,982
Charges for services	127,079	-	-	127,079
Fines	404,189	-	-	404,189
Investment income	24,808	1,073	5,256	31,137
Miscellaneous	819,023	-	5,077	824,100
Total revenues	10,369,646	783,147	1,262,135	12,414,928
Expenditures				
Current				
General government	2,254,092	-	326,500	2,580,592
Public safety	4,842,148	-	-	4,842,148
Community development	537,172	-	-	537,172
Public works	1,885,239	-	-	1,885,239
Debt service				
Principal	425,000	575,000	50,000	1,050,000
Interest and fiscal agent fees	271,111	205,513	36,850	513,474
Issuance costs	99,143	-	-	99,143
Capital outlay	-	-	379,204	379,204
Total expenditures	10,313,905	780,513	792,554	11,886,972

	General	General Obligation 2008	Non- Major Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	\$ 55,741	\$ 2,634	\$ 469,581	\$ 527,956
Other financing sources (uses)				
Transfers in	188,328	-	-	188,328
Bonds issued	6,955,000	-	-	6,955,000
Bond premium	434,323	-	-	434,323
Payment to escrow agent	(7,290,180)	-	-	(7,290,180)
Transfer (out)	-	-	(188,328)	(188,328)
Total other financing sources (uses)	287,471	-	(188,328)	99,143
Net change in fund balances	343,212	2,634	281,253	627,099
Fund balances (deficit) - beginning of year	3,570,681	(51,850)	2,634,462	6,153,293
Fund balances (deficit) - end of year	\$ 3,913,893	\$ (49,216)	\$ 2,915,715	\$ 6,780,392

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois

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

For the year ended April 30, 2011

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$	627,099
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.		(2,984,483)
The change in the net pension asset is reported as an expense on the statement of activities.		(11,780)
The issuance of long-term debt (e.g., bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and increases in compensated absences consume the current financial resources of governmental funds.		<u>1,086,709</u>
Change in net assets of governmental activities.	\$	<u><u>(1,282,455)</u></u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
 Proprietary Fund - Water and Sewer
 STATEMENT OF NET ASSETS
April 30, 2011

ASSETS

Current assets

Cash and investments	\$ 14,298,641
Accounts receivable - trade	772,043
Interest receivable	<u>121,945</u>

Total current assets 15,192,629

Capital assets

Cost	60,656,152
Less: accumulated depreciation	<u>16,889,008</u>

Net capital assets 43,767,144

Other asset

Unamortized bond issuance cost s- net	<u>252,334</u>
---------------------------------------	----------------

Total assets 59,212,107

LIABILITIES

Current liabilities

Accounts payable	4,259,824
Accrued payroll	36,007
Accrued interest	<u>350,555</u>

Total current liabilities 4,646,386

Noncurrent liabilities

Bonds payable	24,000,000
IEPA loan payable	15,000,000
Compensated absences payable	<u>142,853</u>

Total noncurrent liabilities 39,142,853

Total liabilities 43,789,239

NET ASSETS

Invested in capital assets, net of related debt	18,219,626
Unrestricted	<u>(2,796,758)</u>

\$ 15,422,868

Total net assets

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
Proprietary Fund - Water and Sewer
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
For the year ended April 30, 2011

<hr/>	
Operating revenues	
Charges for services	
Water fees	\$ 2,031,993
Sewer fees	2,068,385
Miscellaneous	<u>117,357</u>
Total operating revenues	<u>4,217,735</u>
Operating expenses excluding depreciation	
Salaries/stipends	1,036,486
Payroll taxes	199,036
Employee benefits	224,085
General operating	1,458,521
Repairs and maintenance	393,034
Professional services	140,528
Special services	165,453
Insurance	52,140
Capital	<u>549,611</u>
Total operating expenses excluding depreciation	<u>4,218,894</u>
Operating income (loss) before depreciation	(1,159)
Depreciation and amortization	<u>794,535</u>
Operating income (loss)	<u>(795,694)</u>
Nonoperating revenue and expense	
Interest expense	(1,402,584)
Investment income	<u>169,112</u>
Total nonoperating revenue and expense	<u>(1,233,472)</u>
Change in net assets	(2,029,166)
Net assets - beginning of year	<u>17,452,034</u>
Net assets - end of year	<u>\$ 15,422,868</u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
Proprietary Fund - Water and Sewer
STATEMENT OF CASH FLOWS
For the year ended April 30, 2011

<hr/>	
Cash flows from operating activities	
Receipts from customers and users	\$ 4,169,946
Payments to suppliers	(2,105,015)
Payments to employees	<u>(1,035,850)</u>
Net cash from operating activities	<u>1,029,081</u>
Cash flows from noncapital financing activities	
Capital grant received	3,310,439
DuPage Water Commission rebate	<u>-</u>
Net cash from noncapital financing activities	<u>3,310,439</u>
Cash flows from capital and related financing activities	
Capital assets purchased	(26,803,843)
IEPA loan proceeds	15,000,000
Interest paid on bonds payable	<u>(1,402,584)</u>
Net cash from capital and related financing activities	<u>(13,206,427)</u>
Cash flows from investing activities	
Sale of investments	8,436,377
Interest received	<u>81,465</u>
Net cash from investing activities	<u>8,517,842</u>
Net increase (decrease) in cash and equivalents	(349,065)
Cash and equivalents	
Beginning of year	<u>776,386</u>
End of year	\$ <u><u>427,321</u></u>
Reconciliation to statement of net assets	
Cash and equivalents	\$ 427,321
Investments	<u>13,871,320</u>
Cash and investments	\$ <u><u>14,298,641</u></u>
Supplemental schedule of noncash capital and related financing activities:	
Contribution of capital assets from governmental funds	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

(Continued)

Village of Itasca, Illinois
Proprietary Fund - Water and Sewer
STATEMENT OF CASH FLOWS (Continued)
For the year ended April 30, 2011

Cash flows from operating activities	
Operating income (loss)	\$ (795,694)
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation and amortization	794,535
Changes in assets and liabilities	
Accounts receivable	(47,789)
Accounts payable	1,077,393
Accrued payroll	1,083
Compensated absences	<u>(447)</u>
Net cash from operating activities	<u>\$ 1,029,081</u>

The accompanying notes are an integral part of this statement.

(Concluded)

Village of Itasca, Illinois
Fiduciary Fund - Police Pension
STATEMENT OF PLAN NET ASSETS
April 30, 2011

ASSETS	
Cash and short-term investments	\$ 709,293
Due from corporate	-
Real estate tax receivable	-
Investments, at fair value	
Corporate bonds	148,093
Mutual funds	2,623,646
U.S. Treasury securities	1,490,549
U.S. Agency securities	4,332,059
Corporate equity securities	3,623,817
Receivable (net, where applicable, of allowances for uncollectibles)	
Accrued interest	35,374
Due from general fund	<u>135</u>
Total assets	<u>\$ 12,962,966</u>
Plan net assets	
Reserved for employee pension benefits	<u>\$ 12,962,966</u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
 Fiduciary Fund - Police Pension
 STATEMENT OF CHANGES IN PLAN NET ASSETS
 For the year ended April 30, 2011

Additions	
Employer contributions	\$ 606,037
Employee contributions	<u>204,698</u>
Total contributions	<u>810,735</u>
Investment income	
Interest and dividend income	314,861
Net appreciation in fair value of investments	1,157,931
Unrealized gains on investments	<u>-</u>
Total investment income	1,472,792
Less investment expense	<u>(90,683)</u>
Net investment income	<u>1,382,109</u>
Total additions	<u>2,192,844</u>
Deductions	
Benefit payments	722,631
Administrative expenses	<u>25,036</u>
Total deductions	<u>747,667</u>
Net increase in plan net assets	1,445,177
Plan net assets at beginning of year	<u>11,517,789</u>
Plan net assets at end of year	<u>\$ 12,962,966</u>

The accompanying notes are an integral part of this statement.

Village of Itasca, Illinois
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April 30, 2011

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Village of Itasca, Illinois
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April 30, 2011

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Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - 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 (GAAP) as applied to governmental units. 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.

1. 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 and its component unit. Component units are entities for which the Village is considered to be financially accountable. "Blended" component units, although legally separate entities, are, in substance, part of the Village's operations. Therefore, data from these units are combined with data of the primary government. On the other hand, "discretely presented" component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Village.

Discretely Presented Component Unit

The Itasca Community Library (the Library) is governed by an elected Library Board of Trustees and provides services to residents, generally within the geographic boundaries of the Village. The Library Board selects management staff, establishes budgets, and otherwise directs the affairs of the Library. The Library Board cannot issue general obligation bonds on its own behalf. The Library is primarily funded by property taxes levied by the Village on behalf of the Library. The Library has an April 30 year-end.

The Village's government-wide financial statements include the financial statements of the Library. The Library is reported in a separate column to emphasize that it is legally separate from the Village. Complete financial statements for the Library can be obtained directly from its administrative offices: Itasca Community Library, 500 W. Irving Park Road, Itasca, Illinois 60143.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-Wide and Fund Financial Statements

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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.

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 are reported as separate columns in the fund financial statements. Nonmajor funds are reported in the supplementary information.

3. Fund Accounting

The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used for aid management in demonstrating compliance with financial, legal, and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

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

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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 government (internal service funds).

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both "measurable" and "available." Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales and telecommunication taxes which use a 90-day period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded when payment is due.

Property, sales, and telecommunication 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. Fines and permit revenues are considered to be measurable and available only when cash is received by the Village.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 required to be accounted for in another fund.

The *General Obligation 2008 Fund* accounts for the principal and interest payments of the Series 2008 general obligation bonds.

The Village reports the following major and only 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.

Additionally, the Village reports the following fund:

The *Police Pension Trust 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.

The Village's enterprise fund applies all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case, GASB prevails.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as program revenues include charges to customers for goods, services, or privileges provided.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charges to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

5. Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents.

6. Investments

Short-term investments are stated at cost or amortized cost plus accrued interest. Long-term investments (those with original maturities over one year) are recorded at fair value.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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 estimated fair market 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.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Years</u>
Buildings and improvements	10 - 50
Machinery, equipment, and furniture	7 - 10
Transportation equipment	10
Infrastructure	20 - 50
Water and sewer system	40
Books and audio-visual materials	5 - 7

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Interfund Transactions

Numerous transactions between funds occur during the normal course of operations, including expenditures and transfers of resources to provide services, construct assets, and service debt. The financial statements generally reflect such transactions as transfers. Interfund receivables and payables remaining at the balance sheet date are classified as “due from other funds” and “due to other funds.”

9. Compensated Absences

The Village’s employees earn vacation leave pay, which generally must be taken within the next two years following its accumulation. Eleven 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.

10. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

11. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Fund Equity (Continued)

Designations of fund balance, if any represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the restricted net assets result from the Village's enabling legislation. Invested in capital assets, net of related debt is the book value of the capital assets, net of any debt outstanding that was issued to construct or acquire the capital assets.

12. 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.

13. 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 employee health risks, workers' compensation, and liability coverages.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets

The governmental funds balance sheet includes a reconciliation between fund balance - total governmental funds and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Long-term liabilities, including bonds payable and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds." The details of this difference are as follows:

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Assets (Continued)

General obligation bonds, net of deferred items	\$	5,062,727
General obligation certificates, net of deferred items		6,820,769
Special service area bonds		715,000
Accrued interest payable		174,566
Compensated absences		858,920
Net other postemployment benefit obligation		<u>10,410</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets of governmental activities	\$	<u><u>13,642,392</u></u>

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$	178,145
Depreciation expense		<u>(3,162,628)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u><u>(2,984,483)</u></u>

Another element of that reconciliation states that “The issuance of long-term debt (e.g., bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and increases in compensated absences consume the current financial resources of governmental funds.” The details of this difference are as follows:

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS
(Continued)

2. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities (Continued)

Principal repayments		
General obligation bonds	\$	575,000
General obligation certificates		425,000
Special service area bonds		50,000
Bond issuance costs less amortization		(10,909)
Bond premium		24,231
Compensated absences		(9,734)
Increase in net other postemployment benefit obligation		3,431
Change in accrued interest		<u>29,690</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$	<u><u>1,086,709</u></u>

NOTE C - COMPLIANCE - DEFICIT FUND EQUITY

The following funds had a deficit balance at April 30, 2011:

Fund	Deficit
General Obligations 2008	\$ 49,216
Spring Lake Special Service Area - Debt Service Fund	18,677

NOTE D - DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by most funds. Each fund's portion of this pool is displayed on the combined balance sheet as "cash and cash equivalents." In addition, investments are separately held by several of the Village's funds. The Village's investment policy and state statutes allow the Village to invest in the following:

- Securities issued or guaranteed by the United States.
- Interest-bearing accounts of banks and savings and loan associations insured up to \$250,000 by the Federal Deposit Insurance Corporation.
- Short-term obligations (less than 180 days) of U.S. corporations with assets over \$500 million and rated in the highest classification by at least two rating agencies.
- Insured accounts of an Illinois credit union chartered under United States or Illinois law.
- Money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same types of obligations.
- Illinois Funds.
- Repurchase agreements which meet instrument transaction requirements of Illinois law.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

1. Deposits

The deposits and investments of the Police Pension Fund is held separately from those of other Village funds. In addition to the aforementioned investments, the police pension investment policy permits investments in the following instruments:

- General accounts of Illinois-licensed life insurance companies.
- Separate accounts of Illinois-licensed insurance companies invested in stocks, bonds, and real estate, limited to 10% of the fund's investments.
- Bonds issued by any county, city, township, village, incorporated town, municipal corporation, or school district in Illinois.
- Tax anticipation warrants issued by any city, township, village, incorporated town, or fire protection district in Illinois.
- Equity accounts up to a limit of 45% of the aggregate fair value of the fund's assets.
- Direct obligations of the State of Israel.

In addition, pension funds with net assets of \$2.5 million or more may invest up to 35% of plan net assets in a separate account of life insurance companies and mutual funds. If pension funds have net assets of at least \$5 million and have an appointed investment advisor, the pension funds may, through that investment advisor, invest up to 35% of the plan's net assets in common and preferred stocks which meet specific restrictions.

As of April 30, 2011, the Village's cash and investments consisted of the following:

	Government - Wide	Fiduciary	Total
Cash and investments	\$ 20,450,243	\$ 12,927,457	\$ 33,377,700

For disclosure purposes, this amount is segregated into three components: (1) cash on hand; (2) deposits with financial institutions, which include amounts held in demand accounts and savings accounts; and (3) other investments, which consist of investments in the Governmental Cash Investment Fund, certificates of deposit, Federal National Mortgage Association, Federal Home Loan Bank, money markets, U.S. Government treasuries, mutual funds, and common stocks as follows:

	Total
Cash on hand	\$ 774
Deposits with financial institutions - Village	17,108,954
Deposits with financial institutions - Police Pension Fund	709,294
Other investments - Village	3,340,515
Police Pension Fund - other investments	12,218,163
Total	\$ 33,377,700

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

1. Deposits (Continued)

As of April 30, 2011, the Village has the following investment in debt securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>1-5</u>
Governmental Cash Investment Fund	\$ 2,043,293	\$ 2,043,293	\$ -
U.S. Agency obligations	2,041,641	2,041,641	-
Negotiable CD's	11,155,738	11,155,738	-
Illinois Funds	<u>1,297,222</u>	<u>1,297,222</u>	<u>-</u>
Total	\$ <u>16,537,894</u>	\$ <u>16,537,894</u>	\$ <u>-</u>

As of April 30, 2011, the Library has the following investment in debt securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>	
		<u>Less than 1</u>	<u>More than 1</u>
Illinois Funds	\$ <u>126,851</u>	\$ <u>126,851</u>	\$ <u>-</u>
Total	\$ <u>126,851</u>	\$ <u>126,851</u>	\$ <u>-</u>

As of April 30, 2011, the Police Pension Fund has the following investment in debt securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years)</u>			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S. Agency obligations	\$ 4,332,059	\$ -	\$ -	\$ -	\$ 4,332,059
U.S. Treasury obligations	1,490,549	351,527	354,963	56,228	727,831
Corporate bonds	148,093	-	148,093	-	-
Money market/mutual funds	<u>460,689</u>	<u>460,689</u>	<u>-</u>	<u>-</u>	<u>-</u>
	\$ <u>6,431,390</u>	\$ <u>812,216</u>	\$ <u>503,056</u>	\$ <u>56,228</u>	\$ <u>5,059,890</u>

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

2. Interest Rate Risk

The Police Pension Fund investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The objective is the preservation of capital while providing for the long-term growth of principal without undue exposure to risk.

3. Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. As of April 30, 2011, the Village's investments in Federal National Mortgage Association and Federal Home Loan Bank bonds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Illinois Funds' fair value of the position in the external investment pool is the same as the value of the pool shares and these investments are not subject to risk categorization and conform to the Illinois Public Funds Act. The fund is managed by the financial institution in which it is held.

The Police Pension Fund's investment policy does not impose additional limits on investment choices.

4. 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.

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.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Police Pension Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Police Pension Fund deposits may not be return to it. The Police Pension Fund 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 Police Pension Fund in the Police Pension Fund's name.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

5. Concentration of Credit Risk

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; U.S. 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.

It is the policy of the Police Pension Fund 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 Police Pension Fund's investment policy requires the Police Pension Fund to diversify its investments by asset class (equities, bonds, and cash equivalents) and within equities by economic sector, industry, quality, size, investment style, etc. Diversification by asset allocation is as follows: Large Cap Growth - 7% minimum, 10% preferred, 13% maximum; Large Cap Value - 7% minimum, 10% preferred, 13% maximum; Small/Midcap Growth - 5% minimum, 7.5% preferred, 10% maximum; Small/Midcap Value - 5% minimum, 7.5% preferred, 10% maximum; International Growth - 1% minimum, 2.5% preferred, 4% maximum; International Value - 1% minimum, 2.5% preferred, 4% maximum; and Fixed Income and Cash - 55% minimum, 60% preferred, 65% maximum.

NOTE E - RECEIVABLES

1. Property Taxes

Property taxes for 2010 attached as an enforceable lien on January 1, 2010 on property values assessed as of the same date and are recorded as receivables and deferred revenue at April 30, 2011. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2009 (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, 2010. The County collects such taxes and remits them periodically. The 2011 tax levy, which attached as an enforceable lien on property as of January 1, 2011, has not been recorded as a receivable as of April 30, 2011 as the tax has not yet been levied by the Village and will not be levied until December 2011 and, therefore, the levy is not measurable at April 30, 2011.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE E - RECEIVABLES (Continued)

2. Other

Other receivables consist of the following receivables at April 30, 2011.

Governmental activities		
Other miscellaneous receivables	\$	296,685
Hotel tax		94,010
Motor fuel tax		<u>17,135</u>
Total governmental activities	\$	<u><u>407,830</u></u>

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 was as follows:

1. Governmental Activities

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land	\$ 40,043,247	\$ 91,374	\$ -	\$ 40,134,621
Total capital assets, not being depreciated	<u>40,043,247</u>	<u>91,374</u>	<u>-</u>	<u>40,134,621</u>
Capital assets, being depreciated				
Buildings and improvements	19,057,217	-	-	19,057,217
Machinery and equipment	673,455	-	-	673,455
Transportation equipment	1,396,337	-	-	1,396,337
Infrastructure	<u>109,608,410</u>	<u>86,771</u>	<u>-</u>	<u>109,695,181</u>
Total capital assets being depreciated	<u>130,735,419</u>	<u>86,771</u>	<u>-</u>	<u>130,822,190</u>
Less accumulated depreciation for:				
Buildings and improvements	4,730,959	269,132	-	5,000,091
Machinery and equipment	408,430	45,920	-	454,350
Transportation equipment	918,619	88,629	-	1,007,248
Infrastructure	<u>63,051,046</u>	<u>2,758,947</u>	<u>-</u>	<u>65,809,993</u>
Total accumulated depreciation	<u>69,109,054</u>	<u>3,162,628</u>	<u>-</u>	<u>72,271,682</u>
Total capital assets being depreciated, net	<u>61,626,365</u>	<u>(3,075,857)</u>	<u>-</u>	<u>58,550,508</u>
Governmental activities capital assets, net	<u>\$ 101,669,612</u>	<u>\$ (2,984,483)</u>	<u>\$ -</u>	<u>\$ 98,685,129</u>

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Land and improvements	\$ 1,335,645	\$ -	\$ -	\$ 1,335,645
Construction in progress	<u>9,068,457</u>	<u>26,516,360</u>	<u>331,626</u>	<u>35,253,191</u>
Total capital assets, not being depreciated	<u>10,404,102</u>	<u>26,516,360</u>	<u>331,626</u>	<u>36,588,836</u>
Capital assets, being depreciated				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,484,798	-	-	1,484,798
Water and sewer system	<u>21,463,243</u>	<u>619,109</u>	<u>-</u>	<u>22,082,352</u>
Total capital assets being depreciated	<u>23,448,208</u>	<u>619,109</u>	<u>-</u>	<u>24,067,317</u>
Less accumulated depreciation for:				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,015,222	72,306	-	1,087,528
Water and sewer system	<u>14,590,965</u>	<u>710,349</u>	<u>-</u>	<u>15,301,314</u>
Total accumulated depreciation	<u>16,106,354</u>	<u>782,655</u>	<u>-</u>	<u>16,889,009</u>
Total capital assets being depreciated, net	<u>7,341,854</u>	<u>(163,546)</u>	<u>-</u>	<u>7,178,308</u>
Business-type activities capital assets, net	<u>\$ 17,745,956</u>	<u>\$ 26,352,814</u>	<u>\$ 331,626</u>	<u>\$ 43,767,144</u>

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE F - CAPITAL ASSETS (Continued)

3. Component Unit - Library

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Capital assets, not being depreciated				
Construction in progress	\$ -	\$ -	\$ -	\$ -
Capital assets, being depreciated				
Buildings and improvements	4,970,920	19,074	-	4,989,994
Equipment, furniture, and fixtures	231,214	7,985	-	239,199
Books and audio visual material	23,715	-	-	23,715
Total capital assets, being depreciated	<u>5,225,849</u>	<u>27,059</u>	<u>-</u>	<u>5,252,908</u>
Less accumulated depreciation for:				
Buildings and improvements	1,144,733	124,123	-	1,268,856
Equipment, furniture, and fixtures	163,375	11,276	-	174,651
Books and audio visual material	21,567	1,074	-	22,641
Total accumulated depreciation	<u>1,329,675</u>	<u>136,473</u>	<u>-</u>	<u>1,466,148</u>
Total capital assets, being depreciated, net	<u>3,896,174</u>	<u>(109,414)</u>	<u>-</u>	<u>3,786,760</u>
Total library capital assets, net	<u>\$ 3,896,174</u>	<u>\$ (109,414)</u>	<u>\$ -</u>	<u>\$ 3,786,760</u>

4. Depreciation Expense

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

Governmental activities:	
General government	\$ 143,270
Public safety	84,277
Community development	7,749
Public works	<u>2,927,332</u>
Total depreciation expense - governmental activities	<u>\$ 3,162,628</u>

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE G - LONG-TERM DEBT

1. Changes in Long-Term Liabilities

Long-term liability activity for the year ended April 30, 2011, is as follows:

a. Primary Government - Governmental Activities

	Interest Rate	Final Maturity Date	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
General Obligation Bonds							
Series 2008B	3.00 - 4.00%	12/15/2018	\$ 5,725,000	\$ -	\$ 575,000	\$ 5,150,000	\$ 575,000
Less deferred amounts:							
Series 2008B			(98,182)	-	(10,909)	(87,273)	(10,909)
			<u>5,626,818</u>	<u>-</u>	<u>564,091</u>	<u>5,062,727</u>	<u>564,091</u>
General Obligation Certificates							
Series 2002	3.70 - 4.50%	12/1/2022	<u>7,270,000</u>	<u>-</u>	<u>7,270,000</u>	<u>-</u>	<u>-</u>
General Fund Refunding Certificates							
Series 2010	2% to 4%	12/1/2022	-	6,955,000	425,000	6,530,000	450,000
Plus deferred amounts							
Series 2010			-	315,000	24,231	290,769	24,231
			<u>-</u>	<u>7,270,000</u>	<u>449,231</u>	<u>6,820,769</u>	<u>474,231</u>
Special Service Area Bonds							
Series 2006		12/15/2021	<u>765,000</u>	<u>-</u>	<u>50,000</u>	<u>715,000</u>	<u>50,000</u>
			<u>765,000</u>	<u>-</u>	<u>50,000</u>	<u>715,000</u>	<u>50,000</u>
Compensated absences payable			893,796	-	6,905	886,891	27,971
Net postemployment benefit obligation			6,936	3,474	-	10,410	-
Total			<u>\$ 14,562,550</u>	<u>\$ 7,273,474</u>	<u>\$ 8,340,227</u>	<u>\$ 13,495,797</u>	<u>\$ 1,116,293</u>

b. Primary Government - Business-Type Activities

General Obligation Bonds Series 2009A	\$ 24,000,000	\$ -	\$ -	\$ 24,000,000	\$ -
Illinois EPA bonds	-	15,000,000	-	15,000,000	-
Compensated absences payable	143,301	142,853	143,301	142,853	-
Total	<u>\$ 24,143,301</u>	<u>\$ 15,142,853</u>	<u>\$ 143,301</u>	<u>\$ 39,142,853</u>	<u>\$ -</u>

c. Component Unit - Governmental Activities

General Obligation Bonds							
Series 2008A	4.25 - 4.50%	12/15/2023	\$ 1,750,000	\$ -	\$ -	\$ 1,750,000	\$ -
Series 2008B	3.00 - 4.00%	12/15/2018	465,000	-	150,000	315,000	155,000
Mortgage payable	3.95%	5/20/2008	371,425	-	38,322	333,103	40,089
Compensated absences payable			16,586	-	-	16,586	-
Unamortized bond premium			74,949	-	5,353	69,596	-
Unamortized refunding loss			(13,126)	-	(937)	(12,189)	-
Net postemployment benefit obligation			1,112	584	-	1,696	-
Total			<u>\$ 2,665,946</u>	<u>\$ 584</u>	<u>\$ 192,738</u>	<u>\$ 2,473,792</u>	<u>\$ 195,089</u>

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE G - LONG-TERM DEBT (Continued)

2. 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.

3. Debt Service Requirements to Maturity

	Primary Government			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2012	\$ 1,075,000	\$ 1,867,731	\$ 2,942,731	\$ 195,089	\$ 99,651	\$ 294,740
2013	1,110,000	1,837,796	2,947,796	201,702	93,001	294,703
2014	1,465,000	1,806,755	3,271,755	173,379	86,124	259,503
2015	1,515,000	1,754,709	3,269,709	180,124	78,854	258,978
2016	1,560,000	1,698,230	3,258,230	186,939	71,301	258,240
2017-2021	7,315,000	7,506,138	14,821,138	900,870	239,296	1,140,166
2022-2026	3,995,000	6,159,286	10,154,286	560,000	51,075	611,075
2027-2031	3,410,000	5,247,170	8,657,170	-	-	-
2032-2036	8,340,000	3,697,960	12,037,960	-	-	-
2037-2039	6,610,000	836,380	7,446,380	-	-	-
	<u>\$ 36,395,000</u>	<u>\$ 32,412,155</u>	<u>\$ 68,807,155</u>	<u>\$ 2,398,103</u>	<u>\$ 719,302</u>	<u>\$ 3,117,405</u>

The debt service maturity schedule for the Illinois EPA bonds is not yet available.

4 Refunding

On June 10, 2010, the Village issued \$6,955,000 General Obligation Refunding Certificates, Series 2010, dated June 10, 2010, with principal maturing December 1, 2010 - 2022, ranging from \$425,000 to \$665,000, interest payable semiannually each June 1 and December 1, commencing December 1, 2010 at rates of 2.00% to 4.00%. \$7,290,180 of the proceeds of the bonds, including reoffering premium, have been deposited into an irrevocable trust to currently refund, through an in-substance defeasance, \$7,270,000 of the Series 2002 Debt Certificates. Through the refunding the Village reduced its overall debt service by \$632,001 and had an economic gain of \$523,216.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE H - INTERFUND BALANCES AND TRANSFERS

Individual interfund balances at April 30, 2011 are shown as follows:

	Interfund Receivables	Interfund Payables
General Fund		
General Obligation 2008 Fund	\$ 49,261	\$ -
Total General Fund	49,261	-
Debt Service Funds		
General Obligation 2008 Fund		
General Fund	-	49,261
Total General Obligation 2008 Fund	-	49,261
Spring Lake Special Service Area Fund - Debt Service		
Spring Lake SSA - Capital Projects	-	19,671
Total Debt Service Funds	-	68,932
Capital Projects Fund		
Spring Lake Special Service Area Capital Projects Fund		
Spring Lake Special Service Area Debt Service Fund	19,671	-
Total Capital Projects Funds	19,671	-
	\$ 68,932	\$ 68,932

These balances resulted from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Individual interfund transfers during the fiscal year ended April 30, 2011 were as follows:

	Transfers	
	In	Out
General Fund	\$ 188,328	\$ -
Hotel Tax Fund	-	188,328
Total transfers	\$ 188,328	\$ 188,328

The transfer from the Hotel Tax Fund was to support the nature center activities and will not be repaid.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE I - CONTINGENT LIABILITIES

1. 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.

2. 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.

NOTE J - COMMITMENTS

1. 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.

The Village has committed to purchase water from the DuPage Water Commission. The Village expects to pay the following minimum amounts:

<u>Fiscal Year Ending April 30,</u>	<u>Amount</u>
2012	\$ 122,077
2013	122,077
2014	122,077
2015	122,077
2016	<u>122,077</u>
	<u>\$ 610,385</u>

These amounts have been calculated using the Village's current allocation percentage of 1.7083%. In future years, this allocation percentage will be subject to change.

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

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE K - EMPLOYEE RETIREMENT SYSTEMS

1. Illinois Municipal Retirement Fund

Plan Descriptions and Provisions

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan, that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount up 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 participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2010 was 11.22% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The amortization period at December 31, 2010 was 30 years.

For the year ended April 30, 2011, the Village's annual pension cost of \$307,689 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2008 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

Plan Descriptions and Provisions (Continued)

TREND INFORMATION

Annual Required Contribution (ARC)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 307,689	100 %	\$ -
2010	243,001	100	-
2009	245,125	100	-

The funded status of the plan at April 30, 2011, based on actuarial valuations performed as of December 31, 2010 for IMRF is as follows. The actuarial assumptions used to determine the employer APC of the plan as disclosed above.

	<u>Illinois Municipal Retirement</u>
Actuarial accrued liability (AAL)	\$ 12,052,737
Actuarial value of plan assets	9,658,890
Unfunded actuarial accrued liability (UAAL)	2,393,847
Funded ratio (actuarial value of plan assets/AAL)	80.14%
Covered payroll (active plan members)	\$ 3,217,695
UAAL as a percentage of covered payroll	74.40%

See the schedule of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the plan.

2. Police Pension

Plan Description and Provisions

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. Administrative costs are financed through investment earnings. At April 30, 2011, the Police Pension Plan membership consisted of:

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Police Pension (Continued)

Plan Descriptions and Provisions (Continued)

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	16
Current employees	
Vested	18
Nonvested	5
Total	39

The following is a summary of the Police Pension Plan, as provided in the Illinois Compiled Statutes.

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 75.00% 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 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the 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 1/2 of the annual change in the CPI 3.00% 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 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% of 1/2 of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2011, the Village's contribution was 30.71% of covered payroll.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Police Pension (Continued)

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

Method Used to Value Investments

Investments are valued at market. Investment income is recognized as earned.

Significant Investments

There are no investments (other than U.S. Government and U.S. Government-guaranteed obligations) in any one organization that represent 5% or more of the net assets available for benefits.

Related-Party Transactions

There are no securities of the employer or any other related parties included in plan assets, including any loans.

Contributions

Village contributions are determined annually by an actuarial study using the entry-age normal cost method. The valuation was prepared as of April 30, 2011. Significant assumptions used in the calculations include (a) 8% return on investments, (b) projected salary increases of 5% per year, and (c) 30-year amortization of unfunded liability.

ANNUAL PENSION COST AND NET PENSION LIABILITY

Annual required contribution (ARC)	\$	620,922
Interest on net pension obligation		(12,368)
Adjustment to annual required contribution		<u>9,263</u>
Annual pension cost (APC)		617,817
Contributions made		<u>606,037</u>
Decrease in net pension obligation		11,780
Net pension obligation (asset)		
Beginning of year		<u>(154,606)</u>
End of year	\$	<u><u>(142,826)</u></u>

Village of Itasca, Illinois
 NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Police Pension (Continued)

Contributions (Continued)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Actual Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/09	\$ 394,890	102.1 %	\$ (139,714)
4/30/10	502,722	103.1	(154,606)
4/30/11	606,037	98.1	(142,826)

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	April 30, 2011
Actuarial cost method	Entry-age normal cost
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 years
Asset valuation method	Market

Significant actuarial assumptions:

a)	Investment rate of return	8.00% including inflation at 3.00%
b)	Projected salary increases	5.00% including inflation at 3.00%
c)	Cost-of-living adjustments	3.00% per year

The funded status of the plan as of April 30, 2011, based on actuarial valuations performed as of April 30, 2011 for the Police Pension Plan is as follows. The actuarial assumptions used to determine the funded status of the plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed above.

	Police Pension
Actuarial accrued liability (AAL)	\$ 20,442,904
Actuarial value of plan assets	12,962,967
Unfunded actuarial accrued liability (UAAL)	7,479,937
Funded ratio (actuarial value of plan assets/AAL)	63.4%
Covered payroll (active plan members)	\$ 1,973,692
UAAL as a percentage of covered payroll	379.0%

See the schedule of funding progress in the required supplementary information immediately following the notes to the financial statements for additional information related to the funded status of the plan.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE L - OTHER POSTEMPLOYMENT BENEFITS

1. 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.

2. Benefits Provided

The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statues, which creates an implicit subsidy of retiree health insurance. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Upon a retiree reaching age 65 years of age, Medicare becomes the primary insurer.

3. Membership

At April 30, 2009, membership consisted of:

Retirees and beneficiaries currently receiving benefits	3
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	
Vested	54
Nonvested	<u>19</u>
TOTAL	<u>76</u>
Participating employers	<u>1</u>

4. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

5. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of April 30, 2009 to determine the funded status of the plan as of that date as well as the employers' annual required contribution (ARC) for the fiscal year ended April 30, 2009. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last three years is as follows:

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE L - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Annual OPEB Costs and Net OPEB Obligation (Continued)

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2009	\$ 8,016	\$ 4,497	56.1 %	\$ 3,519
April 30, 2010	7,914	4,497	56.8	6,936
April 30, 2011	7,971	4,497	56.4	10,410

The net OPEB obligation as of April 30, 2010 was calculated as follows:

Annual required contribution	\$ 7,855
Interest on net OPEB obligation	347
Adjustment to annual required contribution	<u>(231)</u>
Annual OPEB cost	7,971
Contributions made	<u>4,497</u>
Increase (decrease) in net OPEB obligation	3,474
Net OPEB obligation, beginning of year	<u>6,936</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 10,410</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 137,602
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	137,602
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 5,224,311
UAAL as a percentage of covered payroll	2.63%

Actuarial valuations of an ongoing plan involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

Actuarial Methods and Assumptions - Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in AALs and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Village of Itasca, Illinois
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE L - OTHER POSTEMPLOYMENT BENEFITS (Continued)

5. Annual OPEB Costs and Net OPEB Obligation (Continued)

In the April 30, 2009 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included no investment rate of return and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded AAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2009 was 30 years.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Itasca, Illinois
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
April 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
12/31/10	\$ 9,658,890	\$ 12,052,737	80.14 %	\$ 2,393,847	\$ 3,217,695	74.40 %
12/31/09	9,281,642	11,676,520	79.49	2,394,878	3,348,773	71.52
12/31/08	8,907,695	10,539,302	84.52	1,631,607	3,418,951	47.72
12/31/07	10,302,966	10,388,516	99.18	85,550	3,327,057	2.57
12/31/06	9,331,586	9,655,703	96.64	324,117	3,251,147	9.97
12/31/05	8,581,880	9,391,927	91.38	810,047	3,522,120	23.00

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$10,249,038. On a market basis, the funded ratio would be 85.03%.

See independent auditor's report

Village of Itasca, Illinois
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 307,689	\$ 307,689	100 %
2010	243,001	243,001	100
2009	245,125	245,125	100
2008	276,004	276,004	100
2007	277,661	277,661	100
2006	275,215	275,215	100

See independent auditor's report

Village of Itasca, Illinois
SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND
April 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
4/30/11	\$ 12,962,967	\$ 20,442,904	63.4 %	\$ 7,479,937	\$ 1,973,692	379.0 %
4/30/10	11,517,790	19,130,207	60.2	7,612,417	1,987,850	382.9
4/30/09	9,852,858	17,730,329	55.5	7,877,471	1,926,683	409.1
4/30/08	11,416,985	17,166,902	66.5	5,749,917	1,968,202	292.1
4/30/07	11,356,609	15,727,868	72.2	4,371,259	1,875,186	233.1
4/30/06	9,563,243	14,516,439	65.9	4,953,196	1,758,226	281.7

See independent auditor's report

Village of Itasca, Illinois
POLICE PENSION FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 606,037	\$ 620,922	97.6 %
2010	502,722	490,884	102.4
2009	394,890	384,556	101.3
2008	386,414	371,812	104.7
2007	388,050	369,220	105.1
2006	N/A	N/A	N/A
2005	390,442	320,823	121.7

N/A - Not Available

See independent auditor's report

Village of Itasca, Illinois
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN
April 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
4/30/11	\$ -	\$ 137,602	0.00 %	\$ 137,602	\$ 5,224,311	2.6 %
4/30/10	-	137,602	0.00	137,602	5,271,227	2.6
4/30/09	-	137,602	0.00	137,602	5,271,227	2.6

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009.

Information for prior years is not available.

See independent auditor's report

Village of Itasca, Illinois
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN
April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 4,497	\$ 7,855	57.25 %
2010	4,497	7,855	57.25
2009	4,497	7,855	57.30

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2009.

Information for prior years is not available.

See independent auditor's report

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 For the year ended April 30, 2011

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 2,001,256	\$ 1,969,601
Licenses	149,900	144,945
Building and other permits	333,600	409,336
Intergovernmental		
Sales	4,710,622	4,327,453
State income	750,000	650,316
Replacement	90,000	94,054
Local use	104,000	120,826
Telecommunications	1,200,000	1,097,193
Grants	50,298	180,823
Parking and other fees	128,976	127,079
Police fines and other receipts	402,500	404,189
Investment income	48,000	24,808
Miscellaneous	968,519	819,023
Total revenues	10,937,671	10,369,646
Expenditures		
Current		
General government		
Administrative	2,052,144	2,042,406
Nature center	192,352	211,686
Public safety	4,937,589	4,842,148
Community development	580,634	537,172
Public works	2,660,899	1,885,239
Debt service		
Principal	425,000	425,000
Interest and fiscal agent fees	271,411	271,111
Issuance costs	-	99,143
Total expenditures	11,120,029	10,313,905
Excess (deficiency) of revenues over expenditures	(182,358)	55,741
Other financing sources (uses)		
Transfers in	188,328	188,328
Bonds issued	-	6,955,000
Bond premium	-	434,323
Payment to escrow agent	-	(7,290,180)
Total other financing sources (uses)	188,328	287,471
Net change in fund balances	\$ 5,970	343,212
Fund balance at beginning of year		3,570,681
Fund balance at end of year		\$ 3,913,893

See independent auditor's report

Village of Itasca, Illinois
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2011

1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

The Village Board 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. Public meetings are held to obtain citizen comment.
- b) The proposed budget is approved by motion of the Village Board.
- c) An annual appropriation ordinance 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.
- e) The Village Board 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, and enterprise funds.

SUPPLEMENTAL INFORMATION

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
 For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Administrative		
Salaries/stipends		
President	\$ 21,100	\$ 20,972
Trustees	26,500	23,125
Administrator	87,000	61,459
Clerk	2,600	-
Clerical	151,707	165,045
Total salaries/stipends	<u>288,907</u>	<u>270,601</u>
Payroll taxes		
FICA	19,114	22,102
Unemployment tax	1,500	1,183
IMRF	20,750	31,055
Total payroll taxes	<u>41,364</u>	<u>54,340</u>
Employee benefits		
Group insurance	73,809	69,032
Uniforms	750	-
Total employee benefits	<u>74,559</u>	<u>69,032</u>
Operating		
Gas heating/electric	28,000	22,525
Telephone	14,700	17,733
Postage	3,100	3,064
Publication legal notices	4,000	2,230
Codification	6,500	-
Operating supplies - general	8,500	6,589
Conferences	2,750	1,271
Office supplies	7,500	5,343
Physical	175	48
Training	3,500	-
Dues, subscriptions, and meetings	11,275	8,574
Rentals	5,000	3,319
Community relations	29,000	23,070
Software	13,000	12,258
Miscellaneous	21,000	4,858
Total operating	<u>158,000</u>	<u>110,882</u>

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	Budget	Actual
Administrative (Continued)		
Repairs and maintenance		
Vehicles	\$ 3,200	\$ 2,731
Building	55,000	41,949
Total repairs and maintenance	58,200	44,680
Professional services		
Legal	354,154	310,538
Payroll	16,000	11,662
Audit	21,450	22,463
Newsletter	25,000	13,861
Janitorial	45,000	42,795
Consulting services	30,000	17,063
Other	81,000	59,566
Total professional services	572,604	477,948
Special services		
Village share - garbage	695,000	707,331
Boards and commissions		
Planning commission	10,000	6,397
Police commission	18,000	1,658
Historical commission	5,000	6,126
Total boards and commission	33,000	14,181
Grants		
Seniors	8,000	8,000
O'Hare western access	50,000	44,422
Total grants	58,000	52,422
Insurance		
Liability	21,000	28,801
Workers' compensation	3,000	2,859
Total insurance	24,000	31,660

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Administrative (Continued)		
Capital expenditures		
Equipment	\$ 48,510	\$ 31,186
Children's Park	-	178,143
Total capital expenditures	<u>48,510</u>	<u>209,329</u>
Total administrative	<u>2,052,144</u>	<u>2,042,406</u>
Public works		
Salaries/stipends		
Directors/supervisors	133,481	133,126
General labor	453,547	420,459
Clerical	<u>29,938</u>	<u>30,743</u>
Total salaries/stipends	<u>616,966</u>	<u>584,328</u>
Payroll taxes		
FICA	43,411	44,981
Unemployment tax	2,738	2,294
IMRF	<u>57,400</u>	<u>68,826</u>
Total payroll taxes	<u>103,549</u>	<u>116,101</u>
Employee benefits		
Group insurance	129,349	119,731
Uniforms	<u>5,000</u>	<u>4,620</u>
Total employee benefits	<u>134,349</u>	<u>124,351</u>
Operating		
Electricity	70,000	76,213
Gas heating	8,000	6,538
Telephone	10,000	8,279
Postage	200	197
Conferences	1,000	453
Operating supplies - general	13,000	7,490
Motor fuel and lubrication	30,000	33,240
Office supplies	2,000	754
Training	3,000	340
Dues, subscriptions, and meetings	1,400	1,305
Rentals	15,000	520

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Public works (Continued)		
Operating (Continued)		
Employee physicals	\$ 1,250	\$ 1,171
Rubbish removal	15,000	-
Streets - bulk materials	15,000	15,246
Total operating	<u>184,850</u>	<u>151,746</u>
Repairs and maintenance		
Vehicles	35,000	29,575
Building	25,000	30,369
Equipment	28,500	14,803
Street lights	50,000	44,409
Parking lots	5,000	7,535
Storm sewers	40,000	23,028
Parkways and parks	45,000	33,798
Street signs	10,000	9,137
Other repairs and maintenance	158,000	112,712
Total repairs and maintenance	<u>396,500</u>	<u>305,366</u>
Professional services		
Engineering	80,000	18,658
Total professional services	<u>80,000</u>	<u>18,658</u>
Special services		
Veterinary and animal control	1,200	1,282
Mosquito abatement	70,000	70,180
Snow removal	100,000	109,732
Branch contract	45,000	43,959
Lawn maintenance	8,000	6,833
Tree trimming	59,500	56,470
Tree planting	16,000	6,630
Traffic signals	25,000	26,053
Total special services	<u>324,700</u>	<u>321,139</u>
Insurance		
Liability	30,000	25,958
Workers' compensation	64,485	50,221
Total insurance	<u>94,485</u>	<u>76,179</u>

(Continued)

Village of Itasca, Illinois

General Fund

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Public works (Continued)		
Capital expenditures		
Streets (not MFT)	\$ 622,500	\$ 96,022
Sidewalks	75,000	78,754
Downtown beautification	28,000	12,595
	<u>725,500</u>	<u>187,371</u>
Total capital expenditures		
	<u>725,500</u>	<u>187,371</u>
Total public works	<u>2,660,899</u>	<u>1,885,239</u>
Nature center		
Salaries/stipends		
General labor	121,121	151,047
	<u>121,121</u>	<u>151,047</u>
Total salaries/stipends		
	<u>121,121</u>	<u>151,047</u>
Payroll taxes		
FICA	5,238	5,379
Unemployment tax	204	210
IMRF	6,675	8,246
	<u>12,117</u>	<u>13,835</u>
Total payroll taxes		
	<u>12,117</u>	<u>13,835</u>
Employee benefits		
Group insurance	16,720	9,491
	<u>16,720</u>	<u>9,491</u>
Total employee benefits		
	<u>16,720</u>	<u>9,491</u>
Operating		
Gas heating	3,500	2,342
Telephone	10,150	4,693
Postage	155	150
Operating supplies - general	4,000	6,416
Office supplies	500	29
Dues, subscriptions, and meetings	1,700	1,263
Rentals	100	314
Program supplies	2,500	2,240
	<u>22,605</u>	<u>17,447</u>
Total operating		
	<u>22,605</u>	<u>17,447</u>

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	Budget	Actual
Nature center (Continued)		
Repairs and maintenance		
Vehicles	\$ 500	\$ 464
Structures	10,550	4,445
Total repairs and maintenance	11,050	4,909
Professional services		
Janitorial	7,200	6,305
Other services	-	215
Total professional services	7,200	6,520
Insurance		
Liability	1,000	7,916
Workers' compensation	539	521
Total insurance	1,539	8,437
Total nature center	192,352	211,686
Community development		
Salaries/stipends		
Building commissioner	102,300	104,669
Building inspector	101,398	106,588
Clerical	44,896	44,421
Total salaries/stipends	248,594	255,678
Payroll taxes		
FICA	27,126	22,924
Unemployment tax	1,000	1,187
IMRF	25,000	30,486
Total payroll taxes	53,126	54,597

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Community development (Continued)		
Employee benefits		
Group insurance	\$ 35,000	\$ 48,385
Total employee benefits	<u>35,000</u>	<u>48,385</u>
Operating		
Telephone	10,000	17,449
Postage	1,000	960
Publication legal notices	1,000	194
Operating supplies - general	4,000	3,766
Motor fuel and lubrication	1,500	1,542
Office supplies	5,000	2,676
Training	1,500	948
Dues, subscriptions, and meetings	2,300	1,383
Operating software	1,800	1,909
Other	300	10
Total operating	<u>28,400</u>	<u>30,837</u>
Repairs and maintenance		
Vehicles	1,500	754
Buildings	2,500	5,264
Equipment	-	390
Total repairs and maintenance	<u>4,000</u>	<u>6,408</u>
Professional services		
Engineering	75,000	26,275
Inspections	40,000	41,398
Plan review	10,000	6,454
GIS mapping	15,000	4,303
Consulting	5,000	-
Other professional services	5,500	14
Planning	48,014	52,015
Total professional services	<u>198,514</u>	<u>130,459</u>

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Community development (Continued)		
Insurance		
Liability	\$ 5,000	\$ 4,285
Workers' compensation	8,000	6,523
Total insurance	<u>13,000</u>	<u>10,808</u>
Total community development	<u>580,634</u>	<u>537,172</u>
Police department		
Salaries/stipends		
Police chief	109,671	107,813
Police officers	2,201,192	2,178,866
Clerk/dispatchers	498,577	501,031
Clerk/dispatchers overtime	7,000	5,262
Police overtime	121,981	80,589
Police court time	60,000	52,250
Total salaries/stipends	<u>2,998,421</u>	<u>2,925,811</u>
Payroll taxes		
FICA	234,320	214,968
Unemployment tax	11,015	7,335
IMRF	41,229	52,659
Total payroll taxes	<u>286,564</u>	<u>274,962</u>
Employee benefits		
Group insurance	542,292	571,087
Uniforms	18,400	15,767
Pension contribution	620,922	590,209
Total employee benefits	<u>1,181,614</u>	<u>1,177,063</u>
Operating		
Telephone	21,500	30,931
Postage	1,500	1,501
Operating supplies - general	1,900	1,130
Motor fuel and lubrication	36,300	38,820
Office supplies	14,300	12,508
Court, meetings, local, and miscellaneous	2,500	1,896
Dues, subscriptions, and meetings	5,650	5,044
Training	9,400	6,580
Shooting expenditure	17,779	17,795
Evidence	2,500	2,167
D.A.R.E.	18,110	17,971

(Continued)

Village of Itasca, Illinois
 General Fund
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
 For the year ended April 30, 2011

	Budget	Actual
Police department (Continued)		
Operating (Continued)		
Crime prevention	\$ 9,350	\$ 9,457
DUI technology	3,800	3,447
Volunteer	8,815	3,832
Other operating expenditures	2,750	1,156
Total operating	156,154	154,235
Repairs and maintenance		
Vehicles	30,463	49,687
Hand-held equipment	4,000	4,648
Equipment	29,000	30,460
Building maintenance	24,000	34,407
Total repairs and maintenance	87,463	119,202
Professional services		
Prosecution cost	80,000	88,693
Police social services	22,760	17,605
Software	2,500	1,475
Hardware	2,900	34
Total professional services	108,160	107,807
Insurance		
Liability	50,000	36,724
Workers' compensation	69,213	46,344
Total insurance	119,213	83,068
Total police department	4,937,589	4,842,148
Debt service		
Principal	425,000	425,000
Interest and fiscal agents	271,411	271,111
Issuance costs	-	99,143
Total debt service	696,411	795,254
Total expenditures	\$ 11,120,029	\$ 10,313,905

See independent auditor's report.

(Concluded)

Village of Itasca, Illinois
 General Obligation 2008 Fund
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Revenues		
Property taxes	\$ 780,138	\$ 782,074
Investment income	<u>-</u>	<u>1,073</u>
Total revenues	<u>780,138</u>	<u>783,147</u>
Expenditures		
Debt service		
Principal	575,000	575,000
Interest	205,138	205,138
Bond agent fees	<u>375</u>	<u>375</u>
Total expenditures	<u>780,513</u>	<u>780,513</u>
Net change in fund balance	\$ <u><u>(375)</u></u>	2,634
Fund balance (deficit) at beginning of year		<u>(51,850)</u>
Fund balance (deficit) at end of year		\$ <u><u>(49,216)</u></u>

See independent auditor's report.

Village of Itasca, Illinois
 Nonmajor Governmental Funds
 COMBINING BALANCE SHEET
April 30, 2011

	Special Revenue		Debt Service
	Motor Fuel Tax	Hotel Tax	Spring Lake Special Service Area
<u>ASSETS</u>			
Cash and investments	\$ 298,357	\$ 909,318	\$ 994
Receivables			
Property taxes	-	-	84,625
Other	17,135	94,010	-
Due from other funds	-	-	-
Total assets	\$ 315,492	\$ 1,003,328	\$ 85,619
<u>LIABILITIES</u>			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	19,671
Deferred property taxes	-	-	84,625
Total liabilities	-	-	104,296
<u>FUND BALANCE</u>			
Reserved for debt service	-	-	-
Reserved for highway and streets	315,492	-	-
Reserved for tourism	-	1,003,328	-
Unreserved	-	-	(18,677)
Total fund balance (deficit)	315,492	1,003,328	(18,677)
Total liabilities and fund balance	\$ 315,492	\$ 1,003,328	\$ 85,619

Debt Service		Capital Projects			Total
CMD Special Service Area	Old Thorndale Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Old Thorndale Special Service Area	Nonmajor Governmental Funds
\$ 46,765	\$ 99,253	\$ 327,387	\$ 662,090	\$ 460,406	\$ 2,804,570
-	-	-	-	-	84,625
-	-	-	-	-	111,145
-	-	19,671	-	-	19,671
<u>\$ 46,765</u>	<u>\$ 99,253</u>	<u>\$ 347,058</u>	<u>\$ 662,090</u>	<u>\$ 460,406</u>	<u>\$ 3,020,011</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	19,671
-	-	-	-	-	84,625
-	-	-	-	-	104,296
46,765	99,253	-	-	-	146,018
-	-	-	-	-	315,492
-	-	-	-	-	1,003,328
-	-	347,058	662,090	460,406	1,450,877
<u>46,765</u>	<u>99,253</u>	<u>347,058</u>	<u>662,090</u>	<u>460,406</u>	<u>2,915,715</u>
<u>\$ 46,765</u>	<u>\$ 99,253</u>	<u>\$ 347,058</u>	<u>\$ 662,090</u>	<u>\$ 460,406</u>	<u>\$ 3,020,011</u>

See independent auditor's report.

Village of Itasca, Illinois
 Nonmajor Governmental Funds
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 For the year ended April 30, 2011

	<u>Special Revenue</u>		<u>Debt Service</u>
	<u>Motor Fuel Tax</u>	<u>Hotel Tax</u>	<u>Spring Lake Special Service Area</u>
Revenues			
Property taxes	\$ -	\$ -	\$ 87,731
Hotel tax	-	893,270	-
Operating grants	265,159	-	-
High growth cities program	5,077	-	-
Investment income	848	3,200	70
	<u>271,084</u>	<u>896,470</u>	<u>87,801</u>
Total revenues			
Expenditures			
General government	-	326,500	-
Debt service			
Principal	-	-	50,000
Interest	-	-	36,850
Capital outlay			
Streets and highways	379,204	-	-
	<u>379,204</u>	<u>326,500</u>	<u>86,850</u>
Total expenditures			
Excess (deficiency) of revenues over expenditures	(108,120)	569,970	951
Other financing sources (uses)			
Transfers (out)	-	(188,328)	-
Net change in fund balances	(108,120)	381,642	951
Fund balance (deficit) at beginning of year	<u>423,612</u>	<u>621,686</u>	<u>(19,628)</u>
Fund balance (deficit) at end of year	<u>\$ 315,492</u>	<u>\$ 1,003,328</u>	<u>\$ (18,677)</u>

Debt Service		Capital Projects			Total Nonmajor Governmental Funds
CMD Special Service Area	Old Thorndale Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Old Thorndale Special Service Area	
\$ (559)	\$ -	\$ -	\$ 3,742	\$ 2,459	\$ 93,373
-	-	-	-	-	893,270
-	-	-	-	-	265,159
-	-	-	-	-	5,077
-	-	1,138	-	-	5,256
<u>(559)</u>	<u>-</u>	<u>1,138</u>	<u>3,742</u>	<u>2,459</u>	<u>1,262,135</u>
-	-	-	-	-	326,500
-	-	-	-	-	50,000
-	-	-	-	-	36,850
-	-	-	-	-	379,204
-	-	-	-	-	792,554
(559)	-	1,138	3,742	2,459	469,581
-	-	-	-	-	(188,328)
(559)	-	1,138	3,742	2,459	281,253
<u>47,324</u>	<u>99,253</u>	<u>345,920</u>	<u>658,348</u>	<u>457,947</u>	<u>2,634,462</u>
<u>\$ 46,765</u>	<u>\$ 99,253</u>	<u>\$ 347,058</u>	<u>\$ 662,090</u>	<u>\$ 460,406</u>	<u>\$ 2,915,715</u>

See independent auditor's report

Village of Itasca, Illinois
 Motor Fuel Tax Fund
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Revenues		
Intergovernmental allotments - operating grants	\$ 205,000	\$ 265,159
High growth cities program	5,000	5,077
Investment income	<u>1,150</u>	<u>848</u>
Total revenues	211,150	271,084
Expenditures		
Streets and highways	<u>580,000</u>	<u>379,204</u>
Net change in fund balance	\$ <u><u>(368,850)</u></u>	(108,120)
Fund balance at beginning of year		<u>423,612</u>
Fund balance at end of year		\$ <u><u>315,492</u></u>

See independent auditor's report

Village of Itasca, Illinois
Hotel Tax Fund
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Revenues		
Hotel tax	\$ 900,000	\$ 893,270
Investment income	<u>7,500</u>	<u>3,200</u>
Total revenues	<u>907,500</u>	<u>896,470</u>
Expenditures		
Police		
Overtime	45,000	41,907
Operation staff	24,000	30,310
General government		
Public relations	188,000	199,283
Marketing	<u>147,000</u>	<u>55,000</u>
Total expenditures	<u>404,000</u>	<u>326,500</u>
Excess (deficiency) of revenues over expenditures	503,500	569,970
Other financing sources (uses)		
Transfers (out)	<u>(188,328)</u>	<u>(188,328)</u>
Net change in fund balance	\$ <u>315,172</u>	381,642
Fund balance at beginning of year		<u>621,686</u>
Fund balance at end of year		\$ <u><u>1,003,328</u></u>

See independent auditor's report

Village of Itasca, Illinois
Spring Lake Special Service Area
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the year ended April 30, 2011

	Budget	Actual
Revenues		
Property taxes	\$ 86,850	\$ 87,731
Interest earned	-	70
Total revenues	86,850	87,801
Expenditures		
Debt service		
Principal	50,000	50,000
Interest	36,850	36,850
Total expenditures	86,850	86,850
Net change in fund balance	\$ -	951
Fund balance (deficit) at beginning of year		(19,628)
Fund balance (deficit) at end of year		\$ (18,677)

See independent auditor's report

Village of Itasca, Illinois
Water and Sewer Fund
SCHEDULE OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS - BUDGET AND ACTUAL
For the year ended April 30, 2011

	Budget	Actual
Operating revenues		
Charges for services		
Water fees	\$ 2,149,512	\$ 2,031,993
Sewer fees	2,725,016	2,068,385
Other revenues	113,469	117,357
Total operating revenues	4,987,997	4,217,735
Operating expenses excluding depreciation		
Salaries/stipends	1,146,896	1,036,486
Payroll taxes	181,350	199,036
Employee benefits	184,870	224,085
General operating	1,657,185	1,458,521
Repairs and maintenance	358,000	393,034
Professional services	223,500	140,528
Special services	132,000	165,453
Insurance	64,068	52,140
Capital	4,536,200	549,611
Total operating expenses	8,484,069	4,218,894
Operating income (loss) before depreciation and amortization	(3,496,072)	(1,159)
Depreciation and amortization	-	794,535
Operating income (loss)	(3,496,072)	(795,694)
Nonoperating revenue and expense		
Investment income	50,000	169,112
Interest expense	-	(1,402,584)
Total nonoperating revenue and expense	50,000	(1,233,472)
Change in net assets	\$ (3,446,072)	(2,029,166)
Net assets - beginning of year		17,452,034
Net assets - end of year		\$ 15,422,868
See independent auditor's report		

Village of Itasca, Illinois
Water and Sewer Fund
SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL
For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Operating expenses		
Salaries and stipends		
President	\$ 13,600	\$ 13,600
Trustees	15,300	9,725
Clerk	13,788	-
Treasurer	560	-
Clerical	111,786	120,586
Directors/superintendents	230,236	221,729
Operations staff	588,806	557,839
Overtime	89,828	51,552
Administrator	82,992	61,455
Total salaries and stipends	<u>1,146,896</u>	<u>1,036,486</u>
Payroll taxes		
FICA	81,168	78,985
Unemployment taxes	4,890	3,633
IMRF	95,292	116,418
Total payroll taxes	<u>181,350</u>	<u>199,036</u>
Employee benefits		
Group insurance	178,870	219,175
Uniforms	6,000	4,910
Total employee benefits	<u>184,870</u>	<u>224,085</u>
General operating		
Gas heat	12,000	7,013
Electricity	338,500	331,347
Telephone	16,666	13,272
Postage	11,000	10,835
Publication legal notices	3,000	108
Supplies - general	5,500	6,647
Supplies - office	4,000	4,446
Supplies - sewer treatment	60,000	54,691
Supplies - water treatment	4,000	4,222
Motor fuel and lubrication	29,000	22,997
Conferences	5,000	1,512
Dues, subscriptions, and meetings	5,800	3,394
Training	5,500	2,663
Rentals	2,700	902

(Continued)

Village of Itasca, Illinois

Water and Sewer Fund

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Operating expenses (Continued)		
General operating (Continued)		
Employee physicals	\$ 1,400	\$ 814
Rubbish removal	37,000	4,863
Water meters	12,000	5,990
Safety program	2,000	114
Lab tests pretreatment	6,000	4,677
Operating software	8,000	3,181
Hardware	4,500	1,843
Other operating expenses	1,000	-
DuPage Water Commission	1,082,619	972,990
Total general operating	<u>1,657,185</u>	<u>1,458,521</u>
Repairs and maintenance		
Vehicles	12,500	14,189
Equipment	40,500	9,836
Bulk material	15,000	16,723
Structures	24,500	20,647
Wells	16,000	5,350
Treatment plant	75,000	109,468
Lift stations	2,500	14,343
Sanitary sewers	70,000	90,860
Water systems	90,000	93,339
Meter repair	12,000	18,279
Total repairs and maintenance	<u>358,000</u>	<u>393,034</u>
Professional services		
Legal	40,000	15,118
Engineering	99,000	47,280
Accounting	30,000	35,497
Payroll	2,000	3,215
Audit	25,000	22,796
Janitorial	13,000	14,801
Other services	14,500	1,821
Total professional services	<u>223,500</u>	<u>140,528</u>

(Continued)

Village of Itasca, Illinois

Water and Sewer Fund

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>
Operating expenses (Continued)		
Special services		
Sludge removal	\$ 82,000	\$ 74,755
Industrial pre-treatment	<u>50,000</u>	<u>90,698</u>
Total special services	<u>132,000</u>	<u>165,453</u>
Insurance		
Liability	31,544	22,560
Workers' compensation	<u>32,524</u>	<u>29,580</u>
Total insurance	<u>64,068</u>	<u>52,140</u>
Capital expenses - equipment	4,536,200	771,088
Less expenses capitalized	<u>-</u>	<u>(221,477)</u>
Net capital expenses	<u>4,536,200</u>	<u>549,611</u>
Total operating expenses	<u>\$ 8,484,069</u>	<u>\$ 4,218,894</u>

See independent auditor's report

(Concluded)

SUPPLEMENTAL DATA
(Unaudited)

Village of Itasca, Illinois
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2008B - VILLAGE PORTION
April 30, 2011

Date of Issue November 5, 2008
Date of Maturity December 15, 2018
Authorized Issue \$ 6,905,000
Denomination of Bonds \$ 5,000
Interest Rates 3.00% - 4.00%
Interest Dates June 15 and December 15
Principal Maturity Date December 15
Payable at Chase
Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2012	\$ 575,000	\$ 187,887	\$ 762,887	2011	\$ 93,944	2011	\$ 93,943
2013	595,000	169,200	764,200	2012	84,600	2012	84,600
2014	610,000	149,863	759,863	2013	74,931	2013	74,932
2015	630,000	130,037	760,037	2014	65,019	2014	65,018
2016	645,000	107,988	752,988	2015	53,994	2015	53,994
2017	675,000	83,800	758,800	2016	41,900	2016	41,900
2018	700,000	56,800	756,800	2017	28,400	2017	28,400
2019	720,000	28,800	748,800	2018	14,400	2018	14,400
	<u>\$ 5,150,000</u>	<u>\$ 914,375</u>	<u>\$ 6,064,375</u>		<u>\$ 457,188</u>		<u>\$ 457,187</u>

See independent auditor's report

Village of Itasca, Illinois
LONG-TERM DEBT REQUIREMENTS
SPECIAL SERVICE AREA BONDS, SERIES 2006
April 30, 2011

Date of Issue August 15, 2006
Date of Maturity December 15, 2021
Authorized Issue \$ 900,000
Denomination of Bonds \$ 5,000
Interest Rates 4.30% - 5.10%
Interest Dates June 15 and December 15
Principal Maturity Date December 15
Payable at Chase
Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	Dec. 15	Amount
2012	\$ 50,000	\$ 34,624	\$ 84,624	2011	\$ 17,312	2011	\$ 17,312
2013	55,000	32,376	87,376	2012	16,188	2012	16,188
2014	55,000	29,872	84,872	2013	14,936	2013	14,936
2015	60,000	27,342	87,342	2014	13,671	2014	13,671
2016	60,000	24,552	84,552	2015	12,276	2015	12,276
2017	65,000	21,672	86,672	2016	10,836	2016	10,836
2018	65,000	18,520	83,520	2017	9,260	2017	9,260
2019	70,000	15,336	85,336	2018	7,668	2018	7,668
2020	75,000	11,870	86,870	2019	5,935	2019	5,935
2021	80,000	8,120	88,120	2020	4,060	2020	4,060
2022	80,000	4,080	84,080	2021	2,040	2021	2,040
	<u>\$ 715,000</u>	<u>\$ 228,364</u>	<u>\$ 943,364</u>		<u>\$ 114,182</u>		<u>\$ 114,182</u>

See independent auditor's report

Village of Itasca, Illinois
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION ALTERNATE REVENUE BONDS, SERIES 2009A
April 30, 2011

Date of Issue December 3, 2009
Date of Maturity February 1, 2039
Authorized Issue \$ 24,000,000
Denomination of Bonds \$ 5,000
Interest Rates 3.30% - 6.20%
Interest Dates February 1 and August 1
Principal Maturity Date February 1
Payable at Bank of New York
Chicago, Illinois

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	February 1	Amount	August 1	Amount
2012	\$ -	\$ 1,402,220	\$ 1,402,220	2012	\$ 701,110	2011	\$ 701,110
2013	-	1,402,220	1,402,220	2013	701,110	2012	701,110
2014	330,000	1,402,220	1,732,220	2014	701,110	2013	701,110
2015	340,000	1,391,330	1,731,330	2015	695,665	2014	695,665
2016	350,000	1,379,090	1,729,090	2016	689,545	2015	689,545
2017	370,000	1,364,740	1,734,740	2017	682,370	2016	682,370
2018	380,000	1,348,830	1,728,830	2018	674,415	2017	674,415
2019	400,000	1,331,350	1,731,350	2019	665,675	2018	665,675
2020	420,000	1,312,350	1,732,350	2020	656,175	2019	656,175
2021	440,000	1,291,350	1,731,350	2021	645,675	2020	645,675
2022	470,000	1,268,910	1,738,910	2022	634,455	2021	634,455
2023	490,000	1,243,766	1,733,766	2023	621,883	2022	621,883
2024	520,000	1,217,060	1,737,060	2024	608,530	2023	608,530
2025	550,000	1,188,460	1,738,460	2025	594,230	2024	594,230
2026	580,000	1,158,210	1,738,210	2026	579,105	2025	579,105
2027	610,000	1,124,570	1,734,570	2027	562,285	2026	562,285
2028	640,000	1,089,190	1,729,190	2028	544,595	2027	544,595
2029	680,000	1,052,070	1,732,070	2029	526,035	2028	526,035
2030	720,000	1,012,630	1,732,630	2030	506,315	2029	506,315
2031	760,000	968,710	1,728,710	2031	484,355	2030	484,355
2032	1,190,000	922,350	2,112,350	2032	461,175	2031	461,175
2033	1,630,000	849,760	2,479,760	2033	424,880	2032	424,880
2034	1,730,000	750,330	2,480,330	2034	375,165	2033	375,165
2035	1,840,000	644,800	2,484,800	2035	322,400	2034	322,400
2036	1,950,000	530,720	2,480,720	2036	265,360	2035	265,360
2037	2,070,000	409,820	2,479,820	2037	204,910	2036	204,910
2038	2,200,000	281,480	2,481,480	2038	140,740	2037	140,740
2039	2,340,000	145,080	2,485,080	2039	72,540	2038	72,540
	<u>\$ 24,000,000</u>	<u>\$ 29,483,616</u>	<u>\$ 53,483,616</u>		<u>\$ 14,741,808</u>		<u>\$ 14,741,808</u>

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Village of Itasca, Illinois
SCHEDULE OF INSURANCE IN FORCE
April 30, 2011

<u>Type of Coverage</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Insurance Company</u>
Commercial Property		5/1/2011	Federal Insurance Company
Building and Contents	\$29,101,149		
Business Income Including Extra Expense	562,380		
Monies and Securities	50,000		
General Liability		5/1/2011	American Automobile
General Aggregate	3,000,000		
Products and Completed Ops Aggregate	3,000,000		
Personal and Advertising Injury	1,000,000		
Each Occurrence	1,000,000		
Fire Damage (Any One Fire)	1,000,000		
Medical Expense (Any One Person)	5,000		
Commercial Automobile		5/1/2011	American Automobile
Liability	1,000,000		
Personal Injury Protection	N/A		
Uninsured Motorist	1,000,000		
Underinsured Motorist	1,000,000		
Umbrella		5/1/2011	American Alternative Ins. Co.
Liability	9,000,000		
Annual Aggregate	9,000,000		
Retained Limit	10,000		
Workers' Compensation		12/15/2011	Illinois Public Risk Fund
Each Accident	2,500,000		
Disease - Policy Limit	2,500,000		
Disease - Each Employee	2,500,000		
Law Enforcement Liability		5/1/2011	Clarendon Insurance Co.
Annual Aggregate	3,000,000		
Each Person/Each Wrongful Act	1,000,000		
Public Officials' and Employment Liability		5/1/2011	Clarendon Insurance Co.
Annual Aggregate	3,000,000		
Each Wrongful Act	1,000,000		

See independent auditor's report

Village of Itasca, Illinois

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES, AND TAX EXTENSIONS

April 30, 2011

	2010	2009
Residential	\$ 314,640,341	\$ 343,982,282
Farms	8,995	7,549
Commercial	169,290,760	186,325,060
Industrial	186,121,655	207,669,070
	\$ 670,061,751	\$ 737,983,961

Levy	2010		2009	
	Rate Extended	Taxes Extended	Rate Extended	Taxes Extended
Corporate	0.1814	\$ 1,215,492	0.1558	\$ 1,149,779
Bond and interest	0.1150	770,571	0.1068	788,168
Police pension	0.0874	585,634	0.0806	594,815
Public benefit	0.0050	33,503	0.0043	31,733
Playground and recreation	-	-	-	-
Total before library	0.3888	2,605,200	0.3475	2,564,495
Library	0.1578	1,057,358	0.1433	1,057,531
Audit	0.0007	4,690	0.0001	738
Liability insurance	0.0007	4,690	0.0001	738
Social security	0.0067	44,894	0.0045	33,209
Building/maintenance	0.0200	134,012	0.0190	140,217
IMRF	0.0092	61,646	0.0065	47,969
Bond and interest	0.0366	245,243	0.0331	244,273
Unemployment insurance	0.0004	2,680	0.0001	738
Workers' compensation	0.0007	4,690	0.0001	737
Total library	0.2328	1,559,903	0.2068	1,526,150
	0.6216	\$ 4,165,103	0.5543	\$ 4,090,645

The Village also collects taxes from Special Service Areas within the Village for the payment of principal and interest on bonds. The taxes extended for the Special Service Areas for 2009 and 2010 were \$87,727 and \$85,480, respectively.

Village of Itasca, Illinois

LEGAL DEBT MARGIN

April 30, 2011

Assessed Valuation - 2010	\$ <u>670,061,751</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 57,792,826
Amount of Debt Applicable to Debt Limit	
Village's general obligation debt	11,680,000
Library's general obligation debt	<u>2,065,000</u>
Legal Debt Margin	\$ <u>44,047,826</u>

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."