



## VILLAGE OF ITASCA, ILLINOIS

### ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2019



SIKICH.COM

**VILLAGE OF ITASCA, ILLINOIS**  
**TABLE OF CONTENTS**

---

	<u>Page(s)</u>
<b>INTRODUCTORY SECTION</b>	
Principal Officials .....	i
Transmittal Letter.....	ii-v
Organization Chart.....	vi
<b>FINANCIAL SECTION</b>	
INDEPENDENT AUDITOR’S REPORT .....	1-3
<b>GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS</b>	
Management’s Discussion and Analysis.....	MD&A 1-13
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	4-5
Statement of Activities .....	6-7
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	8
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	9
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	10
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities .....	11
Proprietary Fund	
Statement of Net Position .....	12
Statement of Revenues, Expenses, and Changes in Net Position.....	13
Statement of Cash Flows .....	14

**VILLAGE OF ITASCA, ILLINOIS**  
TABLE OF CONTENTS (Continued)

---

Page(s)

**FINANCIAL SECTION (Continued)**

**GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)**

Fund Financial Statements (Continued)

Fiduciary Fund

Statement of Fiduciary Net Position..... 15

Statement of Changes in Fiduciary Net Position..... 16

Notes to Financial Statements ..... 17-55

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - General Fund ..... 56

Notes to Required Supplementary Information ..... 57

Illinois Municipal Retirement Fund

Schedule of Employer Contributions ..... 58

Schedule of the Village's Proportionate Share of the Net Pension Liability ..... 59

Police Pension Fund

Schedule of Employer Contributions ..... 60

Schedule of Changes in the Employer's Net Pension Liability  
and Related Ratios ..... 61

Schedule of Investment Returns ..... 62

Schedule of Changes in the Employer's Total OPEB Liability  
and Related Ratios

Other Postemployment Benefit Plan ..... 63

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

**MAJOR GOVERNMENTAL FUNDS**

Schedule of Expenditures - Budget and Actual - General Fund ..... 64-71

Schedule of Revenues, Expenditures, and Changes in Fund Balance -

Budget and Actual - Capital Projects Fund ..... 72

**VILLAGE OF ITASCA, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**COMBINING AND INDIVIDUAL FUND FINANCIAL  
STATEMENTS AND SCHEDULES (Continued)**

**NONMAJOR GOVERNMENTAL FUNDS**

Combining Balance Sheet .....	73-74
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances.....	75-76
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	77
Hotel Tax Fund.....	78
General Obligation 2008 Debt Service Fund .....	79
Spring Lake Special Service Area Debt Service Fund.....	80
Hamilton Lakes Special Service Area Debt Service Fund.....	81
Spring Lake Special Service Area Capital Projects Fund .....	82
CMD Special Service Area Capital Projects Fund.....	83
Hamilton Lakes Special Service Area Capital Projects Fund .....	84
Old Thorndale Special Service Area Capital Projects Fund .....	85

**MAJOR PROPRIETARY FUND**

Schedule of Net Position - Water and Sewer Fund by Subaccount .....	86
Schedule of Revenues, Expenses, and Changes in Net Position - Water and Sewer Fund by Subaccount .....	87
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water and Sewer Fund - Operating Subaccount.....	88
Schedule of Operating Expenses - Budget and Actual - Water and Sewer Fund - Operating Subaccount .....	89-91
Schedule of Revenues, Expenses, and Changes in Net Position - Budget and Actual - Water and Sewer Fund - Capital Subaccount .....	92

**OTHER SUPPLEMENTAL INFORMATION**

Consolidated Year End Financial Report.....	93
---	----

**VILLAGE OF ITASCA, ILLINOIS**  
**TABLE OF CONTENTS (Continued)**

---

Page(s)

**FINANCIAL SECTION (Continued)**

**SUPPLEMENTAL DATA**

Long-Term Debt Requirements	
General Obligation Refunding Debt Certificate, Series 2010.....	94
Special Service Area Bonds, Series 2006 .....	95
General Obligation Bonds, Series 2009A .....	96
Special Service Area Bonds, Series 2014 .....	97
General Obligation Refunding Bonds, Series 2019 .....	98
Schedule of Insurance in Force .....	99
Schedule of Assessed Valuations, Tax Rates, and Tax Extensions .....	100
Schedule of Legal Debt Margin .....	101
Net Position by Component .....	102-103
Change in Net Position .....	104-107
Fund Balances of Governmental Funds .....	108-109
Changes in Fund Balances of Governmental Funds .....	110-111
Assessed Value and Estimated Actual Value of Taxable Property.....	112
Legal Debt Margin Information.....	113
Direct and Overlapping Sales Tax Rates .....	114
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	115-116

## **INTRODUCTORY SECTION**

**VILLAGE OF ITASCA, ILLINOIS**

**PRINCIPAL OFFICIALS**

April 30, 2019

---

**LEGISLATIVE**

Jeff Pruyn, President

Board of Trustees

Jeff Aiani

Dino Gavanis

Ellen Leahy

Michael Latoria

Frank Madaras

Kathy Linsner

Jody Conidi, Clerk

**ADMINISTRATIVE**

Carie Anne Ergo, Village Administrator

Marty Hower, Finance Director/Treasurer



December 17, 2019

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

The annual report for the Village of Itasca, Illinois, for the year ended April 30, 2019 is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish, within six months of the closing of the fiscal year, a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

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

We are pleased to report that independent audit firm Sikich LLP has issued an unmodified opinion on the Village of Itasca's financial statements for the year ended April 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

### **Profile of the Government**

The Village of Itasca, incorporated in 1890, is located at the junction of Interstate 290, Veterans Memorial Tollway, and the Elgin-O'Hare Expressway. Itasca began with a population of 76, which has since grown to 9,416. The Village covers an area of approximately 5.1 square miles and is located in DuPage County, Illinois, approximately 23 miles northwest of Chicago. Itasca is an upscale, residential community that prides itself on the high quality of living it affords its residents. It also boasts a large Class A Office park and two manufacturing districts.

The Village is governed by a Board consisting of a mayor and six trustees, all of whom are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The board is responsible for, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Mayor is responsible for appointing the heads of various departments with the Village Board's consent. The Mayor is elected to serve a four-year term and the trustees serve four-year staggered terms, with three Board members elected every

other two years. The elected officials collectively work as a unified Board, volunteer their time and resources to advance good government, and remain supportive of the professionals who run daily departmental operations of the Village government.

The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day-to-day operations of the government. The Village of Itasca provides a full range of services, including but not limited to; administrative, financial, police protection, public works, snow plowing, planning and zoning, economic development, a nature center, code enforcement, and community events. The Village also operates a water and sewer utility.

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

### **Local Economy and Finances**

Itasca is a mature community located in the O'Hare Industrial corridor of the Chicago metropolitan area, with limited land for new development. Equalized assessed valuation, (EAV) of real property at the end of the fiscal year totaled \$646,603,721, an increase of 2.5% over previous year. At a rate of 33.3% of market value, the equalized assessed valuation translates into \$1.94 billion of investment in the community.

More than 500 businesses operate in the Village, many located in the industrial and business parks in the north part of Itasca. The Village has experienced a slight decrease in collected sales tax revenue since the prior year and the Village is still actively seeking methods to attract and retain retailers. The Village is also moderately dependent on utility taxes that fluctuate with the weather and are often unpredictable. Additionally, due to the lack of state laws limiting non-home rule communities, it is difficult for communities to adjust for diminishing revenues such as telecommunications taxes. Telecommunications tax is steadily declining and is predicted to be obsolete in the next five to ten years unless Springfield allows municipalities to tax the data packages that are replacing landlines at record rates.

Income tax revenue collections have remained relatively consistent over the prior years. The Village has also experienced a decrease in permit revenue over that past several years and is predicting the revenue to be consistent in FYE 20. Although the economy is showing some signs of improvement, the Village remains vigilant in aggressively monitoring operating and capital expenditures to sustain its financial stability.

### **Long-term Financial Planning**

In the fall of 2015, the Village of Itasca Mayor, Board of Trustees, Village Administrator, Village Clerk, Village Attorney, Village Engineer, Department Heads, and other key managerial staff participated in a Strategic Planning process. Prior to the two-day planning session, the elected officials and key personnel participated in a survey that led to talking points for the in-person strategic planning sessions. Throughout the strategic planning sessions, the selected participants of elected officials and key personnel

participated in exercises to develop the Village's plan. The Village hired consultants to facilitate the Hoshin Planning model to guide the process.

One of the outcomes of the strategic planning sessions was the development of a GAP analysis to determine what are the drivers, the means, and the desired outcome. The results are recorded as follows:

**Driver: What the organization does to produce the outcome.**

- Fiscal Sustainability. Maintain a positive financial position with a long-term perspective of achieving greater reliance on local revenue sources. Ensure that operating revenues and expenditures are in balance, while continuing to invest in critical infrastructure.
- Policies and Procedures. Village operations provide consistent, effective and efficient use of Village Resources.
- Intergovernmental Relations. Village will work with other government entities to meet our service and quality goals.

**Means: How the organization produces the outcome.**

- Economic Development. Maintain and promote a diverse and thriving business community.
- Staffing Priorities. Village values and prioritizes personnel initiatives.
- Infrastructure and Capital. Upgrade of Village properties, resolution of the Waste Water Treatment Plant, and aesthetic issues.

**Outcome: What is the desired result.**

- ✓ Quality of Life. Residents and businesses have quiet enjoyment of their property.
- ✓ Resident Satisfaction. Establish initiatives to engage residents to determine needs and desires achieving satisfaction by beneficiaries.

The Village Board has a collective agreement that keeping fiscal sustainability, following policies and procedures, and pursuing intergovernmental relations are at the core of short-term and long-term decisions are what will drive the quality of life and resident satisfaction for the Village. The Village is dedicated to pursuing economic development opportunities, addressing staffing priorities, and prioritizing improving infrastructure and capital as a means of obtaining the outcome.

The Village Board and staff have identified projects that are scheduled out for the next five years in order to move towards the desired outcome of resident satisfaction and quality of life. The Village has been proactive this year in working with other government entities in order to achieve these goals. Additionally, the Village has plans to adopt updated financial policies and procedures during FYE 20.

The Village Board and staff have developed a five-year Capital Improvement Plan that it updates and adopts each year prior to the start of the budget process.

The budget for the twelve months ended April 30, 2020 is balanced which is a critical component of fiscal sustainability. The focus for managing the 2020 budget will involve critically examining each line item and searching for opportunities for cost savings and improved service. As a non-home rule community, the Village is vulnerable to the impacts of declined revenue without sufficient means to raise revenues without voter approval, uncertainty of what Springfield could impose on local governments, both through unfunded mandates and reduced revenues, and pension expenses that are increasing at a rate faster than what we are able to collect through property tax increases due to PTELL. The Village Board's directive for the past several years indicated a strong Village commitment to annually increase our fund balances as a priority for long term financial health. The Village reports that as of April 30, 2019, the fund balance in the

general fund is \$7,372,232, which is equal to 62% of the 2020 operating expenditure budget. This balance exceeds the Village's goal of 50% of the following year's annual operating budget.

### Major Initiatives

The Village had several major projects occurring in FY2019, including:

- The Village used the proceeds from the settlement received in 2018 to continue the work on within the Waste Water Treatment Plant. These improvements will ensure the Plant is able to remain compliant with IEPA requirements in the future.
- The Village replaced the Holiday Inn Lift Station, which had exceeded its useful life. The new lift station allows for future expansion, if necessary, while also moving the controls above ground for safer operation.
- The Village rebuilt and resurfaced several municipally-owned parking lots.
- The Village rezoned a nearly 50-acre parcel of land at Rohlwing Road and Devon Road, and approved construction for more than 700,000 square feet of industrial use and over seven acres of commercial use buildings along the Rt. 53 frontage.

### Acknowledgements

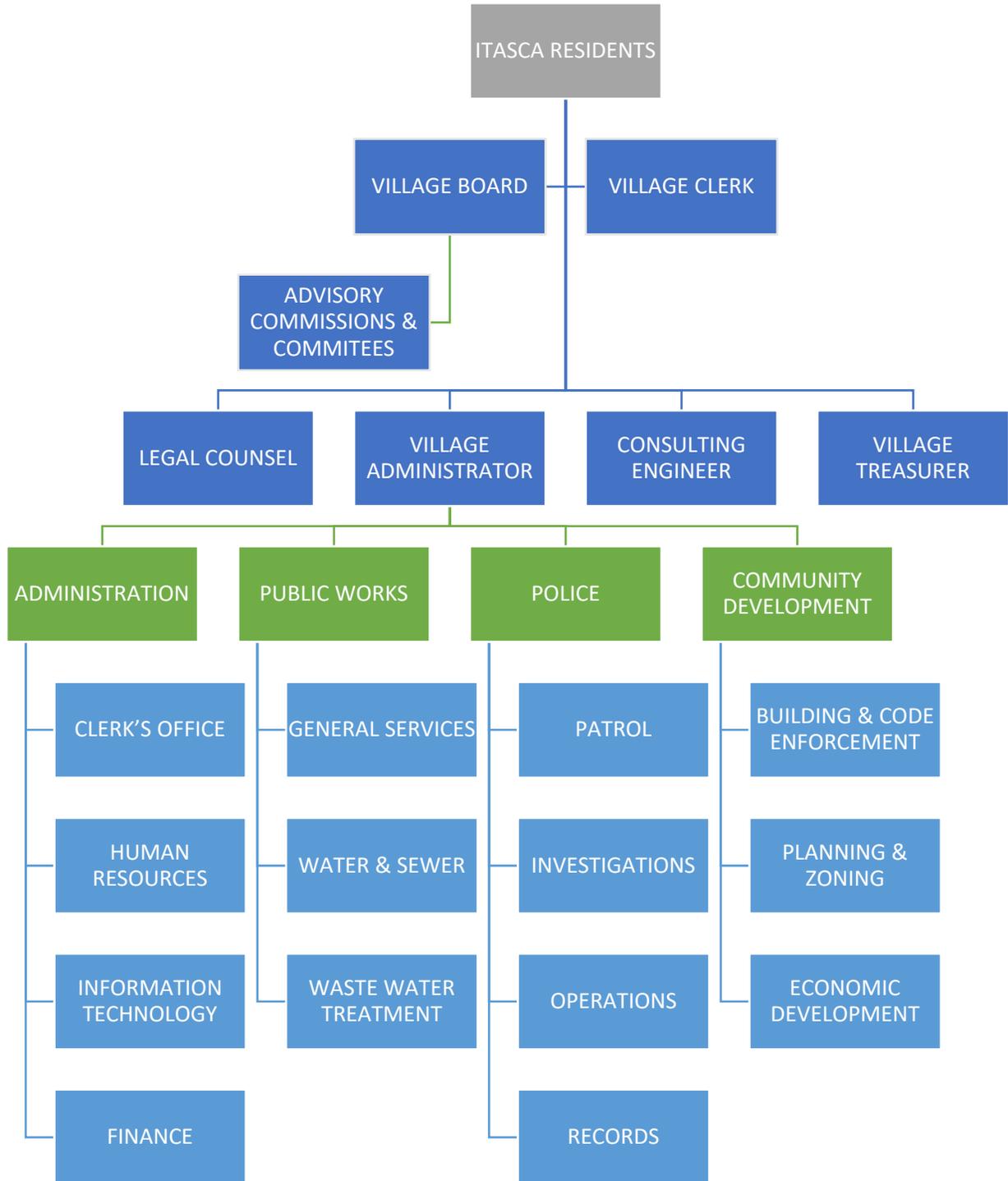
We express our appreciation to the Village Board of Trustees for their interest and support in planning and conducting the operations of the Village of Itasca in a responsible manner. The preparation of this report could not have been accomplished without the dedicated services of the Finance Department staff, accounting consultants, and the Village Administrator. We would like to express our appreciation to all everyone that assisted and contributed in the preparation of this report. We are pleased to present to you the Annual Financial Report as we continue to pursue our goal of operating municipal services with excellence and within a balanced budget.

Respectfully Submitted,

  
Monika Adamski  
Finance Director

  
Carie Anne Ergo  
Village Administrator

# Village of Itasca MUNICIPAL ORGANIZATION STRUCTURE



## **FINANCIAL SECTION**

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

**SIKICH.COM**

## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois (the Village), as of and for the year ended April 30, 2019, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois, as of April 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Change in Accounting Principle**

As described in Note 13, the Village adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, which established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses for OPEB liabilities; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The introductory section, combining and individual fund financial statements and schedules, and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and

certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and the supplemental data have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 9, 2019 on our consideration of the Village of Itasca, Illinois' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village of Itasca, Illinois' internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois  
December 9, 2019

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

As the management of the Village of Itasca (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2019. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Letter of Transmittal on pages ii through v and the Village's financial statements beginning on page 4.

**FINANCIAL HIGHLIGHTS**

- Total Village's net position decreased from \$87.1 million as of April 30, 2018 to \$85.7 million as of April 30, 2019.
- As of April 30, 2019, the unrestricted fund balance for the General fund balance was \$ 7.4 million or 68% of General Fund expenditures. This is down from \$10.0 million as of April 30, 2018 and 93% of General Fund expenditures.

**USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT**

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

**Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the aggregate difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Additionally, one would need to evaluate nonfinancial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved or deteriorated.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as an event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, community development, and public works. The business-type activities of the Village include a water and sewer system. Fiduciary activities, such as employee pension plans, are not available to fund Village programs and, therefore, are not included in government-wide statements.

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

The government-wide financial statements can be found on pages 4-7 of this report.

**Fund Financial Statements.**

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

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

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

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

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

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

The basic government fund financial statements are presented on pages 8-11 of this report.

***Proprietary funds.*** The Village maintains one proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer utilities function. Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. As the proprietary funds are reported on a full accrual bases, the Village of Itasca fund statements for the Water and Sewer fund mirror the government-wide statements.

The basic proprietary fund financial statements are presented on pages 12-14 of this report.

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

The basic fiduciary fund financial statements are presented on pages 15-16 of this report.

**Notes to the financial statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 17 of this report.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the General Fund and major governmental funds and the Village's progress in funding its obligation to provide pensions to its employees. Required supplementary information can be found on pages 56-63 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 64-92 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Position**

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

**Table 1**  
**Statement of Net Position**  
**As of April 30, 2019 and 2018**

	Governmental Activities		Business Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Current & Other Assets	\$24,427,174	\$23,601,933	\$9,202,865	\$8,007,823	\$33,630,039	\$31,609,756
Capital Assets	78,626,257	80,852,144	45,570,363	42,443,751	124,196,620	123,295,895
Deferred Outflow of Resources	6,960,164	2,175,982	256,830	171,918	7,216,994	2,347,900
<b>Total Assets and Deferred Outflows</b>	<b>110,013,595</b>	<b>106,630,059</b>	<b>55,030,058</b>	<b>50,623,492</b>	<b>165,043,653</b>	<b>157,253,551</b>
Current Liabilities	3,452,648	3,312,489	2,998,711	3,060,796	6,451,359	6,373,285
Non-Current Liabilities	32,011,095	24,197,296	37,220,019	32,978,479	69,231,114	57,175,775
Deferred Inflow of Resources	4,048,526	5,774,191	256,830	830,388	4,305,356	6,604,579
<b>Total Liabilities and Deferred Inflows</b>	<b>39,512,269</b>	<b>33,283,976</b>	<b>40,475,560</b>	<b>36,869,663</b>	<b>79,987,829</b>	<b>70,153,639</b>
<b>Net Position</b>						
Net Investment in Capital Assets	74,833,102	75,511,028	8,868,512	8,596,642	83,701,614	84,107,670
Restricted	5,996,480	5,770,684	-	-	5,996,480	5,770,684
Unrestricted	(10,328,256)	(7,935,629)	6,331,285	5,157,187	(3,996,971)	(2,778,442)
<b>Total Net Position</b>	<b>\$70,501,326</b>	<b>\$73,346,083</b>	<b>\$15,199,797</b>	<b>\$13,753,829</b>	<b>\$85,701,123</b>	<b>\$87,099,912</b>

A large portion of the Village's net position, \$83,701,614 or 97.6 percent, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

**GOVERNMENT-WIDE FINANCAL ANALYSIS (cont.)**

An additional portion, \$5,996,480 or 7.0 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. As of April 30, 2019, the Village is reporting unrestricted net position of (\$3,996,971) or (4.6) percent. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

**Activities**

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

<b>Changes of Net Position</b>						
<b>For the Fiscal Year Ended April 30, 2019 and 2018</b>						
	<b>Governmental</b>		<b>Business Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
<b>REVENUES</b>						
Program Revenues						
Charges for Services	\$ 1,215,895	\$ 1,287,548	\$ 9,574,693	\$ 9,185,357	\$ 10,790,588	\$ 10,472,905
Grants and Contributions						
Operating	219,551	220,835	-	-	219,551	220,835
Capital	19,342	18,300	-	-	19,342	18,300
General Revenues						
Property Taxes	3,678,582	3,585,363	-	-	3,678,582	3,585,363
Other Taxes	9,504,091	9,532,100	436,150	440,224	9,940,241	9,972,324
Other	1,342,716	801,792	414,314	4,164,531	1,757,030	4,966,323
<b>Total Revenues</b>	<b>15,980,177</b>	<b>15,445,938</b>	<b>10,425,157</b>	<b>13,790,112</b>	<b>26,405,334</b>	<b>29,236,050</b>
<b>EXPENSES</b>						
General Government	2,794,474	3,078,537	-	-	2,794,474	3,078,537
Public Safety	7,106,336	6,037,115	-	-	7,106,336	6,037,115
Community Development	875,237	935,802	-	-	875,237	935,802
Public Works	5,493,643	5,862,683	-	-	5,493,643	5,862,683
Water and Sewer	-	-	8,927,147	9,818,624	8,927,147	9,818,624
Interest Expense	270,596	354,732	-	-	270,596	354,732
<b>Total Expenses</b>	<b>16,540,286</b>	<b>16,268,869</b>	<b>8,927,147</b>	<b>9,818,624</b>	<b>25,467,433</b>	<b>26,087,493</b>
<b>Changes in Net Position before transfers</b>	<b>(560,109)</b>	<b>(822,931)</b>	<b>1,498,010</b>	<b>3,971,488</b>	<b>937,901</b>	<b>3,148,557</b>
<b>Transfers</b>	<b>-</b>	<b>(327,500)</b>	<b>-</b>	<b>327,500</b>	<b>-</b>	<b>-</b>
<b>Change in Net Position</b>	<b>(560,109)</b>	<b>(1,150,431)</b>	<b>1,498,010</b>	<b>4,298,988</b>	<b>937,901</b>	<b>3,148,557</b>
<b>Net Position, May 1</b>	<b>73,346,083</b>	<b>74,496,514</b>	<b>13,753,829</b>	<b>9,454,841</b>	<b>87,099,912</b>	<b>83,951,355</b>
<b>Prior Period Adjustment/Change in accounting principle</b>	<b>(2,284,648)</b>	<b>-</b>	<b>(52,042)</b>	<b>-</b>	<b>(2,336,690)</b>	<b>-</b>
<b>Net Position, May 1, restated</b>	<b>71,061,435</b>	<b>74,496,514</b>	<b>13,701,787</b>	<b>9,454,841</b>	<b>84,763,222</b>	<b>83,951,355</b>
<b>Net Position, April 30</b>	<b>\$ 70,501,326</b>	<b>\$ 73,346,083</b>	<b>\$ 15,199,797</b>	<b>\$ 13,753,829</b>	<b>\$ 85,701,123</b>	<b>\$ 87,099,912</b>

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)**

The Village's combined net position decreased by \$1.4 million from \$87.1 to \$85.7 million during 2019. This change is the result of \$2.8 million decrease and \$1.4 million increase in the net position of governmental activities and business-type activities, respectively. The change in net position was significantly impacted several years ago by the Village's implementation of Statement No. 68, Accounting and Financial Reporting for Pensions, of the Governmental Accounting Standards Board. These items pertain to the Village's participation in the Itasca Police Pension Fund, and Illinois Municipal Retirement Fund. Under previous financial reporting standards, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e., the obligations did not affect the statement of net position). In addition, the Village was required to implement GASB Statement No. 75 in FY19. This requires the reporting of the other postemployment liability resulting in an additional \$2.3 million liability on the financial statements.

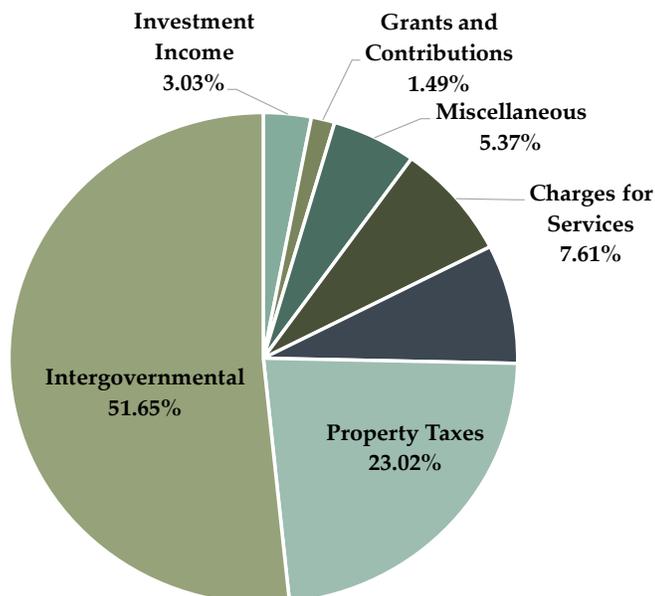
For more detailed information, see the Statement of Net Position on pages 4 and 5.

**Governmental Activities**

Revenues for governmental activities totaled \$15.9 million, while the cost of all governmental functions totaled \$16.5 million. This results in a decrease in net position before transfers of \$560 thousand. For the year ended April 30, 2018, revenues of \$15.4 million were less than expenses of \$16.3 million, resulting in a decrease in net position before transfers of \$823 thousand. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on property taxes and intergovernmental revenues and taxes to fund governmental activities.

**Governmental Activities as of April 30, 2019**

% of Revenues by Source



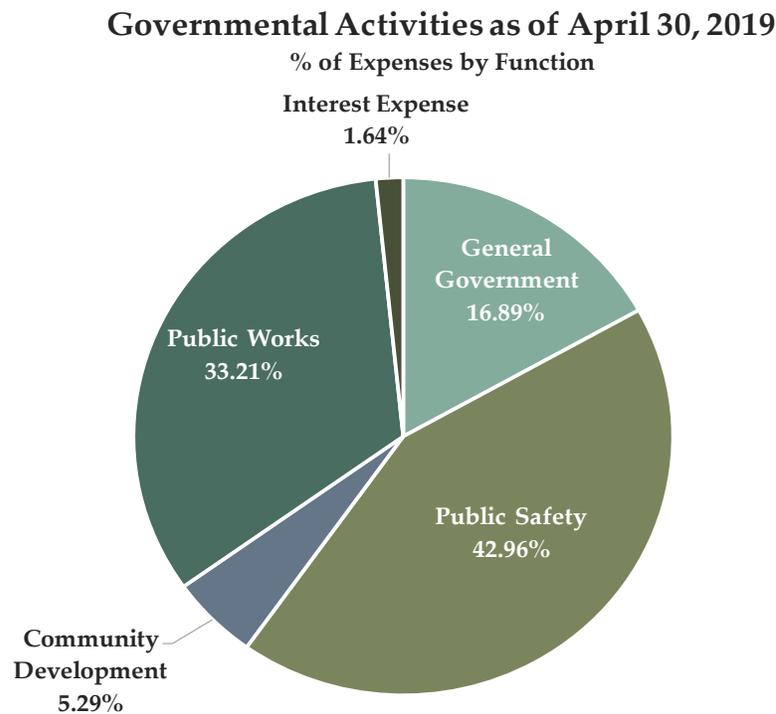
**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)**

FYE 2019 expenses for governmental activities totaled \$16.5 million, decreasing by \$271 thousand or 1.67% compared to FYE 2018 expenses.

Itasca's largest share of costs allocated to governmental activities was in the area of Public Safety (law enforcement), accounting for 42.96% of total governmental expenses. This was followed by Public Works activities, making up 33.21% of total governmental spending, which includes Public Works operating and maintenance activities as well as the Village's infrastructure rehabilitation and replacement program. General Government activities round out total governmental activities at 16.89% which includes legislative boards and commissions, general administration, legal services, financial management, engineering services, employee relations, and building maintenance. Community Development, accounts for 5.29% of total government spending, and Interest Expense accounts for 1.64% of total government spending.



**Business-Type activities**

Business-Type activities posted total revenues of \$10.4 million, while the cost of all business-type activities totaled \$8.9 million. This results in an increase in net position before transfers of \$1.5 million. For the year ended April 30, 2018, revenues were \$13.8 million, while the cost of all business-type activities totaled \$9.8 million. This resulted in an increase in net position before transfers of \$3.97 million.

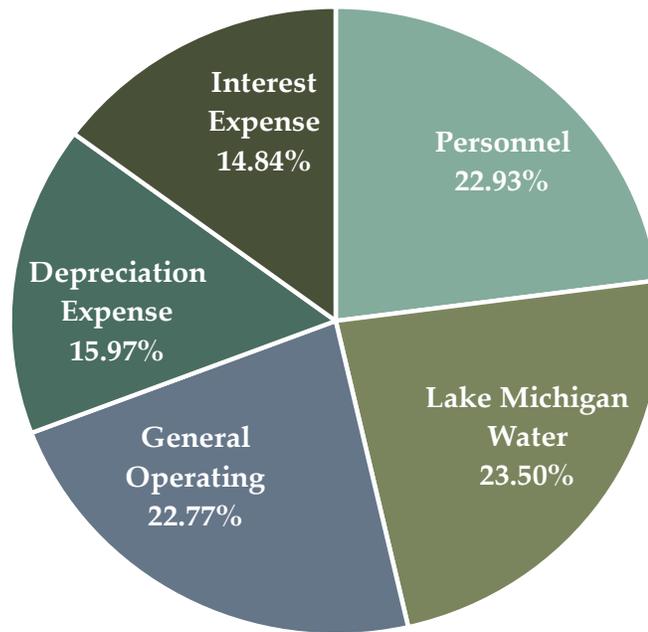
**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

Itasca's total business-type activities are limited to the activities of its sole enterprise fund, the Water and Sewer Fund. Total expenses for water and sewer activities for FY2019 totaled \$8.9 million, a decrease of \$891 thousand or 9% from the prior year. Water and sewer activities include the purchase of Lake Michigan water through the Village's participation in the DuPage Water Commission, maintaining the Village's water distribution systems including mains, pumps, reservoirs, metering and billing, as well as, the maintenance of the Village's sanitary sewage collection system and its treatment at the Sewer Treatment Plan. Total system expenses can be categorized in the following manner:

**Business Type Activities as of April 30, 2019**  
% of Expenses by Type



**Governmental Funds**

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

At April 30, 2019 governmental funds reported combined fund balances of \$19.1 million. Of this amount, \$7.3 million is unassigned and is available for future obligations. In addition, \$5.8 million is assigned for capital projects. About \$6.0 million is restricted, with \$2.5 million for tourism, generated by the hotel tax, \$2.7 million for Special Service areas and \$0.4 million for debt service. The remainder of restricted funds relate to public safety, and highway and streets.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

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

***Major Governmental Funds***

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. For the fiscal year ended April 30, 2019, fund balance in the General Fund decreased by \$2.7 million. Change to fund balance is a combination of revenues of \$11.4 million compared to expenditures of \$10.7 million, adjusted for other financing sources and uses of a net (\$3.4 million). Other financing sources represent a transfer from the General Fund to support Capital Projects within the year. After all activity and adjustments are accounted for, the General Fund has an ending fund balance of \$7.4 million.

**Proprietary Funds**

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

At April 30, 2019, net position of the proprietary fund totaled \$15 million. Cash and investments totaled \$7.0 million, slightly increasing from prior year by \$28 thousand. Operating revenues increased 6.8% from the previous year to \$10 million. Operating expenses (including depreciation) of \$7.6 million were 10% lower than the previous year. As of January 1, 2017, the volumetric rate was increased and the fixed revenue rate structure was adjusted to bring in an additional \$500,000 annually to offset the predicted shortfall the fund would experience to meet the service demands to maintain and operate a water and sewer system. The projected rate increases are sufficient to account for a consistent decline of 2.5% in water usage, debt repayment, anticipated debt repayment of loans related to correcting the treatment plant, ongoing litigation and engineering expenses related to the treatment plant, increasing resources dedicated to capital expenditures, and to accumulate sufficient reserves to meet the funds current liabilities.

**Fiduciary Funds**

The Village's one single-employer pension plan experienced a net increase in the Net Position of \$430,369 in the fiscal year ended April 30, 2019. Deductions for benefits and other smaller items increased about 4%, from \$1.63 million in the prior year to \$1.69 million this year. As of April 30<sup>th</sup>, total assets were \$15.9 million.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

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

**General Fund Budgetary Highlights**

The original budget for the General Fund and actual expenditures did not exceed the budgeted amount. The General Fund did not budget to use fund reserves in FYE 2019, with revenues and expenses both at \$11.2 million. Revenues in the general fund were \$181 thousand over budget. The majority of the increase is due to favorable budget variances in Other revenues of \$382,638. Expenditures in the general fund were \$434 thousand under the budget, mainly due to continued cost reduction efforts.

**General Fund Budgetary Highlights**  
**Fiscal Year Ended April 30, 2019**

	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 2,719,755	\$ 2,704,750
Licenses and permits	885,650	781,566
Intergovernmental	6,582,609	6,512,139
Charges for Services	187,500	205,024
Fines and foreits	258,625	229,305
Other revenue	566,613	949,251
<b>Total revenues</b>	<b>11,200,752</b>	<b>11,382,035</b>
<b>EXPENDITURES</b>		
General Government	\$2,208,247	\$2,084,217
Public safety	5,645,781	5,378,662
Community Development	1,029,928	902,330
Public works	1,580,885	1,665,392
Debt Services	694,205	694,141
<b>Total expenditures</b>	<b>11,159,046</b>	<b>10,724,742</b>
<b>(USES)</b>		
Transfers (out)	(3,500,000)	(3,500,000)
Transfers (in)	148,647	123,852
<b>Total other financing sources</b>	<b>(3,351,353)</b>	<b>(3,376,148)</b>
<b>(uses)</b>	<b>(3,351,353)</b>	<b>(3,376,148)</b>
<b>Net Change in Fund Balance</b>	<b>\$ (3,309,647)</b>	<b>\$ (2,718,855)</b>
<b>Fund Balance, May 1</b>		10,091,087
<b>Fund Balance, April 30</b>		<b>\$ 7,372,232</b>

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital assets**

The Village's investment in capital assets for both its governmental and business-type activities as of April 30, 2019 is \$124.2 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines, water towers, water wells and water treatment facilities as well as intangible assets. The following schedule reflects the Village's capital asset balances as of April 30, 2019.

	Capital Assets					
	Net of Accumulated Depreciation					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$40,473,800	\$40,473,800	\$ 1,335,645	\$ 1,335,645	\$ 41,809,445	\$ 41,809,445
Construction in progress	\$ -	\$ -	\$ 5,518,001	\$ 1,058,961	\$ 5,518,001	\$ 1,058,961
<b>Capital Assets, being depreciated</b>						
Building and Improvements	11,930,572	12,202,699	-	-	11,930,572	12,202,699
Machinery and Equipment	765,634	632,939	574,917	474,725	1,340,551	1,107,664
Transportation equipment	512,548	496,261	-	-	512,548	496,261
Infrastructure	24,943,703	27,046,445	-	-	24,943,703	27,046,445
Water and sewer systems			38,141,800	39,574,420	38,141,800	39,574,420
<b>Total Capital Assets, being depreciated</b>	<b>38,152,457</b>	<b>40,378,344</b>	<b>38,716,717</b>	<b>40,049,145</b>	<b>76,869,174</b>	<b>80,427,489</b>
<b>Total</b>	<b>\$78,626,257</b>	<b>\$80,852,144</b>	<b>\$45,570,363</b>	<b>\$42,443,751</b>	<b>\$124,196,620</b>	<b>\$123,295,895</b>

Capital additions for the year totaled \$783,399 for governmental funds and \$93,018 for the business-type activities of the water and sewer fund, not including \$4.5 million of construction in progress.

Additional information on the Village's capital assets is presented in the notes to the basic financial statements on pages 28 and 29.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)**

**Long-term debt**

During the fiscal year, bonded debt increased by \$1.4 million. At the end of the fiscal year, the Village had total bonded debt outstanding of \$43 million. Of this amount, \$3.4 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, 2019, the Village general obligation debt represented .53% of the equalized assessed value.

	Long-Term Debt Outstanding					
	Governmental		Business Type		Total	
	Activities		Activities		Primary Government	
	2019	2018	2019	2018	2019	2018
General Obligation Bonds	\$ 925,000	\$ 1,770,000	\$ 21,830,000	\$ 22,230,000	\$ 22,755,000	\$ 24,000,000
General Fund Refunding Certificates	2,515,000	3,085,000	-	-	2,515,000	3,085,000
Special Service Area Bonds	2,975,000	3,170,000	-	-	2,975,000	3,170,000
IEPA Loan	-	-	14,816,469	11,391,114	14,816,469	11,391,114
<b>Bonded Debt Total</b>	<b>6,415,000</b>	<b>8,025,000</b>	<b>36,646,469</b>	<b>33,621,114</b>	<b>43,061,469</b>	<b>41,646,114</b>
Compensated Absences	631,953	620,920	164,212	162,849	796,165	783,769
Net postemployment benefit	2,299,923	28,835	51,737	-	2,351,660	28,835
Net pension liability	24,480,943	17,064,223	1,492,288	302,650	25,973,231	17,366,873
Other	133,638	208,245	55,382	58,151	189,020	266,396
<b>Combined LT Debt Total</b>	<b>27,546,457</b>	<b>17,922,223</b>	<b>1,763,619</b>	<b>523,650</b>	<b>29,310,076</b>	<b>18,445,873</b>
<b>Total</b>	<b>\$ 33,961,457</b>	<b>\$ 25,947,223</b>	<b>\$ 38,410,088</b>	<b>\$ 34,144,764</b>	<b>\$ 72,371,545</b>	<b>\$ 60,091,987</b>

**Bond Ratings**

During the spring of 2016, the Village was able to maintain its Aa2, very strong credit position, bond rating from Moody's. Maintaining the Aa2 stable was based on the following factors:

- Robust financial position
- Strong socioeconomic profile
- Solid tax base
- Mid-ranged debt liability and sizable pension burden

Additional information on the Village's long-term debt is presented in the notes to the basic financial statements on pages 29 to 32.

**VILLAGE OF ITASCA, ILLINOIS**  
Management's Discussion and Analysis  
For the Year Ended April 30, 2019

---

**ECONOMIC FACTORS**

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

- The Village is directly impacted by the financial condition of the State of Illinois. The political environment in Springfield is being closely monitored for legislation that could reduce or eliminate the shared revenue, and in turn impact the level of service to the residents.
- The Illinois Department of Revenue certified the CPI used for calculating the Village's 2018 tax Levy to be 2.1%. Any increase in CPI along with the value of new construction will be used to offset the growing cost of funding for the police pension fund for the Village. The Village has been impacted by actuarial assumption changes in the calculation of the Annual Required Contribution (ARC). The increases in the ARC have been higher than the combined CPI and new construction, as a result, has decreased the portion of the property tax levy available for operations since 2018.
- The Village has a strong reliance on sales tax revenue. The Village will continue to monitor economic trends relating to retail sales and adjust forecasts/spending as appropriate.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. At April 30, 2019 the unassigned fund balance of the General Fund was 68% of total expenditures of the current year, well above the current practiced policy of 50%.

As we have done in the past, regardless of what adverse actions against municipal revenues may result from Springfield, we are prepared to take actions necessary to ensure we are able to continue to operate within our means while meeting the service needs of the community.

The Water/Sewer Fund had cash and investments of \$7.1 million as of April 30, 2019. The fund also had unrestricted net position of \$6.3 million. The Village monitors both revenues and expenses to determine the rate levels necessary to cover the maintenance and long term replacement infrastructure needs of the Water/Sewer Fund. The Village Board approved a rate increase plan, with increases effective January 1<sup>st</sup> of each year.

**CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional information, should be directed to Carie Anne Ergo, Village Administrator, Village of Itasca, 550 N. Irving Park Road, Itasca, IL.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2019

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and investments	\$ 18,702,091	\$ 7,091,593	\$ 25,793,684
Receivables			
Property taxes	3,012,342	-	3,012,342
Accounts receivable	-	2,111,272	2,111,272
Sales taxes	1,134,623	-	1,134,623
Other	653,118	-	653,118
Due from library	925,000	-	925,000
Capital assets			
Capital assets not being depreciated	40,473,800	6,853,646	47,327,446
Capital assets being depreciated (net of accumulated depreciation)	38,152,457	38,716,717	76,869,174
 Total assets	 103,053,431	 54,773,228	 157,826,659
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	1,075,611	901,540	1,977,151
Pension items - Police Pension	5,842,865	-	5,842,865
OPEB items	26,205	589	26,794
Unamortized loss on refunding	15,483	-	15,483
 Total deferred outflows of resources	 6,960,164	 902,129	 7,862,293
 Total assets and deferred outflows of resources	 110,013,595	 55,675,357	 165,688,952

(This statement is continued on the following page.)

**VILLAGE OF ITASCA, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

April 30, 2019

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Accounts payable	\$ 720,150	\$ 1,443,443	\$ 2,163,593
Accrued payroll	93,343	37,112	130,455
Accrued interest	92,606	328,087	420,693
Unearned revenue	77,943	-	77,943
Escrow deposits	491,633	-	491,633
Due to library	12,898	-	12,898
Due to other governments	13,713	-	13,713
Noncurrent liabilities			
Due within one year	1,950,362	1,190,069	3,140,431
Due in more than one year	32,011,095	37,220,019	69,231,114
Total liabilities	35,463,743	40,218,730	75,682,473
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	306,420	256,830	563,250
Pension items - Police Pension	729,764	-	729,764
Property taxes	3,012,342	-	3,012,342
Total deferred inflows of resources	4,048,526	256,830	4,305,356
Total liabilities and deferred inflows of resources	39,512,269	40,475,560	79,987,829
<b>NET POSITION</b>			
Net investment in capital assets	74,833,102	8,868,512	83,701,614
Restricted			
Public safety	40,056	-	40,056
Streets	464,975	-	464,975
Tourism	2,450,382	-	2,450,382
Debt service	366,575	-	366,575
Special service areas	2,674,492	-	2,674,492
Unrestricted (deficit)	(10,328,256)	6,331,285	(3,996,971)
<b>TOTAL NET POSITION</b>	<b>\$ 70,501,326</b>	<b>\$ 15,199,797</b>	<b>\$ 85,701,123</b>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>PRIMARY GOVERNMENT</b>				
Governmental Activities				
General government	\$ 2,794,474	\$ -	\$ -	\$ -
Public safety	7,106,336	276,435	-	-
Community development	875,237	781,566	-	19,342
Public works	5,493,643	157,894	219,551	-
Interest expense	270,596	-	-	-
Total governmental activities	16,540,286	1,215,895	219,551	19,342
Business-Type Activities				
Water and sewer	8,927,147	9,574,693	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 25,467,433</b>	<b>\$ 10,790,588</b>	<b>\$ 219,551</b>	<b>\$ 19,342</b>

	<b>Net (Expense) Revenue and Changes in Net Position</b>		
	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (2,794,474)	\$ -	\$ (2,794,474)
	(6,829,901)	-	(6,829,901)
	(74,329)	-	(74,329)
	(5,116,198)	-	(5,116,198)
	(270,596)	-	(270,596)
	<u>(15,085,498)</u>	-	<u>(15,085,498)</u>
	-	647,546	647,546
	<u>(15,085,498)</u>	647,546	<u>(14,437,952)</u>
General Revenues			
Taxes			
Property	3,678,582	-	3,678,582
Hotel	1,251,032	-	1,251,032
Intergovernmental	8,253,059	436,150	8,689,209
Miscellaneous	857,878	395,788	1,253,666
Investment income	484,838	18,526	503,364
Total	<u>14,525,389</u>	<u>850,464</u>	<u>15,375,853</u>
CHANGE IN NET POSITION	<u>(560,109)</u>	<u>1,498,010</u>	<u>937,901</u>
NET POSITION, MAY 1	73,346,083	13,753,829	87,099,912
Change in accounting principle	<u>(2,284,648)</u>	<u>(52,042)</u>	<u>(2,336,690)</u>
NET POSITION, MAY 1, RESTATED	<u>71,061,435</u>	<u>13,701,787</u>	<u>84,763,222</u>
<b>NET POSITION, APRIL 30</b>	<u>\$ 70,501,326</u>	<u>\$ 15,199,797</u>	<u>\$ 85,701,123</u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

April 30, 2019

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 7,008,957	\$ 5,553,099	\$ 6,140,035	\$ 18,702,091
Receivables				
Property taxes	2,461,668	-	550,674	3,012,342
Other	504,505	-	148,613	653,118
Sales taxes	775,164	359,459	-	1,134,623
Due from library	-	-	925,000	925,000
Due to other funds	307,014	-	-	307,014
<b>TOTAL ASSETS</b>	<b>\$ 11,057,308</b>	<b>\$ 5,912,558</b>	<b>\$ 7,764,322</b>	<b>\$ 24,734,188</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 552,446	\$ 145,314	\$ 22,390	\$ 720,150
Accrued payroll	90,523	-	2,820	93,343
Unearned revenue	62,195	15,748	-	77,943
Escrow deposits	491,633	-	-	491,633
Due to library	12,898	-	-	12,898
Due to other governments	13,713	-	-	13,713
Due from other funds	-	-	307,014	307,014
Total liabilities	1,223,408	161,062	332,224	1,716,694
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	2,461,668	-	550,674	3,012,342
Unavailable revenue - due from other governments	-	-	925,000	925,000
Total deferred inflows of resources	2,461,668	-	1,475,674	3,937,342
Total liabilities and deferred inflows of resources	3,685,076	161,062	1,807,898	5,654,036
<b>FUND BALANCES</b>				
Restricted				
Public safety	40,056	-	-	40,056
Debt service	-	-	366,575	366,575
Highway and streets	-	-	464,975	464,975
Tourism	-	-	2,450,382	2,450,382
Special service areas	-	-	2,674,492	2,674,492
Unrestricted				
Assigned				
Capital projects	-	5,751,496	-	5,751,496
Unassigned	7,332,176	-	-	7,332,176
Total fund balances	7,372,232	5,751,496	5,956,424	19,080,152
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 11,057,308</b>	<b>\$ 5,912,558</b>	<b>\$ 7,764,322</b>	<b>\$ 24,734,188</b>

See accompanying notes to financial statements.

**VILLAGE OF ITASCA, ILLINOIS**

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

April 30, 2019

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	<b>\$ 19,080,152</b>
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	78,626,257
Intergovernmental receivable from the Library is not unavailable revenue on the statement of net position	925,000
Premiums (discounts) on bonds are expensed in governmental funds but capitalized and amortized in the statement of net position	
Premium on issuance of bonds	(133,638)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(925,000)
General obligation debt certificates	(2,515,000)
Special service area bonds	(2,975,000)
Unamortized loss on refunding	15,483
Accrued interest payable	(92,606)
Compensated absences	(631,953)
Total OPEB liability	(2,299,923)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,780,420)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	769,191
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(22,700,523)
Differences between expected and actual experiences, assumption changes, and net differences between projected, and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	5,113,101
Differences between expected and actual experiences, assumption changes, and net differences between projected and actual earnings for the OPEB Plan are recognized as deferred outflows of resources on the statement of net position	26,205
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$ 70,501,326</b>

See accompanying notes to financial statements.

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 2,383,777	\$ -	\$ 1,294,805	\$ 3,678,582
Hotel taxes	-	-	1,251,032	1,251,032
Licenses and permits	781,566	-	-	781,566
Intergovernmental	6,512,139	1,589,162	-	8,101,301
Food and beverage tax	320,973	-	-	320,973
Grants	19,342	-	219,551	238,893
Charges for services	205,024	-	-	205,024
Fines	229,305	-	-	229,305
Investment income	380,064	3,248	101,526	484,838
Miscellaneous	549,845	102,188	205,845	857,878
<b>Total revenues</b>	<b>11,382,035</b>	<b>1,694,598</b>	<b>3,072,759</b>	<b>16,149,392</b>
<b>EXPENDITURES</b>				
Current				
General government	2,084,217	-	789,671	2,873,888
Public safety	5,378,662	-	-	5,378,662
Community development	902,330	-	-	902,330
Public works	1,665,392	-	-	1,665,392
Debt service				
Principal	570,000	-	1,070,000	1,640,000
Interest and fiscal agent fees	124,141	-	239,098	363,239
Capital outlay	-	1,653,082	1,267	1,654,349
<b>Total expenditures</b>	<b>10,724,742</b>	<b>1,653,082</b>	<b>2,100,036</b>	<b>14,477,860</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>657,293</b>	<b>41,516</b>	<b>972,723</b>	<b>1,671,532</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	123,852	4,140,000	-	4,263,852
Transfer (out)	(3,500,000)	-	(763,852)	(4,263,852)
Bonds issued, at par	-	-	925,000	925,000
Payment to escrow agent	-	-	(906,747)	(906,747)
<b>Total other financing sources (uses)</b>	<b>(3,376,148)</b>	<b>4,140,000</b>	<b>(745,599)</b>	<b>18,253</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(2,718,855)</b>	<b>4,181,516</b>	<b>227,124</b>	<b>1,689,785</b>
<b>FUND BALANCES, MAY 1</b>	<b>10,091,087</b>	<b>1,569,980</b>	<b>5,729,300</b>	<b>17,390,367</b>
<b>FUND BALANCES, APRIL 30</b>	<b>\$ 7,372,232</b>	<b>\$ 5,751,496</b>	<b>\$ 5,956,424</b>	<b>\$ 19,080,152</b>

See accompanying notes to financial statements.

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

<b>NET CHANGE IN FUND BALANCES -</b>	
<b>TOTAL GOVERNMENTAL FUNDS</b>	\$ 1,689,785
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	783,399
Sales of capital assets are reported as a proceed in governmental funds but as a gain (loss) from sale on the statement of activities	(74,185)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a decrease of principal outstanding in the statement of activities	1,640,000
The issuance of long-term debt is shown as an other financing source in governmental funds but the principal outstanding is shown as long-term liability on the statement of net position	
Bonds issued	(925,000)
Payment to escrow agent	895,000
Intergovernmental revenue from the Library is not revenue on the statement of activities	(169,215)
The change in the net pension liability for the Illinois Municipal Retirement Retirement Fund is reported only in the statement of activities	(1,419,334)
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	1,554,801
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(5,997,386)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	4,264,005
The change in the OPEB liability and deferred outflows of resources is reported only in the statement of activities	39,765
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,935,101)
Change in compensated absences payable	(11,033)
Amortization of bond premium	74,607
Amortization of loss on refunding	(11,645)
Change in accrued interest payable	41,428
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<u>\$ (560,109)</u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION  
 PROPRIETARY FUND

April 30, 2019

	<u>Water and Sewer</u>
<b>CURRENT ASSETS</b>	
Cash and investments	\$ 7,091,593
Accounts receivable	<u>2,111,272</u>
Total current assets	<u>9,202,865</u>
<b>NONCURRENT ASSETS</b>	
Capital assets	
Cost	76,127,776
Less accumulated depreciation	<u>30,557,413</u>
Total noncurrent assets	<u>45,570,363</u>
Total assets	<u>54,773,228</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension items - IMRF	901,540
OPEB items	<u>589</u>
Total deferred outflows of resources	<u>902,129</u>
Total assets and deferred outflows of resources	<u>55,675,357</u>
<b>CURRENT LIABILITIES</b>	
Accounts payable	1,443,443
Accrued payroll	37,112
Bonds and loans payable - current portion	1,170,000
Compensated absences payable	16,421
Total OPEB liability	3,648
Accrued interest	<u>328,087</u>
Total current liabilities	<u>2,998,711</u>
<b>NONCURRENT LIABILITIES</b>	
Bonds payable	21,465,382
IEPA loan payable	14,066,469
Compensated absences payable	147,791
Total OPEB liability	48,089
Net pension liability	<u>1,492,288</u>
Total noncurrent liabilities	<u>37,220,019</u>
Total liabilities	<u>40,218,730</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension items - IMRF	<u>256,830</u>
Total deferred inflows of resources	<u>256,830</u>
Total liabilities and deferred inflows of resources	<u>40,475,560</u>
<b>NET POSITION</b>	
Net investment in capital assets	8,868,512
Unrestricted	<u>6,331,285</u>
<b>TOTAL NET POSITION</b>	<u>\$ 15,199,797</u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

---

	<u>Water and Sewer</u>
<b>OPERATING REVENUES</b>	
Charges for services	
Water fees	\$ 4,852,558
Sewer fees	4,722,135
Miscellaneous	<u>395,788</u>
Total operating revenues	<u>9,970,481</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>	
Salaries/stipends	1,447,979
Payroll taxes	289,747
Employee benefits	309,177
General operating	2,769,391
Repairs and maintenance	921,995
Professional services	217,148
Special services	129,135
Insurance	<u>92,495</u>
Total operating expenses excluding depreciation	<u>6,177,067</u>
OPERATING INCOME BEFORE DEPRECIATION	3,793,414
Depreciation	<u>1,425,446</u>
OPERATING INCOME	<u>2,367,968</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest expense	(1,324,634)
Bond stimulus payment	436,150
Investment income	<u>18,526</u>
Total non-operating revenues (expenses)	<u>(869,958)</u>
CHANGE IN NET POSITION	<u>1,498,010</u>
NET POSITION, MAY 1	13,753,829
Change in accounting principle	<u>(52,042)</u>
NET POSITION, MAY 1, RESTATED	<u>13,701,787</u>
<b>NET POSITION, APRIL 30</b>	<u><u>\$ 15,199,797</u></u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND

For the Year Ended April 30, 2019

	<u>Water and Sewer</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from customers and users	\$ 10,842,775
Payments to suppliers	(4,277,559)
Payments to employees	(2,093,700)
	<u>4,471,516</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Advances received from (Paid to) other funds	(1,474,993)
	<u>(1,474,993)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(4,552,058)
Bond stimulus payment	436,150
Proceeds of long-term debt	3,611,942
IEPA loan principal payments	(750,000)
Bond principal payments	(402,769)
Interest paid on bonds payable	(1,329,384)
	<u>(2,986,119)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	18,526
	<u>18,526</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	28,930
CASH AND CASH EQUIVALENTS, MAY 1	<u>7,062,663</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u>\$ 7,091,593</u>
<b>NONCASH TRANSACTIONS</b>	
Capital assets purchased in accounts payable	\$ 1,105,594
<b>TOTAL NONCASH TRANSACTIONS</b>	<u>\$ 1,105,594</u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating income	\$ 2,367,968
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation and amortization	1,425,446
Changes in assets and liabilities	
Accounts receivable	872,294
Accounts payable	(95,353)
Accrued payroll	14,234
Compensated absences	1,363
Pension items - IMRF	(113,542)
OPEB items	(894)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<u>\$ 4,471,516</u>

See accompanying notes to financial statements.

**VILLAGE OF ITASCA, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION TRUST FUND**

April 30, 2019

---

**ASSETS**

Cash and short-term investments	\$	15,001
Investments, at fair value		
Mutual funds		8,988,643
U.S. Treasury securities		2,246,966
U.S. agency securities		843,279
Corporate bonds		1,945,541
Corporate equity securities		1,594,040
Money market mutual funds		312,031
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest		32,450
Prepays		<u>18,641</u>
 Total assets		 15,996,592

**LIABILITIES**

Accounts payable		<u>3,005</u>
------------------	--	--------------

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 15,993,587

See accompanying notes to financial statements.

**VILLAGE OF ITASCA, ILLINOIS**

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
POLICE PENSION TRUST FUND**

For the Year Ended April 30, 2019

---

**ADDITIONS**

Contributions	
Employer contributions	\$ 1,220,168
Employee contributions	211,929
	<hr/>
Total contributions	1,432,097
	<hr/>
Investment income	
Interest and dividend income	587,632
Net increase in fair value of investments	202,552
	<hr/>
Total investment income	790,184
Less investment expense	(100,679)
	<hr/>
Net investment income	689,505
	<hr/>
Total additions	2,121,602

**DEDUCTIONS**

Benefit payments	1,654,219
Administrative expenses	37,014
	<hr/>
Total deductions	1,691,233

NET INCREASE 430,369

**NET POSITION RESTRICTED  
FOR PENSIONS**

May 1	<hr/> 15,563,218
April 30	<hr/> <hr/> \$ 15,993,587

See accompanying notes to financial statements.

# VILLAGE OF ITASCA, ILLINOIS

## NOTES TO FINANCIAL STATEMENTS

April 30, 2019

---

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### a. Reporting Entity

The Village operates under a Board of Trustees-President-Administrator form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, water and sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

As required by GAAP, these financial statements present the Village and any component units. 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.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable.

#### b. Fund Accounting

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

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

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

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

b. Fund Accounting (Continued)

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension trust fund which is generally used to account for assets that the Village holds in fiduciary or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

The Village reports the following fiduciary fund:

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

d. Measurement Focus, Basis of Accounting, and Basis of Presentation

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

Sales taxes owed to the state at year end; franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village are also recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

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

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

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

f. Interfund Receivables/Payables

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

g. Inventories

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

h. Prepaid Items/Expenses

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

i. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$75,000 for streets, bridges, and storm sewers, \$15,000 for sidewalks, \$2,500 for lights, and \$1,500 for all other capital assets. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

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

j. Compensated Absences

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

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

k. Long-Term Obligations

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

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

l. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Village Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Village Administrator. Any residual fund balance of the General Fund or any deficit fund balance in other governmental funds are reported as unassigned.

The Village has not adopted a flow of funds policy and, therefore, applies the flow of funds from GASB Statement No. 54, which prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending the Village considers committed funds to be expended first followed by assigned and then unassigned funds. For net position, restricted funds are spent first then unrestricted funds.

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

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

l. Fund Balances/Net Position (Continued)

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

m. Interfund Transactions

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

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

n. Deferred Outflows/Inflows of Resources

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

o. Use of Estimates

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

## **2. DEPOSITS AND INVESTMENTS**

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

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

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

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

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

### **a. Deposits with Financial Institutions**

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Investments

As of April 30, 2019, the Village has the following investments and maturities in debt securities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less than 1	1-5
Illinois Metropolitan Investment Trust	\$ 3,550,179	\$ 2,104,341	\$ 1,445,838
Negotiable CDs	1,479,848	-	1,479,848
<b>TOTAL</b>	<b>\$ 5,030,027</b>	<b>\$ 2,104,341</b>	<b>\$ 2,925,686</b>

c. Interest Rate Risk

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

d. Fair Value Measurements

The Village has the following recurring fair value measurements as of April 30, 2019. The negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs). The IMET 1 to 3 Year Fund, a mutual fund, is measured based on the net asset value of the shares in IMET, which is based on the fair value of the underlying investments in the mutual fund (Level 3 input).

e. Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity: the Village primarily invests in negotiable certificates of deposit and external investment pools. The Illinois Funds, the money market mutual funds, and the Illinois Metropolitan Investment Fund are all rated AAA. The negotiable certificates of deposit are not rated but are covered by FDIC insurance up to \$250,000.

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**2. DEPOSITS AND INVESTMENTS (Continued)**

f. Custodial Credit Risk

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

g. Concentration of Credit Risk

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

**3. RECEIVABLES**

a. Property Taxes

Property taxes for 2018 attached as an enforceable lien on January 1, 2018 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2019. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2018 (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, 2019. The County collects such taxes and remits them periodically. The 2019 tax levy, which attached as an enforceable lien on property as of January 1, 2019, has not been recorded as a receivable as of April 30, 2019 as the tax has not yet been levied by the Village and will not be levied until December 2019 and, therefore, the levy is not measurable at April 30, 2019.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**3. RECEIVABLES (Continued)**

b. Other Receivables

Other receivables consist of the following receivables at April 30, 2019:

GOVERNMENTAL ACTIVITIES	
Other miscellaneous receivables	\$ 85,769
Hotel tax	126,014
Food and Beverage tax	25,532
Utility tax	96,977
Telecommunication tax	189,614
Use tax	67,110
Cable TV Franchise fee	42,958
Motor Fuel tax	19,144
	<u>19,144</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 653,118</u></b>

**4. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2019 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 40,473,800	\$ -	\$ -	\$ 40,473,800
Total capital assets not being depreciated	<u>40,473,800</u>	<u>-</u>	<u>-</u>	<u>40,473,800</u>
Capital assets being depreciated				
Buildings and improvements	19,086,762	-	-	19,086,762
Machinery and equipment	1,484,751	305,735	117,135	1,673,351
Transportation equipment	2,037,364	137,934	53,969	2,121,329
Infrastructure	111,010,912	339,730	-	111,350,642
Total capital assets being depreciated	<u>133,619,789</u>	<u>783,399</u>	<u>171,104</u>	<u>134,232,084</u>
Less accumulated depreciation for				
Buildings and improvements	6,884,063	272,127	-	7,156,190
Machinery, vehicles, and equipment	851,812	98,855	42,950	907,717
Transportation equipment	1,541,103	121,647	53,969	1,608,781
Infrastructure	83,964,467	2,442,472	-	86,406,939
Total accumulated depreciation	<u>93,241,445</u>	<u>2,935,101</u>	<u>96,919</u>	<u>96,079,627</u>
Total capital assets being depreciated, net	<u>40,378,344</u>	<u>(2,151,702)</u>	<u>74,185</u>	<u>38,152,457</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 80,852,144</u></b>	<b><u>\$ (2,151,702)</u></b>	<b><u>\$ 74,185</u></b>	<b><u>\$ 78,626,257</u></b>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**4. CAPITAL ASSETS (Continued)**

	Balances May 1	Increases	Decreases	Balances April 30
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land and improvements	\$ 1,335,645	\$ -	\$ -	\$ 1,335,645
Construction in progress	1,058,961	4,459,040	-	5,518,001
Total capital assets not being depreciated	2,394,606	4,459,040	-	6,853,646
Capital assets being depreciated				
Buildings and improvements	500,167	-	-	500,167
Equipment	2,068,821	93,018	-	2,161,839
Water and sewer system	66,612,124	-	-	66,612,124
Total capital assets being depreciated	69,181,112	93,018	-	69,274,130
Less accumulated depreciation for				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,594,096	(7,174)	-	1,586,922
Water and sewer system	27,037,704	1,432,620	-	28,470,324
Total accumulated depreciation	29,131,967	1,425,446	-	30,557,413
Total capital assets being depreciated, net	40,049,145	(1,332,428)	-	38,716,717
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 42,443,751</b>	<b>\$ 3,126,612</b>	<b>\$ -</b>	<b>\$ 45,570,363</b>

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

<b>GOVERNMENTAL ACTIVITIES</b>	
General government	\$ 168,145
Public safety	2,688,037
Community development	5,968
Public works	72,951
<b>TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<b>\$ 2,935,101</b>

**5. LONG-TERM DEBT**

a. General Obligation Bonds

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2019 is as follows:

Governmental Activities

Issue	Interest Rate	Final Maturity Date	Beginning Balances, Restated	Additions	Retirements/ Refundings	Ending Balances	Due Within One Year
General obligation bonds	3.00% to						
Series 2008B	4.00%	12/15/2019	\$ 720,000	\$ -	\$ 720,000	\$ -	\$ -
Series 2008A	3.00% to						
Series 2019	4.00%	12/15/2019	1,050,000	-	1,050,000	-	-
Plus amortized premium to:	1.67%	12/15/2019	-	925,000	-	925,000	925,000
Series 2008B			32,125	-	32,125	-	-
Series 2008A			9,073	-	9,073	-	-
General fund refunding debt certificates							
Series 2010	2.00% to 4.00%	12/1/2022	3,085,000	-	570,000	2,515,000	595,000
Plus amortized premium Series 2010			167,047	-	33,409	133,638	-
Special service area bonds							
Series 2014	4.50%	12/15/2033	2,865,000	-	125,000	2,740,000	130,000
Series 2006	4.50%	12/15/2021	305,000	-	70,000	235,000	75,000
Compensated absences payable			620,920	73,125	62,092	631,953	63,195
Total OPEB liability			2,313,483	-	13,560	2,299,923	162,167
Net pension liability - IMRF			361,086	1,419,334	-	1,780,420	-
Police Pension			16,703,137	5,997,386	-	22,700,523	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>			<b>\$ 28,231,871</b>	<b>\$ 8,414,845</b>	<b>\$ 2,685,259</b>	<b>\$ 33,961,457</b>	<b>\$ 1,950,362</b>

Refundings

On February 28, 2019, the Village issued \$925,000 General Obligation Refunding Bonds, 2019, to advance refund, through an in-substance defeasance, \$895,000 of the Series 2008A General Obligation Bonds. Through the refunding, the Village reduced its debt service by \$81,885 and achieved an economic gain of \$7,357. The 2008A bonds were paid from escrow on March 30, 2019.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

a. General Obligation Bonds (Continued)

Business-Type Activities

Issue	Beginning Balances, Restated	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds - Series 2009A	\$ 22,230,000	\$ -	\$ 400,000	\$ 21,830,000	\$ 420,000
IEPA loans					
EPA loan I	10,500,000	-	750,000	9,750,000	750,000
EPA loan II*	891,114	4,175,355	-	5,066,469	-
Unamortized bond premium	58,151	-	2,769	55,382	-
Compensated absences payable	162,849	164,212	162,849	164,212	16,421
Net pension liability - IMRF	302,650	1,189,638	-	1,492,288	-
Total OPEB liability	52,042	-	305	51,737	3,648
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 34,196,806</b>	<b>\$ 5,529,205</b>	<b>\$ 1,315,923</b>	<b>\$ 38,410,088</b>	<b>\$ 1,190,069</b>

\*The IEPA loan has not been closed out by the IEPA and, therefore, no repayment schedule has been determined as of April 30, 2019.

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Refunding Certificates		SSA Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2020	\$ 925,000	\$ 12,315	\$ 595,000	\$ 100,600	\$ 205,000	\$ 135,170
2021	-	-	615,000	76,800	220,000	125,570
2022	-	-	640,000	52,200	225,000	115,230
2023	-	-	665,000	26,600	150,000	104,625
2024	-	-	-	-	155,000	97,875
2025	-	-	-	-	165,000	90,900
2026	-	-	-	-	170,000	83,475
2027	-	-	-	-	180,000	75,825
2028	-	-	-	-	185,000	67,725
2029	-	-	-	-	195,000	59,400
2030	-	-	-	-	205,000	50,625
2031	-	-	-	-	215,000	41,400
2032	-	-	-	-	225,000	31,725
2033	-	-	-	-	235,000	21,600
2034	-	-	-	-	245,000	11,025
<b>TOTAL</b>	<b>\$ 925,000</b>	<b>\$ 12,315</b>	<b>\$ 2,515,000</b>	<b>\$ 256,200</b>	<b>\$ 2,975,000</b>	<b>\$ 1,112,170</b>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

**5. LONG-TERM DEBT (Continued)**

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities			
	General Obligation Bonds		IEPA Loan	
	Principal	Interest	Principal	Interest
2020	\$ 420,000	\$ 1,312,350	\$ 750,000	\$ -
2021	440,000	1,291,350	750,000	-
2022	470,000	1,268,910	750,000	-
2023	490,000	1,243,766	750,000	-
2024	520,000	1,217,060	750,000	-
2025	550,000	1,188,460	750,000	-
2026	580,000	1,158,210	750,000	-
2027	610,000	1,124,570	750,000	-
2028	640,000	1,089,190	750,000	-
2029	680,000	1,052,070	750,000	-
2030	720,000	1,012,630	750,000	-
2031	760,000	968,710	750,000	-
2032	1,190,000	922,350	750,000	-
2033	1,630,000	849,760	-	-
2034	1,730,000	750,330	-	-
2035	1,840,000	644,800	-	-
2036	1,950,000	530,720	-	-
2037	2,070,000	490,820	-	-
2038	2,200,000	281,480	-	-
2039	2,340,000	145,080	-	-
<b>TOTAL</b>	<b>\$ 21,830,000</b>	<b>\$ 18,542,616</b>	<b>\$ 9,750,000</b>	<b>\$ -</b>

**6. INDIVIDUAL FUND DISCLOSURES**

a. Due To/From

Due to/from other funds at April 30, 2019 consist of the following:

Fund	Due To	Due From
General		
Nonmajor governmental	\$ 307,014	\$ -
Nonmajor governmental		
General	-	307,014
<b>TOTAL</b>	<b>\$ 307,014</b>	<b>\$ 307,014</b>

The General Fund has advanced a nonmajor governmental fund \$307,014 for Capital Projects. This will be repaid within one year.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**6. INDIVIDUAL FUND DISCLOSURES (Continued)**

b. Transfers In/Out

Individual interfund transfers during the fiscal year ended April 30, 2019 were as follows:

	Transfers In	Transfers Out
General	\$ -	\$ 3,500,000
Hotel Tax	-	640,000
Capital Projects	4,140,000	-
<b>TOTAL</b>	<b>\$ 4,140,000</b>	<b>\$ 4,140,000</b>

The transfer from the Hotel Tax Fund for \$640,000 and General Fund for \$3,500,000 were both to the Capital Projects Fund was to support capital projects.

**7. CONTINGENT LIABILITIES**

a. Litigation

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

b. Grants

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

**8. COMMITMENTS**

a. DuPage Water Commission

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

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

**9. RISK MANAGEMENT**

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; employee health; injuries to employees; and net income losses. The Village purchases private insurance for its workers’ compensation and liability coverages.

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

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

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

**10. TAX ABATEMENTS**

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

The Village has an agreement with a local retailer based upon sales tax revenue generated and paid by this retailer during the calendar year. The Village will remit 40% of sales tax revenue in excess of \$376,373 paid by this retailer. The agreement expires on March 26, 2034 or when total payments to the retailer are \$1,000,000. As of and for the year ended April 30, 2019, a liability of \$58,481 has been accrued and payments of \$177,215 were made. As of April 30, 2019, the Village has incurred total incentives of \$628,574.

**11. DEFINED BENEFIT PENSION PLANS**

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for both plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.IMRF.org](http://www.IMRF.org). The Police Pension Plan also issues a separate report which is available on the Village's website at [www.itasca.com/1913/Annual-Financial-Reports](http://www.itasca.com/1913/Annual-Financial-Reports).

a. Plan Descriptions

Illinois Municipal Retirement Fund

*Plan Administration*

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

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. The plan is treated as a cost sharing plan by the Village and Itasca Community Library (the Library). Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Plan Membership*

At December 31, 2018, most recent information available, IMRF membership consisted of:

Inactive plan members currently receiving benefits	71
Inactive plan members entitled to but not yet receiving benefits	53
Active plan members	<u>53</u>
TOTAL	<u><u>177</u></u>

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

*Benefits Provided*

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Contributions*

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2018 was 13.48% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Discount Rate*

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2018	\$ 23,939,094	\$ 23,141,358	\$ 797,736
Changes for the period			
Service cost	338,426	-	338,426
Interest	1,769,964	-	1,769,964
Difference between expected and actual experience	369,602	-	369,602
Changes in assumptions	746,723	-	746,723
Employer contributions	-	461,448	(461,448)
Employee contributions	-	154,047	(154,047)
Net investment income	-	(1,168,019)	1,168,019
Benefit payments and refunds	(1,017,565)	(1,017,565)	-
Other (net transfer)	-	641,546	(641,546)
Net changes	2,207,150	(928,543)	3,135,693
BALANCES AT DECEMBER 31, 2018	\$ 26,146,244	\$ 22,212,815	\$ 3,933,429

The table presented includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2018, the employer contributions, and net pension liability at December 31, 2018 was \$663,736, \$345,359, and \$3,272,708, respectively. The Library's proportionate share of the net pension liability at January 1, 2018, the employer contributions, and net pension liability at December 31, 2018 was \$134,000, \$69,736, and \$660,721, respectively.

Changes in assumptions related to mortality were made since the prior measurement date.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2019, the Village recognized pension expense of \$96,359.

At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 349,228	\$ 364,899
Changes in assumption	518,570	312,065
Contributions made after measurement date	123,804	-
Net difference between projected and actual earnings on pension plan investments	<u>1,384,713</u>	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 2,376,315</u></b>	<b><u>\$ 676,964</u></b>

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2019 were \$1,977,151 and \$563,250, respectively. The Library's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2019 were \$399,164 and \$113,714, respectively.

The \$123,804 contributed after the measurement date of the plan will be recognized as a reduction of net pension liability for the fiscal year ended April 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

<u>Year Ending April 30,</u>	
2020	\$ 454,967
2021	290,414
2022	247,645
2023	582,521
2024	-
Thereafter	<u>-</u>
<b>TOTAL</b>	<b><u>\$ 1,575,547</u></b>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (Village)	\$ 6,100,680	\$ 3,272,613	\$ 959,567
Net pension liability (Library)	1,231,868	660,816	193,759
Net pension liability (Total)	<u>\$ 7,332,548</u>	<u>\$ 3,933,429</u>	<u>\$ 1,153,326</u>

Police Pension Plan

*Plan Administration*

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

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

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At April 30, 2019, membership consisted of:

Inactive plan members currently receiving benefits	25
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>22</u>
 TOTAL	 <u><u>48</u></u>

*Benefits Provided*

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has been contributing 100% of the past service costs by 2040. For the year ended April 30, 2019, the Village's contribution was 57.23% of covered payroll.

*Investment Policy*

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

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy (Continued)*

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

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Cash	3.00%	0.89%
U.S. Fixed Income	32.00%	1.29%
U.S. Large Cap Equity	12.00%	3.60%
U.S. Small/Mid Cap Equity	10.00%	4.12%
International Developed Markets Equity	11.50%	5.45%
Emerging Markets Equity	8.50%	6.79%
Real Estate	10.00%	4.66%
MLP's	4.00%	7.26%
Hedge Funds	5.00%	3.29%
US Corp High Yield FI	4.00%	3.04%

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.10%) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of April 30, 2019 are listed in the table above.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Valuations*

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

*Investment Concentrations*

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

*Investment Rate of Return*

For the year ended April 30, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.44%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

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

*Interest Rate Risk*

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	\$ 843,279	\$ -	\$ -	\$ 41,509	\$ 801,770
U.S. Treasury securities	2,246,967	219,094	961,423	538,274	528,176
Corporate bonds	1,945,541	94,967	591,294	936,184	323,096
<b>TOTAL</b>	<b>\$ 5,035,787</b>	<b>\$ 314,061</b>	<b>\$ 1,552,717</b>	<b>\$ 1,515,967</b>	<b>\$ 1,653,042</b>

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk* (Continued)

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

*Fair Value Measurements*

The Fund has the following recurring fair value measurements as of April 30, 2019. The money market mutual funds, mutual funds, and corporate equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, and corporate bonds are valued using quoted prices of similar securities (Level 2 inputs).

*Credit Risk*

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

*Custodial Credit Risk*

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

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

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

Actuarial valuation date	April 30, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	5.33%
Interest rate	6.50%
Cost of living adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the PubS-2010 mortality projected five years past the valuation date with Scale MP-2018. The actuarial assumptions used in the April 30, 2019 valuation were based on the results of a 2017 actuarial experience study conducted by the Illinois Department of Insurance.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50% (7.55% prior year). The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 28,379,763	\$ 22,700,523	\$ 18,081,825

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2018	\$ 32,266,355	\$ 15,563,218	\$ 16,703,137
Changes for the period			
Service cost	409,935	-	409,935
Interest	2,404,613	-	2,404,613
Difference between expected and actual experience	70,553	-	70,553
Changes of assumptions	5,192,883	-	5,192,883
Employer contributions	-	1,220,168	(1,220,168)
Employee contributions	-	207,939	(207,939)
Buy back contributions	3,990	3,990	-
Net investment income	-	689,505	(689,505)
Benefit payments and refunds	(1,654,219)	(1,654,219)	-
Administrative expense	-	(37,014)	37,014
Net changes	6,427,755	430,369	5,997,386
BALANCES AT APRIL 30, 2019	\$ 38,694,110	\$ 15,993,587	\$ 22,700,523

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2019, the Village recognized police pension expense of \$2,953,549. At April 30, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the Fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 201,442	\$ 729,764
Changes in assumption	4,714,410	-
Net difference between projected and actual earnings on pension plan investments	927,013	-
<b>TOTAL</b>	<u>\$ 5,842,865</u>	<u>\$ 729,764</u>

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

<u>Year Ending April 30,</u>	
2020	\$ 1,475,170
2021	715,639
2022	1,072,665
2023	972,387
2024	877,240
Thereafter	-
<b>TOTAL</b>	<u>\$ 5,113,101</u>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**12. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

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

c. Membership

At April 30, 2019 membership consisted of:

Retirees and beneficiaries currently receiving benefits	18
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>56</u>
<b>TOTAL</b>	<b><u><u>74</u></u></b>
Participating employers	<u><u>1</u></u>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

d. Total OPEB Liability

The Village's total OPEB liability of \$2,351,660 was measured as of April 30, 2019, determined by an actuarial valuation as of April 30, 2018 and was rolled forward to April 30, 2019.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability in the April 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age
Actuarial value of assets	N/A
Inflation	2.50%
Salary increases	3.00%
Discount rate	3.79%
Healthcare cost trend rates	7.10% initial 5.00% ultimate
Retirees share of benefit-related costs	100% regular plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2019. The discount rate at April 30, 2018 was 3.97%.

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

The actuarial assumptions used in the April 30, 2018 valuation are based on 35% participation assumed, with 50% electing spouse coverage.



**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 5.00% to 7.10% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (4.00% to 6.10%) or 1 percentage point higher (6.00% to 8.10%) than the current rate:

	1% Decrease (4.00% to 6.10%)	Current Healthcare Rate (5.00% to 7.10%)	1% Increase (6.00% to 8.10%)
Total OPEB liability	\$ 2,149,852	\$ 2,351,660	\$ 2,583,053

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

For the year ended April 30, 2019, the Village recognized OPEB expense of \$125,156. At April 30, 2019, the Village reported deferred outflows of resources of \$26,794 and did not report deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	26,794	-
<b>TOTAL</b>	<b>\$ 26,794</b>	<b>\$ -</b>

**VILLAGE OF ITASCA, ILLINOIS**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**

---

**12. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

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

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

Year Ending April 30,	
2020	\$ 2,672
2021	2,672
2022	2,672
2023	2,672
2024	2,672
Thereafter	<u>13,434</u>
<b>TOTAL</b>	<u><b>\$ 26,794</b></u>

**13. CHANGE IN ACCOUNTING PRINCIPLE**

In 2019, the Village implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. With the implementation, the Village is required to retroactively record the total postemployment benefit liability.

	Increase (Decrease)
<b>CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	
Change in accounting principle	
To write-off the net OPEB obligation	\$ 28,835
To record the total OPEB liability	<u>(2,313,483)</u>
<b>TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES</b>	<u><b>\$ (2,284,648)</b></u>

**VILLAGE OF ITASCA, ILLINOIS**  
NOTES TO FINANCIAL STATEMENTS (Continued)

---

**13. CHANGE IN ACCOUNTING PRINCIPLE (Continued)**

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
Change in accounting principle To record the total OPEB liability	<u>\$ (52,042)</u>
 TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	 <u><u>\$ (52,042)</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Property taxes	\$ 2,389,755	\$ 2,383,777
Licenses	146,650	145,443
Building and other permits	739,000	636,123
Intergovernmental		
Sales	3,519,734	3,374,352
Less incentives	(220,000)	(177,452)
State income	746,171	839,723
Replacement	135,000	83,967
Local use	219,576	267,575
Telecommunications	897,120	773,372
Utility tax	1,285,008	1,350,602
Food and beverage tax	330,000	320,973
Grants	20,322	19,342
Parking and other fees	187,500	205,024
Police fines and other receipts	258,625	229,305
Investment income	50,000	380,064
Miscellaneous	496,291	549,845
	<u>11,200,752</u>	<u>11,382,035</u>
<b>EXPENDITURES</b>		
Current		
General government		
Administrative	2,058,250	1,958,563
Nature center	149,997	125,654
Public safety	5,645,781	5,378,662
Community development	1,029,928	902,330
Public works	1,580,885	1,665,392
Debt service		
Principal	570,000	570,000
Interest and fiscal agent fees	124,205	124,141
	<u>11,159,046</u>	<u>10,724,742</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>41,706</u>	<u>657,293</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	148,647	123,852
Transfers (out)	(3,500,000)	(3,500,000)
	<u>(3,351,353)</u>	<u>(3,376,148)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,309,647)</u>	<u>(2,718,855)</u>
FUND BALANCE, MAY 1		<u>10,091,087</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 7,372,232</u>

(See independent auditor's report.)

## VILLAGE OF ITASCA, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2019

---

#### **LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS**

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

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

- a. A proposed budget is prepared by the Village President and Village Administrator and is reviewed by the Village Board of Trustees. Public meetings are held to obtain citizen comment.
- b. The proposed budget is approved by motion of the Village Board of Trustees.
- c. An annual appropriation ordinance with the same level of revenues and expenditures is prepared based upon the approved budget. A public hearing is held to obtain citizen comment.
- d. The appropriation ordinance is passed and approved by the Village Board of Trustees.
- e. The Village Board of Trustees may modify the appropriation ordinance through a supplemental appropriation ordinance. There were no supplemental appropriation ordinances during the year.

The approved budget is reflected in these schedules to provide a more meaningful comparison of planned to actual operations. The budget is adopted for the General, Special Revenue, Debt Service, Capital Projects, and Enterprise Funds. The General Obligation 2008 Fund had expenditures of \$968,050 with a budget of \$749,603.

**VILLAGE OF ITASCA, ILLINOIS**

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

Last Four Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 365,966	\$ 349,848	\$ 376,298	\$ 340,546
Contributions in relation to the actuarially determined contribution	365,966	349,848	376,298	340,546
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 3,106,255	\$ 2,913,041	\$ 3,096,736	\$ 2,818,935
Contributions as a percentage of covered payroll	11.78%	12.01%	12.15%	12.08%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 25 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and inflation of 2.75%.

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

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

Last Four Calendar Years

---

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
Employer's proportion of net pension liability	83.39%	82.72%	83.20%	83.20%
Employer's proportionate share of net pension liability	\$ 2,624,791	\$ 2,872,854	\$ 663,736	\$ 3,272,708
Employer's covered payroll	2,988,468	2,921,014	2,923,088	2,848,140
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	87.83%	98.35%	22.71%	114.91%
Plan fiduciary net position as a percentage of the total pension liability	86.14%	85.70%	96.67%	84.96%

Notes to Required Supplementary Information

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Actuarially determined contribution	\$ 490,884	\$ 620,922	\$ 621,324	\$ 537,359	\$ 576,591	\$ 676,543	\$ 694,619	\$ 906,688	\$ 1,131,221	\$ 1,188,065
Contributions in relation to the actuarially determined contribution	502,722	606,037	596,937	545,817	578,545	677,725	704,812	925,806	1,168,415	1,220,168
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ (11,838)</b>	<b>\$ 14,885</b>	<b>\$ 24,387</b>	<b>\$ (8,458)</b>	<b>\$ (1,954)</b>	<b>\$ (1,182)</b>	<b>\$ (10,193)</b>	<b>\$ (19,118)</b>	<b>\$ (37,194)</b>	<b>\$ (32,103)</b>
Covered payroll	\$ 1,987,850	\$ 1,973,692	\$ 1,877,990	\$ 1,998,734	\$ 1,991,755	\$ 2,148,640	\$ 1,977,927	\$ 1,869,508	\$ 2,021,561	\$ 2,132,165
Contributions as a percentage of covered payroll	25.29%	30.71%	31.79%	27.31%	29.05%	31.54%	35.63%	49.52%	57.80%	57.23%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of May 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.55% annually, projected salary increases assumption of 5.33% compounded annually, and postretirement benefit increases of 3% compounded annually.

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 360,963	\$ 409,850	\$ 397,093	\$ 386,940	\$ 409,935
Interest	1,739,122	2,074,655	2,358,281	2,311,466	2,404,613
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	814,832	316,067	(1,824,410)	132,389	70,553
Changes of assumptions*	1,724,772	1,935,023	-	-	5,192,883
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)
Net change in total pension liability	3,598,537	3,479,324	(564,870)	1,244,897	6,427,755
Total pension liability - beginning	24,508,467	28,107,004	31,586,328	31,021,458	32,266,355
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 28,107,004</b>	<b>\$ 31,586,328</b>	<b>\$ 31,021,458</b>	<b>\$ 32,266,355</b>	<b>\$ 38,694,110</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 677,725	\$ 704,812	\$ 925,806	\$ 1,168,415	\$ 1,220,168
Contributions - member	215,723	219,289	199,897	196,565	207,939
Net investment income	759,851	(410,736)	1,035,795	758,725	689,505
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)
Administrative expense	(25,762)	(45,250)	(41,300)	(43,576)	(37,014)
Net change in plan fiduciary net position	586,385	(788,156)	624,364	494,231	430,369
Plan fiduciary net position - beginning	14,646,394	15,232,779	14,444,623	15,068,987	15,563,218
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 15,232,779</b>	<b>\$ 14,444,623</b>	<b>\$ 15,068,987</b>	<b>\$ 15,563,218</b>	<b>\$ 15,993,587</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 12,874,225</b>	<b>\$ 17,141,705</b>	<b>\$ 15,952,471</b>	<b>\$ 16,703,137</b>	<b>\$ 22,700,523</b>
Plan fiduciary net position as a percentage of the total pension liability	54.20%	45.70%	48.60%	48.20%	41.30%
Covered payroll	\$ 2,148,640	\$ 1,977,927	\$ 1,869,508	\$ 2,021,561	\$ 2,132,165
Employer's net pension liability as a percentage of covered payroll	599.20%	866.70%	853.30%	826.20%	1,064.70%

Notes to Required Supplementary Information

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

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

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

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Five Fiscal Years

---

<b>FISCAL YEAR ENDED APRIL 30,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Annual money-weighted rate of return, net of investment expense	5.19%	(2.68%)	7.33%	5.00%	4.44%

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

Last Fiscal Year

---

<b>MEASUREMENT DATE APRIL 30,</b>	<b>2019</b>
<b>TOTAL PENSION LIABILITY</b>	
Service cost	\$ 31,867
Interest	90,617
Differences between expected and actual experience	-
Changes of benefit terms	-
Changes of assumptions	29,466
Benefit payments	<u>(165,815)</u>
Net change in total OPEB liability	(13,865)
Total OPEB liability - beginning	<u>2,365,525</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<b><u>\$ 2,351,660</u></b>
Covered payroll	\$ 4,730,470
Employer's total OPEB liability as a percentage of covered payroll	49.70%

Notes to Required Supplementary Information

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

The change in assumptions in 2019 relate to the discount rate.

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

(See independent auditor's report.)

**MAJOR GOVERNMENTAL FUNDS**

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>ADMINISTRATIVE</b>		
Salaries/stipends		
President	\$ 13,600	\$ 11,950
Trustees	14,800	12,950
Administrator	70,363	66,132
Clerk	2,500	2,390
Clerical	245,482	245,157
	<hr/>	<hr/>
Total salaries/stipends	346,745	338,579
	<hr/>	<hr/>
Payroll taxes		
FICA	31,638	25,067
Unemployment tax	1,365	1,011
IMRF	44,905	44,079
	<hr/>	<hr/>
Total payroll taxes	77,908	70,157
	<hr/>	<hr/>
Employee benefits		
Group insurance	109,955	109,255
Uniforms	480	-
	<hr/>	<hr/>
Total employee benefits	110,435	109,255
	<hr/>	<hr/>
Operating		
Gas heating/electric	27,000	24,638
Telephone	14,900	14,936
Postage	5,500	5,407
Publication legal notices	3,500	4,177
Codification	5,500	-
Operating supplies - general	6,500	6,243
Conferences	9,250	8,551
Office supplies	8,000	6,186
Physical	680	1,055
Wellness	2,500	907
Employee recruitment	2,000	960
Training	12,900	8,670
Employee assistance program	2,000	1,833
Dues, subscriptions, and meetings	16,495	24,815
Rentals	8,460	7,290
Community relations	15,200	8,212
Safety program	12,324	7,150
Software	15,500	22,405
Hardware	69,350	31,387
Support agreements - IT	38,351	38,025
Miscellaneous	3,530	1,495
	<hr/>	<hr/>
Total operating	279,440	224,342
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>ADMINISTRATIVE (Continued)</b>		
Repairs and maintenance		
Building	\$ 33,725	\$ 35,035
Total repairs and maintenance	<u>33,725</u>	<u>35,035</u>
Professional services		
Legal and accounting	248,500	235,134
Payroll	9,600	12,765
Audit	28,029	30,060
Newsletter	14,900	14,498
Janitorial	41,000	23,241
Software	3,520	2,268
Consulting services	62,500	36,968
Other	13,500	20,467
Total professional services	<u>421,549</u>	<u>375,401</u>
Special services		
Village share - garbage	721,000	721,822
Total special services	<u>721,000</u>	<u>721,822</u>
Grants		
Seniors	8,000	8,000
Suburban O'Hare comm	25,000	20,000
Total grants	<u>33,000</u>	<u>28,000</u>
Insurance		
Liability	21,303	39,509
Workers' compensation	1,092	1,081
Total insurance	<u>22,395</u>	<u>40,590</u>
Capital expenditures		
Equipment	12,053	15,382
Total capital expenditures	<u>12,053</u>	<u>15,382</u>
Total administrative	<u>2,058,250</u>	<u>1,958,563</u>
<b>NATURE CENTER</b>		
Salaries/stipends		
General labor	83,373	75,596
Total salaries/stipends	<u>83,373</u>	<u>75,596</u>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>NATURE CENTER (Continued)</b>		
Payroll taxes		
FICA	\$ 1,917	\$ 1,468
Unemployment tax	136	125
Total payroll taxes	<u>2,053</u>	<u>1,593</u>
Employee benefits		
Group insurance	5,600	4,697
Uniforms	50	-
Training	100	-
Total employee benefits	<u>5,750</u>	<u>4,697</u>
Operating		
Gas heating	2,000	1,974
Telephone	5,000	3,602
Operating supplies - general	7,700	8,014
Office supplies	400	-
Motor fuel and lubrication	-	797
Dues, subscriptions, and meetings	950	135
Rentals	100	-
Program supplies	6,500	3,795
Total operating	<u>22,650</u>	<u>18,317</u>
Repair and maintenance		
Structures	4,500	4,242
Total repairs and maintenance	<u>4,500</u>	<u>4,242</u>
Professional services		
Veterinary	800	800
Janitorial	8,250	4,985
Engineering	5,000	-
Graphics	2,000	-
Other services	12,500	12,648
Total professional services	<u>28,550</u>	<u>18,433</u>
Insurance		
Liability	1,891	1,801
Workers' compensation	1,230	975
Total insurance	<u>3,121</u>	<u>2,776</u>
Total nature center	<u>149,997</u>	<u>125,654</u>
Total general government	<u>2,208,247</u>	<u>2,084,217</u>

(This schedule is continued on the following pages.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>PUBLIC SAFETY</b>		
Salaries/stipends		
Police chief	\$ 125,084	\$ 131,918
Police officers	2,317,344	2,193,255
Clerk/dispatchers	166,135	157,887
Clerk/dispatchers overtime	-	17
Police overtime	218,960	296,888
Police court time	18,000	20,570
	<hr/>	<hr/>
Total salaries/stipends	2,845,523	2,800,535
	<hr/>	<hr/>
Payroll taxes		
FICA	209,220	207,673
Unemployment tax	3,790	4,241
IMRF	18,325	16,984
	<hr/>	<hr/>
Total payroll taxes	231,335	228,898
	<hr/>	<hr/>
Employee benefits		
Group insurance	543,735	442,998
Uniforms	18,100	19,313
Pension contribution	1,258,118	1,212,198
	<hr/>	<hr/>
Total employee benefits	1,819,953	1,674,509
	<hr/>	<hr/>
Operating		
Telephone	18,036	25,424
Postage	3,000	2,950
Operating supplies - general	3,980	3,052
Motor fuel and lubrication	34,000	36,277
Office supplies	8,500	6,451
Court, meetings, local, and miscellaneous	12,000	8,759
Dues, subscriptions, and meetings	11,475	8,415
Training	23,440	10,443
Employee physicals	1,500	650
Shooting expenditure	12,998	10,410
Evidence	4,000	3,782
D.A.R.E.	16,610	15,016
Crime prevention	8,010	7,907
DUI technology	20,700	14,502
Volunteer	4,625	3,776
Addison dispatch center	208,236	201,219
Safety program	4,945	6,450
Elder services	1,600	722
Other operating expenditures	3,000	2,166
	<hr/>	<hr/>
Total operating	400,655	368,371
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<b>Budget</b>	<b>Actual</b>
<b>PUBLIC SAFETY (Continued)</b>		
Repairs and maintenance		
Vehicles	\$ 30,000	\$ 45,447
Hand-held equipment	3,500	1,427
Equipment	48,900	21,820
Building maintenance	36,750	38,082
	<hr/>	<hr/>
Total repairs and maintenance	119,150	106,776
	<hr/>	<hr/>
Professional services		
Prosecution cost	81,750	82,090
Police social services	11,040	9,634
Software	14,500	11,692
Police commission	4,000	5,746
	<hr/>	<hr/>
Total professional services	111,290	109,162
	<hr/>	<hr/>
Insurance		
Liability	39,138	37,274
Workers' compensation	61,489	48,497
	<hr/>	<hr/>
Total insurance	100,627	85,771
	<hr/>	<hr/>
Capital expenditures		
Equipment	17,248	4,640
	<hr/>	<hr/>
Total capital expenditures	17,248	4,640
	<hr/>	<hr/>
Total public safety	5,645,781	5,378,662
	<hr/>	<hr/>
<b>COMMUNITY DEVELOPMENT</b>		
Salaries/stipends		
Building commissioner	95,891	126,992
Building inspector	186,730	76,374
Clerical	94,294	81,341
	<hr/>	<hr/>
Total salaries/stipends	376,915	284,707
	<hr/>	<hr/>
Payroll taxes		
FICA	36,887	27,773
Unemployment tax	1,145	909
IMRF	46,724	40,513
	<hr/>	<hr/>
Total payroll taxes	84,756	69,195
	<hr/>	<hr/>
Employee benefits		
Group insurance	58,918	59,728
Uniforms	1,500	356
	<hr/>	<hr/>
Total employee benefits	60,418	60,084
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>COMMUNITY DEVELOPMENT (Continued)</b>		
Operating		
Telephone	\$ 14,000	\$ 14,608
Postage	3,000	2,956
Publication legal notices	1,000	132
Operating supplies - general	3,500	2,520
Motor fuel and lubrication	1,400	1,469
Conference	650	342
Office supplies	5,200	4,078
Training	9,800	3,526
Dues, subscriptions, and meetings	11,145	3,240
Other	500	75
	<hr/>	<hr/>
Total operating	50,195	32,946
	<hr/>	<hr/>
Repairs and maintenance		
Vehicles	999	245
Buildings	6,875	14,300
Equipment	12,000	7,596
	<hr/>	<hr/>
Total repairs and maintenance	19,874	22,141
	<hr/>	<hr/>
Professional services		
Planner	74,400	81,879
Engineering	105,000	177,059
Inspections	128,600	95,050
GIS mapping	5,000	3,080
Consulting	10,000	14,925
Other professional services	500	322
Planning	20,000	22,425
	<hr/>	<hr/>
Total professional services	343,500	394,740
	<hr/>	<hr/>
Commissions		
Planning	10,000	7,227
Historical	3,750	350
ComEd power line Elgin O'Hare	5,000	-
Suburban O'Hare	20,000	-
Itasca youth	7,350	5,875
Economic development	24,000	4,374
	<hr/>	<hr/>
Total commissions	70,100	17,826
	<hr/>	<hr/>
Insurance		
Liability	9,882	9,411
Workers' compensation	14,288	11,280
	<hr/>	<hr/>
Total insurance	24,170	20,691
	<hr/>	<hr/>
Total community development	1,029,928	902,330
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>PUBLIC WORKS</b>		
Salaries/stipends		
Directors/supervisors	\$ 130,236	\$ 132,518
General labor	278,331	286,321
Clerical	23,064	21,253
	<hr/>	<hr/>
Total salaries/stipends	431,631	440,092
	<hr/>	<hr/>
Payroll taxes		
FICA	39,153	33,019
Unemployment tax	1,088	972
IMRF	59,282	54,108
	<hr/>	<hr/>
Total payroll taxes	99,523	88,099
	<hr/>	<hr/>
Employee benefits		
Group insurance	90,628	88,330
Uniforms	2,400	2,374
	<hr/>	<hr/>
Total employee benefits	93,028	90,704
	<hr/>	<hr/>
Operating		
Electricity	55,000	40,185
Gas heating	16,000	26,226
Telephone	10,000	11,404
Postage	400	300
Conferences	1,200	695
Operating supplies - general	6,500	5,487
Motor fuel and lubrication	19,000	35,095
Office supplies	1,500	1,612
Training	750	50
Dues, subscriptions, and meetings	1,550	1,260
Rentals	1,500	281
Employee physicals	1,200	2,350
Rubbish removal	5,000	4,671
Community relations	-	659
Streets - bulk materials	11,000	15,282
	<hr/>	<hr/>
Total operating	130,600	145,557
	<hr/>	<hr/>
Repairs and maintenance		
Vehicles	27,500	33,197
Building	12,500	10,698
Equipment	12,000	25,204
Street lights	75,000	75,193
Parking lots	10,000	10,687
Storm sewers	65,000	70,106
Parkways and parks	25,000	24,045

(This schedule is continued on the following page.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	Budget	Actual
<b>PUBLIC WORKS (Continued)</b>		
Repairs and maintenance (Continued)		
Street signs	\$ 15,000	\$ 15,357
Other repairs and maintenance	152,000	146,760
Total repairs and maintenance	394,000	411,247
Professional services		
Engineering	5,000	40,097
Total professional services	5,000	40,097
Special services		
Veterinary and animal control	2,500	5,663
Mosquito abatement	60,350	81,272
Snow removal	150,000	143,219
Lawn maintenance	30,000	34,074
Tree trimming	69,500	67,718
Tree planting	20,000	21,700
Traffic signals	35,000	39,014
Total special services	367,350	392,660
Insurance		
Liability	21,468	20,446
Workers' compensation	38,285	34,903
Total insurance	59,753	55,349
Capital expenditures		
Streets (not MFT)	-	1,587
Total capital expenditures	-	1,587
Total public works	1,580,885	1,665,392
<b>DEBT SERVICE</b>		
Principal	570,000	570,000
Interest and fiscal agents	124,205	124,141
Total debt service	694,205	694,141
<b>TOTAL EXPENDITURES</b>	<b>\$ 11,159,046</b>	<b>\$ 10,724,742</b>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Intergovernmental		
Sales tax	\$ 1,832,089	\$ 1,589,162
Grants	40,000	-
Investment income	500	3,248
Miscellaneous	60,000	102,188
	<hr/>	<hr/>
Total revenues	1,932,589	1,694,598
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
Capital outlay	2,812,350	1,653,082
	<hr/>	<hr/>
Total expenditures	2,812,350	1,653,082
	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(879,761)	41,516
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,140,000	4,140,000
	<hr/>	<hr/>
Total other financing sources (uses)	4,140,000	4,140,000
	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 3,260,239</u>	4,181,516
<b>FUND BALANCE, MAY 1</b>		<hr/> 1,569,980
<b>FUND BALANCE, APRIL 30</b>		<hr/> <u>\$ 5,751,496</u>

(See independent auditor's report.)

**NONMAJOR GOVERNMENTAL FUNDS**

**VILLAGE OF ITASCA, ILLINOIS**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

April 30, 2019

	Special Revenue		Debt Service	
	Motor Fuel Tax	Hotel Tax	General Obligation 2008	Spring Lake Special Service Area
<b>ASSETS</b>				
Cash and investments	\$ 757,995	\$ 2,341,216	\$ 6,170	\$ 93,601
Receivables				
Property taxes	-	-	-	87,755
Other	19,144	129,226	-	-
Due from library	-	-	925,000	-
<b>TOTAL ASSETS</b>	<b>\$ 777,139</b>	<b>\$ 2,470,442</b>	<b>\$ 931,170</b>	<b>\$ 181,356</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 5,150	\$ 17,240	\$ -	\$ -
Accrued payroll	-	2,820	-	-
Advance from other funds	307,014	-	-	-
Total liabilities	312,164	20,060	-	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property taxes	-	-	-	87,755
Unavailable revenue - due from other governments	-	-	925,000	-
Total deferred inflows of resources	-	-	925,000	87,755
Total liabilities and deferred inflows of resources	312,164	20,060	925,000	87,755
<b>FUND BALANCES</b>				
Restricted				
Debt service	-	-	6,170	93,601
Highway and streets	464,975	-	-	-
Tourism	-	2,450,382	-	-
Special service areas	-	-	-	-
Total fund balances	464,975	2,450,382	6,170	93,601
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 777,139</b>	<b>\$ 2,470,442</b>	<b>\$ 931,170</b>	<b>\$ 181,356</b>

<b>Debt Service</b>		<b>Capital Projects</b>				
<b>Hamilton Lakes Special Service Area</b>	<b>Spring Lake Special Service Area</b>	<b>CMD Special Service Area</b>	<b>Hamilton Lakes Special Service Area</b>	<b>Old Thorndale Special Service Area</b>	<b>Total Nonmajor Governmental Funds</b>	
\$ 266,804	\$ 445,615	\$ 28,034	\$ 1,809,665	\$ 390,935	\$ 6,140,035	
255,879	51,522	-	155,518	-	550,674	
-	-	-	-	243	148,613	
-	-	-	-	-	925,000	
<b>\$ 522,683</b>	<b>\$ 497,137</b>	<b>\$ 28,034</b>	<b>\$ 1,965,183</b>	<b>\$ 391,178</b>	<b>\$ 7,764,322</b>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,390	
-	-	-	-	-	2,820	
-	-	-	-	-	307,014	
-	-	-	-	-	332,224	
255,879	51,522	-	155,518	-	550,674	
-	-	-	-	-	925,000	
255,879	51,522	-	155,518	-	1,475,674	
255,879	51,522	-	155,518	-	1,807,898	
266,804	-	-	-	-	366,575	
-	-	-	-	-	464,975	
-	-	-	-	-	2,450,382	
-	445,615	28,034	1,809,665	391,178	2,674,492	
266,804	445,615	28,034	1,809,665	391,178	5,956,424	
<b>\$ 522,683</b>	<b>\$ 497,137</b>	<b>\$ 28,034</b>	<b>\$ 1,965,183</b>	<b>\$ 391,178</b>	<b>\$ 7,764,322</b>	

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	Special Revenue		Debt Service	
	Motor Fuel Tax	Hotel Tax	General Obligation 2008	Spring Lake Special Service Area
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ 753,507	\$ 86,235
Hotel tax	-	1,251,032	-	-
Operating grants	219,551	-	-	-
Investment income	15,823	36,731	2,716	553
Miscellaneous	-	3,595	202,250	-
Total revenues	235,374	1,291,358	958,473	86,788
<b>EXPENDITURES</b>				
General government	-	789,671	-	-
Debt service				
Principal	-	-	875,000	70,000
Interest and fiscal agent fees	-	-	94,303	15,335
Capital outlay				
Streets and highways	-	-	-	-
Total expenditures	-	789,671	969,303	85,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	235,374	501,687	(10,830)	1,453
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	(763,852)	-	-
Bonds issued, at par	-	-	925,000	-
Payment to escrow agent	-	-	(906,747)	-
Total other financing sources (uses)	-	(763,852)	18,253	-
NET CHANGE IN FUND BALANCES	235,374	(262,165)	7,423	1,453
FUND BALANCES (DEFICIT), MAY 1	229,601	2,712,547	(1,253)	92,148
<b>FUND BALANCES, APRIL 30</b>	\$ 464,975	\$ 2,450,382	\$ 6,170	\$ 93,601

<b>Debt Service</b>		<b>Capital Projects</b>				
<b>Hamilton Lakes Special Service Area</b>	<b>Spring Lake Special Service Area</b>	<b>CMD Special Service Area</b>	<b>Hamilton Lakes Special Service Area</b>	<b>Old Thorndale Special Service Area</b>	<b>Total Nonmajor Governmental Funds</b>	
\$ 254,446	\$ 50,312	\$ -	\$ 150,305	\$ -	\$ 1,294,805	
-	-	-	-	-	1,251,032	
-	-	-	-	-	219,551	
5,879	7,692	903	24,890	6,339	101,526	
-	-	-	-	-	205,845	
260,325	58,004	903	175,195	6,339	3,072,759	
-	-	-	-	-	789,671	
125,000	-	-	-	-	1,070,000	
129,460	-	-	-	-	239,098	
-	-	1,267	-	-	1,267	
254,460	-	1,267	-	-	2,100,036	
5,865	58,004	(364)	175,195	6,339	972,723	
-	-	-	-	-	(763,852)	
-	-	-	-	-	925,000	
-	-	-	-	-	(906,747)	
-	-	-	-	-	(745,599)	
5,865	58,004	(364)	175,195	6,339	227,124	
260,939	387,611	28,398	1,634,470	384,839	5,729,300	
\$ 266,804	\$ 445,615	\$ 28,034	\$ 1,809,665	\$ 391,178	\$ 5,956,424	

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Intergovernmental allotments - operating grants	\$ 225,312	\$ 219,551
Investment income	800	15,823
	<hr/>	
Total revenues	226,112	235,374
<b>EXPENDITURES</b>		
Capital outlay		
Streets and highways	113,200	-
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 112,912</u>	235,374
FUND BALANCE, MAY 1		<hr/> 229,601
<b>FUND BALANCE, APRIL 30</b>		<hr/> <u>\$ 464,975</u>

(See independent auditor's report.)

# VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Hotel tax	\$ 1,233,200	\$ 1,251,032
Investment income	7,000	36,731
Miscellaneous	14,445	3,595
	<hr/>	
Total revenues	1,254,645	1,291,358
<hr/>		
<b>EXPENDITURES</b>		
General government		
Police overtime	42,409	9,158
Operation staff	330,185	190,384
Public relations	398,562	327,046
Marketing	293,000	228,166
Equipment	76,000	34,917
	<hr/>	
Total expenditures	1,140,156	789,671
<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	114,489	501,687
<hr/>		
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	(788,647)	(763,852)
	<hr/>	
Total other financing sources (uses)	(788,647)	(763,852)
<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (674,158)</u>	(262,165)
FUND BALANCE, MAY 1		<u>2,712,547</u>
FUND BALANCE, APRIL 30		<u>\$ 2,450,382</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL OBLIGATION 2008 DEBT SERVICE FUND**

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Property taxes	\$ 756,721	\$ 753,507
Library bond payments	-	202,250
Investment income	500	2,716
	<hr/>	
Total revenues	757,221	958,473
	<hr/>	
<b>EXPENDITURES</b>		
Debt service		
Principal	720,000	875,000
Interest	28,800	76,050
Bond agent fees	803	18,253
	<hr/>	
Total expenditures	749,603	969,303
	<hr/>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	7,618	(10,830)
	<hr/>	
<b>OTHER FINANCING SOURCES (USES)</b>		
Bonds issued, at par	-	925,000
Payment to escrow agent	-	(906,747)
	<hr/>	
Total other financing sources (uses)	-	18,253
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 7,618</u>	7,423
	<hr/>	
FUND BALANCE (DEFICIT), MAY 1		(1,253)
	<hr/>	
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 6,170</u></u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Property taxes	\$ 85,335	\$ 86,235
Investment income	250	553
	<hr/>	
Total revenues	85,585	86,788
	<hr/>	
<b>EXPENDITURES</b>		
Debt service		
Principal	70,000	70,000
Interest	15,336	15,335
	<hr/>	
Total expenditures	85,336	85,335
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 249</u>	1,453
FUND BALANCE, MAY 1		<u>92,148</u>
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 93,601</u></u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Property taxes	\$ 254,325	\$ 254,446
Investment income	3,000	5,879
	<hr/>	
Total revenues	257,325	260,325
	<hr/>	
<b>EXPENDITURES</b>		
Debt service		
Principal	125,000	125,000
Interest	128,925	128,925
Bond agent fees	535	535
	<hr/>	
Total expenditures	254,460	254,460
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 2,865</u>	5,865
FUND BALANCE, MAY 1		<u>260,939</u>
FUND BALANCE, APRIL 30		<u>\$ 266,804</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Property taxes	\$ 51,000	\$ 50,312
Investment income	1,500	7,692
	<hr/>	
Total revenues	52,500	58,004
	<hr/>	
<b>EXPENDITURES</b>		
Capital outlay		
Capital maintenance	51,000	-
	<hr/>	
Total expenditures	51,000	-
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 1,500</u>	58,004
	<hr/>	
FUND BALANCE, MAY 1		387,611
	<hr/>	
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 445,615</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Investment income	\$ 174	\$ 903
<b>EXPENDITURES</b>		
Capital outlay	30,000	1,267
Total expenditures	30,000	1,267
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (29,826)</u>	(364)
<b>FUND BALANCE, MAY 1</b>		<u>28,398</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 28,034</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Property taxes	\$ 151,559	\$ 150,305
Investment income	4,000	24,890
	<hr/>	
Total revenues	155,559	175,195
	<hr/>	
<b>EXPENDITURES</b>		
Current		
General government	10,000	-
Capital outlay	50,000	-
	<hr/>	
Total expenditures	60,000	-
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 95,559</u>	175,195
FUND BALANCE, MAY 1		<u>1,634,470</u>
<b>FUND BALANCE, APRIL 30</b>		<u><u>\$ 1,809,665</u></u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Investment income	\$ 2,000	\$ 6,339
<b>EXPENDITURES</b>		
None	-	-
Total expenditures	-	-
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 2,000</u>	6,339
<b>FUND BALANCE, MAY 1</b>		<u>384,839</u>
<b>FUND BALANCE, APRIL 30</b>		<u>\$ 391,178</u>

(See independent auditor's report.)

**MAJOR PROPRIETARY FUND**

**VILLAGE OF ITASCA, ILLINOIS**  
**SCHEDULE OF NET POSITION**  
**WATER AND SEWER FUND BY SUBACCOUNT**

April 30, 2019

	<b>Operating and Maintenance</b>	<b>Capital</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 490,096	\$ 6,601,497	\$ 7,091,593
Accounts receivable	2,111,272	-	2,111,272
Total current assets	2,601,368	6,601,497	9,202,865
<b>NONCURRENT ASSETS</b>			
Capital assets			
Cost	76,127,776	-	76,127,776
Less accumulated depreciation	30,557,413	-	30,557,413
Total noncurrent assets	45,570,363	-	45,570,363
Total assets	48,171,731	6,601,497	54,773,228
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	901,540	-	901,540
OPEB items	589	-	589
Total deferred outflows of resources	902,129	-	902,129
Total assets and deferred outflows of resources	49,073,860	6,601,497	55,675,357
<b>CURRENT LIABILITIES</b>			
Accounts payable	337,849	1,105,594	1,443,443
Accrued payroll	37,112	-	37,112
Bonds and loans payable - current portion	1,170,000	-	1,170,000
Compensated absences payable	16,421	-	16,421
Total OPEB liability	3,648	-	3,648
Accrued interest	328,087	-	328,087
Total current liabilities	1,893,117	1,105,594	2,998,711
<b>NONCURRENT LIABILITIES</b>			
Bonds payable	21,465,382	-	21,465,382
IEPA loan payable	14,066,469	-	14,066,469
Compensated absences payable	147,791	-	147,791
Total OPEB liability	48,089	-	48,089
Net pension liability	1,492,288	-	1,492,288
Total noncurrent liabilities	37,220,019	-	37,220,019
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	256,830	-	256,830
Total deferred inflows of resources	256,830	-	256,830
Total liabilities and deferred inflows of resources	39,369,966	1,105,594	40,475,560
<b>NET POSITION</b>			
Net investment in capital assets	8,868,512	-	8,868,512
Unrestricted	835,382	5,495,903	6,331,285
<b>TOTAL NET POSITION</b>	<b>\$ 9,703,894</b>	<b>\$ 5,495,903</b>	<b>\$ 15,199,797</b>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<b>Operating and Maintenance</b>	<b>Capital</b>	<b>Eliminations</b>	<b>Total</b>
<b>OPERATING REVENUES</b>				
Charges for services				
Water fees	\$ 4,852,558	\$ -	\$ -	\$ 4,852,558
Sewer fees	4,722,135	-	-	4,722,135
Other revenues	395,788	-	-	395,788
	<hr/>			
Total operating revenues	9,970,481	-	-	9,970,481
<hr/>				
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>				
Salaries and stipends	1,447,979	-	-	1,447,979
Payroll taxes	289,747	-	-	289,747
Employee benefits	309,177	-	-	309,177
General operating	2,769,391	-	-	2,769,391
Repairs and maintenance	320,471	-	-	320,471
Professional services	217,148	-	-	217,148
Special services	129,135	-	-	129,135
Insurance	92,495	-	-	92,495
Capital	-	601,524	-	601,524
	<hr/>			
Total operating expenses excluding depreciation	5,575,543	601,524	-	6,177,067
<hr/>				
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	4,394,938	(601,524)	-	3,793,414
	<hr/>			
Depreciation and amortization	1,425,446	-	-	1,425,446
	<hr/>			
OPERATING INCOME (LOSS)	2,969,492	(601,524)	-	2,367,968
<hr/>				
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Investment income	18,332	194	-	18,526
Bond stimulus payment	436,150	-	-	436,150
Interest expense	(1,324,634)	-	-	(1,324,634)
	<hr/>			
Total non-operating revenues (expenses)	(870,152)	194	-	(869,958)
<hr/>				
INCOME (LOSS) BEFORE TRANSFERS	2,099,340	(601,330)	-	1,498,010
<hr/>				
<b>TRANSFERS</b>				
Transfers in	4,511,878	6,711,851	(11,223,729)	-
Transfers (out)	(6,711,851)	(4,511,878)	11,223,729	-
	<hr/>			
Total transfers	(2,199,973)	2,199,973	-	-
<hr/>				
CHANGE IN NET POSITION	(100,633)	1,598,643	-	1,498,010
<hr/>				
NET POSITION, MAY 1	9,856,569	3,897,260	-	13,753,829
	<hr/>			
Change in accounting principle	(52,042)	-	-	(52,042)
	<hr/>			
NET POSITION, MAY 1, RESTATED	9,804,527	3,897,260	-	13,701,787
<hr/>				
<b>NET POSITION, APRIL 30</b>	<b>\$ 9,703,894</b>	<b>\$ 5,495,903</b>	<b>\$ -</b>	<b>\$ 15,199,797</b>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>		
Charges for services		
Water fees	\$ 4,998,802	\$ 4,852,558
Sewer fees	4,968,722	4,722,135
Other revenues	173,613	395,788
	<u>10,141,137</u>	<u>9,970,481</u>
<b>OPERATING EXPENSES EXCLUDING DEPRECIATION</b>		
Salaries and stipends	1,538,682	1,562,415
Payroll taxes	293,082	289,747
Employee benefits	333,240	309,177
General operating	2,766,014	2,769,391
Repairs and maintenance	323,750	320,471
Professional services	244,341	217,148
Special services	190,000	129,135
Insurance	103,461	92,495
	<u>5,792,570</u>	<u>5,689,979</u>
Total operating expenses excluding depreciation		
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	4,348,567	4,280,502
Depreciation and amortization	-	1,425,446
OPERATING INCOME	<u>4,348,567</u>	<u>2,855,056</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	8,000	18,332
Bond stimulus payment	433,821	436,150
Debt service		
Principal repayment	(1,150,000)	(750,000)
Interest expense	(1,332,153)	(1,324,634)
	<u>(2,040,332)</u>	<u>(1,620,152)</u>
Total non-operating revenues (expenses)		
INCOME BEFORE TRANSFERS	<u>2,308,235</u>	<u>1,234,904</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Transfers in	-	4,511,878
Transfers (out)	(7,255,000)	(6,711,851)
	<u>(7,255,000)</u>	<u>(2,199,973)</u>
Total transfers		
<b>NET INCOME (LOSS) BUDGETARY BASIS</b>	<u>\$ (4,946,765)</u>	<u>(965,069)</u>
<b>ADJUSTMENTS TO GAAP BASIS</b>		
Increase in net pension liability		113,542
Increase in OPEB liability		894
Principal repayment		<u>750,000</u>
Total adjustments to GAAP basis		<u>864,436</u>
CHANGE IN NET POSITION		<u>(100,633)</u>
NET POSITION, MAY 1		9,856,569
Change in accounting principle		<u>(52,042)</u>
NET POSITION, MAY 1, RESTATED		<u>9,804,527</u>
<b>NET POSITION, APRIL 30</b>		<u><u>\$ 9,703,894</u></u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<u>Budget</u>	<u>Actual</u>
<b>OPERATING EXPENSES</b>		
Salaries and stipends		
President	\$ 8,160	\$ 7,170
Trustees	8,880	7,770
Treasurer	500	-
Clerk	1,500	1,500
Clerical	202,643	204,721
Directors/superintendents	260,664	268,921
Operations staff	888,706	894,645
Overtime	105,089	115,974
Administrator	62,540	61,714
	<hr/>	<hr/>
Total salaries and stipends	1,538,682	1,562,415
	<hr/>	<hr/>
Payroll taxes		
FICA	117,543	114,699
Unemployment taxes	2,214	2,668
IMRF	173,325	172,380
	<hr/>	<hr/>
Total payroll taxes	293,082	289,747
	<hr/>	<hr/>
Employee benefits		
Group insurance	322,640	299,239
Uniforms	5,600	4,938
Education	5,000	5,000
	<hr/>	<hr/>
Total employee benefits	333,240	309,177
	<hr/>	<hr/>
General operating		
Gas heat	3,500	19,470
Electricity	322,000	360,417
Telephone	14,000	15,690
Postage	21,000	20,026
Publication legal notices	200	-
Supplies - general	8,000	10,673
Supplies - office	5,500	6,851
Supplies - sewer treatment	125,000	125,279
Supplies - water treatment	5,000	3,573
Motor fuel and lubrication	23,000	23,905
Conferences	9,000	3,682
Dues, subscriptions, and meetings	5,700	3,132

(This schedule is continued on the following pages.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	Budget	Actual
<b>OPERATING EXPENSES (Continued)</b>		
General operating (Continued)		
Training	\$ 6,000	\$ 656
Rentals	8,000	7,431
Employee physicals	1,200	809
Rubbish removal	15,000	14,887
Water meters	10,000	14,092
Safety program	4,700	300
Lab tests pretreatment	9,000	6,830
Operating software	40,774	29,195
Hardware	25,000	4,920
DuPage Water Commission	2,104,440	2,097,573
	2,766,014	2,769,391
Repairs and maintenance		
Vehicles	16,500	19,808
Equipment	15,000	7,443
Bulk material	14,000	20,203
Structures	64,500	28,978
Wells	3,600	15,817
Treatment plant	18,575	73,256
Lift stations	50,000	25,087
Sanitary sewers	50,000	40,358
Water systems	66,575	46,162
Meter repair	25,000	43,359
	323,750	320,471
Professional services		
Legal	22,500	52,760
Engineering	62,000	38,794
Accounting	75,250	60,000
Payroll	2,600	3,168
Audit	24,355	22,605
Janitorial	14,136	8,470
Other services	43,500	31,351
	244,341	217,148

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2019

---

	<u>Budget</u>	<u>Actual</u>
<b>OPERATING EXPENSES (Continued)</b>		
Special services		
Sludge removal	\$ 30,000	\$ 34,768
Industrial pre-treatment	160,000	94,367
	<hr/>	<hr/>
Total special services	190,000	129,135
	<hr/>	<hr/>
Insurance		
Liability	57,757	55,006
Workers' compensation	45,704	37,489
	<hr/>	<hr/>
Total insurance	103,461	92,495
	<hr/>	<hr/>
<b>TOTAL OPERATING EXPENSES</b>	<u>\$ 5,792,570</u>	<u>\$ 5,689,979</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

For the Year Ended April 30, 2019

	<b>Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
None	\$ -	\$ -
Total operating revenues	-	-
<b>OPERATING EXPENSES</b>		
Capital	6,662,800	5,113,402
Total operating expenses	6,662,800	5,113,402
<b>OPERATING INCOME (LOSS)</b>	(6,662,800)	(5,113,402)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	-	194
Loan proceeds	4,770,000	-
Total non-operating revenues (expenses)	4,770,000	194
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(1,892,800)	(5,113,208)
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Transfers in	7,255,000	6,711,851
Transfers (out)	-	(4,511,878)
Total transfers	7,255,000	2,199,973
<b>NET INCOME (LOSS) BUDGETARY BASIS</b>	\$ 5,362,200	(2,913,235)
<b>ADJUSTMENTS TO GAAP BASIS</b>		
Capitalized assets		4,511,878
Total adjustments to GAAP basis		4,511,878
<b>CHANGE IN NET POSITION</b>		1,598,643
<b>NET POSITION, MAY 1</b>		3,897,260
<b>NET POSITION, APRIL 30</b>		\$ 5,495,903

(See independent auditor's report.)

**OTHER SUPPLEMENTAL INFORMATION**

VILLAGE OF ITASCA, ILLINOIS

ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT  
CONSOLIDATED YEAR END FINANCIAL REPORT

For the Year Ended April 30, 2019

---

<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
444-26-1565	Tobacco Enforcement Program	\$ -	\$ 1,375	\$ -	\$ 1,375
532-60-0379	USEPA Capitalization Grant for Drinking Water State Revolving Funds	449,359	427,170	-	876,529
	Other grant programs and activities	-	2,016	15,951	17,967
	All other costs not allocated	-	-	24,571,562	24,571,562
	<b>TOTALS</b>	<u>449,359</u>	<u>430,561</u>	<u>24,587,513</u>	<u>25,467,433</u>

(See independent auditor's report.)

## **SUPPLEMENTAL DATA**

**VILLAGE OF ITASCA, ILLINOIS**

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

April 30, 2019

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Interest Due On</b>			
				<b>June 1</b>	<b>Amount</b>	<b>December 1</b>	<b>Amount</b>
2020	\$ 595,000	\$ 100,600	\$ 695,600	2019	\$ 50,300	2019	\$ 50,300
2021	615,000	76,800	691,800	2020	38,400	2020	38,400
2022	640,000	52,200	692,200	2021	26,100	2021	26,100
2023	665,000	26,600	691,600	2022	13,300	2022	13,300
	<u>\$ 2,515,000</u>	<u>\$ 256,200</u>	<u>\$ 2,771,200</u>		<u>\$ 128,100</u>		<u>\$ 128,100</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
SPECIAL SERVICE AREA BONDS, SERIES 2006**

April 30, 2019

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% to 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**

<b>Fiscal Year Ending</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Interest Due On</b>			
				<b>June 15</b>	<b>Amount</b>	<b>December 15</b>	<b>Amount</b>
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>\$ 235,000</u>	<u>\$ 24,070</u>	<u>\$ 259,070</u>		<u>\$ 12,035</u>		<u>\$ 12,035</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2009A**

April 30, 2019

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% to 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	Principal	Interest	Total	Interest Due On			
				February 1	Amount	August 1	Amount
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>\$ 21,830,000</u>	<u>\$ 18,461,616</u>	<u>\$ 40,291,616</u>		<u>\$ 9,230,808</u>		<u>\$ 9,230,808</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

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

April 30, 2019

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

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending	Principal	Interest	Total	Interest Due On			
				June 15	Amount	December 15	Amount
2020	\$ 130,000	\$ 123,300	\$ 253,300	2019	\$ 61,650	2019	\$ 61,650
2021	140,000	117,450	257,450	2020	58,725	2020	58,725
2022	145,000	111,150	256,150	2021	55,575	2021	55,575
2023	150,000	104,625	254,625	2022	52,312	2022	52,312
2024	155,000	97,875	252,875	2023	48,938	2023	48,938
2025	165,000	90,900	255,900	2024	45,450	2024	45,450
2026	170,000	83,475	253,475	2025	41,738	2025	41,738
2027	180,000	75,825	255,825	2026	37,913	2026	37,913
2028	185,000	67,725	252,725	2027	33,863	2027	33,863
2029	195,000	59,400	254,400	2028	29,700	2028	29,700
2030	205,000	50,625	255,625	2029	25,312	2029	25,312
2031	215,000	41,400	256,400	2030	20,700	2030	20,700
2032	225,000	31,725	256,725	2031	15,862	2031	15,862
2033	235,000	21,600	256,600	2032	10,800	2032	10,800
2034	245,000	11,025	256,025	2033	5,512	2033	5,512
	<u>\$ 2,740,000</u>	<u>\$ 1,088,100</u>	<u>\$ 3,828,100</u>		<u>\$ 544,050</u>		<u>\$ 544,050</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2019

April 30, 2019

Date of Issue	February 28, 2019
Date of Maturity	December 15, 2019
Authorized Issue	\$ 925,000
Denomination of Bonds	\$ 5,000
Interest Rates	1.67%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15
Payable at	Bank of New York Trust Company

**CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS**

Fiscal Year Ending	Principal	Interest	Total	Interest Due On			
				June 15	Amount	December 15	Amount
2020	\$ 925,000	\$ 12,315	\$ 937,315	2020	\$ 4,591	2019	\$ 7,724
	<u>\$ 925,000</u>	<u>\$ 12,315</u>	<u>\$ 937,315</u>		<u>\$ 4,591</u>		<u>\$ 7,724</u>

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**SCHEDULE OF INSURANCE IN FORCE**

April 30, 2019

<b>Type of Coverage</b>	<b>Amount of Coverage</b>	<b>Deductibles</b>	<b>Expiration Date</b>
Commercial Property			5/1/2019
Building and contents	\$84,610,239	\$25,000	
Business income including extra expense	2,500,000		
General Liability			5/1/2019
Each occurrence	\$1,000,000	\$50,000	
General aggregate	3,000,000		
Products and completed ops aggregate	3,000,000		
Personal and advertising injury	1,000,000		
Fire damage (any one fire)	500,000		
Medical payments	5,000		
Crisis management emergency response expense	\$10,000/\$30,000		
Identity theft expenses	\$10,000/\$30,000		
Workplace violence counseling	\$10,000/\$30,000		
Auto liability	\$1,000,000 Each Accident	\$50,000	
Medial payments	10,000		
Law Enforcement Liability			5/1/2019
Each person/each wrongful act	\$1,000,000	\$50,000	
Annual aggregate	3,000,000		
Public Officials' Liability			5/1/2019
Each wrongful act	\$1,000,000	\$50,000	
Each person	1,000,000		
Annual aggregate	3,000,000		
Employment Practices Liability			
Each wrongful act	\$1,000,000	\$50,000	
Annual aggregate	3,000,000		
Umbrella			5/1/2019
Each wrongful act	\$10,000,000	\$10,000	
Annual aggregate	10,000,000		
Workers' Compensation			12/31/2018
Each accident	\$3,000,000		
Disease - policy limit	3,000,000		
Disease - each employee	3,000,000		
Cyber Liability			5/1/2019
Annual aggregate	\$1,000,000	\$5,000	
Each and every claim	1,000,000		
Storage Tank Liability			5/1/2019
Annual aggregate	\$1,000,000	\$10,000	
Per storage tank	2,000,000		

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**SCHEDULE OF ASSESSED VALUATIONS,  
TAX RATES, AND TAX EXTENSIONS**

April 30, 2019

<u>Levy Year</u>	<u>2018</u>	<u>2017</u>
Residential	\$ 287,468,474	\$ 276,548,139
Farms	15,791	14,360
Commercial	167,422,416	167,944,170
Industrial	191,697,040	186,620,260
	<u>\$ 646,603,721</u>	<u>\$ 631,126,929</u>

<u>Levy Year</u>	<u>2018</u>		<u>2017</u>	
	<u>Rate Extended</u>	<u>Taxes Extended</u>	<u>Rate Extended</u>	<u>Taxes Extended</u>
Corporate	0.0958	\$ 619,446	0.1577	\$ 995,287
Bond and interest	-	-	0.1199	756,721
Police Pension	0.2480	1,603,577	0.1835	1,158,118
<b>TOTAL</b>	<u>0.3438</u>	<u>\$ 2,223,023</u>	<u>0.4611</u>	<u>\$ 2,910,126</u>

The Village also collects taxes from Special Service Areas within the Village for the payment of principal and interest on bonds and maintenance of roads. The taxes extended for the Special Service Areas for 2018 and 2017 were \$550,675 and \$544,621, respectively.

(See independent auditor's report.)

**VILLAGE OF ITASCA, ILLINOIS**

**SCHEDULE OF LEGAL DEBT MARGIN**

April 30, 2019

---

Assessed valuation - 2017	<u>\$ 646,603,721</u>
Legal debt limit - 8.625% of assessed valuation	\$ 55,769,571
Amount of debt applicable to debt limit	
Village's general obligation debt	<u>3,440,000</u>
<b>LEGAL DEBT MARGIN</b>	<u><b>\$ 52,329,571</b></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."

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

NET POSITION BY COMPONENT

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GOVERNMENTAL ACTIVITIES</b>				
Net investment in capital assets	\$ 88,007,793	\$ 86,086,632	\$ 84,355,772	\$ 82,462,526
Restricted	1,258,176	1,531,216	3,135,730	3,703,525
Unrestricted	3,982,441	4,348,107	5,064,981	7,298,521
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 93,248,410</b>	<b>\$ 91,965,955</b>	<b>\$ 92,556,483</b>	<b>\$ 93,464,572</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Net investment in capital assets	\$ 15,160,848	\$ 18,219,626	\$ 12,273,883	\$ 11,769,338
Unrestricted	2,291,186	(2,796,758)	2,318,579	1,310,939
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 17,452,034</b>	<b>\$ 15,422,868</b>	<b>\$ 14,592,462</b>	<b>\$ 13,080,277</b>
<b>PRIMARY GOVERNMENT</b>				
Net investment in capital assets	\$ 103,168,641	\$ 104,306,258	\$ 96,629,655	\$ 94,231,864
Restricted	1,258,176	1,531,216	3,135,730	3,703,525
Unrestricted	6,273,627	1,551,349	7,383,560	8,609,460
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 110,700,444</b>	<b>\$ 107,388,823</b>	<b>\$ 107,148,945</b>	<b>\$ 106,544,849</b>

The Village implemented GASB Statement No. 68 during 2016.

The Village implemented GASB Statement No. 75 during 2019.

Data Source

Audited Financial Statements

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	79,463,098	\$ 78,202,970	\$ 77,774,223	\$ 76,396,437	\$ 75,511,028	\$ 74,833,102
	4,159,291	5,503,700	5,315,395	5,751,234	5,770,684	5,996,480
	10,516,995	7,584,042	(7,187,454)	(7,651,157)	(7,935,629)	(10,328,256)
\$	94,139,384	\$ 91,290,712	\$ 75,902,164	\$ 74,496,514	\$ 73,346,083	\$ 70,501,326
\$	10,421,964	\$ 9,467,059	\$ 8,705,616	\$ 8,453,494	\$ 8,596,642	\$ 8,868,512
	1,411,824	1,523,896	474,563	542,401	5,157,187	6,331,285
\$	11,833,788	\$ 10,990,955	\$ 9,180,179	\$ 8,995,895	\$ 13,753,829	\$ 15,199,797
\$	89,885,062	\$ 87,670,029	\$ 86,479,839	\$ 84,849,931	\$ 84,107,670	\$ 83,701,614
	4,159,291	5,503,700	5,315,395	5,751,234	5,770,684	5,996,480
	11,928,819	9,107,938	(6,712,891)	(7,108,756)	(2,778,442)	(3,996,971)
\$	105,973,172	\$ 102,281,667	\$ 85,082,343	\$ 83,492,409	\$ 87,099,912	\$ 85,701,123

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>EXPENSES</b>				
Governmental activities				
General government	\$ 3,169,008	\$ 3,023,830	\$ 2,907,797	\$ 2,539,131
Public safety	4,496,515	5,010,422	5,005,282	4,898,678
Community development	630,901	544,921	596,880	627,001
Public works	7,265,891	4,634,428	4,367,247	5,320,761
Interest	586,624	483,783	455,089	424,737
Total governmental activities expenses	16,148,939	13,697,384	13,332,295	13,810,308
Business-type activities				
Water and sewer	5,175,724	5,013,429	5,075,192	6,191,690
Interest	-	1,402,584	1,402,584	1,402,734
Total business-type activities expenses	5,175,724	6,416,013	6,477,776	7,594,424
<b>TOTAL PRIMARY GOVERNMENT EXPENSES</b>	<b>\$ 21,324,663</b>	<b>\$ 20,113,397</b>	<b>\$ 19,810,071</b>	<b>\$ 21,404,732</b>
<b>PROGRAM REVENUES</b>				
Governmental activities				
Charges for services				
Public safety	\$ 519,982	\$ 404,189	\$ 431,769	\$ 412,952
Community development	522,792	554,281	707,154	643,243
Public works	122,632	127,079	130,679	120,415
Operating grants and contributions	209,518	265,159	248,220	205,955
Capital grants and contributions	31,624	180,823	57,932	131,517
Total governmental activities program revenues	1,406,548	1,531,531	1,575,754	1,514,082
Business-type activities				
Charges for services				
Water and sewer	3,956,315	4,100,378	4,898,635	5,762,679
Capital grants and contributions	5,000,000	-	-	-
Total business-type activities program revenues	8,956,315	4,100,378	4,898,635	5,762,679
<b>TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES</b>	<b>\$ 10,362,863</b>	<b>\$ 5,631,909</b>	<b>\$ 6,474,389</b>	<b>\$ 7,276,761</b>
<b>NET REVENUE (EXPENSE)</b>				
Governmental activities	\$ (14,742,391)	\$ (12,165,853)	\$ (11,756,541)	\$ (12,296,226)
Business-type activities	3,780,591	(2,315,635)	(1,579,141)	(1,831,745)
<b>TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)</b>	<b>\$ (10,961,800)</b>	<b>\$ (14,481,488)</b>	<b>\$ (13,335,682)</b>	<b>\$ (14,127,971)</b>

	2014	2015	2016	2017	2018	2019
\$	2,877,330	\$ 4,703,106	\$ 3,479,155	\$ 3,501,654	\$ 3,078,537	\$ 2,794,474
	4,938,440	5,440,539	6,058,119	6,699,549	6,037,115	7,106,336
	982,497	753,760	942,210	936,669	935,802	875,237
	5,566,081	6,281,524	5,642,221	5,134,979	5,862,683	5,493,643
	580,185	567,260	478,048	424,318	354,732	270,596
	14,944,533	17,746,189	16,599,753	16,697,169	16,268,869	16,540,286
	6,933,727	8,637,501	9,558,386	9,926,958	9,818,624	8,927,147
	1,400,011	-	-	-	-	-
	8,333,738	8,637,501	9,558,386	9,926,958	9,818,624	8,927,147
\$	23,278,271	\$ 26,383,690	\$ 26,158,139	\$ 26,624,127	\$ 26,087,493	\$ 25,467,433
\$	485,700	\$ 390,293	\$ 309,180	\$ 343,201	\$ 297,328	\$ 276,435
	1,058,825	905,238	756,655	1,154,448	854,757	781,566
	118,705	132,778	148,505	151,463	135,463	157,894
	213,525	211,962	221,232	274,105	220,835	219,551
	393,789	153,613	32,399	13,314	18,300	19,342
	2,270,544	1,793,884	1,467,971	1,936,531	1,526,683	1,454,788
	6,481,304	6,561,926	7,568,954	9,127,908	9,185,357	9,574,693
	-	-	-	-	-	-
	6,481,304	6,561,926	7,568,954	9,127,908	9,185,357	9,574,693
\$	8,751,848	\$ 8,355,810	\$ 9,036,925	\$ 11,064,439	\$ 10,712,040	\$ 11,029,481
\$	(12,673,989)	\$ (15,952,305)	\$ (15,131,782)	\$ (14,760,638)	\$ (14,742,186)	\$ (15,085,498)
	(1,852,434)	(2,075,575)	(1,989,432)	(799,050)	(633,267)	647,546
\$	(14,526,423)	\$ (18,027,880)	\$ (17,121,214)	\$ (15,559,688)	\$ (15,375,453)	\$ (14,437,952)

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS</b>				
Governmental activities				
Taxes				
Property	\$ 3,585,694	\$ 2,845,048	\$ 2,891,673	\$ 2,922,967
Hotel	775,908	893,270	1,042,657	1,229,225
Intergovernmental	6,277,113	6,289,842	7,892,212	8,518,068
Miscellaneous	460,596	824,101	503,931	626,420
Investment income	73,549	31,137	16,596	35,226
Transfers in (out)	-	-	-	-
Total governmental activities	11,172,860	10,883,398	12,347,069	13,331,906
Business-type activities				
Intergovernmental	-	-	490,777	490,777
Miscellaneous	121,029	117,357	173,003	143,008
Investment income	51,162	169,112	84,955	6,797
Transfers in (out)	-	-	-	-
Total business-type activities	172,191	286,469	748,735	640,582
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,345,051</b>	<b>\$ 11,169,867</b>	<b>\$ 13,095,804</b>	<b>\$ 13,972,488</b>
<b>CHANGE IN NET POSITION</b>				
Governmental activities	\$ (3,569,531)	\$ (1,282,455)	\$ 590,528	\$ 1,035,680
Business-type activities	3,952,782	(2,029,166)	(830,406)	(1,191,163)
<b>TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION</b>	<b>\$ 383,251</b>	<b>\$ (3,311,621)</b>	<b>\$ (239,878)</b>	<b>\$ (155,483)</b>

Data Source

Audited Financial Statements

	2014	2015	2016	2017	2018	2019
\$	2,979,754	\$ 3,269,634	\$ 3,529,622	\$ 3,577,481	\$ 3,585,363	\$ 3,678,582
	1,214,144	1,260,731	1,237,362	1,235,160	1,252,114	1,251,032
	8,474,428	8,300,237	7,548,238	7,693,436	8,279,986	8,253,059
	639,080	713,792	995,486	765,799	663,313	857,878
	41,397	50,016	62,813	83,112	138,479	484,838
	-	(490,777)	-	-	(327,500)	-
	13,348,803	13,103,633	13,373,521	13,354,988	13,591,755	14,525,389
	451,761	451,661	448,652	444,939	440,224	436,150
	152,334	288,910	183,328	165,165	4,151,940	395,788
	1,850	1,394	1,135	4,662	12,591	18,526
	-	490,777	-	-	327,500	-
	605,945	1,232,742	633,115	614,766	4,932,255	850,464
\$	13,954,748	\$ 14,336,375	\$ 14,006,636	\$ 13,969,754	\$ 18,524,010	\$ 15,375,853
\$	674,814	\$ (2,848,672)	\$ (1,758,261)	\$ (1,405,650)	\$ (1,150,431)	\$ (560,109)
	(1,246,489)	(842,833)	(1,356,317)	(184,284)	4,298,988	1,498,010
\$	(571,675)	\$ (3,691,505)	\$ (3,114,578)	\$ (1,589,934)	\$ 3,148,557	\$ 937,901

**VILLAGE OF ITASCA, ILLINOIS**

**FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012*</b>	<b>2013</b>
<b>GENERAL FUND</b>				
Restricted	\$ 66,301	\$ 66,378	\$ 28,829	\$ 29,750
Unrestricted				
Unassigned	3,504,380	3,847,515	5,982,901	8,071,249
<b>TOTAL GENERAL FUND</b>	<b>\$ 3,570,681</b>	<b>\$ 3,913,893</b>	<b>\$ 6,011,730</b>	<b>\$ 8,100,999</b>
<b>ALL OTHER GOVERNMENTAL FUNDS</b>				
Restricted				
Debt Service Funds	\$ 146,577	\$ 146,018	\$ 144,975	\$ 144,975
Highways and streets	423,612	315,492	197,337	209,596
Tourism	621,686	1,003,328	1,289,202	1,838,982
Special service areas	-	-	1,475,387	1,480,222
Unrestricted				
Assigned	1,390,737	1,401,661	-	-
Unassigned	-	-	(62,801)	(62,714)
<b>TOTAL ALL OTHER GOVERNMENTAL FUNDS</b>	<b>\$ 2,582,612</b>	<b>\$ 2,866,499</b>	<b>\$ 3,044,100</b>	<b>\$ 3,611,061</b>

\*The Village implemented GASB Statement No. 54 for the fiscal year ended April 30, 2012.

Data Source

Audited Financial Statements

<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$ 32,584	\$ 35,375	\$ 35,375	\$ 39,975	\$ 40,131	\$ 40,056
9,851,800	10,128,426	9,642,012	10,279,454	10,050,956	7,332,176
<u>\$ 9,884,384</u>	<u>\$ 10,163,801</u>	<u>\$ 9,677,387</u>	<u>\$ 10,319,429</u>	<u>\$ 10,091,087</u>	<u>\$ 7,372,232</u>
\$ 399,709	\$ 393,413	\$ 485,254	\$ 351,541	\$ 353,087	\$ 366,575
236,020	300,244	320,821	524,709	229,601	464,975
2,271,858	2,409,882	2,252,892	2,490,265	2,712,547	2,450,382
4,460,058	2,364,786	2,221,053	2,344,744	2,435,318	2,674,492
-	-	-	637,802	1,569,980	5,751,496
(66,874)	(80,615)	(62,891)	(66,350)	(1,253)	-
<u>\$ 7,300,771</u>	<u>\$ 5,387,710</u>	<u>\$ 5,217,129</u>	<u>\$ 6,282,711</u>	<u>\$ 7,299,280</u>	<u>\$ 11,707,920</u>

**VILLAGE OF ITASCA, ILLINOIS**

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>REVENUES</b>				
Taxes	\$ 3,585,694	\$ 2,845,048	\$ 2,891,673	\$ 2,922,967
Hotel taxes	775,908	893,270	1,042,657	1,229,225
Licenses and permits	522,792	554,281	707,154	643,243
Intergovernmental	6,277,113	6,289,842	7,751,241	8,219,668
Food and beverage tax	-	-	140,971	298,400
Grants	241,142	445,982	306,152	337,472
Charges for services	122,632	127,079	130,679	120,415
Fines and forfeits	519,982	404,189	431,769	412,952
Investment income	73,549	31,137	16,596	35,226
Miscellaneous	460,596	824,100	503,931	626,420
Total revenues	12,579,408	12,414,928	13,922,823	14,845,988
<b>EXPENDITURES</b>				
General government	3,034,057	2,580,592	2,535,508	2,492,045
Public safety	4,431,600	4,842,148	4,826,298	4,785,808
Community development	623,152	537,172	589,131	619,252
Public works	3,826,295	1,885,239	1,784,094	2,512,072
Debt service				
Principal	1,750,000	1,050,000	1,075,000	1,110,000
Interest	610,662	513,474	466,314	436,378
Issuance costs	-	99,143	-	-
Capital outlay	-	379,204	371,040	234,203
Total expenditures	14,275,766	11,886,972	11,647,385	12,189,758
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(1,696,358)	527,956	2,275,438	2,656,230
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	107,055	188,328	280,975	(119,530)
Transfers (out)	(107,055)	(188,328)	(280,975)	119,530
Bonds issued at par	-	6,955,000	-	-
Premium on bonds issued	-	434,323	-	-
Payment to escrow agent	-	(7,290,180)	-	-
Total other financing sources (uses)	-	99,143	-	-
<b>NET CHANGE IN FUND BALANCES</b>	\$ (1,696,358)	\$ 627,099	\$ 2,275,438	\$ 2,656,230
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	10.38%	12.53%	15.45%	12.45%

Data Source

Audited Financial Statements

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	2,979,754	\$ 3,269,634	\$ 3,529,623	\$ 3,577,481	\$ 3,585,363	\$ 3,678,582
	1,214,144	1,260,731	1,236,684	1,235,160	1,252,114	1,251,032
	1,058,825	905,238	756,655	1,154,448	854,757	781,566
	8,197,985	8,019,155	7,391,561	7,519,339	8,115,684	8,101,301
	276,443	281,082	303,324	325,824	321,108	320,973
	607,313	365,575	253,631	287,419	239,135	238,893
	118,705	132,778	148,505	214,973	170,948	205,024
	485,700	390,293	309,180	279,691	261,843	229,305
	41,397	50,016	62,813	83,112	138,479	484,838
	769,080	848,792	996,163	765,799	663,313	857,878
	15,749,346	15,523,294	14,988,139	15,443,246	15,602,744	16,149,392
	3,053,028	2,956,224	3,551,876	3,125,227	2,860,511	2,873,888
	4,719,758	5,092,099	5,543,869	4,813,666	5,179,348	5,378,662
	974,748	746,902	895,383	916,163	873,106	902,330
	2,788,188	3,545,124	3,241,538	1,571,269	1,917,068	1,665,392
	1,265,000	1,440,000	1,460,000	1,525,000	1,585,000	1,640,000
	482,338	560,577	531,468	473,300	411,613	363,239
	82,385	-	-	-	-	-
	250,805	2,325,235	421,000	1,310,997	1,660,371	1,654,349
	13,616,250	16,666,161	15,645,134	13,735,622	14,487,017	14,477,860
	2,133,096	(1,142,867)	(656,995)	1,707,624	1,115,727	1,671,532
	127,833	315,130	240,038	564,554	473,255	4,263,852
	(127,833)	(805,907)	(240,038)	(564,554)	(800,755)	(4,263,852)
	3,340,000	-	-	-	-	925,000
	-	-	-	-	-	-
	-	-	-	-	-	(906,747)
	3,340,000	(490,777)	-	-	(327,500)	18,253
\$	5,473,096	\$ (1,633,644)	\$ (656,995)	\$ 1,707,624	\$ 788,227	\$ 1,689,785
	12.73%	10.53%	12.40%	13.28%	12.36%	12.42%

**VILLAGE OF ITASCA, ILLINOIS**

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

<b>Levy Year</b>	<b>Fiscal Year</b>	<b>Farm</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Industrial Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Estimated Actual Taxable Value</b>
2009	2010	\$ 7,549	\$ 343,982,282	\$ 186,325,060	\$ 207,669,070	\$ 737,983,961	0.3500	\$ 2,216,168,051	33.30%
2010	2011	8,995	314,640,341	169,290,760	186,121,655	670,061,751	0.3888	2,012,197,450	33.30%
2011	2012	9,896	273,668,733	156,950,010	186,755,430	617,384,069	0.4290	1,854,006,213	33.30%
2012	2013	10,890	242,912,083	150,714,120	171,702,060	565,339,153	0.4811	1,697,715,174	33.30%
2013	2014	11,974	222,443,542	140,820,800	162,870,496	526,146,812	0.5257	1,580,020,456	33.30%
2014	2015	13,170	218,227,923	137,943,310	156,149,166	512,333,569	0.5479	1,538,539,246	33.30%
2015	2016	12,895	233,030,760	154,191,190	169,739,280	556,974,125	0.5084	1,672,594,970	33.30%
2016	2017	14,184	254,122,990	156,800,640	178,471,620	589,409,434	0.4832	1,769,998,300	33.30%
2017	2018	14,360	276,548,139	167,944,170	186,620,260	631,126,929	0.4611	1,895,276,063	33.30%
2018	2019	15,791	287,468,474	167,422,416	191,697,040	646,603,721	0.3438	1,941,752,916	33.30%

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

Data Source

Dupage County Clerk

**VILLAGE OF ITASCA, ILLINOIS**  
**LEGAL DEBT MARGIN INFORMATION**  
 Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Debt limit	\$ 63,651,117	\$ 57,792,826	\$ 53,249,376	\$ 48,760,505	\$ 45,380,163	\$ 44,188,770	\$ 48,039,018	\$ 50,836,564	\$ 54,434,698	\$ 55,769,571
Total net debt applicable to limit	15,210,000	13,745,000	12,565,000	9,600,000	10,140,000	8,890,000	7,600,000	6,255,000	4,855,000	3,440,000
<b>LEGAL DEBT MARGIN</b>	<b>\$ 48,441,117</b>	<b>\$ 44,047,826</b>	<b>\$ 40,684,376</b>	<b>\$ 39,160,505</b>	<b>\$ 35,240,163</b>	<b>\$ 35,298,770</b>	<b>\$ 40,439,018</b>	<b>\$ 44,581,564</b>	<b>\$ 49,579,698</b>	<b>\$ 52,329,571</b>
<b>TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT</b>	23.90%	23.78%	23.60%	19.69%	22.34%	20.12%	15.82%	12.30%	8.92%	6.17%

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

VILLAGE OF ITASCA, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

---

<b>Calendar Year</b>	<b>Village Direct Rate</b>	<b>Non-Home Rule Sales Tax Rate</b>	<b>DuPage County Water Commission</b>	<b>DuPage County</b>	<b>Regional Transportation Authority</b>	<b>State Rate</b>	<b>Total</b>
2010	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2011	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2012	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2013	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2014	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2015	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2016	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2017	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2018	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%
2019	1.00%	0.50%	0.00%	0.25%	0.75%	5.00%	7.50%

Data Source

Department of Revenue

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

**SIKICH.COM**

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois (the Village), as of and for the year ended April 30, 2019 and the related notes to financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated December 9, 2019.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Sikich LLP*

Naperville, Illinois  
December 9, 2019