



VILLAGE OF ITASCA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2020



SIKICH.COM

VILLAGE OF ITASCA, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF ITASCA, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2020

LEGISLATIVE

Jeff Pruyn, President

Board of Trustees

Jeff Aiani

Dino Gavanis

Ellen Leahy

Michael Latoria

Frank Madaras

Kathy Linsner

Jodi Conidi, Clerk

Marty Hower, Treasurer

ADMINISTRATIVE

Carie Anne Ergo, Village Administrator

Jessica Spencer, Administrative Services Manager



February 2, 2021

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, 2020 is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

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

We are pleased to report that independent audit firm Sikich LLP has issued an unmodified opinion on the Village of Itasca' financial statements for the year ended April 30, 2020. 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 9,805. The Village covers an area of approximately 5.1 square miles and is located in DuPage County, Illinois, approximately 23 miles northwest of Chicago. Itasca is an upscale, residential community that prides itself on the high quality of living it affords its residents. It also boasts a large Class A Office park and two manufacturing districts.

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

The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day-to-day operations of the government. The Village of Itasca provides a full range of services, including but not limited to; administrative, financial, police protection, public works, snow

plowing, planning and zoning, economic development, a nature center, code enforcement, and community events. The Village also operates a water and sewer utility.

The annual budget serves as the foundation for the Village of Itasca's financial planning and control. The Village Board is required to adopt a final budget and appropriation ordinance by no later than July 31st. The budget is prepared by each departmental Director and reviewed by the 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 \$668,567,143, an increase of 3.4% over previous year. At a rate of 33.3% of market value, the equalized assessed valuation translates into \$2.01 billion of investment in the community.

More than 500 businesses operate in the Village - many located within industrial and business parks in the north and west portions of Itasca. FY20 saw a considerable amount of business growth. The Village experienced a marked increase in permit revenue due continued construction within Hamilton Lakes and Bridge Point Itasca. Staff predicts permit revenue to drop to be back in line with historical averages in FY21.

Income tax revenue collections were up \$100,000 over the previous year. Telecommunications tax, however, continues to decline and is predicted to be obsolete in the next ten years unless Springfield allows municipalities to tax the data packages that are replacing landlines at record rates. Additionally, due to state laws limiting non-home rule communities, it is difficult for Itasca to implement new revenue strategies to compensate for diminishing revenues such as telecommunications taxes.

In March 2020, the nation was struck with a health emergency that is unique to our lifetimes. While the State encouraged residents to "shelter in place," the Village worked to keep the basic functions running smoothly – some processes moved online and others were adjusted to keep employees and customers safe and healthy. Because the pandemic hit Illinois in mid-March, just 6 weeks before fiscal year 2020 closed, the financial impact on FYE20 was moderated. As a result, the Village only experienced a slight decrease in collected sales tax revenue over the prior year.

Itasca's diverse revenue base and strong financial planning puts the Village in a good position to weather the financial uncertainties that remains as a result of the pandemic. Travel and tourism drive a significant portion of the Village's sales tax, hotel tax, food and beverage tax and utility revenue. This sector has been most severely impacted by Covid and is expected to be significantly depressed for no less than 3-5 years.

Covid has also caused a shift to employees working from home that could affect the local office market for years to come. Further, the pandemic forced retailers to move on-line leaving the future of traditional brick-and-mortar retail in question. The Village is still actively seeking new ways to attract and retain traditional retailers. At the same time, the reliance on direct-to-consumer buying has strengthen demand for warehouse, distribution and logistics centers in Itasca and across the region.

Due to the uncertainty regarding the short and long-term impact of the Covid pandemic on the Village's financial condition, management remains vigilant in monitoring operating and capital expenditures to sustain financial stability.

Long-term Financial Planning

In the fall of 2015, the Village of Itasca's elected officials, officers and key management staff participated in a strategic planning process. The Village Board reached collective agreement that maintaining fiscal

sustainability, following established policies and procedures, and pursuing intergovernmental relations should be at the core of short-term and long-term decisions in order to support and enhance quality of life and resident satisfaction in the Village. Management is dedicated to pursuing economic development opportunities, addressing staffing priorities, and recommending infrastructure and capital improvements to achieve these goals.

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

The budget for the twelve months ended April 30, 2021 is balanced which is a critical component of fiscal sustainability. The focus for managing the 2021 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 its strong commitment to maintain a healthy fund balances as a priority for long term financial health. The Village reports that as of April 30, 2020, the fund balance in the general fund is \$8,339,468, which is equal to 74% of the 2020 operating expenditure budget. This balance exceeds the Village's goal of 50% of the following year's annual operating budget. Without the availability of fund balance to balance operations during Covid, the Village would be forced to significantly reduce staffing, programs and capital projects, which would have a negative impact on quality of life and resident satisfaction.

Major Initiatives

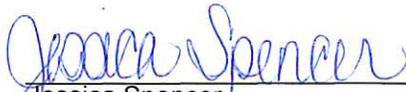
In addition to its regular maintenance programs, the Village had several major projects in FY2020 including:

- The Village completed an update to the Waste Water Treatment Plant to ensure the Village remains compliant with IEPA requirements.
- Among their typical work load, Community Development supported two major development projects – Raging Wire, a 230,000 data center in Hamilton Lakes and Bridge Point Itasca, three free standing industrial buildings totaling nearly 750,000 square feet.
- The Village completed work on several smaller stormwater related improvements in order to provide additional relief to residents with drainage issues.
- The Village Board modified the Rear Yard Assistance Program to expand the eligible projects that residents can implement to alleviate their rear yard drainage issues.
- The Village Board created a new Sanitary Sewer Backflow Preventive Program to assist residents with the cost associated with the installation of a backflow prevention system.
- Itasca completed rehabilitation of its two main water towers, including painting both with the Village's new logo to increase awareness of Itasca in the region.

Acknowledgements

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

Respectfully Submitted,

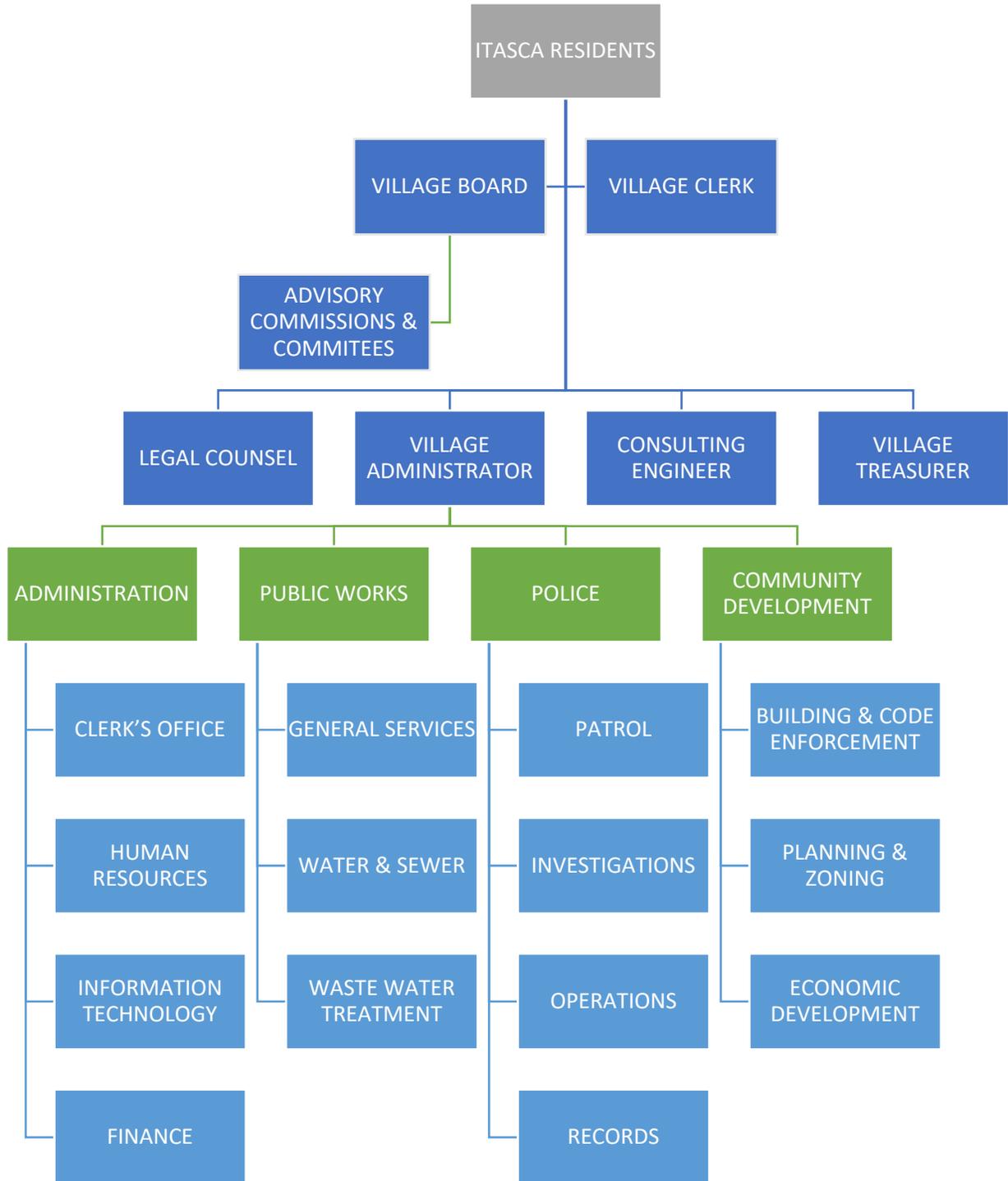


Jessica Spencer
Administrative Services Manager



Carrie Anne Ergo
Village Administrator

Village of Itasca MUNICIPAL ORGANIZATION STRUCTURE



FINANCIAL SECTION

1415 West Diehl Road, Suite 400
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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, 2020, 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, 2020, 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

The Village adopted GASB Statements No. 84, *Fiduciary Activities*, which established standards for reporting fiduciary funds and modified certain disclosures in the notes to the financial statements. Our opinion is not modified with respect to this matter.

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 January 29, 2021 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
January 29, 2021

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

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, 2020. 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 \$85.7 million as of April 30, 2019 to \$84.8 million as of April 30, 2020.
- As of April 30, 2020, the unrestricted fund balance for the General fund balance was \$ 8.3 million or 74% of General Fund expenditures. This is up from \$7.4 million as of April 30, 2019 and 68% 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, 2020

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, 2020

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, 2020

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 54-61 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 62-90 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

	Condensed Statement of Net Position April 30, 2020					
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 26,186,947	\$ 24,427,174	\$ 8,643,559	\$ 9,202,865	\$ 34,830,506	\$ 33,630,039
Capital assets	75,950,217	78,626,257	46,579,124	45,570,363	122,529,341	124,196,620
Deferred outflows of resources	5,833,277	6,960,164	240,643	256,830	6,073,920	7,216,994
Total assets and deferred outflows	107,970,441	110,013,595	55,463,326	55,030,058	163,433,767	61,052,016
Current liabilities	\$ 1,400,543	\$ 3,452,648	\$ 1,459,213	\$ 2,998,711	\$ 2,859,756	\$ 6,451,359
Noncurrent liabilities	33,564,760	32,011,095	37,631,874	37,220,019	71,196,634	69,231,114
Deferred inflows of resources	3,969,849	4,048,526	595,540	256,830	4,565,389	4,305,356
Total liabilities and deferred inflows	38,935,152	39,512,269	39,686,627	40,475,560	78,621,779	79,987,829
Net position:						
Net investment in capital assets	\$ 73,774,645	\$ 74,833,102	\$ 9,870,801	\$ 8,868,512	\$ 83,645,446	\$ 83,701,614
Restricted	6,732,265	5,996,480	-	-	6,732,265	5,996,480
Unrestricted	(11,471,621)	(10,328,256)	5,905,898	6,331,285	(5,565,723)	(3,996,971)
Total net position	\$ 69,035,289	\$ 70,501,326	\$ 15,776,699	\$ 15,199,797	\$ 84,811,988	\$ 85,701,123

A large portion of the Village's net position, \$83,645,446 or 98.6 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

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

GOVERNMENT-WIDE FINANCAL ANALYSIS (cont.)

assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, \$6,732,265 or 7.9 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, 2020, the Village is reporting unrestricted net position of (\$5,565,723) or (6.5) percent. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Activities

Condensed Statement of Activities For the Year Ended April 30, 2020						
	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,048,218	\$ 1,215,895	\$10,310,812	\$ 9,574,693	\$12,224,374	\$10,790,588
Grants and contributions						
Operating	827,453	219,551	-	-	827,453	219,551
Capital	15,425	19,342	-	-	15,425	19,342
General revenues:						
Property taxes	2,984,457	3,678,582	-	-	2,984,457	3,678,582
Other taxes	8,305,478	9,504,091	431,533	436,150	8,737,011	9,940,241
Other	2,265,545	1,342,716	280,025	414,314	2,545,570	1,757,030
Total revenues	16,446,576	15,980,177	11,022,370	10,425,157	27,468,946	26,405,334
Expenses:						
General government	3,142,895	2,794,474	-	-	3,142,895	2,794,474
Public safety	8,236,535	7,106,336	-	-	8,236,535	7,106,336
Community development	1,055,720	875,237	-	-	1,055,720	875,237
Public works	5,263,337	5,493,643	-	-	5,263,337	5,493,643
Water and sewer	-	-	10,310,812	8,927,624	10,310,812	8,927,624
Interest expense	214,126	270,596	-	-	214,126	270,596
Total expenses	17,912,613	16,540,286	10,310,812	8,927,624	28,223,425	25,467,433
Changes in net position	(1,466,037)	(560,109)	576,092	1,498,010	(899,135)	937,901
Net position, May 1	70,501,326	73,346,083	15,199,797	13,753,829	85,701,123	87,099,912
Prior period adjustment/ change in accounting principle		(2,284,648)		(52,042)		(2,336,690)
Net position, May 1, restated		71,061,435		13,701,787		84,763,222
Net position, April 30	\$69,035,289	\$70,501,326	\$15,776,699	\$15,199,797	\$84,811,988	\$85,701,123

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

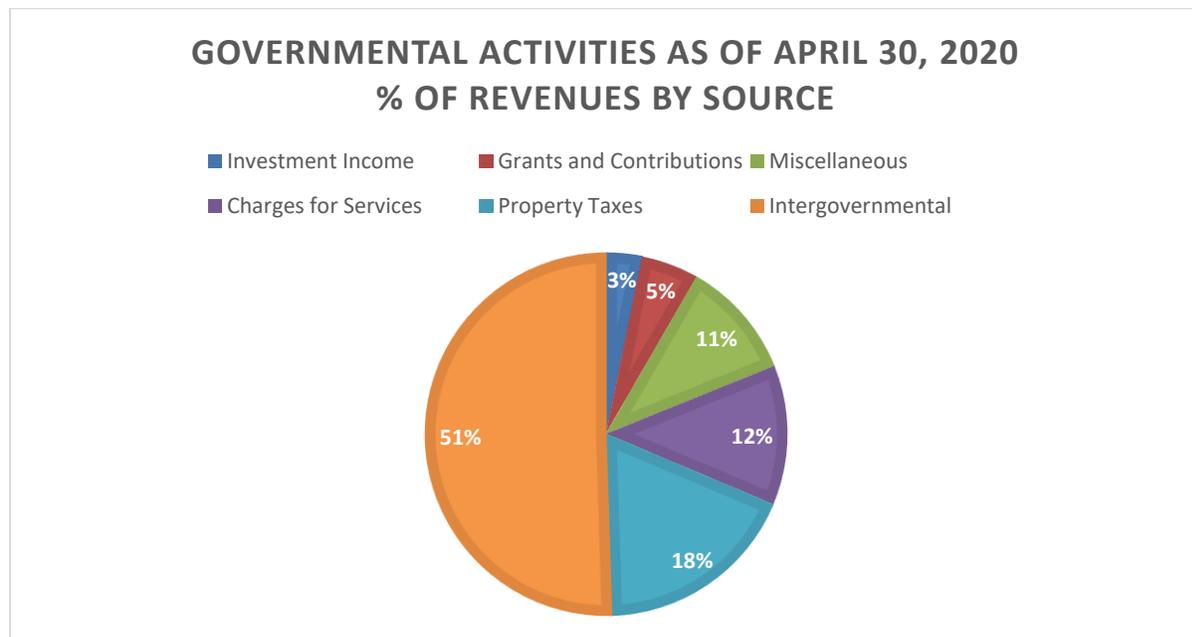
GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The Village's combined net position decreased by \$0.9 million from \$85.7 to \$84.8 million during 2020. This change is the result of \$1.5 million decrease and \$0.6 million increase in the net position of governmental activities and business-type activities, respectively. The change in net position was significantly impacted several years ago by the Village's implementation of Statement No. 68, Accounting and Financial Reporting for Pensions, of the Governmental Accounting Standards Board. These items pertain to the Village's participation in the Itasca Police Pension Fund, and Illinois Municipal Retirement Fund. Under previous financial reporting standards, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e., the obligations did not affect the statement of net position). In addition, the Village was required to implement GASB Statement No. 75 in FY19. This requires the reporting of the other postemployment liability resulting in an additional \$2.6 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 \$16.4 million, while the cost of all governmental functions totaled \$17.9 million. This results in a decrease in net position \$1.5 million. For the year ended April 30, 2009, revenues of \$16.0 million were less than expenses of \$16.5 million, resulting in a decrease in net position before transfers of \$560 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.

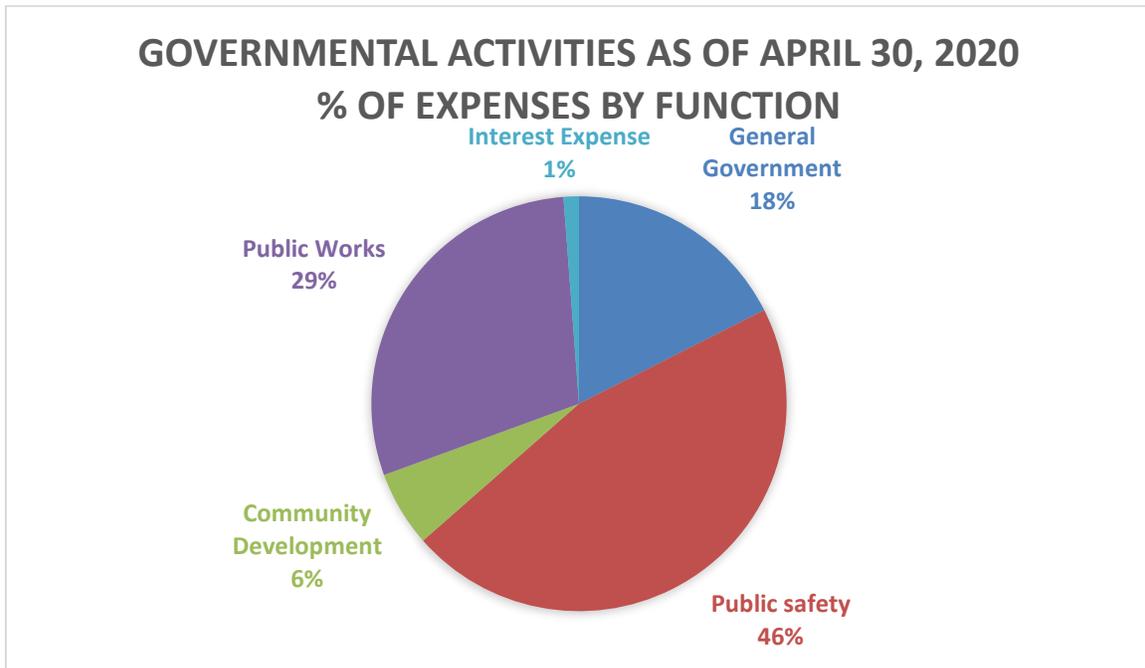


VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

FYE 2020 expenses for governmental activities totaled \$17.9 million, decreasing by \$1.4 million or 8.30% compared to FYE 2019 expenses.

Itasca's largest share of costs allocated to governmental activities was in the area of Public Safety (law enforcement), accounting for 45.98% of total governmental expenses. This was followed by Public Works activities, making up 29.38% 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 17.55% which includes legislative boards and commissions, general administration, legal services, financial management, engineering services, employee relations, and building maintenance. Community Development, accounts for 5.89% of total government spending, and Interest Expense accounts for 1.20% of total government spending.



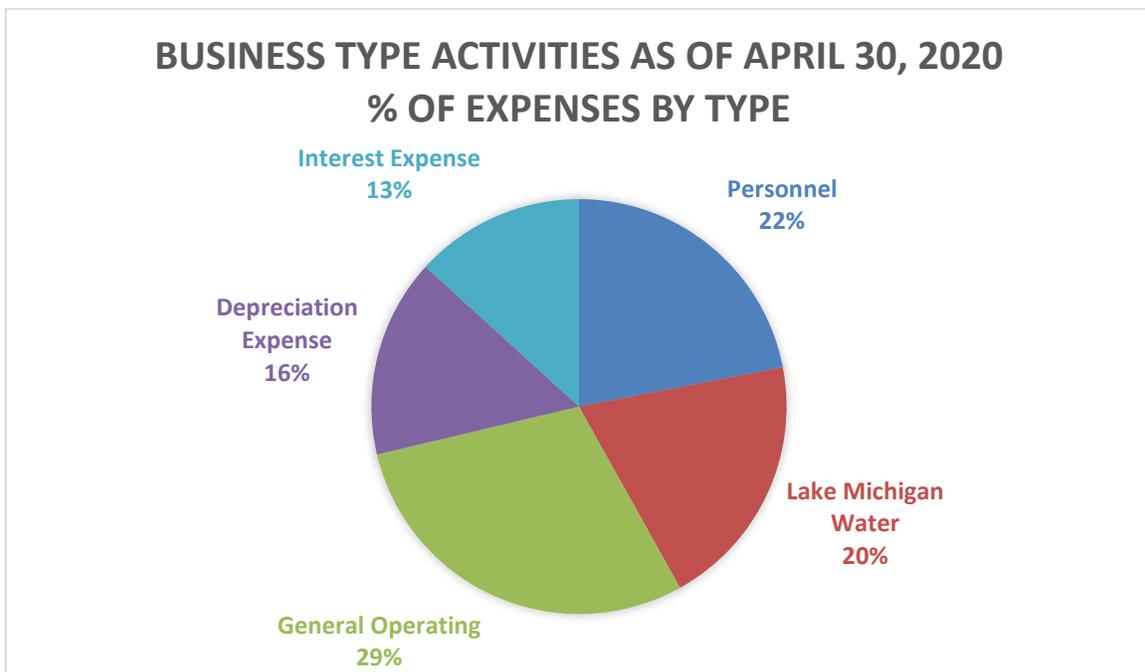
Business-Type activities

Business-Type activities posted total revenues of \$10.9 million, while the cost of all business-type activities totaled \$10.3 million. This results in an increase in net position before transfers of \$577 thousand. For the year ended April 30, 2019, revenues were \$10.4 million, while the cost of all business-type activities totaled \$8.9 million. This resulted in an increase in net position before transfers of \$1.5 million.

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

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 FY2020 totaled \$10.3 million, an increase of \$1.383 million or 15.5% 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:



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, 2020 governmental funds reported combined fund balances of \$21.3 million. Of this amount, \$8.3 million is unassigned and is available for future obligations. In addition, \$6.3 million is assigned for capital projects. About \$6.7 million is restricted, with \$2.5 million for tourism, generated by the hotel tax, \$2.9 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, 2020

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, 2020, fund balance in the General Fund increased by \$967 thousand. Change to fund balance is a combination of revenues of \$12.3 million compared to expenditures of \$11.3 million, adjusted for other financing sources and uses of a net (\$95 thousand). Included in other financing uses was a transfer of \$100,000 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 \$8.3 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, 2020, net position of the proprietary fund totaled \$15.8 million. Cash and investments totaled \$7.0 million, slightly decreasing from prior year by \$121 thousand. Operating revenues increased 4.8% from the previous year to \$10.5 million. Operating expenses (including depreciation) of \$8.9 million were 18% higher than the previous year. As of January 1, 2017, the volumetric rate was increased and the fixed revenue rate structure was adjusted to bring in an additional \$500,000 annually to offset the predicted shortfall the fund would experience to meet the service demands to maintain and operate a water and sewer system. The projected rate increases are sufficient to account for a consistent decline of 2.5% in water usage, debt repayment, anticipated debt repayment of loans related to correcting the treatment plant, ongoing litigation and engineering expenses related to the treatment plant, increasing resources dedicated to capital expenditures, and to accumulate sufficient reserves to meet the funds current liabilities.

Fiduciary Funds

The Village's one single-employer pension plan experienced a net decrease in the Net Position of \$274,566 in the fiscal year ended April 30, 2020. Deductions for benefits and other smaller items increased about 7%, from \$1.69 million in the prior year to \$1.82 million this year. As of April 30th, total assets were \$15.7 million.

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

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

General Fund Budgetary Highlights

The original budget for the General Fund was not amended during the year, and actual expenditures did not exceed the budgeted amount. The General Fund budgeted to use fund reserves in FYE 2020, with revenues budgeted at \$11.7 million and expenses at \$11.8 million. Revenues in the general fund were \$636 thousand over budget. The majority of the increase is due to favorable budget variances in licenses and permits of \$719,842. Expenditures in the general fund were \$580 thousand under the budget, mainly due to continued cost reduction efforts.

General Fund Budgetary Highlights
Fiscal Year Ended April 30, 2020

	Final Budget	Actual
Revenues:		
Taxes	\$ 2,839,696	\$ 2,727,344
Licenses and permits	912,250	1,632,092
Intergovernmental	6,704,459	6,433,165
Charges for services	185,000	176,732
Fines and forfeits	235,000	239,395
Other revenue	802,196	1,106,023
Total revenues	11,678,601	12,314,751
Expenditures:		
General government	2,276,582	2,148,845
Public safety	6,047,776	5,838,556
Community development	1,115,304	1,042,210
Public works	1,696,194	1,526,065
Debt service	696,400	696,403
Total expenditures	11,832,256	11,252,079
Other financing sources (uses):		
Transfers in	158,154	103,539
Transfers out	-	(198,975)
Total other financing sources (uses)	158,154	(95,436)
Net change in fund balance	\$ 4,499	967,236
Fund balance, May 1		7,372,232
Fund balance, April 30		\$ 8,339,468

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

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, 2020 is \$122.5 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, 2020.

	Capital Assets Net of Accumulated Depreciation					
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land and improvements	\$ 40,473,800	\$ 40,473,800	\$ 1,335,645	\$ 1,335,645	\$ 41,809,445	\$ 41,809,445
Construction in progress	-	-	501,793	5,518,001	501,793	5,518,001
Capital assets not being depreciated	<u>40,473,800</u>	<u>40,473,800</u>	<u>1,837,438</u>	<u>6,853,646</u>	<u>42,311,238</u>	<u>47,327,446</u>
Building and improvements	\$ 11,766,456	\$ 11,930,572	\$ -	\$ -	\$ 11,766,456	\$ 11,930,572
Machinery and equipment	760,134	765,634	716,476	574,917	1,476,610	1,340,551
Transportation equipment	399,079	512,548	-	-	399,079	512,148
Infrastructure	22,550,748	24,943,703	-	-	22,550,748	24,903,703
Water and sewer systems	-	-	44,025,210	38,141,800	44,025,210	34,141,800
Total capital assets being depreciated	<u>35,476,417</u>	<u>38,152,457</u>	<u>44,741,686</u>	<u>40,475,560</u>	<u>78,621,779</u>	<u>79,987,829</u>
Total net position	<u>\$ 75,950,217</u>	<u>\$ 78,626,257</u>	<u>\$ 46,579,124</u>	<u>\$ 45,570,363</u>	<u>\$ 122,529,341</u>	<u>\$ 124,196,620</u>

Capital additions for the year totaled \$226,758 for governmental funds and \$1,382,442 for the business-type activities of the water and sewer fund, not including \$6,237,887 of construction in progress placed in service in the current year.

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, 2020

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued.)

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, 2020, the Village general obligation debt represented .29% of the equalized assessed value.

	Long-Term Debt Outstanding					
	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
General obligation bonds	-	\$ 925,000	\$ 21,410,000	\$ 21,830,000	\$ 21,410,000	\$ 22,755,000
General Fund refunding certificate	1,920,000	2,515,000	-	-	1,920,000	2,515,000
Special service area bonds	2,770,000	2,975,000	2,770,000	2,975,000	2,770,000	2,975,000
IEPA loan	-	-	15,245,710	14,816,469	15,245,710	14,816,469
Bonded debt total	4,690,000	6,415,000	36,655,710	36,646,469	41,345,710	47,327,446
Compensated absences	551,419	631,953	127,469	164,212	678,888	796,165
Net postemployment benefit	2,502,143	2,299,923	56,286	51,737	2,558,429	2,351,660
Net pension liability	25,720,969	24,480,943	739,796	1,492,288	26,460,765	25,973,231
Other	100,229	133,638	52,613	55,382	152,842	189,020
Combined long-term debt total	28,874,760	27,546,457	976,164	1,763,619	29,850,924	29,310,076
Total net position	\$ 33,564,760	\$ 33,961,457	\$ 37,631,874	\$ 38,410,088	\$ 71,196,634	\$ 72,371,545

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 31.

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.

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2020

- 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.
- COVID has caused uncertainty in the short and long-term planning for the Village as the unplanned expenses accumulated. Itasca's diverse revenue base and strong financial planning puts the Village in a good position to weather the financial uncertainties that remains as a result of the pandemic.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. At April 30, 2020 the unassigned fund balance of the General Fund was 74% 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 \$7.0 million as of April 30, 2020. The fund also had unrestricted net position of \$5.9 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 1st of each year.

CONTACTING THE VILLAGE'S FINANCIAL MANGEMENT

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 20,907,656	\$ 6,970,399	\$ 27,878,055
Receivables			
Property taxes	3,060,609	-	3,060,609
Accounts receivable	-	1,673,160	1,673,160
Sales taxes	1,066,783	-	1,066,783
Other	636,413	-	636,413
Due from other governments	508,291	-	508,291
Prepaid items	7,195	-	7,195
Capital assets			
Capital assets not being depreciated	40,473,800	1,837,438	42,311,238
Capital assets being depreciated (net of accumulated depreciation)	35,476,417	44,741,686	80,218,103
Total assets	102,137,164	55,222,683	157,359,847
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	219,962	240,643	460,605
Pension items - Police Pension	5,608,658	-	5,608,658
Unamortized loss on refunding	4,657	-	4,657
Total deferred outflows of resources	5,833,277	240,643	6,073,920
Total assets and deferred outflows of resources	107,970,441	55,463,326	163,433,767

(This statement is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2020

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 532,956	\$ 1,064,035	\$ 1,596,991
Accrued payroll	103,200	41,493	144,693
Accrued interest	79,089	353,685	432,774
Unearned revenue	62,195	-	62,195
Escrow deposits	589,295	-	589,295
Due to library	13,732	-	13,732
Due to other governments	20,076	-	20,076
Noncurrent liabilities			
Due within one year	1,052,995	1,464,826	2,517,821
Due in more than one year	32,511,765	36,167,048	68,678,813
Total liabilities	34,965,303	39,091,087	74,056,390
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	544,358	595,540	1,139,898
Pension items - Police Pension	364,882	-	364,882
Property taxes	3,060,609	-	3,060,609
Total deferred inflows of resources	3,969,849	595,540	4,565,389
Total liabilities and deferred inflows of resources	38,935,152	39,686,627	78,621,779
NET POSITION			
Net investment in capital assets	73,774,645	9,870,801	83,645,446
Restricted			
Public safety	40,113	-	40,113
Streets	884,339	-	884,339
Tourism	2,535,838	-	2,535,838
Debt service	368,903	-	368,903
Special service areas	2,903,072	-	2,903,072
Unrestricted (deficit)	(11,471,621)	5,905,898	(5,565,723)
TOTAL NET POSITION	\$ 69,035,289	\$ 15,776,699	\$ 84,811,988

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2020

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 3,142,895	\$ -	\$ -	\$ -
Public safety	8,236,535	318,018	508,291	-
Community development	1,055,720	1,632,091	-	15,425
Public works	5,263,337	98,109	319,162	-
Interest expense	214,126	-	-	-
Total governmental activities	17,912,613	2,048,218	827,453	15,425
Business-Type Activities				
Water and sewer	10,310,812	10,176,156	-	-
TOTAL PRIMARY GOVERNMENT	\$ 28,223,425	\$ 12,224,374	\$ 827,453	\$ 15,425

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,142,895)	\$ -	\$ (3,142,895)
	(7,410,226)	-	(7,410,226)
	591,796	-	591,796
	(4,846,066)	-	(4,846,066)
	(214,126)	-	(214,126)
	(15,021,517)	-	(15,021,517)
	-	(134,656)	(134,656)
	(15,021,517)	(134,656)	(15,156,173)
General Revenues			
Taxes			
Property	2,984,457	-	2,984,457
Hotel	1,042,126	-	1,042,126
Intergovernmental	7,263,352	431,533	7,694,885
Miscellaneous	1,743,144	275,558	2,018,702
Investment income	522,401	4,467	526,868
Total	13,555,480	711,558	14,267,038
CHANGE IN NET POSITION	(1,466,037)	576,902	(889,135)
NET POSITION, MAY 1	70,501,326	15,199,797	85,701,123
NET POSITION, APRIL 30	\$ 69,035,289	\$ 15,776,699	\$ 84,811,988

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2020

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 8,275,033	\$ 6,105,672	\$ 6,531,224	\$ 20,911,929
Receivables				
Property taxes	2,500,901	-	559,708	3,060,609
Other	469,527	-	166,886	636,413
Sales taxes	728,214	338,569	-	1,066,783
Due from other governments	508,291	-	-	508,291
Prepaid items	7,195	-	-	7,195
TOTAL ASSETS	\$ 12,489,161	\$ 6,444,241	\$ 7,257,818	\$ 26,191,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 351,115	\$ 179,268	\$ 2,573	\$ 532,956
Accrued payroll	99,815	-	3,385	103,200
Unearned revenue	62,195	-	-	62,195
Escrow deposits	589,295	-	-	589,295
Due to library	13,732	-	-	13,732
Due to fiduciary fund	4,273	-	-	4,273
Due to other governments	20,076	-	-	20,076
Total liabilities	1,140,501	179,268	5,958	1,325,727
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - grants	508,291	-	-	508,291
Property taxes	2,500,901	-	559,708	3,060,609
Total deferred inflows of resources	3,009,192	-	559,708	3,568,900
Total liabilities and deferred inflows of resources	4,149,693	179,268	565,666	4,894,627
FUND BALANCES				
Nonspendable				
Prepaid items	7,195	-	-	7,195
Restricted				
Public safety	40,113	-	-	40,113
Debt service	-	-	368,903	368,903
Highway and streets	-	-	884,339	884,339
Tourism	-	-	2,535,838	2,535,838
Special service areas	-	-	2,903,072	2,903,072
Unrestricted				
Assigned				
Capital projects	-	6,264,973	-	6,264,973
Unassigned	8,292,160	-	-	8,292,160
Total fund balances	8,339,468	6,264,973	6,692,152	21,296,593
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 12,489,161	\$ 6,444,241	\$ 7,257,818	\$ 26,191,220

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, 2020

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 21,296,593
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	75,950,217
Other long-term receivables are not available to pay for current period expenditures and, therefore, are deferred in the governmental funds	508,291
Premiums (discounts) on bonds are expensed in governmental funds but capitalized and amortized in the statement of net position	
Premium on issuance of bonds	(100,229)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation debt certificates	(1,920,000)
Special service area bonds	(2,770,000)
Unamortized loss on refunding	4,657
Accrued interest payable	(79,089)
Compensated absences	(551,419)
Total OPEB liability	(2,502,143)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(676,216)
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	(324,396)
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(25,044,753)
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	5,243,776
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 69,035,289</u></u>

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, 2020

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,441,425	\$ -	\$ 543,032	\$ 2,984,457
Hotel taxes	-	-	1,042,126	1,042,126
Licenses and permits	1,632,092	-	-	1,632,092
Intergovernmental	6,433,165	1,469,268	-	7,902,433
Food and beverage tax	285,919	-	-	285,919
Grants	15,425	-	319,162	334,587
Charges for services	176,732	-	-	176,732
Fines	239,395	-	-	239,395
Investment income	441,453	743	80,205	522,401
Miscellaneous	649,145	150,749	943,249	1,743,143
Total revenues	12,314,751	1,620,760	2,927,774	16,863,285
EXPENDITURES				
Current				
General government	2,148,845	-	841,515	2,990,360
Public safety	5,838,556	-	-	5,838,556
Community development	1,042,210	-	-	1,042,210
Public works	1,526,065	-	-	1,526,065
Debt service				
Principal	595,000	-	1,130,000	1,725,000
Interest and fiscal agent fees	101,403	-	148,823	250,226
Capital outlay	-	1,257,615	16,812	1,274,427
Total expenditures	11,252,079	1,257,615	2,137,150	14,646,844
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,062,672	363,145	790,624	2,216,441
OTHER FINANCING SOURCES (USES)				
Transfers in	103,539	150,332	98,975	352,846
Transfer (out)	(198,975)	-	(153,871)	(352,846)
Total other financing sources (uses)	(95,436)	150,332	(54,896)	-
NET CHANGE IN FUND BALANCES	967,236	513,477	735,728	2,216,441
FUND BALANCES, MAY 1	7,372,232	5,751,496	5,956,424	19,080,152
FUND BALANCES, APRIL 30	\$ 8,339,468	\$ 6,264,973	\$ 6,692,152	\$ 21,296,593

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, 2020

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,216,441
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	226,758
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	1,725,000
Intergovernmental revenue from the Library is not revenue on the statement of activities	(925,000)
The change in the net pension liability for the Illinois Municipal Retirement Retirement Fund is reported only in the statement of activities	1,104,204
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(1,093,587)
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(2,344,230)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	130,675
The change in the OPEB liability and deferred outflows of resources is reported only in the statement of activities	(228,425)
Revenues in the statement of activities that are not available in governmental funds are not reported as revenue in governmental funds until received	508,291
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	(2,902,798)
Change in compensated absences payable	80,534
Amortization of bond premium	33,409
Amortization of loss on refunding	(10,826)
Change in accrued interest payable	13,517
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (1,466,037)

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUND

April 30, 2020

	<u>Water and Sewer</u>
CURRENT ASSETS	
Cash and investments	\$ 6,970,399
Accounts receivable	1,673,160
	<hr/>
Total current assets	8,643,559
NONCURRENT ASSETS	
Capital assets	
Cost	78,731,897
Less accumulated depreciation	32,152,773
	<hr/>
Total noncurrent assets	46,579,124
	<hr/>
Total assets	55,222,683
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	240,643
	<hr/>
Total deferred outflows of resources	240,643
	<hr/>
Total assets and deferred outflows of resources	55,463,326
CURRENT LIABILITIES	
Accounts payable	1,064,035
Accrued payroll	41,493
Bonds and loans payable - current portion	1,448,416
Compensated absences payable	12,747
Total OPEB liability	3,663
Accrued interest	353,685
	<hr/>
Total current liabilities	2,924,039
NONCURRENT LIABILITIES	
Bonds payable	21,022,613
IEPA loan payable	14,237,294
Compensated absences payable	114,722
Total OPEB liability	52,623
Net pension liability	739,796
	<hr/>
Total noncurrent liabilities	36,167,048
	<hr/>
Total liabilities	39,091,087
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	595,540
	<hr/>
Total deferred inflows of resources	595,540
	<hr/>
Total liabilities and deferred inflows of resources	39,686,627
NET POSITION	
Net investment in capital assets	9,870,801
Unrestricted	5,905,898
	<hr/>
TOTAL NET POSITION	\$ 15,776,699
	<hr/>

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, 2020

	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	
Water fees	\$ 5,059,511
Sewer fees	5,116,645
Miscellaneous	<u>275,558</u>
Total operating revenues	<u>10,451,714</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Salaries/stipends	1,729,739
Payroll taxes	269,699
Employee benefits	265,655
General operating	2,761,286
Repairs and maintenance	1,882,598
Professional services	223,293
Special services	129,900
Insurance	<u>88,213</u>
Total operating expenses excluding depreciation	<u>7,350,383</u>
OPERATING INCOME BEFORE DEPRECIATION	3,101,331
Depreciation	<u>1,595,360</u>
OPERATING INCOME	<u>1,505,971</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(1,365,069)
Bond stimulus payment	431,533
Investment income	<u>4,467</u>
Total non-operating revenues (expenses)	<u>(929,069)</u>
CHANGE IN NET POSITION	576,902
NET POSITION, MAY 1	<u>15,199,797</u>
NET POSITION, APRIL 30	<u><u>\$ 15,776,699</u></u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND

For the Year Ended April 30, 2020

	<u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 10,889,826
Payments to suppliers	(5,464,698)
Payments to employees	<u>(2,045,202)</u>
Net cash from operating activities	<u>3,379,926</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(2,604,121)
Bond stimulus payment	431,533
Proceeds of long-term debt	1,278,550
IEPA loan principal payments	(849,309)
Bond principal payments	(420,000)
Interest paid on bonds payable	<u>(1,342,240)</u>
Net cash from capital and related financing activities	<u>(3,505,587)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>4,467</u>
Net cash from investing activities	<u>4,467</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(121,194)
CASH AND CASH EQUIVALENTS, MAY 1	<u>7,091,593</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 6,970,399</u></u>
NONCASH TRANSACTIONS	
None	<u>\$ -</u>
TOTAL NONCASH TRANSACTIONS	<u><u>\$ -</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ 1,505,971
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation and amortization	1,595,360
Changes in assets and liabilities	
Accounts receivable	438,112
Accounts payable	(379,408)
Accrued payroll	4,381
Compensated absences	(36,743)
Pension items - IMRF	247,115
OPEB items	<u>5,138</u>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ 3,379,926</u></u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2020

ASSETS

Cash and short-term investments	\$	15,224
Investments, at fair value		
Mutual funds		8,565,104
U.S. Treasury securities		2,567,678
U.S. agency securities		818,480
Corporate bonds		2,101,161
Corporate equity securities		1,248,059
Money market mutual funds		350,117
Receivables (net, where applicable, of allowances for uncollectibles)		
Accrued interest		32,488
Due from municipality		4,273
Prepays		18,696
		<hr/>
Total assets		15,721,280

LIABILITIES

Accounts payable		2,259
		<hr/>

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 15,719,021

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, 2020

ADDITIONS

Contributions	
Employer contributions	\$ 1,617,305
Employee contributions	207,795
	<hr/>
Total contributions	1,825,100
	<hr/>
Investment income	
Interest and dividend income	476,916
Net decrease in fair value of investments	(660,844)
	<hr/>
Total investment income	(183,928)
Less investment expense	(100,314)
	<hr/>
Net investment income	(284,242)
	<hr/>
Total additions	1,540,858

DEDUCTIONS

Benefit payments	1,778,605
Administrative expenses	36,819
	<hr/>
Total deductions	1,815,424

NET DECREASE (274,566)

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	15,993,587
	<hr/>
April 30	\$ 15,719,021
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

b. Fund Accounting

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

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

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

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 funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

The Village reports the following fiduciary component unit:

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

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

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

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

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 greater than one year from the date of purchase) are recorded at fair value.

The Village categorizes the fair value measurements within the fair value hierarchy established by 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.

p. Postponement of Implementation of Certain Authoritative Guidance

In accordance with the provisions of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the Village has delayed the implementation of GASB Statement No. 83, *Certain Asset Retirement Obligations*, to April 30, 2021.

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, 2020, 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	\$ 1,554,596	\$ -	\$ 1,554,596
Negotiable CDs	2,402,376	2,402,376	-
TOTAL	\$ 3,956,972	\$ 2,402,376	\$ 1,554,596

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, 2020. 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 2019 attached as an enforceable lien on January 1, 2019 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2020. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2019 (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, 2020. The County collects such taxes and remits them periodically. The 2020 tax levy, which attached as an enforceable lien on property as of January 1, 2020, has not been recorded as a receivable as of April 30, 2020 as the tax has not yet been levied by the Village and will not be levied until December 2020 and, therefore, the levy is not measurable at April 30, 2020.

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, 2020:

GOVERNMENTAL ACTIVITIES	
Other miscellaneous receivables	\$ 62,032
Hotel tax	141,234
Food and beverage tax	9,504
Utility tax	89,794
Telecommunication tax	188,252
Use tax	77,801
Cable TV franchise fee	42,144
Motor fuel tax	25,652
	<hr/>
TOTAL GOVERNMENTAL ACTIVITIES	\$ 636,413
	<hr/> <hr/>

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
	<hr/>			<hr/>
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 40,473,800	\$ -	\$ -	\$ 40,473,800
Total capital assets not being depreciated	<hr/> 40,473,800	<hr/> -	<hr/> -	<hr/> 40,473,800
Capital assets being depreciated				
Buildings and improvements	19,086,762	110,739	-	19,197,501
Machinery and equipment	1,673,351	99,649	-	1,773,000
Transportation equipment	2,121,329	16,370	-	2,137,699
Infrastructure	111,350,642	-	-	111,350,642
Total capital assets being depreciated	<hr/> 134,232,084	<hr/> 226,758	<hr/> -	<hr/> 134,458,842
Less accumulated depreciation for				
Buildings and improvements	7,156,190	274,855	-	7,431,045
Machinery, vehicles, and equipment	907,717	105,149	-	1,012,866
Transportation equipment	1,608,781	129,839	-	1,738,620
Infrastructure	86,406,939	2,392,955	-	88,799,894
Total accumulated depreciation	<hr/> 96,079,627	<hr/> 2,902,798	<hr/> -	<hr/> 98,982,425
Total capital assets being depreciated, net	<hr/> 38,152,457	<hr/> (2,676,040)	<hr/> -	<hr/> 35,476,417
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<hr/> \$ 78,626,257	<hr/> \$ (2,676,040)	<hr/> \$ -	<hr/> \$ 75,950,217
	<hr/> <hr/>			<hr/> <hr/>

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

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	\$ 1,335,645	\$ -	\$ -	\$ 1,335,645
Construction in progress	5,518,001	1,221,679	6,237,887	501,793
Total capital assets not being depreciated	<u>6,853,646</u>	<u>1,221,679</u>	<u>6,237,887</u>	<u>1,837,438</u>
Capital assets being depreciated				
Buildings and improvements	500,167	-	-	500,167
Equipment	2,161,839	246,601	-	2,408,440
Water and sewer system	66,612,124	7,373,728	-	73,985,852
Total capital assets being depreciated	<u>69,274,130</u>	<u>7,620,329</u>	<u>-</u>	<u>76,894,459</u>
Less accumulated depreciation for				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,586,922	105,042	-	1,691,964
Water and sewer system	28,470,324	1,490,318	-	29,960,642
Total accumulated depreciation	<u>30,557,413</u>	<u>1,595,360</u>	<u>-</u>	<u>32,152,773</u>
Total capital assets being depreciated, net	<u>38,716,717</u>	<u>6,024,969</u>	<u>-</u>	<u>44,741,686</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 45,570,363</u>	<u>\$ 7,246,648</u>	<u>\$ 6,237,887</u>	<u>\$ 46,579,124</u>

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 169,302
Public safety	116,623
Community development	5,968
Public works	<u>2,610,905</u>
TOTAL DEPRECIATION EXPENSE -	
GOVERNMENTAL ACTIVITIES	<u>\$ 2,902,798</u>

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, 2020 is as follows:

Governmental Activities

Issue	Interest Rate	Final Maturity Date	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
Series 2019	1.67%	12/15/2019	\$ 925,000	\$ -	\$ 925,000	\$ -	\$ -
General fund refunding debt certificates							
Series 2010	2.00% to 4.00%	12/1/2022	2,515,000	-	595,000	1,920,000	615,000
Plus amortized premium Series 2010			133,638	-	33,409	100,229	-
Special service area bonds							
Series 2014	4.50%	12/15/2033	2,740,000	-	130,000	2,610,000	140,000
Series 2006	4.50%	12/15/2021	235,000	-	75,000	160,000	80,000
Compensated absences payable							
			631,953	-	80,534	551,419	55,142
Total OPEB liability			2,299,923	202,220	-	2,502,143	162,853
Net pension liability - IMRF							
			1,780,420	-	1,104,204	676,216	-
Police Pension			22,700,523	2,344,230	-	25,044,753	-
TOTAL GOVERNMENTAL ACTIVITIES			\$ 33,961,457	\$ 2,546,450	\$ 2,943,147	\$ 33,564,760	\$ 1,052,995

Business-Type Activities

Issue	Beginning Balances	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds -					
Series 2009A	\$ 21,830,000	\$ -	\$ 420,000	\$ 21,410,000	\$ 440,000
IEPA loans					
EPA loan I	9,750,000	-	750,000	9,000,000	750,000
EPA loan II	5,066,469	1,278,550	99,309	6,245,710	258,416
Unamortized bond premium	55,382	-	2,769	52,613	-
Compensated absences payable	164,212	127,469	164,212	127,469	12,747
Net pension liability - IMRF	1,492,288	-	752,492	739,796	-
Total OPEB liability	51,737	4,549	-	56,286	3,663
TOTAL BUSINESS-TYPE ACTIVITIES					
	\$ 38,410,088	\$ 1,410,568	\$ 2,188,782	\$ 37,631,874	\$ 1,464,826

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

5. LONG-TERM DEBT (Continued)

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
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
TOTAL	\$ -	\$ -	\$ 1,920,000	\$ 155,600	\$ 2,770,000	\$ 977,000

Fiscal Year	Business-Type Activities			
	General Obligation Bonds		IEPA Loan	
	Principal	Interest	Principal	Interest
2021	\$ 440,000	\$ 1,291,350	\$ 1,008,416	\$ 74,455
2022	470,000	1,268,910	1,039,922	78,720
2023	490,000	1,243,766	1,043,762	74,840
2024	520,000	1,217,060	1,047,653	70,949
2025	550,000	1,188,460	1,051,594	67,008
2026	580,000	1,158,210	1,055,589	63,013
2027	610,000	1,124,570	1,059,635	58,966
2028	640,000	1,089,190	1,063,736	54,866
2029	680,000	1,052,070	1,067,891	50,710
2030	720,000	1,012,630	1,072,101	46,500
2031	760,000	968,710	1,076,367	42,234
2032	1,190,000	922,350	1,080,689	37,912
2033	1,630,000	849,760	335,068	33,532
2034	1,730,000	750,330	339,506	29,095
2035	1,840,000	644,800	344,002	24,599
2036	1,950,000	530,720	348,558	20,043
2037	2,070,000	490,820	353,174	15,427
2038	2,200,000	281,480	357,851	10,749
2039	2,340,000	145,080	362,591	6,011
2040	-	-	137,605	1,209
TOTAL	\$ 21,410,000	\$ 17,230,266	\$ 15,245,710	\$ 860,838

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

6. INDIVIDUAL FUND DISCLOSURES

a. As of April 30, 2020, the General Fund had an amount due to the Police Pension Fund of \$4,273. This amount was paid after year end.

b. Transfers In/Out

Individual interfund transfers during the fiscal year ended April 30, 2020 were as follows:

	Transfers In	Transfers Out
General	\$ 103,539	\$ 198,975
Capital Projects	150,332	-
Nonmajor Funds	98,975	153,871
TOTAL	\$ 352,846	\$ 352,846

The transfer from the Hotel Tax Fund for \$50,332 and General Fund for \$100,000 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, 2020, a liability of \$33,442 has been accrued and payments of \$100,326 were made. As of April 30, 2020, the Village has incurred total incentives of \$703,862.

11. DEFINED BENEFIT PENSION PLANS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

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, 2019, most recent information available, IMRF membership consisted of:

Inactive plan members currently receiving benefits	73
Inactive plan members entitled to but not yet receiving benefits	56
Active plan members	<u>48</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 April 30, 2020 was 11.26% of covered payroll.

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2019 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, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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.

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

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

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 26,146,244	\$ 22,212,815	\$ 3,933,429
Changes for the period			
Service cost	353,463	-	353,463
Interest	1,870,348	-	1,870,348
Difference between expected and actual experience	(142,558)	-	(142,558)
Changes in assumptions	-	-	-
Employer contributions	-	348,364	(348,364)
Employee contributions	-	152,919	(152,919)
Net investment income	-	4,093,749	(4,093,749)
Benefit payments and refunds	(1,050,152)	(1,050,152)	-
Other (net transfer)	-	(345,653)	345,653
Net changes	1,031,101	3,199,227	(2,168,126)
BALANCES AT DECEMBER 31, 2019	\$ 27,177,345	\$ 25,412,042	\$ 1,765,303

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 (Continued)

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, 2019, the employer contributions, and net pension liability at December 31, 2019 was \$3,272,708, \$279,435, and \$1,416,012, respectively. The Library's proportionate share of the net pension liability at January 1, 2019, the employer contributions, and net pension liability at December 31, 2019 was \$660,721, \$68,929, and \$349,291, respectively.

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

For the year ended April 30, 2020, the Village recognized pension expense of \$595,748.

At April 30, 2020, 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	\$ 143,746	\$ 224,774
Changes in assumption	290,417	107,132
Contributions made after measurement date	140,061	-
Net difference between projected and actual earnings on pension plan investments	-	1,089,173
TOTAL	<u>\$ 574,224</u>	<u>\$ 1,421,079</u>

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, 2020 were \$460,605 and \$1,139,898, respectively. The Library's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2020 were \$113,619 and \$281,181, respectively.

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 (Continued)

The \$140,061 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, 2021. 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</u> <u>April 30,</u>		
2021	\$	(260,394)
2022		(302,744)
2023		79,372
2024		(503,150)
2025		-
Thereafter		-
TOTAL	\$	(986,916)

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)	\$ 4,204,700	\$ 1,416,012	\$ (866,483)
Net pension liability (Library)	1,037,414	349,291	(213,785)
Net pension liability (Total)	\$ 5,242,114	\$ 1,765,303	\$ (1,080,268)

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

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

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

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

Plan Membership

At April 30, 2020, membership consisted of:

Inactive plan members currently receiving benefits	26
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>21</u>
 TOTAL	 <u><u>47</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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

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

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has been contributing 100% of the past service costs by 2040. For the year ended April 30, 2020, the Village's contribution was 77.12% of covered payroll.

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

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

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

Asset Class	Target	Long-Term Expected Real Rate of Return
U.S. Cash	3.00%	(0.55%)
U.S. Fixed Income	32.00%	(1.29%)
U.S. Large Cap Equity	12.00%	3.50%
U.S. Small/Mid Cap Equity	10.00%	4.04%
International Developed Markets Equity	11.50%	6.00%
Emerging Markets Equity	8.50%	6.99%
Real Estate	10.00%	4.42%
MLP's	4.00%	6.40%
Hedge Funds	5.00%	2.67%
US Corp High Yield FI	4.00%	1.42%

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.20%) 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, 2020 are listed in the table above.

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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (1.73%). 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.

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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	\$ 818,480	\$ -	\$ -	\$ 52,550	\$ 765,930
U.S. Treasury securities	2,567,678	59,986	1,071,407	818,050	618,235
Corporate bonds	2,101,161	44,452	648,552	892,100	516,057
TOTAL	\$ 5,487,319	\$ 104,438	\$ 1,719,959	\$ 1,762,700	\$ 1,900,222

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, 2020. The mutual funds, and corporate equity securities are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. Treasury obligations, U.S. agency obligations, and corporate bonds are valued using quoted prices of similar securities (Level 2 inputs).

Credit Risk

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

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

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

Actuarial Assumptions

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

Actuarial valuation date	April 30, 2020
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, 2020 valuation were based on the results of a 2017 actuarial experience study conducted by the Illinois Department of Insurance.

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

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

Discount Rate Sensitivity

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

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 30,999,337	\$ 25,044,753	\$ 20,200,874

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

11. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2019	\$ 38,694,110	\$ 15,993,587	\$ 22,700,523
Changes for the period			
Service cost	534,501	-	534,501
Interest	2,492,055	-	2,492,055
Difference between expected and actual experience	655,973	-	655,973
Changes of assumptions	-	-	-
Changes of benefit terms	165,740	-	165,740
Employer contributions	-	1,617,305	(1,617,305)
Employee contributions	-	207,795	(207,795)
Buy back contributions	-	-	-
Net investment income	-	(284,242)	284,242
Benefit payments and refunds	(1,778,605)	(1,778,605)	-
Administrative expense	-	(36,819)	36,819
Net changes	2,069,664	(274,566)	2,344,230
BALANCES AT APRIL 30, 2020	\$ 40,763,774	\$ 15,719,021	\$ 25,044,753

The changes of benefit terms was related to the use of actual spousal data and Tier II benefit changes.

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, 2020, the Village recognized police pension expense of \$3,830,860. At April 30, 2020, 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	\$ 646,637	\$ 364,882
Changes in assumption	3,461,924	-
Net difference between projected and actual earnings on pension plan investments	<u>1,500,097</u>	-
TOTAL	<u><u>\$ 5,608,658</u></u>	<u><u>\$ 364,882</u></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>	
2021	\$ 1,089,768
2022	1,446,794
2023	1,346,516
2024	1,251,369
2025	109,329
Thereafter	<u>-</u>
TOTAL	<u><u>\$ 5,243,776</u></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 until they are medicare eligible. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At April 30, 2020 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>
TOTAL	<u><u>74</u></u>
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 \$2,558,429 was measured as of April 30, 2020, determined by an actuarial valuation as of April 30, 2019 and was rolled forward to April 30, 2020.

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 normal
Actuarial value of assets	N/A
Inflation	2.25%
Salary increases	3.00%
Discount rate	2.56%
Healthcare cost trend rates	6.87% 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, 2020. The discount rate at April 30, 2019 was 3.79%.

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, 2019 valuation are based on 33% participation assumed, with 50% electing spouse coverage.

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

f. Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
BALANCES AT MAY 1, 2019	<u>\$ 2,351,660</u>
Changes for the period	
Service cost	34,067
Interest	85,953
Difference between expected and actual experience	-
Changes in benefit terms	-
Changes in assumptions	253,265
Benefit payments	<u>(166,516)</u>
Net changes	<u>206,769</u>
BALANCES AT APRIL 30, 2020	<u>\$ 2,558,429</u>

The discount rate was changed from 3.79% to 2.56%.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.56% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.56%) or 1 percentage point higher (3.56%) than the current rate:

	1% Decrease (1.56%)	Current Discount Rate (2.56%)	1% Increase (3.56%)
Total OPEB liability	\$ 2,767,308	\$ 2,558,429	\$ 2,377,446

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 6.87% 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 5.87%) or 1 percentage point higher (6.00% to 7.87%) than the current rate:

	1% Decrease (4.00% to 5.87%)	Current Healthcare Rate (5.00% to 6.87%)	1% Increase (6.00% to 7.87%)
Total OPEB liability	\$ 2,302,626	\$ 2,558,429	\$ 2,856,664

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

For the year ended April 30, 2020, the Village recognized OPEB expense of \$400,079. At April 30, 2020, the Village did not report deferred outflows of resources or deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
TOTAL	\$ -	\$ -

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:

<u>Year Ending</u> <u>April 30,</u>	
2021	\$ -
2022	-
2023	-
2024	-
2025	-
Thereafter	<u>-</u>
TOTAL	<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, 2020

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 2,497,783	\$ 2,441,425
Licenses	148,750	87,943
Building and other permits	763,500	1,544,149
Intergovernmental		
Sales	3,600,688	3,127,191
Less incentives	(200,000)	(75,287)
State income	734,266	937,416
Replacement	144,180	111,631
Local use	236,417	309,131
Telecommunications	863,112	759,101
Utility tax	1,325,796	1,263,982
Food and beverage tax	341,913	285,919
Grants	18,898	15,425
Parking and other fees	185,000	176,732
Police fines and other receipts	235,000	239,395
Investment income	74,930	441,453
Miscellaneous	708,368	649,145
	<hr/>	<hr/>
Total revenues	11,678,601	12,314,751
	<hr/>	<hr/>
EXPENDITURES		
Current		
General government		
Administrative	2,117,178	2,045,261
Nature center	159,404	103,584
Public safety	6,047,776	5,838,556
Community development	1,115,304	1,042,210
Public works	1,696,194	1,526,065
Debt service		
Principal	595,000	595,000
Interest and fiscal agent fees	101,400	101,403
	<hr/>	<hr/>
Total expenditures	11,832,256	11,252,079
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(153,655)	1,062,672
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	158,154	103,539
Transfers (out)	-	(198,975)
	<hr/>	<hr/>
Total other financing sources (uses)	158,154	(95,436)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ 4,499	967,236
	<hr/>	<hr/>
FUND BALANCE, MAY 1		7,372,232
		<hr/>
FUND BALANCE, APRIL 30		\$ 8,339,468
		<hr/>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2020

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 was not budgeted.

VILLAGE OF ITASCA, ILLINOIS

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

Last Five Fiscal Years

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

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 24 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 3.35% to 14.25% compounded annually, and inflation of 2.50%.

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

(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 Five Calendar Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
Employer's proportion of net pension liability	83.39%	82.72%	83.20%	83.20%	80.21%
Employer's proportionate share of net pension liability	\$ 2,624,791	\$ 2,872,854	\$ 663,736	\$ 3,272,708	\$ 1,416,012
Employer's covered payroll	2,988,468	2,921,014	2,923,088	2,848,140	2,723,425
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	87.83%	98.35%	22.71%	114.91%	51.99%
Plan fiduciary net position as a percentage of the total pension liability	86.14%	85.70%	96.67%	84.96%	93.50%

Notes to Required Supplementary Information

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Actuarially determined contribution	\$ 620,922	\$ 621,324	\$ 537,359	\$ 576,591	\$ 676,543	\$ 694,619	\$ 906,688	\$ 1,131,221	\$ 1,188,065	\$ 1,630,283
Contributions in relation to the actuarially determined contribution	606,037	596,937	545,817	578,545	677,725	704,812	925,806	1,168,415	1,220,168	1,617,305
CONTRIBUTION DEFICIENCY (Excess)	\$ 14,885	\$ 24,387	\$ (8,458)	\$ (1,954)	\$ (1,182)	\$ (10,193)	\$ (19,118)	\$ (37,194)	\$ (32,103)	\$ 12,978
Covered payroll	\$ 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	\$ 2,097,039
Contributions as a percentage of covered payroll	30.71%	31.79%	27.31%	29.05%	31.54%	35.63%	49.52%	57.80%	57.23%	77.12%

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 20 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 6.50% annually, projected salary increases assumption of 5.33% 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 Six Fiscal Years

MEASUREMENT DATE APRIL 30,	2015	2016	2017	2018	2019	2020
TOTAL PENSION LIABILITY						
Service cost	\$ 360,963	\$ 409,850	\$ 397,093	\$ 386,940	\$ 409,935	\$ 534,501
Interest	1,739,122	2,074,655	2,358,281	2,311,466	2,404,613	2,492,055
Changes of benefit terms	-	-	-	-	-	165,740
Differences between expected and actual experience	814,832	316,067	(1,824,410)	132,389	70,553	655,973
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)	(1,778,605)
Net change in total pension liability	3,598,537	3,479,324	(564,870)	1,244,897	6,427,755	2,069,664
Total pension liability - beginning	24,508,467	28,107,004	31,586,328	31,021,458	32,266,355	38,694,110
TOTAL PENSION LIABILITY - ENDING	\$ 28,107,004	\$ 31,586,328	\$ 31,021,458	\$ 32,266,355	\$ 38,694,110	\$ 40,763,774
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 677,725	\$ 704,812	\$ 925,806	\$ 1,168,415	\$ 1,220,168	\$ 1,617,305
Contributions - member	215,723	219,289	199,897	196,565	207,939	207,795
Net investment income	759,851	(410,736)	1,035,795	758,725	689,505	(284,242)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)	(1,495,834)	(1,585,898)	(1,650,229)	(1,778,605)
Administrative expense	(25,762)	(45,250)	(41,300)	(43,576)	(37,014)	(36,819)
Net change in plan fiduciary net position	586,385	(788,156)	624,364	494,231	430,369	(274,566)
Plan fiduciary net position - beginning	14,646,394	15,232,779	14,444,623	15,068,987	15,563,218	15,993,587
PLAN FIDUCIARY NET POSITION - ENDING	\$ 15,232,779	\$ 14,444,623	\$ 15,068,987	\$ 15,563,218	\$ 15,993,587	\$ 15,719,021
EMPLOYER'S NET PENSION LIABILITY	\$ 12,874,225	\$ 17,141,705	\$ 15,952,471	\$ 16,703,137	\$ 22,700,523	\$ 25,044,753
Plan fiduciary net position as a percentage of the total pension liability	54.20%	45.70%	48.60%	48.20%	41.30%	38.60%
Covered payroll	\$ 2,148,640	\$ 1,977,927	\$ 1,869,508	\$ 2,021,561	\$ 2,132,165	\$ 2,097,039
Employer's net pension liability as a percentage of covered payroll	599.20%	866.70%	853.30%	826.20%	1,064.70%	1,194.30%

Notes to Required Supplementary Information

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

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

* Change of benefit terms in 2020 was related to the use of actual spousal data and Tier II benefit changes.

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 Six Fiscal Years

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

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 Two Fiscal Years

MEASUREMENT DATE APRIL 30,	2019	2020
TOTAL PENSION LIABILITY		
Service cost	\$ 31,867	\$ 34,067
Interest	90,617	85,953
Differences between expected and actual experience	-	-
Changes of benefit terms	-	-
Changes of assumptions	29,466	253,265
Benefit payments	(165,815)	(166,516)
Net change in total OPEB liability	(13,865)	206,769
Total OPEB liability - beginning	2,365,525	2,351,660
TOTAL OPEB LIABILITY - ENDING	\$ 2,351,660	\$ 2,558,429
Covered payroll	\$ 4,730,470	\$ 4,872,384
Employer's total OPEB liability as a percentage of covered payroll	49.70%	52.50%

Notes to Required Supplementary Information

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

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

The change in assumptions in 2020 relate to the discount rate.

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, 2020

	Budget	Actual
ADMINISTRATIVE		
Salaries/stipends		
President	\$ 13,600	\$ 13,725
Trustees	14,800	17,841
Administrator	73,178	73,555
Clerk	2,500	-
Clerical	309,164	302,063
	<hr/>	<hr/>
Total salaries/stipends	413,242	407,184
	<hr/>	<hr/>
Payroll taxes		
FICA	33,795	25,670
Unemployment tax	1,629	832
IMRF	50,419	40,957
	<hr/>	<hr/>
Total payroll taxes	85,843	67,459
	<hr/>	<hr/>
Employee benefits		
Group insurance	112,959	84,902
Uniforms	500	151
	<hr/>	<hr/>
Total employee benefits	113,459	85,053
	<hr/>	<hr/>
Operating		
Gas heating/electric	26,000	13,625
Telephone	15,002	24,838
Postage	5,000	3,639
Publication legal notices	5,000	3,093
Codification	5,000	350
Operating supplies - general	7,500	4,480
Conferences	9,750	2,961
Office supplies	8,000	9,035
Physical	1,020	117
Wellness	2,500	90
Employee recruitment	2,000	900
Training	12,900	1,856
Employee assistance program	2,100	1,680
Dues, subscriptions, and meetings	17,393	10,265
Rentals	8,460	5,239
Community relations	15,200	9,636
Safety program	14,326	-
Software	16,000	8,040
Hardware	40,450	28,416
Support agreements - IT	60,864	61,790
Miscellaneous	3,530	2,627
Haymarket	-	17,413
COVID 19	-	6,625
Itasca Youth Council	-	5,500
	<hr/>	<hr/>
Total operating	277,995	222,215
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
ADMINISTRATIVE (Continued)		
Repairs and maintenance		
Building	\$ 35,550	\$ 25,120
Total repairs and maintenance	35,550	25,120
Professional services		
Legal and accounting	216,667	272,184
Engineering	-	10,032
Payroll	12,720	14,440
Audit	30,000	23,422
Newsletter	16,000	18,491
Janitorial	41,000	20,148
Software	3,520	4,939
Consulting services	44,500	26,018
Other	17,000	12,454
Total professional services	381,407	402,128
Special services		
Village share - garbage	742,630	753,636
Total special services	742,630	753,636
Grants		
Seniors	8,000	8,000
Suburban O'Hare comm	25,000	22,500
O'Hare Western access	-	1,766
Total grants	33,000	32,266
Insurance		
Liability	20,800	24,886
Workers' compensation	952	12,916
Total insurance	21,752	37,802
Capital expenditures		
Equipment	12,300	12,398
Total capital expenditures	12,300	12,398
Total administrative	2,117,178	2,045,261
NATURE CENTER		
Salaries/stipends		
General labor	86,650	67,900
Total salaries/stipends	86,650	67,900

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
NATURE CENTER (Continued)		
Payroll taxes		
FICA	\$ 2,580	\$ 953
Unemployment tax	156	101
Total payroll taxes	2,736	1,054
Employee benefits		
Group insurance	5,750	1,091
Uniforms	50	-
Training	100	-
Total employee benefits	5,900	1,091
Operating		
Gas heating	2,000	1,154
Telephone	5,000	2,049
Operating supplies - general	3,500	4,592
Office supplies	400	-
Motor fuel and lubrication	-	41
Dues, subscriptions, and meetings	950	-
Rentals	100	-
Program supplies	6,500	4,759
Total operating	18,450	12,595
Repair and maintenance		
Structures	4,500	4,127
Total repairs and maintenance	4,500	4,127
Professional services		
Veterinary	800	800
Janitorial	8,250	3,478
Engineering	5,000	-
Graphics	2,000	-
Other services	22,200	9,864
Total professional services	38,250	14,142
Insurance		
Liability	1,846	1,846
Workers' compensation	1,072	829
Total insurance	2,918	2,675
Total nature center	159,404	103,584
Total general government	2,276,582	2,148,845

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
PUBLIC SAFETY		
Salaries/stipends		
Police chief	\$ 129,900	\$ 127,851
Police officers	2,295,244	2,276,964
Clerk/dispatchers	175,452	160,247
Clerk/dispatchers overtime	-	-
Police overtime	224,433	239,874
Police court time	25,000	11,123
	2,850,029	2,816,059
Payroll taxes		
FICA	220,000	205,702
Unemployment tax	4,358	3,186
IMRF	21,150	15,814
	245,508	224,702
Employee benefits		
Group insurance	552,195	492,953
Uniforms	24,510	20,210
Pension contribution	1,630,283	1,592,359
	2,206,988	2,105,522
Operating		
Telephone	20,460	32,044
Postage	3,000	2,057
Operating supplies - general	3,980	2,675
Motor fuel and lubrication	37,000	29,445
Office supplies	8,500	11,472
Court, meetings, local, and miscellaneous	12,000	7,564
Dues, subscriptions, and meetings	13,795	10,660
Training	22,690	17,723
Employee physicals	1,500	-
Shooting expenditure	14,448	10,658
Evidence	4,000	1,214
D.A.R.E.	16,610	26,875
Crime prevention	9,210	8,872
DUI technology	6,223	-
Volunteer	3,500	43
Addison dispatch center	212,287	212,286
Safety program	5,750	4,593
Elder services	1,600	-
Haymarket	-	1,694
COVID 19	-	4,853
Other operating expenditures	3,000	1,931
	399,553	386,659

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
PUBLIC SAFETY (Continued)		
Repairs and maintenance		
Vehicles	\$ 35,000	\$ 26,437
Hand-held equipment	3,500	1,138
Equipment	48,949	61,921
Building maintenance	39,000	22,979
Total repairs and maintenance	<u>126,449</u>	<u>112,475</u>
Professional services		
Prosecution cost	81,750	75,117
Police social services	12,736	10,724
Software	14,500	11,938
Police commission	10,000	5,452
Total professional services	<u>118,986</u>	<u>103,231</u>
Insurance		
Liability	38,205	38,201
Workers' compensation	53,546	41,146
Total insurance	<u>91,751</u>	<u>79,347</u>
Capital expenditures		
Equipment	8,512	10,561
Total capital expenditures	<u>8,512</u>	<u>10,561</u>
Total public safety	<u>6,047,776</u>	<u>5,838,556</u>
COMMUNITY DEVELOPMENT		
Salaries/stipends		
Building commissioner	98,740	-
Building inspector	190,332	18,234
Clerical	101,005	97,413
Total salaries/stipends	<u>390,077</u>	<u>115,647</u>
Payroll taxes		
FICA	35,348	20,648
Unemployment tax	1,316	889
IMRF	50,433	24,265
Total payroll taxes	<u>87,097</u>	<u>45,802</u>
Employee benefits		
Group insurance	60,291	34,315
Uniforms	1,500	-
Total employee benefits	<u>61,791</u>	<u>34,315</u>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	<u>Budget</u>	<u>Actual</u>
COMMUNITY DEVELOPMENT (Continued)		
Operating		
Telephone	\$ 14,500	\$ 17,622
Postage	3,000	2,025
Publication legal notices	500	189
Operating supplies - general	3,200	2,101
Motor fuel and lubrication	1,400	1,033
Conference	-	-
Office supplies	5,200	14,371
Training	9,800	110
Dues, subscriptions, and meetings	9,145	1,351
Meetings	-	242
Haymarket	200	40
COVID 19	-	165,737
Other	-	82
	<hr/>	<hr/>
Total operating	46,945	204,903
	<hr/>	<hr/>
Repairs and maintenance		
Vehicles	501	730
Buildings	8,500	5,950
Equipment	12,000	8,001
	<hr/>	<hr/>
Total repairs and maintenance	21,001	14,681
	<hr/>	<hr/>
Professional services		
Planner	77,250	157,124
Engineering	125,000	104,446
Inspections	128,600	258,572
GIS mapping	5,000	1,900
Consulting	70,000	66,545
Other professional services	500	161
Planning	30,000	8,500
	<hr/>	<hr/>
Total professional services	436,350	597,248
	<hr/>	<hr/>
Commissions		
Planning	10,000	7,038
Historical	3,600	-
ComEd power line Elgin O'Hare	5,000	-
Suburban O'Hare	-	-
Itasca youth	7,350	-
Economic development	24,000	3,309
	<hr/>	<hr/>
Total commissions	49,950	10,347
	<hr/>	<hr/>
Insurance		
Liability	9,650	9,649
Workers' compensation	12,443	9,618
	<hr/>	<hr/>
Total insurance	22,093	19,267
	<hr/>	<hr/>
Total community development	1,115,304	1,042,210
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
PUBLIC WORKS		
Salaries/stipends		
Directors/supervisors	\$ 137,747	\$ 136,987
General labor	309,825	289,711
Clerical	23,756	26,404
Total salaries/stipends	<u>471,328</u>	<u>453,102</u>
Payroll taxes		
FICA	41,267	34,132
Unemployment tax	1,251	979
IMRF	64,116	50,477
Total payroll taxes	<u>106,634</u>	<u>85,588</u>
Employee benefits		
Group insurance	93,630	92,125
Uniforms	2,400	2,925
Total employee benefits	<u>96,030</u>	<u>95,050</u>
Operating		
Electricity	55,000	41,621
Gas heating	8,500	21,782
Telephone	10,000	15,094
Postage	400	300
Conferences	1,200	2,092
Operating supplies - general	6,500	4,846
Motor fuel and lubrication	25,000	25,219
Office supplies	1,500	2,949
Training	750	105
Dues, subscriptions, and meetings	1,550	1,232
Rentals	1,500	145
Employee physicals	1,200	1,154
Rubbish removal	6,000	3,946
Community relations	-	-
Streets - bulk materials	14,000	16,383
Haymarket	-	2,921
COVID 19	-	3,434
Total operating	<u>133,100</u>	<u>143,223</u>
Repairs and maintenance		
Vehicles	45,002	36,671
Building	12,500	12,344
Equipment	32,000	37,228
Street lights	75,000	52,966
Parking lots	10,000	10,318
Storm sewers	47,000	30,709
Parkways and parks	25,000	13,760

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2020

	Budget	Actual
PUBLIC WORKS (Continued)		
Repairs and maintenance (Continued)		
Street signs	\$ 15,000	\$ 11,067
Other repairs and maintenance	161,000	154,484
Total repairs and maintenance	422,502	359,547
Professional services		
Engineering	15,000	21,734
Landscape services	-	4,962
Total professional services	15,000	26,696
Special services		
Veterinary and animal control	2,500	3,271
Mosquito abatement	66,000	45,951
Snow removal	194,000	124,882
Lawn maintenance	20,300	22,579
Tree trimming	69,500	59,890
Tree planting	10,000	8,170
Traffic signals	35,000	45,071
Total special services	397,300	309,814
Insurance		
Liability	20,960	20,958
Workers' compensation	33,340	29,010
Total insurance	54,300	49,968
Capital expenditures		
Streets (not MFT)	-	3,077
Total capital expenditures	-	3,077
Total public works	1,696,194	1,526,065
DEBT SERVICE		
Principal	595,000	595,000
Interest and fiscal agents	101,400	101,403
Total debt service	696,400	696,403
TOTAL EXPENDITURES	\$ 11,832,256	\$ 11,252,079

(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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental		
Sales tax	\$ 1,928,871	\$ 1,469,268
Grants	40,000	-
Investment income	1,000	743
Miscellaneous	60,000	150,749
	<hr/>	<hr/>
Total revenues	2,029,871	1,620,760
	<hr/>	<hr/>
EXPENDITURES		
Capital outlay	6,264,047	1,257,615
	<hr/>	<hr/>
Total expenditures	6,264,047	1,257,615
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,234,176)	363,145
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers in	100,000	150,332
	<hr/>	<hr/>
Total other financing sources (uses)	100,000	150,332
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (4,134,176)</u>	513,477
FUND BALANCE, MAY 1		<hr/> 5,751,496
FUND BALANCE, APRIL 30		<hr/> <u>\$ 6,264,973</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF ITASCA, ILLINOIS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2020

	Special Revenue		Debt Service	
	Motor Fuel Tax	Hotel Tax	General Obligation 2008	Spring Lake Special Service Area
ASSETS				
Cash and investments	\$ 858,687	\$ 2,400,562	\$ 5,885	\$ 94,655
Receivables				
Property taxes	-	-	-	89,021
Other	25,652	141,234	-	-
TOTAL ASSETS	\$ 884,339	\$ 2,541,796	\$ 5,885	\$ 183,676
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ 2,573	\$ -	\$ -
Accrued payroll	-	3,385	-	-
Total liabilities	-	5,958	-	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	-	89,021
Total deferred inflows of resources	-	-	-	89,021
Total liabilities and deferred inflows of resources	-	5,958	-	89,021
FUND BALANCES				
Restricted				
Debt service	-	-	5,885	94,655
Highway and streets	884,339	-	-	-
Tourism	-	2,535,838	-	-
Special service areas	-	-	-	-
Total fund balances	884,339	2,535,838	5,885	94,655
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 884,339	\$ 2,541,796	\$ 5,885	\$ 183,676

Debt Service		Capital Projects				
Hamilton Lakes Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Total Nonmajor Governmental Funds	
\$ 268,363	\$ 502,425	\$ 28,287	\$ 1,977,000	\$ 395,360	\$ 6,531,224	
260,093	54,601	-	155,993	-	559,708	
-	-	-	-	-	166,886	
\$ 528,456	\$ 557,026	\$ 28,287	\$ 2,132,993	\$ 395,360	\$ 7,257,818	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,573	
-	-	-	-	-	3,385	
-	-	-	-	-	5,958	
260,093	54,601	-	155,993	-	559,708	
260,093	54,601	-	155,993	-	559,708	
260,093	54,601	-	155,993	-	565,666	
268,363	-	-	-	-	368,903	
-	-	-	-	-	884,339	
-	-	-	-	-	2,535,838	
-	502,425	28,287	1,977,000	395,360	2,903,072	
268,363	502,425	28,287	1,977,000	395,360	6,692,152	
\$ 528,456	\$ 557,026	\$ 28,287	\$ 2,132,993	\$ 395,360	\$ 7,257,818	

(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, 2020

	Special Revenue		Debt Service	
	Motor Fuel Tax	Hotel Tax	General Obligation 2008	Spring Lake Special Service Area
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 87,797
Hotel tax	-	1,042,126	-	-
Operating grants	319,162	-	-	-
Investment income	18,039	32,782	518	127
Miscellaneous	-	5,934	937,315	-
Total revenues	337,201	1,080,842	937,833	87,924
EXPENDITURES				
General government	-	841,515	-	-
Debt service				
Principal	-	-	925,000	75,000
Interest and fiscal agent fees	-	-	13,118	11,870
Capital outlay				
Streets and highways	16,812	-	-	-
Total expenditures	16,812	841,515	938,118	86,870
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	320,389	239,327	(285)	1,054
OTHER FINANCING SOURCES (USES)				
Transfers in	98,975	-	-	-
Transfers (out)	-	(153,871)	-	-
Total other financing sources (uses)	98,975	(153,871)	-	-
NET CHANGE IN FUND BALANCES	419,364	85,456	(285)	1,054
FUND BALANCES, MAY 1	464,975	2,450,382	6,170	93,601
FUND BALANCES, APRIL 30	\$ 884,339	\$ 2,535,838	\$ 5,885	\$ 94,655

Debt Service		Capital Projects				
Hamilton Lakes Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Total Nonmajor Governmental Funds	
\$ 251,084	\$ 51,547	\$ -	\$ 152,604	\$ -	\$ 543,032	
-	-	-	-	-	1,042,126	
-	-	-	-	-	319,162	
4,310	5,263	253	14,731	4,182	80,205	
-	-	-	-	-	943,249	
255,394	56,810	253	167,335	4,182	2,927,774	
-	-	-	-	-	841,515	
130,000	-	-	-	-	1,130,000	
123,835	-	-	-	-	148,823	
-	-	-	-	-	16,812	
253,835	-	-	-	-	2,137,150	
1,559	56,810	253	167,335	4,182	790,624	
-	-	-	-	-	98,975	
-	-	-	-	-	(153,871)	
-	-	-	-	-	(54,896)	
1,559	56,810	253	167,335	4,182	735,728	
266,804	445,615	28,034	1,809,665	391,178	5,956,424	
\$ 268,363	\$ 502,425	\$ 28,287	\$ 1,977,000	\$ 395,360	\$ 6,692,152	

(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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental allotments - operating grants	\$ 227,746	\$ 319,162
Investment income	2,500	18,039
	<hr/>	
Total revenues	230,246	337,201
	<hr/>	
EXPENDITURES		
Capital outlay		
Streets and highways	100,000	16,812
	<hr/>	
Total expenditures	100,000	16,812
	<hr/>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	130,246	320,389
	<hr/>	
OTHER FINANCING SOURCES (USES)		
Transfers in	-	98,975
	<hr/>	
Total other financing sources (uses)	-	98,975
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 130,246</u>	419,364
	<hr/>	
FUND BALANCE, MAY 1		464,975
	<hr/>	
FUND BALANCE, APRIL 30		<u>\$ 884,339</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Hotel tax	\$ 1,241,345	\$ 1,042,126
Investment income	10,000	32,782
Miscellaneous	9,167	5,934
	<hr/>	
Total revenues	1,260,512	1,080,842
EXPENDITURES		
General government		
Police overtime	43,577	8,235
Operation staff	333,825	179,599
Public relations	475,260	392,619
Marketing	297,640	209,789
Equipment	88,000	51,273
	<hr/>	
Total expenditures	1,238,302	841,515
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>
	22,210	239,327
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(298,154)	(153,871)
	<hr/>	
Total other financing sources (uses)	(298,154)	(153,871)
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>
	\$ (275,944)	85,456
FUND BALANCE, MAY 1		<hr/>
		2,450,382
FUND BALANCE, APRIL 30		<hr/>
		\$ 2,535,838

(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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 86,870	\$ 87,797
Investment income	400	127
	<hr/>	
Total revenues	87,270	87,924
	<hr/>	
EXPENDITURES		
Debt service		
Principal	75,000	75,000
Interest	11,870	11,870
	<hr/>	
Total expenditures	86,870	86,870
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 400</u>	1,054
FUND BALANCE, MAY 1		<u>93,601</u>
FUND BALANCE, APRIL 30		<u><u>\$ 94,655</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 253,835	\$ 251,084
Investment income	3,000	4,310
	<hr/>	
Total revenues	256,835	255,394
	<hr/>	
EXPENDITURES		
Debt service		
Principal	130,000	130,000
Interest	123,300	123,300
Bond agent fees	535	535
	<hr/>	
Total expenditures	253,835	253,835
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 3,000</u>	1,559
FUND BALANCE, MAY 1		<hr/> 266,804
FUND BALANCE, APRIL 30		<hr/> <u>\$ 268,363</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 51,000	\$ 51,547
Investment income	3,500	5,263
	<hr/>	
Total revenues	54,500	56,810
	<hr/>	
EXPENDITURES		
Capital outlay		
Capital maintenance	52,000	-
	<hr/>	
Total expenditures	52,000	-
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 2,500</u>	56,810
	<hr/>	
FUND BALANCE, MAY 1		445,615
	<hr/>	
FUND BALANCE, APRIL 30		<u>\$ 502,425</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ 750	\$ 253
EXPENDITURES		
Capital outlay	30,000	-
Total expenditures	30,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (29,250)</u>	253
FUND BALANCE, MAY 1		<u>28,034</u>
FUND BALANCE, APRIL 30		<u>\$ 28,287</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 150,000	\$ 152,604
Investment income	7,500	14,731
	<hr/>	
Total revenues	157,500	167,335
	<hr/>	
EXPENDITURES		
Current		
General government	10,000	-
Capital outlay	50,000	-
	<hr/>	
Total expenditures	60,000	-
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 97,500</u>	167,335
FUND BALANCE, MAY 1		<u>1,809,665</u>
FUND BALANCE, APRIL 30		<u><u>\$ 1,977,000</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, 2020

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ 3,000	\$ 4,182
EXPENDITURES		
None	-	-
Total expenditures	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 3,000</u>	4,182
FUND BALANCE, MAY 1		<u>391,178</u>
FUND BALANCE, APRIL 30		<u>\$ 395,360</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, 2020

	Operating and Maintenance	Capital	Total
CURRENT ASSETS			
Cash and investments	\$ 4,359,441	\$ 2,610,958	\$ 6,970,399
Accounts receivable	1,673,160	-	1,673,160
Total current assets	<u>6,032,601</u>	<u>2,610,958</u>	<u>8,643,559</u>
NONCURRENT ASSETS			
Capital assets			
Cost	78,731,897	-	78,731,897
Less accumulated depreciation	<u>32,152,773</u>	<u>-</u>	<u>32,152,773</u>
Total noncurrent assets	<u>46,579,124</u>	<u>-</u>	<u>46,579,124</u>
Total assets	<u>52,611,725</u>	<u>2,610,958</u>	<u>55,222,683</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	<u>240,643</u>	<u>-</u>	<u>240,643</u>
Total deferred outflows of resources	<u>240,643</u>	<u>-</u>	<u>240,643</u>
Total assets and deferred outflows of resources	<u>52,852,368</u>	<u>2,610,958</u>	<u>55,463,326</u>
CURRENT LIABILITIES			
Accounts payable	400,044	663,991	1,064,035
Accrued payroll	41,493	-	41,493
Bonds and loans payable - current portion	1,448,416	-	1,448,416
Compensated absences payable	12,747	-	12,747
Total OPEB liability	3,663	-	3,663
Accrued interest	<u>353,685</u>	<u>-</u>	<u>353,685</u>
Total current liabilities	<u>2,260,048</u>	<u>663,991</u>	<u>2,924,039</u>
NONCURRENT LIABILITIES			
Bonds payable	21,022,613	-	21,022,613
IEPA loan payable	14,237,294	-	14,237,294
Compensated absences payable	114,722	-	114,722
Total OPEB liability	52,623	-	52,623
Net pension liability	<u>739,796</u>	<u>-</u>	<u>739,796</u>
Total noncurrent liabilities	<u>36,167,048</u>	<u>-</u>	<u>36,167,048</u>
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	<u>595,540</u>	<u>-</u>	<u>595,540</u>
Total deferred inflows of resources	<u>595,540</u>	<u>-</u>	<u>595,540</u>
Total liabilities and deferred inflows of resources	<u>39,022,636</u>	<u>663,991</u>	<u>39,686,627</u>
NET POSITION			
Net investment in capital assets	9,870,801	-	9,870,801
Unrestricted	<u>3,958,931</u>	<u>1,946,967</u>	<u>5,905,898</u>
TOTAL NET POSITION	<u>\$ 13,829,732</u>	<u>\$ 1,946,967</u>	<u>\$ 15,776,699</u>

(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, 2020

	Operating and Maintenance	Capital	Eliminations	Total
OPERATING REVENUES				
Charges for services				
Water fees	\$ 5,059,511	\$ -	\$ -	\$ 5,059,511
Sewer fees	5,116,645	-	-	5,116,645
Other revenues	275,558	-	-	275,558
	<hr/>			
Total operating revenues	10,451,714	-	-	10,451,714
<hr/>				
OPERATING EXPENSES EXCLUDING DEPRECIATION				
Salaries and stipends	1,729,739	-	-	1,729,739
Payroll taxes	269,699	-	-	269,699
Employee benefits	265,655	-	-	265,655
General operating	2,761,286	-	-	2,761,286
Repairs and maintenance	286,911	-	-	286,911
Professional services	223,293	-	-	223,293
Special services	129,900	-	-	129,900
Insurance	88,213	-	-	88,213
Capital	-	1,595,687	-	1,595,687
	<hr/>			
Total operating expenses excluding depreciation	5,754,696	1,595,687	-	7,350,383
<hr/>				
OPERATING INCOME (LOSS) BEFORE DEPRECIATION AND AMORTIZATION	4,697,018	(1,595,687)	-	3,101,331
	<hr/>			
Depreciation and amortization	1,595,360	-	-	1,595,360
	<hr/>			
OPERATING INCOME (LOSS)	3,101,658	(1,595,687)	-	1,505,971
<hr/>				
NON-OPERATING REVENUES (EXPENSES)				
Investment income	4,423	44	-	4,467
Bond stimulus payment	431,533	-	-	431,533
Interest expense	(1,365,069)	-	-	(1,365,069)
	<hr/>			
Total non-operating revenues (expenses)	(929,113)	44	-	(929,069)
<hr/>				
INCOME (LOSS) BEFORE TRANSFERS	2,172,545	(1,595,643)	-	576,902
<hr/>				
TRANSFERS				
Transfers in	1,953,293	-	(1,953,293)	-
Transfers (out)	-	(1,953,293)	1,953,293	-
	<hr/>			
Total transfers	1,953,293	(1,953,293)	-	-
<hr/>				
CHANGE IN NET POSITION	4,125,838	(3,548,936)	-	576,902
	<hr/>			
NET POSITION, MAY 1	9,703,894	5,495,903	-	15,199,797
	<hr/>			
NET POSITION, APRIL 30	\$ 13,829,732	\$ 1,946,967	\$ -	\$ 15,776,699
	<hr/>			

(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, 2020

	<u>Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Charges for services		
Water fees	\$ 5,133,665	\$ 5,059,511
Sewer fees	4,808,520	5,116,645
Other revenues	173,045	275,558
	<u>10,115,230</u>	<u>10,451,714</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Salaries and stipends	1,660,350	1,477,485
Payroll taxes	312,758	269,699
Employee benefits	340,711	265,655
General operating	2,759,756	2,761,286
Repairs and maintenance	311,600	286,911
Professional services	265,273	223,293
Special services	170,000	129,900
Insurance	96,181	88,213
	<u>5,916,629</u>	<u>5,502,442</u>
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION	4,198,601	4,949,272
Depreciation and amortization	-	1,595,360
OPERATING INCOME	<u>4,198,601</u>	<u>3,353,912</u>
NON-OPERATING REVENUES (EXPENSES)		
Investment income	12,000	4,423
Bond stimulus payment	433,798	431,533
Debt service		
Principal repayment	(1,170,000)	(849,309)
Interest expense	(1,313,950)	(1,365,069)
	<u>(2,038,152)</u>	<u>(1,778,422)</u>
INCOME BEFORE TRANSFERS	<u>2,160,449</u>	<u>1,575,490</u>
NON-OPERATING REVENUES (EXPENSES)		
Transfers in	-	1,953,293
Total transfers	<u>-</u>	<u>1,953,293</u>
NET INCOME BUDGETARY BASIS	<u>\$ 2,160,449</u>	<u>3,528,783</u>
ADJUSTMENTS TO GAAP BASIS		
Increase in net pension liability		(247,116)
Increase in OPEB liability		(5,138)
Principal repayment		849,309
Total adjustments to GAAP basis		<u>597,055</u>
CHANGE IN NET POSITION		4,125,838
NET POSITION, MAY 1		<u>9,703,894</u>
NET POSITION, APRIL 30		<u>\$ 13,829,732</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, 2020

	<u>Budget</u>	<u>Actual</u>
OPERATING EXPENSES		
Salaries and stipends		
President	\$ 8,160	\$ 8,236
Trustees	8,880	5,454
Treasurer	51,984	-
Clerk	1,500	-
Clerical	212,192	177,569
Directors/superintendents	276,818	275,956
Operations staff	925,858	865,200
Overtime	112,148	79,688
Administrator	62,810	65,382
	<hr/>	<hr/>
Total salaries and stipends	1,660,350	1,477,485
	<hr/>	<hr/>
Payroll taxes		
FICA	126,405	111,950
Unemployment taxes	2,546	2,141
IMRF	183,807	155,608
	<hr/>	<hr/>
Total payroll taxes	312,758	269,699
	<hr/>	<hr/>
Employee benefits		
Group insurance	330,111	256,526
Uniforms	5,600	6,129
Education	5,000	3,000
	<hr/>	<hr/>
Total employee benefits	340,711	265,655
	<hr/>	<hr/>
General operating		
Gas heat	20,500	7,599
Electricity	337,000	352,359
Telephone	14,300	20,599
Postage	17,500	16,306
Publication legal notices	200	-
Supplies - general	8,000	10,095
Supplies - office	5,500	8,738
Supplies - sewer treatment	125,000	116,114
Supplies - water treatment	5,000	6,574
Motor fuel and lubrication	23,000	17,544
Conferences	9,000	1,334
Dues, subscriptions, and meetings	5,400	2,938

(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, 2020

	<u>Budget</u>	<u>Actual</u>
OPERATING EXPENSES (Continued)		
General operating (Continued)		
Training	\$ 6,850	\$ 1,324
Rentals	4,500	6,792
Employee physicals	1,200	586
Rubbish removal	15,000	11,046
Water meters	26,000	27,807
Safety program	4,700	-
Lab tests pretreatment	10,000	6,315
Operating software	66,224	59,924
Hardware	39,000	30,815
Other	-	592
DuPage Water Commission	2,015,882	2,055,885
	<hr/>	<hr/>
Total general operating	2,759,756	2,761,286
	<hr/>	<hr/>
Repairs and maintenance		
Vehicles	16,500	18,799
Equipment	15,000	10,923
Bulk material	14,000	15,566
Structures	64,500	82,539
Wells	3,600	15,405
Treatment plant	5,000	22,335
Lift stations	70,000	56,394
Sanitary sewers	50,000	6,131
Water systems	60,000	47,774
Meter repair	13,000	11,045
	<hr/>	<hr/>
Total repairs and maintenance	311,600	286,911
	<hr/>	<hr/>
Professional services		
Legal	22,500	80,658
Engineering	87,000	39,140
Accounting	63,334	42,200
Payroll	3,250	2,158
Audit	24,793	29,019
Janitorial	14,136	7,961
Other services	50,260	22,157
	<hr/>	<hr/>
Total professional services	265,273	223,293
	<hr/>	<hr/>

(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, 2020

	<u>Budget</u>	<u>Actual</u>
OPERATING EXPENSES (Continued)		
Special services		
Sludge removal	\$ 30,000	\$ 27,620
Industrial pre-treatment	140,000	102,280
	<hr/>	<hr/>
Total special services	170,000	129,900
	<hr/>	<hr/>
Insurance		
Liability	56,380	56,375
Workers' compensation	39,801	31,838
	<hr/>	<hr/>
Total insurance	96,181	88,213
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	<u>\$ 5,916,629</u>	<u>\$ 5,502,442</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, 2020

	<u>Budget</u>	<u>Actual</u>
OPERATING REVENUES		
None	\$ -	\$ -
Total operating revenues	-	-
OPERATING EXPENSES		
Capital	5,862,000	4,839,069
Total operating expenses	5,862,000	4,839,069
OPERATING INCOME (LOSS)	(5,862,000)	(4,839,069)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	-	44
Loan proceeds	307,158	-
Total non-operating revenues (expenses)	307,158	44
INCOME (LOSS) BEFORE TRANSFERS	(5,554,842)	(4,839,025)
NON-OPERATING REVENUES (EXPENSES)		
Transfers (out)	-	(1,953,293)
Total transfers	-	(1,953,293)
NET INCOME (LOSS) BUDGETARY BASIS	<u>\$ (5,554,842)</u>	<u>(6,792,318)</u>
ADJUSTMENTS TO GAAP BASIS		
Capitalized assets		3,243,382
Total adjustments to GAAP basis		3,243,382
CHANGE IN NET POSITION		(3,548,936)
NET POSITION, MAY 1		5,495,903
NET POSITION, APRIL 30		<u>\$ 1,946,967</u>

(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, 2020

CSFA Number	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 16,812	\$ -	\$ -	\$ 16,812
532-60-0379	USEPA Capitalization Grant for Drinking Water State Revolving Funds	1,192,574	85,976	-	1,278,550
	Other grant programs and activities	-	509,640	14,076	523,716
	All other costs not allocated	-	-	26,404,347	26,404,347
	TOTALS	<u>1,209,386</u>	<u>595,616</u>	<u>26,418,423</u>	<u>28,223,425</u>

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

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2020

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Principal	Interest	Total	Interest Due On			
				June 1	Amount	December 1	Amount
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>\$ 1,920,000</u>	<u>\$ 155,600</u>	<u>\$ 2,075,600</u>		<u>\$ 77,800</u>		<u>\$ 77,800</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2020

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

Fiscal Year Ending	Principal	Interest	Total	Interest Due On			
				June 15	Amount	December 15	Amount
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>\$ 160,000</u>	<u>\$ 12,200</u>	<u>\$ 172,200</u>		<u>\$ 6,100</u>		<u>\$ 6,100</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2020

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
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>\$ 21,410,000</u>	<u>\$ 17,149,266</u>	<u>\$ 38,559,266</u>		<u>\$ 8,574,633</u>		<u>\$ 8,574,633</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2020

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
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>\$ 2,610,000</u>	<u>\$ 964,800</u>	<u>\$ 3,574,800</u>		<u>\$ 482,400</u>		<u>\$ 482,400</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

April 30, 2020

Type of Coverage	Amount of Coverage	Deductibles	Expiration Date
Commercial Property			5/1/2020
Building and contents	\$84,610,239	\$25,000	
Business income including extra expense	2,500,000		
General Liability			5/1/2020
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			5/1/2020
Each person/each wrongful act	\$1,000,000	\$50,000	
Annual aggregate	3,000,000		
Public Officials' Liability			5/1/2020
Each wrongful act	\$1,000,000	\$50,000	
Each person	1,000,000		
Annual aggregate	3,000,000		
Employment Practices Liability			5/1/2020
Each wrongful act	\$1,000,000	\$50,000	
Annual aggregate	3,000,000		
Umbrella			5/1/2020
Each wrongful act	\$10,000,000	\$10,000	
Annual aggregate	10,000,000		
Workers' Compensation			12/31/2020
Each accident	\$3,000,000		
Disease - policy limit	3,000,000		
Disease - each employee	3,000,000		
Cyber Liability			5/1/2020
Annual aggregate	\$1,000,000	\$5,000	
Each and every claim	1,000,000		
Storage Tank Liability			5/1/2020
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, 2020

<u>Levy Year</u>	<u>2019</u>	<u>2018</u>
Residential	\$ 293,305,529	\$ 287,468,474
Farms	17,374	15,791
Commercial	171,864,320	167,422,416
Industrial	203,379,920	191,697,040
	<u>\$ 668,567,143</u>	<u>\$ 646,603,721</u>

<u>Levy Year</u>	<u>2019</u>		<u>2018</u>	
	<u>Rate Extended</u>	<u>Taxes Extended</u>	<u>Rate Extended</u>	<u>Taxes Extended</u>
Corporate	0.0675	\$ 451,283	0.0958	\$ 619,446
Bond and interest	-	-	-	-
Police Pension	0.2716	1,815,828	0.2480	1,603,577
TOTAL	<u>0.3391</u>	<u>\$ 2,267,111</u>	<u>0.3438</u>	<u>\$ 2,223,023</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 2019 and 2018 were \$559,708 and \$550,675, respectively.

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2020

Assessed valuation - 2019	<u>\$ 668,567,143</u>
Legal debt limit - 8.625% of assessed valuation	\$ 57,663,916
Amount of debt applicable to debt limit	
Village's general obligation debt	<u>1,920,000</u>
LEGAL DEBT MARGIN	<u>\$ 55,743,916</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

Fiscal Year	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 86,086,632	\$ 84,355,772	\$ 82,462,526	\$ 79,463,098
Restricted	1,531,216	3,135,730	3,703,525	4,159,291
Unrestricted	4,348,107	5,064,981	7,298,521	10,516,995
TOTAL GOVERNMENTAL ACTIVITIES	\$ 91,965,955	\$ 92,556,483	\$ 93,464,572	\$ 94,139,384
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 18,219,626	\$ 12,273,883	\$ 11,769,338	\$ 10,421,964
Unrestricted	(2,796,758)	2,318,579	1,310,939	1,411,824
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 15,422,868	\$ 14,592,462	\$ 13,080,277	\$ 11,833,788
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 104,306,258	\$ 96,629,655	\$ 94,231,864	\$ 89,885,062
Restricted	1,531,216	3,135,730	3,703,525	4,159,291
Unrestricted	1,551,349	7,383,560	8,609,460	11,928,819
TOTAL PRIMARY GOVERNMENT	\$ 107,388,823	\$ 107,148,945	\$ 106,544,849	\$ 105,973,172

The Village implemented GASB Statement No. 68 during 2016.

The Village implemented GASB Statement No. 75 during 2019.

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	78,202,970	\$ 77,774,223	\$ 76,396,437	\$ 75,511,028	\$ 74,833,102	\$ 73,774,645
	5,503,700	5,315,395	5,751,234	5,770,684	5,996,480	6,732,265
	7,584,042	(7,187,454)	(7,651,157)	(7,935,629)	(10,328,256)	(11,471,621)
\$	91,290,712	\$ 75,902,164	\$ 74,496,514	\$ 73,346,083	\$ 70,501,326	\$ 69,035,289
\$	9,467,059	\$ 8,705,616	\$ 8,453,494	\$ 8,596,642	\$ 8,868,512	\$ 9,870,801
	1,523,896	474,563	542,401	5,157,187	6,331,285	5,905,898
\$	10,990,955	\$ 9,180,179	\$ 8,995,895	\$ 13,753,829	\$ 15,199,797	\$ 15,776,699
\$	87,670,029	\$ 86,479,839	\$ 84,849,931	\$ 84,107,670	\$ 83,701,614	\$ 83,645,446
	5,503,700	5,315,395	5,751,234	5,770,684	5,996,480	6,732,265
	9,107,938	(6,712,891)	(7,108,756)	(2,778,442)	(3,996,971)	(5,565,723)
\$	102,281,667	\$ 85,082,343	\$ 83,492,409	\$ 87,099,912	\$ 85,701,123	\$ 84,811,988

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
EXPENSES				
Governmental activities				
General government	\$ 3,023,830	\$ 2,907,797	\$ 2,539,131	\$ 2,877,330
Public safety	5,010,422	5,005,282	4,898,678	4,938,440
Community development	544,921	596,880	627,001	982,497
Public works	4,634,428	4,367,247	5,320,761	5,566,081
Interest	483,783	455,089	424,737	580,185
Total governmental activities expenses	13,697,384	13,332,295	13,810,308	14,944,533
Business-type activities				
Water and sewer	5,013,429	5,075,192	6,191,690	6,933,727
Interest	1,402,584	1,402,584	1,402,734	1,400,011
Total business-type activities expenses	6,416,013	6,477,776	7,594,424	8,333,738
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 20,113,397	\$ 19,810,071	\$ 21,404,732	\$ 23,278,271
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Public safety	\$ 404,189	\$ 431,769	\$ 412,952	\$ 485,700
Community development	554,281	707,154	643,243	1,058,825
Public works	127,079	130,679	120,415	118,705
Operating grants and contributions	265,159	248,220	205,955	213,525
Capital grants and contributions	180,823	57,932	131,517	393,789
Total governmental activities program revenues	1,531,531	1,575,754	1,514,082	2,270,544
Business-type activities				
Charges for services				
Water and sewer	4,100,378	4,898,635	5,762,679	6,481,304
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	4,100,378	4,898,635	5,762,679	6,481,304
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 5,631,909	\$ 6,474,389	\$ 7,276,761	\$ 8,751,848
NET REVENUE (EXPENSE)				
Governmental activities	\$ (12,165,853)	\$ (11,756,541)	\$ (12,296,226)	\$ (12,673,989)
Business-type activities	(2,315,635)	(1,579,141)	(1,831,745)	(1,852,434)
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (14,481,488)	\$ (13,335,682)	\$ (14,127,971)	\$ (14,526,423)

	2015	2016	2017	2018	2019	2020
\$	4,703,106	\$ 3,479,155	\$ 3,501,654	\$ 3,078,537	\$ 2,794,474	\$ 3,142,895
	5,440,539	6,058,119	6,699,549	6,037,115	7,106,336	8,236,535
	753,760	942,210	936,669	935,802	875,237	1,055,720
	6,281,524	5,642,221	5,134,979	5,862,683	5,493,643	5,263,337
	567,260	478,048	424,318	354,732	270,596	214,126
	17,746,189	16,599,753	16,697,169	16,268,869	16,540,286	17,912,613
	8,637,501	9,558,386	9,926,958	9,818,624	8,927,147	10,310,812
	-	-	-	-	-	-
	8,637,501	9,558,386	9,926,958	9,818,624	8,927,147	10,310,812
\$	26,383,690	\$ 26,158,139	\$ 26,624,127	\$ 26,087,493	\$ 25,467,433	\$ 28,223,425
\$	390,293	\$ 309,180	\$ 343,201	\$ 297,328	\$ 276,435	\$ 318,018
	905,238	756,655	1,154,448	854,757	781,566	1,632,091
	132,778	148,505	151,463	135,463	157,894	98,109
	211,962	221,232	274,105	220,835	219,551	827,453
	153,613	32,399	13,314	18,300	19,342	15,425
	1,793,884	1,467,971	1,936,531	1,526,683	1,454,788	2,891,096
	6,561,926	7,568,954	9,127,908	9,185,357	9,574,693	10,176,156
	-	-	-	-	-	-
	6,561,926	7,568,954	9,127,908	9,185,357	9,574,693	10,176,156
\$	8,355,810	\$ 9,036,925	\$ 11,064,439	\$ 10,712,040	\$ 11,029,481	\$ 13,067,252
\$	(15,952,305)	\$ (15,131,782)	\$ (14,760,638)	\$ (14,742,186)	\$ (15,085,498)	\$ (15,021,517)
	(2,075,575)	(1,989,432)	(799,050)	(633,267)	647,546	(134,656)
\$	(18,027,880)	\$ (17,121,214)	\$ (15,559,688)	\$ (15,375,453)	\$ (14,437,952)	\$ (15,156,173)

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities				
Taxes				
Property	\$ 2,845,048	\$ 2,891,673	\$ 2,922,967	\$ 2,979,754
Hotel	893,270	1,042,657	1,229,225	1,214,144
Intergovernmental	6,289,842	7,892,212	8,518,068	8,474,428
Miscellaneous	824,101	503,931	626,420	639,080
Investment income	31,137	16,596	35,226	41,397
Transfers in (out)	-	-	-	-
Total governmental activities	10,883,398	12,347,069	13,331,906	13,348,803
Business-type activities				
Intergovernmental	-	490,777	490,777	451,761
Miscellaneous	117,357	173,003	143,008	152,334
Investment income	169,112	84,955	6,797	1,850
Transfers in (out)	-	-	-	-
Total business-type activities	286,469	748,735	640,582	605,945
TOTAL PRIMARY GOVERNMENT	\$ 11,169,867	\$ 13,095,804	\$ 13,972,488	\$ 13,954,748
CHANGE IN NET POSITION				
Governmental activities	\$ (1,282,455)	\$ 590,528	\$ 1,035,680	\$ 674,814
Business-type activities	(2,029,166)	(830,406)	(1,191,163)	(1,246,489)
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ (3,311,621)	\$ (239,878)	\$ (155,483)	\$ (571,675)

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	3,269,634	\$ 3,529,622	\$ 3,577,481	\$ 3,585,363	\$ 3,678,582	\$ 2,984,457
	1,260,731	1,237,362	1,235,160	1,252,114	1,251,032	1,042,126
	8,300,237	7,548,238	7,693,436	8,279,986	8,253,059	7,263,352
	713,792	995,486	765,799	663,313	857,878	1,743,144
	50,016	62,813	83,112	138,479	484,838	522,401
	(490,777)	-	-	(327,500)	-	-
	13,103,633	13,373,521	13,354,988	13,591,755	14,525,389	13,555,480
	451,661	448,652	444,939	440,224	436,150	431,533
	288,910	183,328	165,165	4,151,940	395,788	275,558
	1,394	1,135	4,662	12,591	18,526	4,467
	490,777	-	-	327,500	-	-
	1,232,742	633,115	614,766	4,932,255	850,464	711,558
\$	14,336,375	\$ 14,006,636	\$ 13,969,754	\$ 18,524,010	\$ 15,375,853	\$ 14,267,038
\$	(2,848,672)	\$ (1,758,261)	\$ (1,405,650)	\$ (1,150,431)	\$ (560,109)	\$ (1,466,037)
	(842,833)	(1,356,317)	(184,284)	4,298,988	1,498,010	576,902
\$	(3,691,505)	\$ (3,114,578)	\$ (1,589,934)	\$ 3,148,557	\$ 937,901	\$ (889,135)

VILLAGE OF ITASCA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	66,378	28,829	29,750	32,584
Unrestricted				
Unassigned	3,847,515	5,982,901	8,071,249	9,851,800
TOTAL GENERAL FUND	\$ 3,913,893	\$ 6,011,730	\$ 8,100,999	\$ 9,884,384
ALL OTHER GOVERNMENTAL FUNDS				
Restricted				
Debt Service Funds	\$ 146,018	\$ 144,975	\$ 144,975	\$ 399,709
Highways and streets	315,492	197,337	209,596	236,020
Tourism	1,003,328	1,289,202	1,838,982	2,271,858
Special service areas	-	1,475,387	1,480,222	4,460,058
Unrestricted				
Assigned	1,401,661	-	-	-
Unassigned	-	(62,801)	(62,714)	(66,874)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,866,499	\$ 3,044,100	\$ 3,611,061	\$ 7,300,771

Data Source

Audited Financial Statements

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,195
35,375	35,375	39,975	40,131	40,056	40,113
10,128,426	9,642,012	10,279,454	10,050,956	7,332,176	8,292,160
<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>	<u>\$ 8,339,468</u>
\$ 393,413	\$ 485,254	\$ 351,541	\$ 353,087	\$ 366,575	\$ 368,903
300,244	320,821	524,709	229,601	464,975	884,339
2,409,882	2,252,892	2,490,265	2,712,547	2,450,382	2,535,838
2,364,786	2,221,053	2,344,744	2,435,318	2,674,492	2,903,072
-	-	637,802	1,569,980	5,751,496	6,264,973
(80,615)	(62,891)	(66,350)	(1,253)	-	-
<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>	<u>\$ 12,957,125</u>

VILLAGE OF ITASCA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

Fiscal Year	2011	2012	2013	2014
REVENUES				
Taxes	\$ 2,845,048	\$ 2,891,673	\$ 2,922,967	\$ 2,979,754
Hotel taxes	893,270	1,042,657	1,229,225	1,214,144
Licenses and permits	554,281	707,154	643,243	1,058,825
Intergovernmental	6,289,842	7,751,241	8,219,668	8,197,985
Food and beverage tax	-	140,971	298,400	276,443
Grants	445,982	306,152	337,472	607,313
Charges for services	127,079	130,679	120,415	118,705
Fines and forfeits	404,189	431,769	412,952	485,700
Investment income	31,137	16,596	35,226	41,397
Miscellaneous	824,100	503,931	626,420	769,080
Total revenues	12,414,928	13,922,823	14,845,988	15,749,346
EXPENDITURES				
General government	2,580,592	2,535,508	2,492,045	3,053,028
Public safety	4,842,148	4,826,298	4,785,808	4,719,758
Community development	537,172	589,131	619,252	974,748
Public works	1,885,239	1,784,094	2,512,072	2,788,188
Debt service				
Principal	1,050,000	1,075,000	1,110,000	1,265,000
Interest	513,474	466,314	436,378	482,338
Issuance costs	99,143	-	-	82,385
Capital outlay	379,204	371,040	234,203	250,805
Total expenditures	11,886,972	11,647,385	12,189,758	13,616,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	527,956	2,275,438	2,656,230	2,133,096
OTHER FINANCING SOURCES (USES)				
Transfers in	188,328	280,975	(119,530)	127,833
Transfers (out)	(188,328)	(280,975)	119,530	(127,833)
Bonds issued at par	6,955,000	-	-	3,340,000
Premium on bonds issued	434,323	-	-	-
Payment to escrow agent	(7,290,180)	-	-	-
Total other financing sources (uses)	99,143	-	-	3,340,000
NET CHANGE IN FUND BALANCES	\$ 627,099	\$ 2,275,438	\$ 2,656,230	\$ 5,473,096
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	12.53%	15.45%	12.45%	12.73%

Data Source

Audited Financial Statements

	2015	2016	2017	2018	2019	2020
\$	3,269,634	\$ 3,529,623	\$ 3,577,481	\$ 3,585,363	\$ 3,678,582	\$ 2,984,457
	1,260,731	1,236,684	1,235,160	1,252,114	1,251,032	1,042,126
	905,238	756,655	1,154,448	854,757	781,566	1,632,092
	8,019,155	7,391,561	7,519,339	8,115,684	8,101,301	7,902,433
	281,082	303,324	325,824	321,108	320,973	285,919
	365,575	253,631	287,419	239,135	238,893	334,587
	132,778	148,505	214,973	170,948	205,024	176,732
	390,293	309,180	279,691	261,843	229,305	239,395
	50,016	62,813	83,112	138,479	484,838	522,401
	848,792	996,163	765,799	663,313	857,878	1,743,143
	15,523,294	14,988,139	15,443,246	15,602,744	16,149,392	16,863,285
	2,956,224	3,551,876	3,125,227	2,860,511	2,873,888	2,990,360
	5,092,099	5,543,869	4,813,666	5,179,348	5,378,662	5,838,556
	746,902	895,383	916,163	873,106	902,330	1,042,210
	3,545,124	3,241,538	1,571,269	1,917,068	1,665,392	1,526,065
	1,440,000	1,460,000	1,525,000	1,585,000	1,640,000	1,725,000
	560,577	531,468	473,300	411,613	363,239	250,226
	-	-	-	-	-	-
	2,325,235	421,000	1,310,997	1,660,371	1,654,349	1,274,427
	16,666,161	15,645,134	13,735,622	14,487,017	14,477,860	14,646,844
	(1,142,867)	(656,995)	1,707,624	1,115,727	1,671,532	2,216,441
	315,130	240,038	564,554	473,255	4,263,852	352,846
	(805,907)	(240,038)	(564,554)	(800,755)	(4,263,852)	(352,846)
	-	-	-	-	925,000	-
	-	-	-	-	-	-
	-	-	-	-	(906,747)	-
	(490,777)	-	-	(327,500)	18,253	-
\$	(1,633,644)	\$ (656,995)	\$ 1,707,624	\$ 788,227	\$ 1,689,785	\$ 2,216,441
	10.53%	12.40%	13.28%	12.36%	12.42%	12.41%

VILLAGE OF ITASCA, ILLINOIS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Fiscal Year	Farm	Residential Property	Commercial Property	Industrial Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Estimated Actual Taxable Value
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%
2019	2020	17,374	293,305,529	171,864,320	203,379,920	668,567,143	0.3391	2,007,709,138	33.30%

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

Data Source

Dupage County Clerk

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

Fiscal Year	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 57,663,916
Total net debt applicable to limit	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	1,920,000
LEGAL DEBT MARGIN	\$ 44,047,826	\$ 40,684,376	\$ 39,160,505	\$ 35,240,163	\$ 35,298,770	\$ 40,439,018	\$ 44,581,564	\$ 49,579,698	\$ 52,329,571	\$ 55,743,916
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	23.78%	23.60%	19.69%	22.34%	20.12%	15.82%	12.30%	8.92%	6.17%	3.33%

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

VILLAGE OF ITASCA, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Calendar Years

Calendar Year	Village Direct Rate	Non-Home Rule Sales Tax Rate	DuPage County Water Commission	DuPage County	Regional Transportation Authority	State Rate	Total
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%
2020	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, 2020 and the related notes to financial statements, which collectively comprise the Village’s basic financial statements, and have issued our report thereon dated January 29, 2021.

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
January 29, 2021