

Village of Itasca

550 W. Irving Park Rd., Itasca, Illinois 60143-2018

Village Board Meeting Agenda

November 15, 2016

7:00 p.m.

President: Jeffery J. Pruyn
Trustees: Jeff Aiani
Marty Hower
Michael J. Latoria
Ellen Leahy
Frank J. Madaras
Lucy Santorsola
Clerk: Melody J. Craven
Administrator: Evan Teich

Phone: 630.773.0835
FAX: 630.773.2505

1. Call to Order; Roll Call
2. Pledge of Allegiance
3. Audience Participation
4. Presentation of Village Board Meeting Minutes of November 3rd, 2016

Documents:

[20161103 VLG BD MTG MINUTES.PDF](#)

5. President's Comments
 - a. Reminder of Local Election: Candidate Packets Due by December 12th
6. Finance Committee
Trustee Hower, Chairperson
 - a. Presentation of Annual Financial Report by Sikich

Documents:

[ANNUAL FINANCIAL REPORT MEMO 2016 JC.DOCX](#)
[16 AUDIT REPORT - VOI.PDF](#)

7. Community Development Committee
Trustee Latoria, Chairperson
8. Administration Committee
Trustee Santorsola, Chairperson

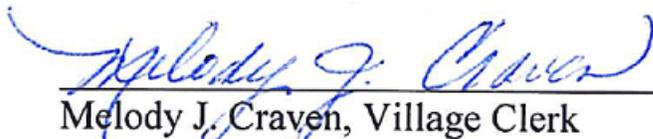
9. Environmental Committee
Trustee Leahy, Chairperson
10. Public Safety Committee
Trustee Madaras, Chairperson
11. Public Works/Infrastructure Committee
Trustee Aiani, Chairperson
12. Consent Agenda
 - a. Approval of Ordinance #1826-16, "An Ordinance Granting Approval for a Special Use Permit for 925 W. Thorndale Ave (Major Prime Plastics)"

Documents:

[ORD 1826-16.PDF](#)
 - b. Approval of Payment Estimate #1 - 2016 Street Resurfacing Program
 - c. Approval of Payment Estimate #3 & Final - Happy Acres Improvements
 - d. Approval of Payment Estimate #4 & Final - South Side Drainage Improvements (Phase I)
13. Voucher dated November 15th, 2016
14. Department Head Reports
15. Executive Session
16. Adjournment



Evan Teich, Village Administrator



Melody J. Craven, Village Clerk

VILLAGE OF ITASCA BOARD OF TRUSTEES MEETING MINUTES

November 3, 2016 – 7:00PM

- Call to Order:** Mayor Jeff Pruyn called the meeting to order at 7:03PM.
- Roll Call:** Present: Trustees – Marty Hower, Jeff Aiani, Frank Madaras, Lucy Santorsola, Mike Latoria.
- Also present: Village Administrator – Evan Teich; Director of Police – Robert O'Connor; Community Development Director – Nancy Hill; Director of Public Works – Ross Hitchcock; Finance Director – Julie Ciesla; Village Attorney – Chuck Hervas; Village Engineering Consultant – Aaron Fundich; Deputy Village Clerk – Jake Lawrence; Community Development Intern – Chris Strom.
- Absent: Trustee – Ellen Leahy.
- Pledge of Allegiance:** Mayor Pruyn led everyone in saying the Pledge of Allegiance.
- Audience Participation:** Mrs. Dorothy Niziolek, 519 S Cherry Street, and Mrs. Patricia Fuscone, 531 S Cherry Street, explained to the Board they were concerned about a neighbor with unkempt property. They felt their property was being devalued due to neglect. Since this was a code enforcement issue, the Mayor suggested they talk to the Village Administrator in order to follow procedure.
- Minutes:**
(August 23, 2016) Mayor Pruyn asked if there were any questions regarding or corrections to the Special Village Board Meeting minutes of August 23, 2016 as presented. Hearing none, Trustee Santorsola made a motion to approve said minutes; Trustee Hower seconded the motion. Motion carried by a unanimous voice vote.
- Minutes:**
(October 18, 2016) Mayor Pruyn asked if there were any questions regarding or corrections to the Village Board Meeting minutes of October 18, 2016 as presented. Hearing none, Trustee Aiani made a motion to approve said minutes; Trustee Hower seconded the motion. Motion carried by a unanimous voice vote.
- President's Comments:**
(Cubs Win!) Mayor Pruyn thanked the Board and department heads for rescheduling the Village Board meeting from Tuesday to Thursday.
- Community Development Committee:**
Trustee Latoria, Chairperson
Trustee Latoria, Chairperson

- Administration Committee:** Trustee Santorsola had no report.
Trustee Santorsola, Chairperson
- Environment Committee:** Trustee Leahy had no report.
Trustee Leahy, Chairperson
- Finance Committee:** Trustee Hower asked Village Clerk Craven to present the Clerk's Report for September 2016.
Trustee Hower, Chairperson
(Clerk's Report – September 2016)
- Public Safety Committee:** Trustee Madaras had no report.
Trustee Madaras, Chairperson
- Public Works/Infrastructure Committee:** Trustee Aiani presented Resolution #914-16, "A Resolution Waiving the Formal Bidding Requirements and Accepting a Proposal from Ground Pros Inc. for Snow Plowing Services from Certain Sidewalks." Ross Hitchcock explained the pricing is in line with their expectations; however, it needs to be reviewed by the Village Attorney for final approval. There were some issues with insurance and additional insured. Hearing no objections, Trustee Aiani made a motion to approve Resolution #907-16 subject to attorney review; Trustee Latoria seconded the motion. Roll Call Vote: Ayes – Trustees Hower, Aiani, Madaras, Latoria, and Santorsola; Nays – None; Absent – Trustee Leahy; Abstain – None. Motion carried.
- (Resolution #915-16) Trustee Aiani presented Resolution #914-16, "A Resolution Accepting the Low Bid from Andritz Separation, Inc. for the Procurement of Centrifuges for the Wastewater Treatment Plant." Discussion ensued over the conditional contract language concerning the limitations of insurance liability. Charles Hervas noted his office, Robinson, and Stanley were comfortable with the limitation of insurance at \$1,000,000. Discussion also ensued over the performance measures of the centrifuge. Hearing no further objections, Trustee Aiani made a motion to approve Resolution #915-16; Trustee Hower seconded the motion. Roll Call Vote: Ayes – Trustees Hower, Aiani, Madaras, Latoria, and Santorsola; Nays – None; Absent – Trustee Leahy; Abstain – None. Motion carried.
- Consent Agenda:** Mayor Pruyn asked for a motion to approve the Consent Agenda items "a" through "g". Trustee Hower made a motion to approve items "a" through "g" on the consent agenda; Trustee Leahy seconded the motion. Roll Call Vote: Ayes – Trustees Hower, Aiani, Latoria, Madaras, and Santorsola; Nays – None; Absent – Trustee Leahy; Abstain – None. Motion carried.
- a) Approval of Ordinance #1825-16, "An Ordinance Granting a Variance for 860 W. Irving Park Road (Holiday Inn - Itasca)"
 - b) Approval of Executive Session Minutes (Batch Approved on October 4, 2016)

Voucher:
(November 3, 2016)

Trustee Hower made a motion to approve the voucher dated November 3, 2016 in the amount of \$527,021.85; Trustee Aiani seconded the motion. Roll Call Vote: Ayes – Trustees Hower, Aiani, Madaras, Latoria, and Santorsola; Nays – None; Absent – Trustee Leahy; Abstain – None. Motion carried.

Department Heads:

Mayor Pruyn stated he would hear Department Head reports at the Committee of the Whole Meeting following the Village Board Meeting.

Adjournment:

Trustee Hower made a motion to adjourn the Village Board meeting at 7:31PM; Trustee Santorsola seconded the motion. Motion carried by a unanimous voice vote.

Minutes by: Melody J. Craven, Village Clerk



550 W. Irving Park Road, Itasca, Illinois 60143-2018
630-773-0835 • Fax 630-773-2505 • www.itasca.com

Memorandum

To: Village President and Board of Trustees
From: Julie Ciesla, Finance Director
Date: For the November 15th Village Board Meeting
Re: Annual Financial Report FY 2015/16

Please find the completed Annual Financial Report (AFR) for fiscal year 2015/16. Please note that this year the AFR now includes a transmittal letter (pg. ii-vi), an organizational chart (pg. vii), an updated the Management Discussion and Analysis (pg. MD&A 1-14), and additional supplementary information (pg. 96-110) that was not included in prior years. These enhancements have been added to bring additional value and transparency to the readers of the AFR. This year completed the first phase in working towards building a Comprehensive Annual Financial Report (CAFR).

VILLAGE OF ITASCA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2016



VILLAGE OF ITASCA, ILLINOIS
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INTRODUCTORY SECTION

VILLAGE OF ITASCA, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2016

LEGISLATIVE

Jeff Pruyn, President

Board of Trustees

Jeff Aiani

Marty Hower

Ellen Leahy

Michael Latoria

Frank Madaras

Lucy Santorsola

Melody Craven, Clerk

William Fates, Treasurer (appointed)

ADMINISTRATIVE

Evan Teich, Village Administrator

Julie Ciesla, Finance Director



Village of Itasca

550 W. Irving Park Rd. Itasca, IL 60143
630.773-0835 . Fax 630.773.2505 . www.itasca.com

October 21, 2016

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, 2016 is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish, within six months of the closing of the fiscal year, a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Itasca' 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, 2016. 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 8,649. 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 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, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. 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 submitted to the Finance Director and Village Administrator for review. 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 \$556,974,125, a decrease of 24.93% over the past eight years. Additionally, this valuation is an increase of 8.01% over the previous year, which is much better than the decreases the past 5 years. At a rate of 33.3% of market value, the equalized assessed valuation translates into \$1.97 billion of investment in the community.

Approximately 563 businesses operate in the Village, many located in the industrial and business parks in the north part of Itasca. The Village has experienced a steady decline over the past ten years in collected sales tax revenue and the Village is still actively seeking methods to attract and retain retailers. The Village is also moderately dependent on utility taxes that fluctuate with the weather and are often unpredictable. Additionally, due to the lack of state laws limiting Non-Home communities, it is difficult for communities to adjust for diminishing revenues such as telecommunications taxes. Telecommunications tax is steadily declining and is predicted to be obsolete in the next five to ten years

unless Springfield allows municipalities to tax the data packages that are replacing landlines at record rates.

Income tax revenue collections have improved over the prior years. The Village has also experienced solid building permit revenue over that past several years and is predicting to receive favorable permit revenue in FYE17. Although the economy is showing some signs of improvement, the Village remains vigilant in aggressively monitoring operating and capital expenditures to sustain its financial stability.

Long-term Financial Planning

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

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

Driver: What the organization does to produce the outcome.

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

Means: How the organization produces the outcome.

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

Outcome: What is the desired result.

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

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

The Village Board and staff have identified projects that are scheduled out for the next one to five years in order to move towards the desired outcome of resident satisfaction and quality of life. The Village has been proactive this year in working with other government entities in order to achieve these goals. Additionally, the Village has plans to adopt updated financial policies and procedures during FYE 17.

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

The budget for the twelve months ended April 30, 2017 is balanced which is a critical component of fiscal sustainability. The focus for managing the 2017 budget will involve critically examining each line item searching for opportunities for cost savings and improved service. As a non-home rule community the Village is vulnerable to the impacts of declined revenue without sufficient means to raise revenues without voter approval, uncertainty of what Springfield could impose on local governments, both through unfunded mandates and reduced revenues, and pension expenses that are increasing at a rate faster than what we are able to collect through property tax increases due to PTELL. The Village Board's directive for the past several years indicated a strong Village commitment to annually increase our fund balances as a priority for long term financial health. The Village is pleased to report that as of April 30, 2016, the fund balance in the general fund is \$9,677,387, which is equal to 89.7% of the 2017 operating expenditure budget. This balance exceeds the Village's goal of 50% of the following year's annual operating budget.

Major Initiatives

The Village has long sought the creation of a Quiet Zone for the railroad tracks. A quiet zone is a status whereby trains are not required to blow their horns as they pass at grade crossings, which is a federal mandate. To establish the quiet zone, the Village did have to put up the medians on Prospect, Walnut, Catalpa and Rohlwing. The Village was successful during FYE 2016 at establishing the Quiet Zone, however, trains are still required to blow their horns if they see a safety related issue, such as a pedestrian walking around the downed gates.

Construction on the Elgin-O'Hare Expressway (IL-390) has begun, and the Village is doing all that it can to position itself to take advantage of this project now and into the future. With the construction of the new IL-390 highway, the Village has joined forces with Elk Grove Village, Roselle, Hanover Park and Schaumburg to oppose the project proposed by Com Ed to install 150' high poles along IL 390 from Prospect Avenue west to the Village of Hanover Park.

The Village of Itasca, through the Suburban O'Hare Commission and the O'Hare Noise Compatibility Commission, has been working with the FAA to update the plan on rotating the use of runways overnight to provide relief to those living under the runways that are frequently used. Initial efforts and feedback has been critical in the analysis of success in reducing the noise heard by the airplanes. These efforts will continue during FYE 17.

In 2016, the Itasca Police Department became an accredited police agency through the Illinois Association of Chiefs of Police (ILACP). The program entitled Illinois Law Enforcement Accreditation Program (ILEAP) recognizes professional police management practices with respect to policies and procedures,

discipline and training. Also in January of 2016, the Itasca Police Department undertook the closing of their communication center to a consolidated dispatch center entitled (ACDC) Addison Combined Dispatch Center.

In the spring of 2016, the Community Development department issued its first set of permits to a developer to build three apartment buildings that house 300 units along Arlington Heights Road. These apartments are considered to be luxury units. The Village is also issuing permits for new home construction and a new medical association facility in the Hamilton Lakes corridor. As these land plans work their way through the entitlement process, the 2017 budget conservatively reflects this growth in revenue.

Acknowledgements

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

Respectfully Submitted,



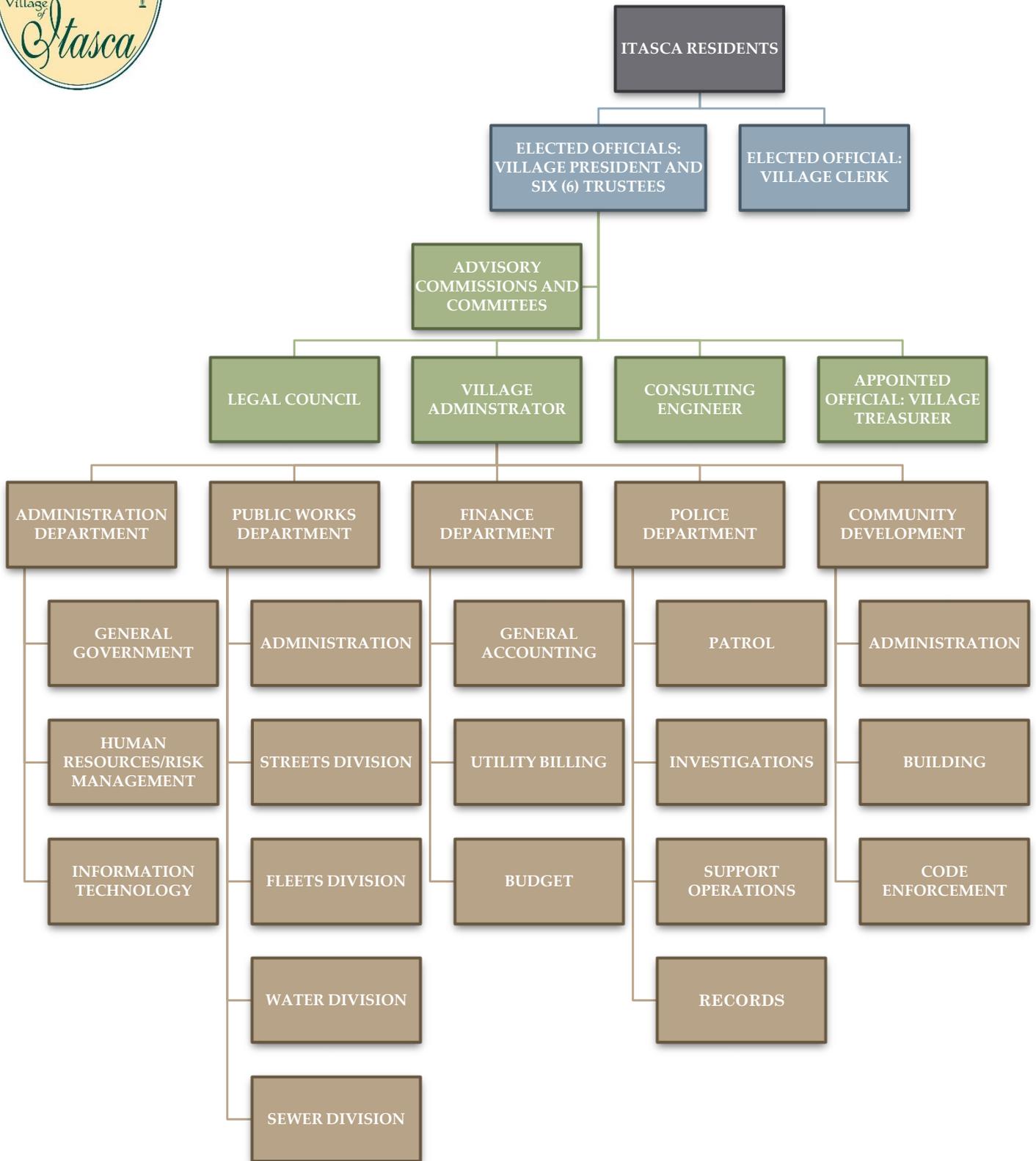
Evan Teich
Village Administrator



Julie Ciesla, CPFO
Finance Director



VILLAGE OF ITASCA MUNICIPAL ORGANIZATION STRUCTURE



FINANCIAL SECTION



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Naperville, Illinois 60563

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Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2016, 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. 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note 12, the Village adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to Measurement Date*. The implementation of this guidance established standards for measuring and recognizing liabilities, deferred inflows and outflows of resources, and expenses; modified certain disclosures in the notes to financial statements; and the required supplementary information. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Sikich LLP

Naperville, Illinois
October 18, 2016

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
For the Year Ended April 30, 2016

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, 2016. 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 vi and the Village's financial statements beginning on page 4.

FINANCIAL HIGHLIGHTS

- Net Position for the prior year was restated for both governmental activities and business-type activities related to the recording of the net pension liabilities for IMRF and the Police pension funds. Total Net Position was restated and reduced by \$14.1 million, from \$102.3 million to \$88.2 million.
 - The prior year's net position of governmental activities was restated and reduced by \$13.6 million from \$91.3 million to \$77.7 million.
 - The prior year's net position of business-type activities was restated and reduced by \$0.5 million from \$11.0 million to \$10.5 million.
- Total Village's net position decreased from \$88.2 million as of April 30, 2015 to \$85.1 million as of April 30, 2016.
- As of April 30, 2016, the unrestricted fund balance for the General fund balance was \$9.7 million or 76.5% 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

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infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved or deteriorated.

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

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

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

The government-wide financial statements can be found on pages 4 through 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.

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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 12 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 General Obligation 2008 Fund, which are considered to be "major" funds. Data from the other 10 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 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.

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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 53 through 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 through 87 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.

Statement of Net Position						
As of April 30, 2016 and 2015						
	Governmental		Business Type		Total	
	Activities		Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
Current & Other Assets	\$21,403,617	\$21,834,137	\$2,014,641	\$2,321,251	\$23,418,258	\$24,155,388
Capital Assets	86,053,552	87,863,906	44,208,251	46,072,463	130,261,803	133,936,369
Deferred Outflow of Resources	4,549,423	75,814	513,466	-	5,062,889	75,814
Total Assets and Deferred Outflows	112,006,592	109,773,857	46,736,358	48,393,714	158,742,950	158,167,571
Current Liabilities	3,564,239	2,973,358	2,354,442	33,881,285	5,918,681	36,854,643
Non-Current Liabilities	29,178,385	12,187,004	35,201,737	3,521,474	64,380,122	15,708,478
Deferred Inflow of Resources	3,361,804	3,322,783	-	-	3,361,804	3,322,783
Total Liabilities and Deferred Inflows	36,104,428	18,483,145	37,556,179	37,402,759	73,660,607	55,885,904
Net Position						
Net Investment in Capital Assets	77,774,223	78,202,970	8,705,616	9,467,059	86,479,839	87,670,029
Restricted	5,315,395	5,503,700	-	-	5,315,395	5,503,700
Unrestricted	(7,187,454)	7,584,042	474,563	1,523,896	(6,712,891)	9,107,938
Total Net Position	\$75,902,164	\$91,290,712	\$9,180,179	\$10,990,955	\$85,082,343	\$102,281,667

A large portion of the Village's net position, \$86,479,839 or 101.6 percent, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF ITASCA, ILLINOIS
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GOVERNMENT-WIDE FINANCAL ANALYSIS (cont.)

An additional portion, \$5,315,395 or 6.2 percent, of the Village's net position represents resources that are subject to external restrictions on how they may be used. As of April 30, 2016, the Village is reporting unrestricted net position of (\$6,712,891) or (7.8) percent. Unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

Activities

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

	Changes of Net Position For the Fiscal Year Ended April 30, 2016 and 2015					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
REVENUES						
Program Revenues						
Charges for Services	\$ 1,214,340	\$ 1,428,309	\$ 7,568,954	\$ 6,561,926	\$ 8,783,294	\$ 7,990,235
Grants and Contributions						
Operating	221,232	211,962	-	-	221,232	211,962
Capital	32,399	153,613	-	-	32,399	153,613
General Revenues						-
Property Taxes	3,529,622	3,269,634	-	-	3,529,622	3,269,634
Other Taxes	8,785,600	9,560,968	448,652	451,661	9,234,252	10,012,629
Other	1,058,299	763,808	184,463	290,304	1,242,762	1,054,112
Total Revenues	14,841,492	15,388,294	8,202,069	7,303,891	23,043,561	22,692,185
EXPENSES						
General Government	3,479,155	4,703,106	-	-	3,479,155	4,703,106
Public Safety	6,058,119	5,440,539	-	-	6,058,119	5,440,539
Community Development	942,210	753,760	-	-	942,210	753,760
Public Works	5,642,221	6,281,524	-	-	5,642,221	6,281,524
Water and Sewer	-	-	9,558,386	8,637,501	9,558,386	8,637,501
Interest Expense	478,048	567,260	-	-	478,048	567,260
Total Expenses	16,599,753	17,746,189	9,558,386	8,637,501	26,158,139	26,383,690
Changes in Net Position						
before transfers	(1,758,261)	(2,357,895)	(1,356,317)	(1,333,610)	(3,114,578)	(3,691,505)
Transfers	-	(490,777)	-	490,777	-	-
Change in Net Position	(1,758,261)	(2,848,672)	(1,356,317)	(842,833)	(3,114,578)	(3,691,505)
Net Position, May 1	91,290,712	94,139,384	10,990,955	11,833,788	102,281,667	105,973,172
Change in accounting principle	(13,630,287)	-	(454,459)	-	(14,084,746)	-
Net Position, May 1, restated	77,660,425	94,139,384	10,536,496	11,833,788	88,196,921	105,973,172
Net Position, April 30	\$ 75,902,164	\$ 91,290,712	\$ 9,180,179	\$ 10,990,955	\$ 85,082,343	\$ 102,281,667

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

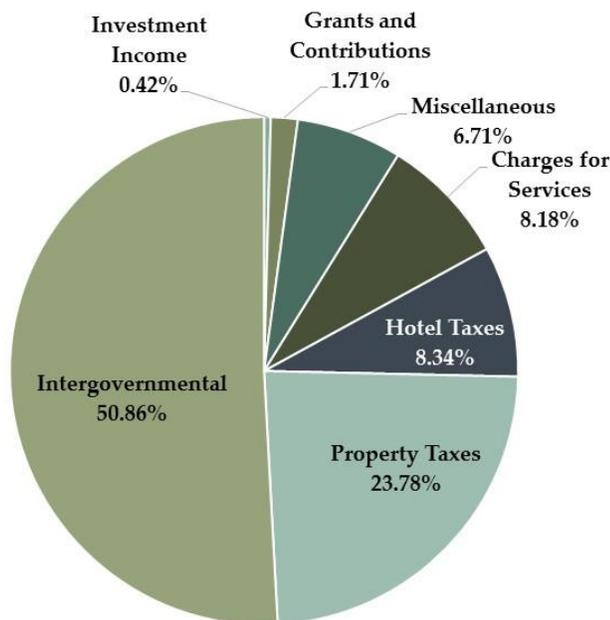
The Village's combined net position decreased by \$3.1 million from \$88.2 to \$85.1 million during 2016. This change is the result of \$1.8 million and \$1.4 million decreases in the net position of governmental activities and business-type activities, respectively. The change in net position was significantly impacted by the Village's implementation of Statement No. 68, Accounting and Financial Reporting for Pensions, of the Governmental Accounting Standards Board. The implementation of this new financial reporting standard entailed the recognition of net pension liabilities totaling \$20.3 million and deferred outflows of resources amounting to \$5.0 million as of April 30, 2016. 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).

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

Governmental Activities

Revenues for governmental activities totaled \$14.8 million, while the cost of all governmental functions totaled \$16.6 million. This results in a decrease in net position before transfers and change in accounting principle of \$1.8 million. For the year ended April 30, 2015, revenues of \$15.4 million were less than expenses of \$17.7 million, resulting in decrease in net position before transfers of \$2.4. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on property taxes and intergovernmental revenues and taxes to fund governmental activities.

Governmental Activities as of April 30, 2016
% of Revenues by Source



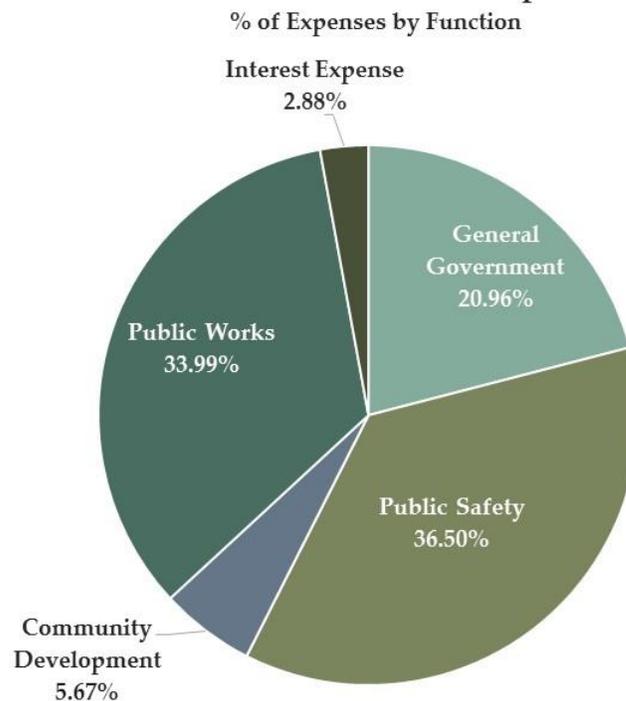
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GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

FYE 2016 expenses for governmental activities totaled \$16.6 million, decreasing by \$1.1 million or 6.5% compared to FYE 2015 expenses.

Itasca's largest share of costs allocated to governmental activities was in the area of Public Safety (law enforcement), accounting for 36.50% of total governmental expenses. This was followed by Public Works activities, making up 33.99% 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 and interest expense round out total governmental activities at 20.96% which includes legislative boards and commissions, general administration, legal services, financial management, engineering services, employee relations, and building maintenance. Community Development, accounts for 5.67% of total government spending, and Interest Expense accounts for 2.88% of total government spending.

Governmental Activities as of April 30, 2016



Business-Type activities

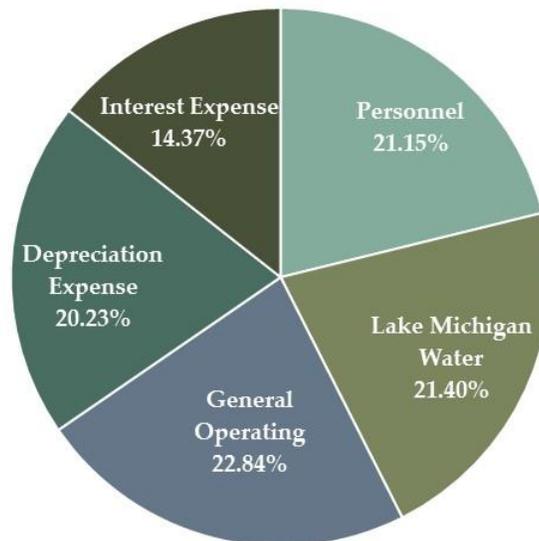
Business-Type activities posted total revenues of \$8.2 million, while the cost of all business-type activities totaled \$9.6 million. This results in a decrease in net position before transfers of \$1.4 million. The primary reason for this decrease is attributable to the depreciation expense and interest payments and operations of the sewer system. For the year ended April 30, 2015, revenues of \$7.3 million were less than expenses of \$8.6 million, resulting in a decrease in net position before transfers of \$1.3 million.

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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 FY2016 totaled \$9.6 million, an increase of over \$0.9 million or 10.7% from the prior year. Water and sewer activities include the purchase of Lake Michigan water through the Village's participation in the DuPage Water Commission, maintaining the Village's water distribution systems including mains, pumps, reservoirs, metering and billing, as well as, the maintenance of the Village's sanitary sewage collection system and its treatment at the Sewer Treatment Plan. Total system expenses can be categorized in the following manner:

Business Type Activities as of April 30, 2016
% of Expenses by Type



Governmental Funds

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

At April 30, 2016 governmental funds reported combined fund balances of \$14.9 million. Of this amount, \$9.6 million is unassigned and is available for future obligations. About \$5.3 million is restricted, with \$2.2 million for tourism, generated by the hotel tax, \$2.2 million for capital projects and \$0.5 million for debt service. The remainder of restricted funds relate to public safety, and highway and streets.

VILLAGE OF ITASCA, ILLINOIS
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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, 2016, fund balance in the General Fund decreased by \$486,414 from current year activities. Change to fund balance is a combination of revenues of \$12.0 million compared to expenditures of \$12.6 million, adjusted for other financing sources and uses of a net \$135,972. Other financing sources represent a transfer from the Hotel Tax Fund to support the operations of the Nature Center. After all activity and adjustments are accounted for, the General Fund has an ending fund balance of \$9.7 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, 2016, net position of the proprietary fund totaled \$9.2 million. Cash and investments totaled \$1.0 million, a decrease of \$8,151. Operating revenues increased 13.1% from the previous year to \$7.7 million. The consumption was down from the prior year about 0.71%. Operating expenses (including depreciation) of \$9.6 million were 10.7% higher than the previous year. Operating expenses are artificially high due to the costs associated with operating the sewer plant at less than optimal levels. January 1st 2016, the volumetric rate increased by about 7.5% 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 \$788,156 in the fiscal year ended April 30, 2016. Deductions for benefits and other smaller items increased about 18%, from \$1.1 million in the prior year to \$1.3 million this year. Cash and investments totaled \$14.5 million as of April 30th.

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

General Fund Budgetary Highlights

The original budget for the General Fund and actual expenditures did not exceed the budgeted amount. The General Fund was budgeted to use fund reserves of \$1.1 million in FYE 2016, with revenues at \$14.0 million and expenses at \$15.1 million. Revenues in the general fund were \$1.5 million under budget. The majority of the decrease is due to unfavorable budget variances in: utility taxes (\$202,464), grants (\$425,141), state sales taxes (\$628,993), and a deferred developer contribution of (\$125,000). Expenditures in the general fund were \$2.5 million under the budget. This was due in a large part to having vacant positions for extended periods of time, capital projects not being completed, budgeted transfer out was reallocated as a loan from another fund, as well as, continued cost reduction efforts.

General Fund Budgetary Highlights
Fiscal Year Ended April 30, 2016

	Final Budget	Actual
REVENUES		
Taxes	\$ 2,838,594	\$ 2,564,342
Licenses and permits	801,550	756,655
Intergovernmental	8,111,968	7,391,561
Charges for Services	144,000	148,505
Fines and foreits	360,750	309,180
Other revenue	1,345,692	861,247
Total revenues	13,602,554	12,031,490
EXPENDITURES		
General Government	\$2,786,324	\$2,280,683
Public safety	6,163,111	5,543,869
Community Development	1,158,754	895,383
Public works	3,920,286	3,241,538
Debt Services	692,400	692,403
Total expenditures	14,720,875	12,653,876
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(430,000)	-
Transfers (in)	413,215	135,972
Total other financing sources (uses)	(16,785)	135,972
Net Change in Fund Balance	\$ (1,135,106)	\$ (486,414)
Fund Balance, May 1		10,163,801
Fund Balance, April 30		\$ 9,677,387

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
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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, 2016 is \$130.3 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, 2016.

	Capital Assets					
	Net of Accumulated Depreciation					
	Governmental Activities		Business Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Land and improvements	\$ 40,473,800	\$ 40,473,800	\$ 1,335,645	\$ 1,335,645	\$ 41,809,445	\$ 41,809,445
Capital Assets, being depreciated						
Building and Improvements	12,711,458	12,980,590	-	-	12,711,458	12,980,590
Machinery and Equipment	331,804	323,422	326,978	273,138	658,782	596,560
Transportation equipment	494,421	442,652	-	-	494,421	442,652
Infrastructure	32,042,069	33,643,442	-	-	32,042,069	33,643,442
Water and sewer systems		-	42,545,628	44,464,000	42,545,628	44,464,000
Total Capital Assets, being depreciated	45,579,752	47,390,106	42,872,606	44,737,138	88,452,358	92,127,244
Total	\$ 86,053,552	\$ 87,863,906	\$ 44,208,251	\$ 46,072,783	\$ 130,261,803	\$ 133,936,689

Capital additions for the year totaled \$1.2 million for governmental funds and \$126,439 for the business-type activities of the water and sewer fund. Additions included the following major projects:

Governmental Funds:

- \$204,000 on Transportation Equipment, for a bucket truck and four vehicles.
- \$65,806 on Machinery and Equipment, for a compressor, copier, squad car computers, vehicle lift and salt spreader.
- \$984,595 million on Infrastructure, for storm water drainage improvements and park enhancements at Happy Acres including a walking path and fishing dock.

Business-Type Fund:

- \$126,000 on Machinery and Equipment, for pumps and a vehicle lift

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
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CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

Long-term debt

During the fiscal year, bonded debt was decreased by \$2.6 million. At the end of the fiscal year, the Village had total bonded debt outstanding of \$34.1 million. Of this amount, \$7.6 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, 2016 the Village debt represented 1.4% of the equalized assessed value.

	Long-Term Debt Outstanding					
	Governmental		Business Type		Total	
	Activities		Activities		Primary Government	
	2016	2015	2016	2015	2016	2015
General Obligation Bonds	\$ 3,440,000	\$ 4,225,000	\$ 22,980,000	\$ 23,330,000	\$ 26,420,000	\$ 27,555,000
General Fund Refunding Certificates	4,160,000	4,665,000	-	-	4,160,000	4,665,000
Special Service Area Bonds	3,535,000	3,705,000	-	-	3,535,000	3,705,000
IEPA Loan	-	-	12,000,000	12,750,000	12,000,000	12,750,000
IDOT Loan	-	-	458,946	458,946	458,946	458,946
Bonded Debt Total	11,135,000	12,595,000	35,438,946	36,538,946	46,573,946	49,133,946
Compensated Absences	701,697	787,167	160,194	168,286	861,891	955,453
Net postemployment benefit obligation	32,136	32,553	-	-	32,136	32,553
Net pension liability	18,648,642	13,546,680	1,117,854	498,831	19,766,496	14,045,511
Other	303,915	351,750	63,689	66,458	367,604	418,208
Combined LT Debt Total	19,686,390	14,718,150	1,341,737	733,575	21,028,127	15,451,725
Total	\$ 30,821,390	\$ 27,313,150	\$ 36,780,683	\$ 37,272,521	\$ 67,602,073	\$ 64,585,671

Bond Ratings

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

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

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

VILLAGE OF ITASCA, ILLINOIS
Management's Discussion and Analysis
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ECONOMIC FACTORS

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

- The Village is directly impacted by the financial condition of the State of Illinois. The political environment in Springfield is being closely monitored for legislation that could reduce or eliminate the shared revenue, and in turn impact the level of service to the residents.
- The Illinois Department of Revenue certified the CPI used for calculating the Village's 2015 tax Levy to be 0.7%. 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 by \$150,000 in FY 2016.
- The Village has a strong reliance on sales tax revenue. During 2015, two of the top 10 sales tax providers are no longer in business or have moved to another taxing district. The village will continue to monitor economic trends relating to retail sales and adjust forecasts/spending as appropriate.
- As of April 30, 2016, two union contracts for police personnel will be expired and negotiations are underway. The Village will work towards negotiating reasonable salary and benefit increases that are predicted to be in-line with market conditions, allowing for increased stability in the operating budget of the village.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. At April 30, 2016 the unrestricted fund balance of the General Fund was 76.5% of total expenditures of the current year and 89.7% of the budgeted expenditures for the fiscal year ending April 30, 2017. Both figures are 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 \$1.0 million as of April 30, 2016. The fund also had unrestricted net position of \$474,563. 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.

VILLAGE OF ITASCA, ILLINOIS
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For the Year Ended April 30, 2016

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 Julie Ciesla, Finance Director, Village of Itasca, 550 N. Irving Park Road, Itasca, IL.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 14,451,635	\$ 1,041,777	\$ 15,493,412
Receivables			
Property taxes	3,361,804	-	3,361,804
Accounts receivable	-	1,402,864	1,402,864
Sales and income taxes	1,076,196	-	1,076,196
Other	669,241	-	669,241
Due from library	1,402,748	-	1,402,748
Due from fiduciary fund	11,993	-	11,993
Internal balances	430,000	(430,000)	-
Capital assets			
Capital assets not being depreciated	40,473,800	1,335,645	41,809,445
Capital assets being depreciated (net of accumulated depreciation)	45,579,752	42,872,606	88,452,358
Total assets	107,457,169	46,222,892	153,680,061
DEFERRED OUTFLOWS OF RESOURCES			
Pension Items - IMRF	692,184	513,466	1,205,650
Pension Items - Police Pension	3,797,653	-	3,797,653
Unamortized loss on refunding	59,586	-	59,586
Total deferred outflows of resources	4,549,423	513,466	5,062,889
Total assets and deferred outflows of resources	112,006,592	46,736,358	158,742,950

(This statement is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	\$ 885,498	\$ 409,254	\$ 1,294,752
Accrued payroll	80,221	25,058	105,279
Accrued interest	176,685	341,184	517,869
Unearned revenue	62,575	-	62,575
Escrow deposits	536,851	-	536,851
Due to library	171	-	171
Due to other governments	179,233	-	179,233
Noncurrent liabilities			
Due within one year	1,643,005	1,578,946	3,221,951
Due in more than one year	29,178,385	35,201,737	64,380,122
Total liabilities	32,742,624	37,556,179	70,298,803
DEFERRED INFLOWS OF RESOURCES			
Property taxes	3,361,804	-	3,361,804
Total liabilities and deferred inflows of resources	36,104,428	37,556,179	73,660,607
NET POSITION			
Net investment in capital assets	77,774,223	8,705,616	86,479,839
Restricted			
Public safety	35,375	-	35,375
Streets	320,821	-	320,821
Tourism	2,252,892	-	2,252,892
Debt service	485,254	-	485,254
Special service areas	2,221,053	-	2,221,053
Unrestricted	(7,187,454)	474,563	(6,712,891)
TOTAL NET POSITION	\$ 75,902,164	\$ 9,180,179	\$ 85,082,343

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2016

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 3,479,155	\$ -	\$ -	\$ -
Public safety	6,058,119	309,180	-	-
Community development	942,210	756,655	-	32,399
Public works	5,642,221	148,505	221,232	-
Interest expense	478,048	-	-	-
Total governmental activities	16,599,753	1,214,340	221,232	32,399
Business-Type Activities				
Water and sewer	9,558,386	7,568,954	-	-
TOTAL PRIMARY GOVERNMENT	\$ 26,158,139	\$ 8,783,294	\$ 221,232	\$ 32,399

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (3,479,155)	\$ -	\$ (3,479,155)
	(5,748,939)	-	(5,748,939)
	(153,156)	-	(153,156)
	(5,272,484)	-	(5,272,484)
	(478,048)	-	(478,048)
	<u>(15,131,782)</u>	-	<u>(15,131,782)</u>
	-	(1,989,432)	(1,989,432)
	<u>(15,131,782)</u>	<u>(1,989,432)</u>	<u>(17,121,214)</u>
General Revenues			
Taxes			
Property	3,529,622	-	3,529,622
Hotel	1,237,362	-	1,237,362
Intergovernmental	7,548,238	448,652	7,996,890
Miscellaneous	995,486	183,328	1,178,814
Investment income	62,813	1,135	63,948
Total	<u>13,373,521</u>	<u>633,115</u>	<u>14,006,636</u>
CHANGE IN NET POSITION	<u>(1,758,261)</u>	<u>(1,356,317)</u>	<u>(3,114,578)</u>
NET POSITION, MAY 1	91,290,712	10,990,955	102,281,667
Change in accounting principle	<u>(13,630,287)</u>	<u>(454,459)</u>	<u>(14,084,746)</u>
NET POSITION, MAY 1, RESTATED	<u>77,660,425</u>	<u>10,536,496</u>	<u>88,196,921</u>
NET POSITION, APRIL 30	<u>\$ 75,902,164</u>	<u>\$ 9,180,179</u>	<u>\$ 85,082,343</u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2016

	General	General Obligation 2008	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 9,139,035	\$ 2,696	\$ 5,309,904	\$ 14,451,635
Receivables				
Property taxes	2,065,260	766,396	530,148	3,361,804
Other	525,997	-	143,244	669,241
Sales and income taxes	1,076,196	-	-	1,076,196
Due from library	-	1,402,748	-	1,402,748
Due from fiduciary funds	11,993	-	-	11,993
Due from other funds	65,587	-	-	65,587
Advance to other funds	430,000	-	-	430,000
TOTAL ASSETS	\$ 13,314,068	\$ 2,171,840	\$ 5,983,296	\$ 21,469,204
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 714,615	\$ -	\$ 170,883	\$ 885,498
Accrued payroll	77,976	-	2,245	80,221
Unearned revenue	62,575	-	-	62,575
Escrow deposits	536,851	-	-	536,851
Due to library	171	-	-	171
Due to other funds	-	65,587	-	65,587
Due to other governments	179,233	-	-	179,233
Total liabilities	1,571,421	65,587	173,128	1,810,136
DEFERRED INFLOWS OF RESOURCES				
Property taxes	2,065,260	766,396	530,148	3,361,804
Unavailable revenue - due from other governments	-	1,402,748	-	1,402,748
Total deferred inflows of resources	2,065,260	2,169,144	530,148	4,764,552
Total liabilities and deferred inflows of resources	3,636,681	2,234,731	703,276	6,574,688
FUND BALANCES				
Restricted				
Public safety	35,375	-	-	35,375
Debt service	-	-	485,254	485,254
Highway and streets	-	-	320,821	320,821
Tourism	-	-	2,252,892	2,252,892
Special service areas	-	-	2,221,053	2,221,053
Unrestricted				
Unassigned (deficit)	9,642,012	(62,891)	-	9,579,121
Total fund balances	9,677,387	(62,891)	5,280,020	14,894,516
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 13,314,068	\$ 2,171,840	\$ 5,983,296	\$ 21,469,204

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, 2016

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 14,894,516
Amounts reported for governmental activities in the statements of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	86,053,552
Intergovernmental receivable from the Library is not unavailable revenue on the statement of net position	1,402,748
Premiums (discounts) on bonds are expensed in governmental funds but capitalized and amortized in the statement of net position	
Premium on issuance of bonds	(303,915)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(3,440,000)
General obligation debt certificates	(4,160,000)
Special service area bonds	(3,535,000)
Unamortized loss on refunding	59,586
Accrued interest payable	(176,685)
Compensated absences	(701,697)
Net other postemployment benefit obligation	(32,136)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,506,937)
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	692,184
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(17,141,705)
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	<u>3,797,653</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 75,902,164</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, 2016

	General	General Obligation 2008	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 2,261,018	\$ 756,196	\$ 512,409	\$ 3,529,623
Hotel taxes	-	-	1,236,684	1,236,684
Licenses and permits	756,655	-	-	756,655
Intergovernmental	7,391,561	-	-	7,391,561
Food and beverage tax	303,324	-	-	303,324
Grants	32,399	-	221,232	253,631
Charges for services	148,505	-	-	148,505
Fines	309,180	-	-	309,180
Investment income	45,023	290	17,500	62,813
Miscellaneous	783,825	205,738	6,600	996,163
Total revenues	12,031,490	962,224	1,994,425	14,988,139
EXPENDITURES				
Current				
General government	2,280,683	-	1,271,193	3,551,876
Public safety	5,543,869	-	-	5,543,869
Community development	895,383	-	-	895,383
Public works	3,241,538	-	-	3,241,538
Debt service				
Principal	505,000	785,000	170,000	1,460,000
Interest and fiscal agent fees	187,403	174,528	169,537	531,468
Capital outlay	-	-	421,000	421,000
Total expenditures	12,653,876	959,528	2,031,730	15,645,134
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(622,386)	2,696	(37,305)	(656,995)
OTHER FINANCING SOURCES (USES)				
Transfers in	135,972	-	104,066	240,038
Transfer (out)	-	-	(240,038)	(240,038)
Total other financing sources (uses)	135,972	-	(135,972)	-
NET CHANGE IN FUND BALANCES	(486,414)	2,696	(173,277)	(656,995)
FUND BALANCES (DEFICIT), MAY 1	10,163,801	(65,587)	5,453,297	15,551,511
FUND BALANCES (DEFICIT), APRIL 30	\$ 9,677,387	\$ (62,891)	\$ 5,280,020	\$ 14,894,516

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, 2016

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (656,995)
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	1,204,259
The gain (loss) on disposal of capital assets is reported on the statement of activities as a increase (decrease) of expense	(11,493)
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	1,460,000
Intergovernmental revenue from the Library is not revenue on the statement of activities	(146,647)
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(834,482)
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	632,368
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	(4,267,480)
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	3,797,653
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	(3,003,120)
Change in compensated absences payable	13,839
Change in net other postemployment benefit	417
Amortization of bond premium	47,835
Amortization of loss on refunding	(16,228)
Change in accrued interest payable	21,813
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (1,758,261)

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND

April 30, 2016

	<u>Water and Sewer</u>
CURRENT ASSETS	
Cash and investments	\$ 1,041,777
Accounts receivable	1,402,864
	<hr/>
Total current assets	2,444,641
NONCURRENT ASSETS	
Capital assets	
Cost	70,072,441
Less accumulated depreciation	25,864,190
	<hr/>
Total noncurrent assets	44,208,251
Total assets	46,652,892
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	513,466
	<hr/>
Total deferred outflows of resources	513,466
Total assets and deferred outflows of resources	47,166,358
CURRENT LIABILITIES	
Accounts payable	409,254
Accrued payroll	25,058
Bonds and loans payable-current portion	1,578,946
Accrued interest	341,184
	<hr/>
Total current liabilities	2,354,442
NONCURRENT LIABILITIES	
Advances from other funds	430,000
Bonds payable	21,923,689
IEPA loan payable	12,000,000
Compensated absences payable	160,194
Net pension liability	1,117,854
	<hr/>
Total noncurrent liabilities	35,631,737
Total liabilities	37,986,179
NET POSITION	
Net investment in capital assets	8,705,616
Unrestricted	474,563
	<hr/>
TOTAL NET POSITION	\$ 9,180,179

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, 2016

	<u>Water and Sewer</u>
OPERATING REVENUES	
Charges for services	
Water fees	\$ 3,877,439
Sewer fees	3,691,515
Miscellaneous	<u>183,328</u>
Total operating revenues	<u>7,752,282</u>
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Salaries/stipends	1,324,459
Payroll taxes	413,135
Employee benefits	284,416
General operating	2,639,199
Repairs and maintenance	1,071,570
Professional services	286,631
Special services	164,653
Insurance	<u>67,234</u>
Total operating expenses excluding depreciation	<u>6,251,297</u>
OPERATING INCOME BEFORE DEPRECIATION	1,500,985
Depreciation	<u>1,933,553</u>
OPERATING INCOME (LOSS)	<u>(432,568)</u>
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(1,373,536)
Bond stimulus payment	448,652
Investment income	<u>1,135</u>
Total non-operating revenues (expenses)	<u>(923,749)</u>
CHANGE IN NET POSITION	<u>(1,356,317)</u>
NET POSITION, MAY 1	10,990,955
Change in accounting principle	<u>(454,459)</u>
NET POSITION, MAY 1, RESTATED	<u>10,536,496</u>
NET POSITION, APRIL 30	<u><u>\$ 9,180,179</u></u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended April 30, 2016

	<u>Water and Sewer</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	\$ 7,620,741
Payments to suppliers	(4,041,239)
Payments to employees	(1,918,206)
	<hr/>
Net cash from operating activities	1,661,296
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Advance from general fund	430,000
	<hr/>
Net cash from noncapital financing activities	430,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(69,341)
Bond stimulus payment	448,652
IEPA loan principal payments	(750,000)
Bond principal payments	(350,000)
Interest paid on bonds payable	(1,379,893)
	<hr/>
Net cash from capital and related financing activities	(2,100,582)
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	1,135
	<hr/>
Net cash from investing activities	1,135
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,151)
CASH AND CASH EQUIVALENTS, MAY 1	1,049,928
	<hr/>
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 1,041,777
	<hr/> <hr/>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (432,568)
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation and amortization	1,933,553
Changes in assets and liabilities	
Accounts receivable	(131,541)
Accounts payable	188,048
Accrued payroll	(38,033)
Compensated absences	(8,092)
Pension items - IMRF	149,929
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	\$ 1,661,296
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

ASSETS

Cash and short-term investments	\$	100,628
Investments, at fair value		
Mutual funds		7,835,823
U.S. Treasury securities		2,005,180
U.S. agency securities		624,646
Corporate bonds		1,836,923
Corporate equity securities		1,816,047
Money market mutual funds		211,103
Accrued interest		<u>26,266</u>
 Total assets		 14,456,616

LIABILITIES

Due to general fund		<u>11,993</u>
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**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 14,444,623

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, 2016

ADDITIONS

Employer contributions	\$ 704,812
Employee contributions	<u>219,289</u>
Total contributions	<u>924,101</u>
Investment income	
Interest and dividend income	406,443
Net depreciation in fair value of investments	<u>(713,512)</u>
Total investment income	(307,069)
Less investment expense	<u>(103,667)</u>
Net investment income	<u>(410,736)</u>
Total additions	<u>513,365</u>

DEDUCTIONS

Benefit payments	1,256,271
Administrative expenses	<u>45,250</u>
Total deductions	<u>1,301,521</u>

NET DECREASE (788,156)

**NET POSITION RESTRICTED
FOR PENSIONS**

May 1	<u>15,232,779</u>
April 30	<u>\$ 14,444,623</u>

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

As required by GAAP, these financial statements present the Village and any component units. Component units are entities for which the Village is considered to be financially accountable. "Blended" component units, although legally separate entities, are, in substance, part of the Village's operations.

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

b. Fund Accounting

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

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

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statements 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary fund:

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

The Village reports the following fiduciary fund:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

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

Illinois Funds, a money market mutual fund created by the Illinois State Legislature and controlled by the Illinois State Treasurer is reported at a \$1 per share value, which equals the Village's fair value in the pool.

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 estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

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

j. Compensated Absences

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

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

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

l. Fund Balances/Net Position

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

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

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

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. Risk Management

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

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

2. COMPLIANCE - DEFICIT FUND EQUITY

The following fund had a deficit balance at April 30, 2016:

Fund	Deficit
General Obligation 2008 Fund	\$ 62,891

3. 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, Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), 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. 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.

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)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

As of April 30, 2016, 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	\$ 1,443,296	\$ -	\$ 1,443,296
Negotiable CDs	7,207,738	2,853,902	4,353,836
TOTAL	\$ 8,651,034	\$ 2,853,902	\$ 5,797,132

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. 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. 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.

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold.

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

e. 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.

f. 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.

4. RECEIVABLES

a. Property Taxes

Property taxes for 2015 attached as an enforceable lien on January 1, 2015 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2016. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2015 (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, 2016. The County collects such taxes and remits them periodically. The 2016 tax levy, which attached as an enforceable lien on property as of January 1, 2016, has not been recorded as a receivable as of April 30, 2016 as the tax has not yet been levied by the Village and will not be levied until December 2016 and, therefore, the levy is not measurable at April 30, 2016.

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

4. RECEIVABLES (Continued)

b. Other Receivables

Other receivables consist of the following receivables at April 30, 2016:

GOVERNMENTAL ACTIVITIES		
Other miscellaneous receivables		\$ 532,619
Hotel tax		116,938
Motor Fuel Tax		<u>19,684</u>
TOTAL GOVERNMENTAL ACTIVITIES		<u><u>\$ 669,241</u></u>

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2016 was as follows:

	Balances May 1	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 40,473,800	\$ -	\$ -	\$ 40,473,800
Total capital assets not being depreciated	<u>40,473,800</u>	<u>-</u>	<u>-</u>	<u>40,473,800</u>
Capital assets being depreciated				
Buildings and improvements	19,057,217	-	-	19,057,217
Machinery and equipment	987,614	65,806	-	1,053,420
Transportation equipment	1,744,806	153,858	55,299	1,843,365
Infrastructure	110,026,317	984,595	-	111,010,912
Total capital assets being depreciated	<u>131,815,954</u>	<u>1,204,259</u>	<u>55,299</u>	<u>132,964,914</u>
Less accumulated depreciation for				
Buildings and improvements	6,076,627	269,132	-	6,345,759
Machinery, vehicles, and equipment	664,192	57,424	-	721,616
Transportation equipment	1,302,154	90,596	43,806	1,348,944
Infrastructure	76,382,875	2,585,968	-	78,968,843
Total accumulated depreciation	<u>84,425,848</u>	<u>3,003,120</u>	<u>43,806</u>	<u>87,385,162</u>
Total capital assets being depreciated, net	<u>47,390,106</u>	<u>(1,798,861)</u>	<u>11,493</u>	<u>45,579,752</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u><u>\$ 87,863,906</u></u>	<u><u>\$ (1,798,861)</u></u>	<u><u>\$ 11,493</u></u>	<u><u>\$ 86,053,552</u></u>

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

5. 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
Total capital assets not being depreciated	1,335,645	-	-	1,335,645
Capital assets being depreciated				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,614,347	126,439	-	1,740,786
Water and sewer system	66,552,941	-	57,098	66,495,843
Total capital assets being depreciated	68,667,455	126,439	57,098	68,736,796
Less accumulated depreciation for				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,341,209	72,599	-	1,413,808
Water and sewer system	22,089,261	1,860,954	-	23,950,215
Total accumulated depreciation	23,930,637	1,933,553	-	25,864,190
Total capital assets being depreciated, net	44,736,818	(1,807,114)	57,098	42,872,606
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 46,072,463	\$ (1,807,114)	\$ 57,098	\$ 44,208,251

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

GOVERNMENTAL ACTIVITIES

General government	\$ 155,219
Public safety	87,420
Community development	5,968
Public works	<u>2,754,513</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES**

\$ 3,003,120

6. 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)

6. 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, 2016 is as follows:

Governmental Activities

Issue	Interest Rate	Final Maturity Date	Beginning Balances, Restated	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds							
Series 2008B	3.0% to 4.0%	12/15/2018	\$ 2,740,000	\$ -	\$ 645,000	\$ 2,095,000	\$ 675,000
Series 2008A	3.0% to 4.0%	12/15/2018	1,485,000	-	140,000	1,345,000	145,000
Less amortized premium to:							
Series 2008B			48,184	-	5,353	42,831	5,353
Series 2008A			36,289	-	9,073	27,216	9,073
General fund refunding debt certificates							
Series 2010	2.0% to 4.0%	12/1/2022	4,665,000	-	505,000	4,160,000	525,000
Less amortized premium							
Series 2010			267,277	-	33,409	233,868	33,409
Special service area bonds							
Series 2014	4.5%	12/15/2033	3,210,000	-	110,000	3,100,000	115,000
Series 2006	4.5%	12/15/2021	495,000	-	60,000	435,000	65,000
Compensated absences payable							
			787,167	-	85,470	701,697	70,170
Net postemployment benefit obligation							
			32,553	-	417	32,136	-
Net pension liability -							
IMRF			672,455	834,482	-	1,506,937	-
Police Pension			12,874,225	4,267,480	-	17,141,705	-
TOTAL GOVERNMENTAL ACTIVITIES			\$ 27,313,150	\$ 5,101,962	\$ 1,593,722	\$ 30,821,390	\$ 1,643,005

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

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Business-Type Activities

Issue	Beginning Balances, Restated	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds -					
Series 2009A	\$ 23,330,000	\$ -	\$ 350,000	\$ 22,980,000	\$ 370,000
IEPA loan	12,750,000	-	750,000	12,000,000	750,000
IDOT loan	458,946	-	-	458,946	458,946
Unamortized bond premium	66,458	-	2,769	63,689	-
Compensated absences payable	168,286	8,737	16,829	160,194	-
Net pension liability - IMRF	498,831	619,023	-	1,117,854	-
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 37,272,521	\$ 627,760	\$ 1,119,598	\$ 36,780,683	\$ 1,578,946

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
2017	\$ 820,000	\$ 143,588	\$ 525,000	\$ 166,400	\$ 180,000	\$ 161,172
2018	850,000	110,425	550,000	145,400	185,000	152,845
2019	875,000	76,050	570,000	123,400	195,000	144,261
2020	165,000	40,275	595,000	100,600	205,000	135,170
2021	170,000	32,850	615,000	76,800	220,000	125,570
2022	180,000	25,200	640,000	52,200	225,000	115,230
2023	185,000	17,100	665,000	26,600	150,000	104,625
2024	195,000	8,775	-	-	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	\$ 3,440,000	\$ 454,263	\$ 4,160,000	\$ 691,400	\$ 3,535,000	\$ 1,570,448

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

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Business-Type Activities			
	General Obligation Bonds		IEPA Loan	
	Principal	Interest	Principal	Interest
2017	\$ 370,000	\$ 1,364,740	\$ 750,000	\$ -
2018	380,000	1,348,830	750,000	-
2019	400,000	1,331,350	750,000	-
2020	420,000	1,312,350	750,000	-
2021	440,000	1,291,350	750,000	-
2022	470,000	1,268,910	750,000	-
2023	490,000	1,243,766	750,000	-
2024	520,000	1,217,060	750,000	-
2025	550,000	1,188,460	750,000	-
2026	580,000	1,158,210	750,000	-
2027	610,000	1,124,570	750,000	-
2028	640,000	1,089,190	750,000	-
2029	680,000	1,052,070	750,000	-
2030	720,000	1,012,630	750,000	-
2031	760,000	968,710	750,000	-
2032	1,190,000	922,350	750,000	-
2033	1,630,000	849,760	-	-
2034	1,730,000	750,330	-	-
2035	1,840,000	644,800	-	-
2036	1,950,000	530,720	-	-
2037	2,070,000	490,820	-	-
2038	2,200,000	281,480	-	-
2039	2,340,000	145,080	-	-
TOTAL	\$ 22,980,000	\$ 22,587,536	\$ 12,000,000	\$ -

7. INDIVIDUAL FUND DISCLOSURES

a. Interfund Receivables/Payables

Individual interfund balances at April 30, 2016 are shown as follows:

Fund	Interfund Receivables	Interfund Payables
General		
General Obligation 2008	\$ 65,587	\$ -
Police Pension	11,993	-
Debt Service		
General Obligation 2008		
General	-	65,587
Police Pension	-	11,993
TOTAL	\$ 77,580	\$ 77,580

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

7. INDIVIDUAL FUND DISCLOSURES (Continued)

a. Interfund Receivables/Payables

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

b. Advances To/From

As of April 30, 2016, major individual fund advances between funds were as follows:

<u>Fund</u>	<u>Advance To</u>	<u>Advance From</u>
General Water and Sewer	\$ 430,000	\$ -
Water and Sewer General	-	430,000
TOTAL	\$ 430,000	\$ 430,000

During the year, the General Fund advanced the Water and Sewer Fund \$430,000 for Capital Projects. This advance will be repaid in future years.

c. Transfers In/Out

Individual interfund transfers during the fiscal year ended April 30, 2016 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 135,972	\$ -
Spring Lake Special Service Area Debt Service	104,066	-
Spring Lake Special Service Area Capital Projects	-	104,066
Hotel Tax	-	135,972
TOTAL	\$ 240,038	\$ 240,038

The transfer from the Hotel Tax Fund was to support the nature center activities. The transfer from the Spring Lake Special Service Area Capital Projects Fund to the Spring Lake Special Service Area Debt Service Fund was to correctly allocate funds designated for debt service repayment.

8. 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.

9. 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.

b. Sales Tax Incentive Agreements

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, 2016, a liability of \$32,878 has been accrued and payments of \$99,629 were made. As of April 30, 2016, the Village has incurred total incentives of \$132,507.

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

10. 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.

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 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.

Plan Membership

At December 31, 2015, most recent information available, IMRF membership consisted of:

Inactive plan members	
currently receiving benefits	51
Inactive plan members entitled to but not yet	
receiving benefits	50
Active plan members	59
 TOTAL	 160

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

Contributions

Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended December 31, 2015 was 11.70% of covered payroll.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2015 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, 2015
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
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-2014 (base year 2014). 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-2014 (base year 2014). 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-2014 (base year 2014). 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)

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.48%. 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 not 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 of 7.50% was blended with the index rate of 3.57% for tax exempt general obligation bonds rated AA or better at December 31, 2015 to arrive at a discount rate of 7.48% used to determine the total pension liability.

Changes in the Net Pension Liability

	(a)	(b)	(a) - (b)
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
BALANCES AT JANUARY 1, 2015	\$ 21,231,698	\$ 19,827,130	\$ 1,404,568
Changes for the period			
Service cost	364,367	-	364,367
Interest	1,576,421	-	1,576,421
Difference between expected and actual experience	245,018	-	245,018
Changes in assumptions	28,617	-	28,617
Employer contributions	-	419,289	(419,289)
Employee contributions	-	161,265	(161,265)
Net investment income	-	98,753	(98,753)
Benefit payments and refunds	(733,741)	(733,741)	-
Other (net transfer)	-	(207,880)	207,880
Net changes	1,480,682	(262,314)	1,742,996
BALANCES AT DECEMBER 31, 2015	\$ 22,712,380	\$ 19,564,816	\$ 3,147,564

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Continued)

The table presented on the previous page includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2015, the employer contributions, and net pension liability at December 31, 2015 was \$1,171,286, \$349,650, and \$2,624,791, respectively. The Library's proportionate share of the net pension liability at January 1, 2015, the employer contributions, and net pension liability at December 31, 2015 was \$233,282, \$69,639, and \$522,773, respectively.

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

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

For the year ended April 30, 2016, the Village recognized pension expense of \$718,885.

At April 30, 2016, 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	\$ 179,467	\$ -
Changes in assumption	20,961	-
Contributions made after measurement date	145,555	-
Net difference between projected and actual earnings on pension plan investments	1,099,793	-
TOTAL	\$ 1,445,776	\$ -

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 of resources at April 30, 2016 was \$1,205,650. The Library's proportionate share of the deferred outflows of resources at April 30, 2016 was \$240,126.

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

10. 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)

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

<u>Year Ending</u> <u>April 30,</u>	
2017	\$ 411,723
2018	290,326
2019	274,321
2020	229,280
2021	-
Thereafter	-
TOTAL	<u>\$ 1,205,650</u>

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 7.48% 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 (6.48%) or 1 percentage point higher (8.48%) than the current rate:

	1% Decrease (6.48%)	Current Discount Rate (7.48%)	1% Increase (8.48%)
Net pension liability (Village)	\$ 5,224,713	\$ 2,624,791	\$ 533,142
Net pension liability (Library)	1,040,593	522,773	106,184
Net pension liability (Total)	<u>\$ 6,265,306</u>	<u>\$ 3,147,564</u>	<u>\$ 639,326</u>

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

10. 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, 2016, membership consisted of:

Inactive plan members currently receiving benefits	23
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>22</u>
 TOTAL	 <u><u>45</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 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the 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 2.5% 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, 2016, the Village's contribution was 35.63% of covered payroll.

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

10. 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 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 and 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	3.0%	0.00%
U.S. Fixed Income	32.0%	0.21%
Emerging Markets Debt	3.0%	2.36%
U.S. Large Cap Equity	5.0%	5.00%
U.S. Small/Mid Cap Equity	7.5%	6.04%
U.S. Preferred Securities	4.0%	3.02%
U.S. Convertible Bonds	6.0%	4.05%
International Developed Markets Equity	6.0%	5.97%
Emerging Markets Equity	9.0%	7.52%
Real Estate	7.5%	6.02%
Tactical All Asset	10.0%	3.70%
MLP's	4.0%	3.20%
Floating rate notes	3.0%	3.10%

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy (Continued)

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation of 2.5%) 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, 2016 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, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (2.68%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Deposits with Financial Institutions

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

Interest Rate Risk

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. agency securities	\$ 624,646	\$ -	\$ -	\$ -	\$ 624,646
U.S. Treasury securities	2,005,180	-	1,235,940	452,546	316,694
Corporate bonds	1,836,923	10,420	487,900	950,418	388,185
TOTAL	\$ 4,466,749	\$ 10,420	\$ 1,723,840	\$ 1,402,964	\$ 1,329,525

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.

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 corporate bonds. However, the investment policy is silent regarding exposure to credit risk. The U.S. agency obligations and corporate bonds are rated AA+ and CCC+ to AA, respectively, by Standard and Poor's.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's investment policy requires a third party custodian. The money market mutual funds and equity mutual funds are not subject to custodial credit risk.

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions

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

Actuarial valuation date	April 30, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	4.50%
Interest rate	7.55%
Cost of living adjustments	3.00% (Tier 1) 2.00% (Tier 2)
Asset valuation method	Market

Mortality rates were based on the RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015. The other non-economic actuarial assumptions used in the April 30, 2016 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

Discount Rate

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

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.55% 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 (6.55%) or 1 percentage point higher (8.55%) than the current rate:

	1% Decrease (6.55%)	Current Discount Rate (7.55%)	1% Increase (8.55%)
Net pension liability	\$ 21,288,480	\$ 17,141,705	\$ 13,718,867

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2015	\$ 28,107,004	\$ 15,232,779	\$ 12,874,225
Changes for the period			
Service cost	409,850	-	409,850
Interest	2,074,655	-	2,074,655
Difference between expected and actual experience	316,067	-	316,067
Changes of assumptions	1,935,023	-	1,935,023
Employer contributions	-	704,812	(704,812)
Employee contributions	-	219,289	(219,289)
Net investment income	-	(410,736)	410,736
Benefit payments and refunds	(1,256,271)	(1,256,271)	-
Administrative expense	-	(45,250)	45,250
Net changes	3,479,324	(788,156)	4,267,480
BALANCES AT APRIL 30, 2016	\$ 31,586,328	\$ 14,444,623	\$ 17,141,705

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

10. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability (Continued)

There was a change with respect to Actuarial Assumptions from the prior year to reflect revised expectations with respect to mortality rates. The mortality rates have been changed to the RP 2014 Mortality Table (BCHA) projected to 2016 using improvement scale MP-2015.

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

For the year ended April 30, 2016, the Village recognized police pension expense of \$1,174,641. At April 30, 2016, 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	\$ 316,067	\$ -
Changes in assumption	1,935,023	-
Net difference between projected and actual earnings on pension plan investments	1,546,563	-
TOTAL	\$ 3,797,653	\$ -

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

Year Ending April 30,	
2017	\$ 742,215
2018	742,215
2019	742,215
2020	742,215
2021	742,213
Thereafter	86,580
TOTAL	\$ 3,797,653

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

11. 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

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.

c. Membership

At April 30, 2015, the most recent valuation performed, membership consisted of:

Retirees and beneficiaries currently receiving benefits	14
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	<u>58</u>
TOTAL	<u><u>72</u></u>
 Participating Employers	 <u><u>1</u></u>

d. Funding Policy

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

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for 2014, 2015, and 2016 were as follows:

Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	\$ 46,693	\$ 38,919	83.4%	\$ 21,611
2015	104,357	101,241	97.0%	32,552
2016	108,497	108,913	100.4%	32,136

The net OPEB obligation (NOPEBO) as April 30, 2016, was calculated as follows:

Annual required contribution	\$ 109,077
Interest on net OPEB obligation	1,303
Adjustment to annual required contribution	<u>(1,883)</u>
Annual OPEB cost	108,497
Contributions made	<u>108,913</u>
Decrease in net OPEB obligation	(416)
Net OPEB obligation, beginning of year	<u>32,552</u>
NET OPEB OBLIGATION, END OF YEAR	<u><u>\$ 32,136</u></u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2015, the most recent valuation performed, was as follows:

Actuarial accrued liability (AAL)	\$ 1,367,098
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	1,367,098
Funded ratio (actuarial value of plan assets/AAL)	0.00%
Covered payroll (active plan members)	\$ 4,412,868
UAAL as a percentage of covered payroll	30.98%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions (ARC) of the employer are subject to continual

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

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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

revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the April 30, 2015, actuarial valuation, most recent valuation date, the entry-age actuarial cost method was used. The actuarial assumptions included 4.00% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 7.58% with an ultimate healthcare cost trend rate of 5.00%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was based on fair value at April 30, 2015. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30-year basis.

12. CHANGE IN ACCOUNTING PRINCIPLE

	Increase (Decrease)
CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	
Change in accounting principle	
To write-off the Police Pension Plan net pension asset	\$ (143,423)
To record the Police Pension Plan net pension liability	(12,874,225)
To record the deferred outflow of resources for contributions after the measurement date	59,816
To record the IMRF net pension liability	<u>(672,455)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - GOVERNMENTAL ACTIVITIES	<u>\$ (13,630,287)</u>

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

12. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

	<u>Increase (Decrease)</u>
CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	
To record the deferred outflow of resources for contributions after the measurement date	\$ 44,372
To record the IMRF net pension liability	<u>(498,831)</u>
TOTAL CHANGE IN ACCOUNTING PRINCIPLE - BUSINESS-TYPE ACTIVITIES	<u>\$ (454,459)</u>

With the implementation of GASB Statement No. 68 and No. 71, the Village is required to retroactively record the net pension liability and related deferred outflow of resources, and write-off any net pension assets.

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, 2016

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 2,538,594	\$ 2,261,018
Licenses	143,550	150,534
Building and other permits	658,000	606,121
Intergovernmental		
Sales	4,591,168	3,962,175
Less incentives	(150,000)	(132,507)
State income	843,900	921,745
Replacement	110,000	85,025
Local use	160,000	200,687
Auto rental	-	-
Telecommunications	1,193,400	1,086,762
Utility Tax	1,363,500	1,267,674
Food & Beverage Tax	300,000	303,324
Grants	457,540	32,399
Parking and other fees	144,000	148,505
Police fines and other receipts	360,750	309,180
Investment income	30,012	45,023
Developer contribution	125,000	-
Miscellaneous	733,140	783,825
	<hr/>	<hr/>
Total revenues	13,602,554	12,031,490
EXPENDITURES		
Current		
General government		
Administrative	2,376,878	2,132,657
Nature center	409,446	148,026
Public safety	6,163,111	5,543,869
Community development	1,158,754	895,383
Public works	3,920,286	3,241,538
Debt service		
Principal	505,000	505,000
Interest and fiscal agent fees	187,400	187,403
	<hr/>	<hr/>
Total expenditures	14,720,875	12,653,876
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<hr/>	<hr/>
	(1,118,321)	(622,386)
OTHER FINANCING SOURCES (USES)		
Transfers in	413,215	135,972
Transfers (out)	(430,000)	-
	<hr/>	<hr/>
Total other financing sources (uses)	(16,785)	135,972
NET CHANGE IN FUND BALANCE	<hr/>	<hr/>
	\$ (1,135,106)	(486,414)
FUND BALANCES, MAY 1		<hr/>
		10,163,801
FUND BALANCES, APRIL 30		<hr/>
		\$ 9,677,387

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2016

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, except for the CMD Special Service Area Debt Service Fund and the Old Thorndale Special Service Area Debt Service Fund. The General Obligation 2008 Fund had expenditures of \$959,528 with a budget of \$753,790.

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2016

	<u>2016</u>
Actuarially determined contribution	\$ 366,166
Contributions in relation to the actuarially determined contribution	<u>366,166</u>
CONTRIBUTION DEFICIENCY (Excess)	<u><u>\$ -</u></u>
Covered-employee payroll	\$ 2,988,468
Contributions as a percentage of covered-employee payroll	12.25%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of December 31, 2013 and 2014. 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 28 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.4 to 16.0% compounded annually, and postretirement benefit increases of 3.0% compounded annually.

(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**

April 30, 2016

	<u>2016*</u>
Employer's proportion of net pension liability	83.39%
Employer's proportionate share of net pension liability	\$ 2,624,791
Employer's covered-employee payroll	2,988,468
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	87.83%
Plan fiduciary net position as a percentage of the total pension liability	86.14%

*IMRF's measurement date is December 31, 2015; therefore, information above is presented for the calendar year ended December 31, 2015.

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Seven Fiscal Years

	2010	2011	2012	2013	2014	2015	2016
Actuarially determined contribution	\$ 490,884	\$ 620,922	\$ 621,324	\$ 537,359	\$ 576,591	\$ 676,543	\$ 694,619
Contributions in relation to the actuarially determined contribution	502,722	606,037	596,937	545,817	578,545	677,725	704,812
CONTRIBUTION DEFICIENCY (Excess)	\$ (11,838)	\$ 14,885	\$ 24,387	\$ (8,458)	\$ (1,954)	\$ (1,182)	\$ (10,193)
Covered-employee payroll	\$ 1,987,850	\$ 1,973,692	\$ 1,877,990	\$ 1,998,734	\$ 1,991,755	\$ 2,148,640	\$ 1,977,927
Contributions as a percentage of covered-employee payroll	25.3%	30.7%	31.8%	27.3%	29.0%	31.5%	35.6%

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 25 years; the asset valuation method was at market value; and the significant actuarial assumptions were an investment rate of return at 7.55% annually, projected salary increases assumption of 4.50% compounded annually, and postretirement benefit increases of 3.00% 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

April 30, 2016

	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 360,963	\$ 409,850
Interest	1,739,122	2,074,655
Changes of benefit terms	-	-
Differences between expected and actual experience	814,832	316,067
Changes of assumptions*	1,724,772	1,935,023
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)
	3,598,537	3,479,324
Net change in total pension liability		
Total pension liability - beginning	24,508,467	28,107,004
TOTAL PENSION LIABILITY - ENDING	\$ 28,107,004	\$ 31,586,328
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 677,725	\$ 704,812
Contributions - member	215,723	219,289
Net investment income	759,851	(410,736)
Benefit payments, including refunds of member contributions	(1,041,152)	(1,256,271)
Administrative expense	(25,762)	(45,250)
	586,385	(788,156)
Net change in plan fiduciary net position		
Plan fiduciary net position - beginning	14,646,394	15,232,779
PLAN FIDUCIARY NET POSITION - ENDING	\$ 15,232,779	\$ 14,444,623
EMPLOYER'S NET PENSION LIABILITY	\$ 12,874,225	\$ 17,141,705
Plan fiduciary net position as a percentage of the total pension liability	54.20%	45.70%
Covered-employee payroll	\$ 2,148,640	\$ 1,977,927
Employer's net pension liability as a percentage of covered-employee payroll	599.20%	866.70%

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

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

April 30, 2016

	<u>2015</u>	<u>2016</u>
Annual money-weighted rate of return, net of investment expense	5.19%	(2.68%)

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

**SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2016	N/A	N/A	N/A	N/A	N/A	N/A
2015	\$ -	\$ 1,367,098	0.00%	\$ 1,367,098	\$ 4,412,868	31.00%
2014	N/A	N/A	N/A	N/A	N/A	N/A
2013	N/A	N/A	N/A	N/A	N/A	N/A
2012	-	849,939	0.00%	849,939	5,066,169	16.80%
2011	-	137,602	0.00%	137,602	5,224,311	2.63%

N/A - No valuation in this year.

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN**

April 30, 2016

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2016	\$ 108,913	\$ 109,077	99.85%
2015	101,241	104,882	96.53%
2014	38,919	46,745	83.26%
2013	38,919	46,693	83.35%
2012	4,497	7,855	57.25%
2011	4,497	7,855	57.25%

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
ADMINISTRATIVE		
Salaries/stipends		
President	\$ 13,500	\$ 11,098
Trustees	15,000	14,955
Administrator	60,418	59,822
Clerk	1,500	-
Clerical	348,077	296,012
	<hr/>	<hr/>
Total salaries/stipends	438,495	381,887
	<hr/>	<hr/>
Payroll taxes		
FICA	33,810	31,256
Unemployment tax	2,500	(1,045)
IMRF	52,021	52,769
	<hr/>	<hr/>
Total payroll taxes	88,331	82,980
	<hr/>	<hr/>
Employee benefits		
Group insurance	95,500	89,700
Uniforms	3,000	1,211
	<hr/>	<hr/>
Total employee benefits	98,500	90,911
	<hr/>	<hr/>
Operating		
Gas heating/electric	23,000	25,667
Telephone	13,000	15,459
Postage	8,000	5,207
Publication legal notices	4,000	3,039
Codification	12,000	-
Operating supplies - general	5,000	7,301
Conferences	6,500	3,034
Office supplies	9,000	7,329
Physical	500	414
Wellness	5,000	1,946
Employee recruitment	2,500	3,047
Training	18,000	9,417
Employee assistance program	4,500	4,500
Dues, subscriptions, and meetings	17,900	13,250
Rentals	6,420	8,697
Community relations	23,000	13,962
Safety program	21,000	8,317
Software	2,500	378
Hardware	1,500	-
Support agreements - IT	33,346	32,503
Miscellaneous	4,000	341
	<hr/>	<hr/>
Total operating	220,666	163,808
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(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
ADMINISTRATIVE (Continued)		
Repairs and maintenance		
Building	\$ 22,000	\$ 40,574
Total repairs and maintenance	<u>22,000</u>	<u>40,574</u>
Professional services		
Legal and accounting	265,000	244,686
Payroll	14,000	13,384
Audit	24,000	24,874
Newsletter	22,000	17,014
Janitorial	49,000	39,297
Software	2,000	2,310
Consulting services	83,000	68,023
Other	5,000	5,000
Total professional services	<u>464,000</u>	<u>414,588</u>
Special services		
Village share - garbage	860,441	838,310
Grants		
Seniors	8,000	8,000
Other grants	15,000	30,000
Total grants	<u>23,000</u>	<u>38,000</u>
Insurance		
Liability	20,000	20,510
Workers' compensation	8,600	8,348
Total insurance	<u>28,600</u>	<u>28,858</u>
Capital expenditures		
Equipment	132,845	52,741
Total capital expenditures	<u>132,845</u>	<u>52,741</u>
Total administrative	<u>2,376,878</u>	<u>2,132,657</u>
NATURE CENTER		
Salaries/stipends		
Naturalist	-	2,884
General labor	82,090	75,327
Total salaries/stipends	<u>82,090</u>	<u>78,211</u>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
NATURE CENTER (Continued)		
Payroll taxes		
FICA	\$ 2,424	\$ 1,732
Unemployment tax	332	157
Total payroll taxes	<u>2,756</u>	<u>1,889</u>
Employee benefits		
Group insurance	14,930	15,487
Uniforms	150	-
Total employee benefits	<u>15,080</u>	<u>15,487</u>
Operating		
Gas heating	3,300	1,504
Telephone	3,000	3,086
Postage	100	50
Operating supplies - general	5,000	1,588
Office supplies	600	218
Dues, subscriptions, and meetings	2,300	925
Rentals	500	173
Program supplies	4,000	1,953
Employee physicals	200	162
Total operating	<u>19,000</u>	<u>9,659</u>
Repair and maintenance		
Structures	234,820	20,749
Total repairs and maintenance	<u>234,820</u>	<u>20,749</u>
Professional services		
Veterinary	700	-
Janitorial	7,500	7,059
Engineering	10,000	2,160
Graphics	2,000	-
Consulting	10,000	-
Other services	16,000	3,159
Total professional services	<u>46,200</u>	<u>12,378</u>
Insurance		
Liability	8,764	9,015
Workers' compensation	736	638
Total insurance	<u>9,500</u>	<u>9,653</u>
Total nature center	<u>409,446</u>	<u>148,026</u>
Total general government	<u>2,786,324</u>	<u>2,280,683</u>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
PUBLIC SAFETY		
Salaries/stipends		
Police chief	\$ 127,575	\$ 116,077
Police officers	2,329,706	2,167,807
Clerk/dispatchers	461,936	333,949
Clerk/dispatchers overtime	40,233	48,208
Police overtime	180,646	172,137
Police court time	50,000	15,601
	<hr/>	<hr/>
Total salaries/stipends	3,190,096	2,853,779
	<hr/>	<hr/>
Payroll taxes		
FICA	243,362	225,588
Unemployment tax	6,649	6,429
IMRF	47,946	42,605
	<hr/>	<hr/>
Total payroll taxes	297,957	274,622
	<hr/>	<hr/>
Employee benefits		
Group insurance	750,391	762,841
Uniforms	22,300	22,499
Pension contribution	950,000	690,504
	<hr/>	<hr/>
Total employee benefits	1,722,691	1,475,844
	<hr/>	<hr/>
Operating		
Telephone	20,000	20,793
Postage	3,000	2,947
Operating supplies - general	1,980	2,333
Motor fuel and lubrication	52,000	33,496
Office supplies	10,000	10,808
Court, meetings, local, and miscellaneous	8,500	7,829
Dues, subscriptions, and meetings	75,924	3,845
Training	19,532	22,232
Employee physicals	500	1,140
Shooting expenditure	18,358	17,039
Evidence	3,250	4,082
D.A.R.E.	18,110	17,234
Crime prevention	8,550	5,916
DUI technology	12,500	7,832
Volunteer	6,872	1,007
Addison dispatch center	-	64,500
Safety program	20,000	20,445
Other operating expenditures	2,200	1,502
	<hr/>	<hr/>
Total operating	281,276	244,980
	<hr/>	<hr/>

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	Budget	Actual
PUBLIC SAFETY (Continued)		
Repairs and maintenance		
Vehicles	\$ 50,000	\$ 44,973
Hand-held equipment	3,700	3,365
Equipment	41,200	17,640
Building maintenance	229,438	258,044
Total repairs and maintenance	324,338	324,022
Professional services		
Prosecution cost	84,000	74,555
Police social services	18,340	15,980
Software	13,500	11,981
Police commission	12,500	10,383
Total professional services	128,340	112,899
Insurance		
Liability	53,574	98,008
Workers' compensation	76,346	75,159
Total insurance	129,920	173,167
Capital expenditures		
Vehicles	55,000	50,485
Equipment	33,493	34,071
Total capital expenditures	88,493	84,556
Total public safety	6,163,111	5,543,869
COMMUNITY DEVELOPMENT		
Salaries/stipends		
Building commissioner	87,954	88,315
Building inspector	246,000	161,537
Clerical	96,000	78,009
Total salaries/stipends	429,954	327,861
Payroll taxes		
FICA	40,000	29,512
Unemployment tax	2,000	1,453
IMRF	47,000	42,498
Total payroll taxes	89,000	73,463

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	Budget	Actual
COMMUNITY DEVELOPMENT (Continued)		
Employee benefits		
Group insurance	\$ 45,000	\$ 40,736
Uniforms	3,500	2,724
	48,500	43,460
Operating		
Telephone	20,000	13,917
Postage	3,000	2,817
Publication legal notices	6,000	852
Operating supplies - general	5,000	4,306
Motor fuel and lubrication	3,000	1,258
Conference	8,000	7,460
Office supplies	6,000	5,322
Training	12,500	3,159
Dues, subscriptions, and meetings	17,000	8,676
Operating software	2,500	-
Other	500	1,441
	83,500	49,208
Repairs and maintenance		
Vehicles	37,000	24,816
Buildings	7,000	4,783
Equipment	15,000	10,131
	59,000	39,730
Professional services		
Planner	70,000	70,497
Engineering	100,000	135,785
Inspections	55,000	57,738
Plan review	10,000	-
Professional services (Continued)		
GIS mapping	15,000	6,030
Consulting	10,000	2,386
Other professional services	5,300	238
Planning	30,000	25,516
	295,300	298,190
Commissions		
Planning	8,000	7,618
Historical	7,500	3,077
Economic development	100,000	16,233
	115,500	26,928

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
COMMUNITY DEVELOPMENT (Continued)		
Insurance		
Liability	\$ 5,000	\$ 4,879
Workers' compensation	8,000	7,914
Total insurance	<u>13,000</u>	<u>12,793</u>
Capital expenditures		
Land	25,000	23,750
Total capital expenditures	<u>25,000</u>	<u>23,750</u>
Total community development	<u>1,158,754</u>	<u>895,383</u>
PUBLIC WORKS		
Salaries/stipends		
Directors/supervisors	142,586	140,225
General labor	436,381	380,402
Clerical	25,884	29,737
Total salaries/stipends	<u>604,851</u>	<u>550,364</u>
Payroll taxes		
FICA	46,258	42,103
Unemployment tax	8,767	1,782
IMRF	70,744	72,150
Total payroll taxes	<u>125,769</u>	<u>116,035</u>
Employee benefits		
Group insurance	107,876	97,145
Uniforms	2,500	4,594
Total employee benefits	<u>110,376</u>	<u>101,739</u>
Operating		
Electricity	50,000	58,272
Gas heating	11,000	18,286
Telephone	10,000	10,437
Postage	400	330
Conferences	1,000	1,100
Operating supplies - general	10,000	6,317
Motor fuel and lubrication	25,000	18,696
Office supplies	2,000	1,678
Training	-	474
Dues, subscriptions, and meetings	1,400	864

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	Budget	Actual
PUBLIC WORKS (Continued)		
Operating (Continued)		
Rentals	\$ 2,000	\$ 1,851
Employee physicals	1,000	1,212
Rubbish removal	8,000	4,784
Streets - bulk materials	12,000	12,146
	133,800	136,447
Repairs and maintenance		
Vehicles	25,000	28,275
Building	25,000	19,042
Equipment	18,500	14,697
Street lights	75,000	77,368
Parking lots	5,000	8,969
Storm sewers	30,000	14,140
Parkways and parks	45,000	36,834
Street signs	15,000	14,222
Other repairs and maintenance	151,000	169,545
Sidewalks	75,000	87,542
	464,500	470,634
Professional services		
Engineering	495,000	414,557
	495,000	414,557
Special services		
Veterinary and animal control	3,000	2,077
Mosquito abatement	75,000	69,306
Snow removal	84,530	47,558
Branch contract	30,000	34,882
Lawn maintenance	84,000	58,499
Tree trimming	59,500	53,515
Tree planting	30,000	37,853
Traffic signals	15,000	22,906
	381,030	326,596
Insurance		
Liability	25,969	27,198
Workers' compensation	18,695	18,330
	44,664	45,528

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
PUBLIC WORKS (Continued)		
Capital expenditures		
Streets (not MFT)	\$ 1,560,296	\$ 1,079,638
Total capital expenditures	<u>1,560,296</u>	<u>1,079,638</u>
Total public works	<u>3,920,286</u>	<u>3,241,538</u>
DEBT SERVICE		
Principal	505,000	505,000
Interest and fiscal agents	<u>187,400</u>	<u>187,403</u>
Total debt service	<u>692,400</u>	<u>692,403</u>
TOTAL EXPENDITURES	<u>\$ 14,720,875</u>	<u>\$ 12,653,876</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 760,815	\$ 756,196
Library bond payments	-	205,738
Investment income	200	290
	<hr/>	
Total revenues	761,015	962,224
	<hr/>	
EXPENDITURES		
Debt service		
Principal	645,000	785,000
Interest	107,988	173,726
Bond agent fees	802	802
	<hr/>	
Total expenditures	753,790	959,528
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 7,225</u>	2,696
FUND BALANCE (DEFICIT), MAY 1		<u>(65,587)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (62,891)</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF ITASCA, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2016

	<u>Special Revenue</u>		<u>Debt Service</u>	
	<u>Motor Fuel Tax</u>	<u>Hotel Tax</u>	<u>Spring Lake Special Service Area</u>	<u>CMD Special Service Area</u>
ASSETS				
Cash and investments	\$ 303,980	\$ 2,298,493	\$ 89,932	\$ 45,722
Receivables				
Property taxes	-	-	87,542	-
Other	19,684	121,694	-	-
TOTAL ASSETS	<u>\$ 323,664</u>	<u>\$ 2,420,187</u>	<u>\$ 177,474</u>	<u>\$ 45,722</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 2,843	\$ 165,050	\$ -	\$ -
Accrued payroll	-	2,245	-	-
Total liabilities	2,843	167,295	-	-
DEFERRED INFLOWS OF RESOURCES				
Property taxes	-	-	87,542	-
Total liabilities and deferred inflows of resources	-	167,295	87,542	-
FUND BALANCES				
Restricted				
Debt service	-	-	89,932	45,722
Highway and streets	320,821	-	-	-
Tourism	-	2,252,892	-	-
Special service areas	-	-	-	-
Unrestricted				
Unassigned	-	-	-	-
Total fund balances	<u>320,821</u>	<u>2,252,892</u>	<u>89,932</u>	<u>45,722</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 323,664</u>	<u>\$ 2,420,187</u>	<u>\$ 177,474</u>	<u>\$ 45,722</u>

Debt Service		Capital Projects					Total Nonmajor Governmental Funds
Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area		
\$ 255,722	\$ 93,878	\$ 291,414	\$ 96,671	\$ 1,548,577	\$ 285,515	\$ 5,309,904	
257,078	-	44,115	-	141,413	-	530,148	
-	-	-	-	1,866	-	143,244	
<u>\$ 512,800</u>	<u>\$ 93,878</u>	<u>\$ 335,529</u>	<u>\$ 96,671</u>	<u>\$ 1,691,856</u>	<u>\$ 285,515</u>	<u>\$ 5,983,296</u>	
\$ -	\$ -	\$ -	\$ 2,990	\$ -	\$ -	\$ 170,883	
-	-	-	-	-	-	2,245	
-	-	-	2,990	-	-	173,128	
257,078	-	44,115	-	141,413	-	530,148	
257,078	-	44,115	2,990	141,413	-	703,276	
255,722	93,878	-	-	-	-	485,254	
-	-	-	-	-	-	320,821	
-	-	-	-	-	-	2,252,892	
-	-	291,414	93,681	1,550,443	285,515	2,221,053	
-	-	-	-	-	-	-	
<u>255,722</u>	<u>93,878</u>	<u>291,414</u>	<u>93,681</u>	<u>1,550,443</u>	<u>285,515</u>	<u>5,280,020</u>	
<u>\$ 512,800</u>	<u>\$ 93,878</u>	<u>\$ 335,529</u>	<u>\$ 96,671</u>	<u>\$ 1,691,856</u>	<u>\$ 285,515</u>	<u>\$ 5,983,296</u>	

(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, 2016

	Special Revenue		Debt Service	
	Motor Fuel Tax	Hotel Tax	Spring Lake Special Service Area	CMD Special Service Area
REVENUES				
Property taxes	\$ -	\$ -	\$ 85,401	\$ -
Hotel tax	-	1,236,684	-	-
Operating grants	221,232	-	-	-
Investment income	246	6,891	45	-
Miscellaneous	-	6,600	-	-
Total revenues	221,478	1,250,175	85,446	-
EXPENDITURES				
General government	-	1,271,193	-	-
Debt service				
Principal	-	-	60,000	-
Interest and fiscal agent fees	-	-	24,552	-
Capital outlay				
Streets and highways	200,901	-	-	-
Total expenditures	200,901	1,271,193	84,552	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,577	(21,018)	894	-
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	104,066	-
Transfers (out)	-	(135,972)	-	-
Total other financing sources (uses)	-	(135,972)	104,066	-
NET CHANGE IN FUND BALANCES	20,577	(156,990)	104,960	-
FUND BALANCES (DEFICIT), MAY 1	300,244	2,409,882	(15,028)	45,722
FUND BALANCES, APRIL 30	\$ 320,821	\$ 2,252,892	\$ 89,932	\$ 45,722

Debt Service		Capital Projects					Total Nonmajor Governmental Funds
Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area		
\$ 254,875	\$ -	\$ 41,888	\$ -	\$ 130,245	\$ -	\$ 512,409	
-	-	-	-	-	-	1,236,684	
-	-	-	-	-	-	221,232	
2,019	-	2,896	168	4,812	423	17,500	
-	-	-	-	-	-	6,600	
256,894	-	44,784	168	135,057	423	1,994,425	
-	-	-	-	-	-	1,271,193	
110,000	-	-	-	-	-	170,000	
144,985	-	-	-	-	-	169,537	
-	-	-	4,357	132,428	83,314	421,000	
254,985	-	-	4,357	132,428	83,314	2,031,730	
1,909	-	44,784	(4,189)	2,629	(82,891)	(37,305)	
-	-	-	-	-	-	104,066	
-	-	(104,066)	-	-	-	(240,038)	
-	-	(104,066)	-	-	-	(135,972)	
1,909	-	(59,282)	(4,189)	2,629	(82,891)	(173,277)	
253,813	93,878	350,696	97,870	1,547,814	368,406	5,453,297	
\$ 255,722	\$ 93,878	\$ 291,414	\$ 93,681	\$ 1,550,443	\$ 285,515	\$ 5,280,020	

(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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Intergovernmental allotments - operating grants	\$ 217,000	\$ 221,232
High growth cities program	96,000	-
Investment income	135	246
	<hr/>	
Total revenues	313,135	221,478
EXPENDITURES		
Capital outlay		
Streets and highways	220,000	200,901
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 93,135</u>	20,577
FUND BALANCE, MAY 1		<u>300,244</u>
FUND BALANCE, APRIL 30		<u><u>\$ 320,821</u></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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Hotel tax	\$ 1,208,700	\$ 1,236,684
Investment income	5,000	6,891
Miscellaneous	4,500	6,600
	<hr/>	<hr/>
Total revenues	1,218,200	1,250,175
	<hr/>	<hr/>
EXPENDITURES		
General government		
Police overtime	70,000	58,851
Operation staff	216,798	226,180
Public relations	465,850	356,089
Marketing	289,000	240,779
Equipment	455,000	389,294
	<hr/>	<hr/>
Total expenditures	1,496,648	1,271,193
	<hr/>	<hr/>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(278,448)	(21,018)
	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(399,476)	(135,972)
	<hr/>	<hr/>
Total other financing sources (uses)	(399,476)	(135,972)
	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ (677,924)</u>	(156,990)
	<hr/>	<hr/>
FUND BALANCE, MAY 1		2,409,882
		<hr/>
FUND BALANCE, APRIL 30		<u>\$ 2,252,892</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 85,401	\$ 85,401
Investment income	40	45
Total revenues	<u>85,441</u>	<u>85,446</u>
EXPENDITURES		
Debt service		
Principal	60,000	60,000
Interest	24,552	24,552
Bond agent fees	-	-
Total expenditures	<u>84,552</u>	<u>84,552</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>889</u>	<u>894</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	-	104,066
Total other financing sources (uses)	<u>-</u>	<u>104,066</u>
NET CHANGE IN FUND BALANCE	<u>\$ 889</u>	104,960
FUND BALANCE (DEFICIT), MAY 1		<u>(15,028)</u>
FUND BALANCE, APRIL 30		<u>\$ 89,932</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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 254,450	\$ 254,875
Investment income	2,800	2,019
	<hr/>	
Total revenues	257,250	256,894
	<hr/>	
EXPENDITURES		
Debt service		
Principal	110,000	110,000
Interest	144,450	144,450
Bond agent fees	535	535
	<hr/>	
Total expenditures	254,985	254,985
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ 2,265</u>	1,909
	<hr/>	
FUND BALANCE, MAY 1		253,813
	<hr/>	
FUND BALANCE, APRIL 30		<u>\$ 255,722</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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 41,888	\$ 41,888
Investment income	1,200	2,896
	<hr/>	
Total revenues	43,088	44,784
	<hr/>	
EXPENDITURES		
Capital outlay		
Capital maintenance	50,000	-
Bond agent fees	1,000	-
	<hr/>	
Total expenditures	51,000	-
	<hr/>	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(7,912)	44,784
	<hr/>	
OTHER FINANCING SOURCES (USES)		
Transfers (out)	-	(104,066)
	<hr/>	
Total other financing sources (uses)	-	(104,066)
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ (7,912)</u>	(59,282)
FUND BALANCE, MAY 1		<u>350,696</u>
FUND BALANCE, APRIL 30		<u><u>\$ 291,414</u></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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ 1,500	\$ 168
EXPENDITURES		
Capital outlay	145,890	4,357
Total expenditures	145,890	4,357
NET CHANGE IN FUND BALANCE	<u>\$ (144,390)</u>	(4,189)
FUND BALANCE, MAY 1		<u>97,870</u>
FUND BALANCE, APRIL 30		<u>\$ 93,681</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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Property taxes	\$ 131,361	\$ 130,245
Investment income	4,000	4,812
	<hr/>	
Total revenues	135,361	135,057
	<hr/>	
EXPENDITURES		
Capital outlay	390,000	132,428
	<hr/>	
Total expenditures	390,000	132,428
	<hr/>	
NET CHANGE IN FUND BALANCE	<u>\$ (254,639)</u>	2,629
FUND BALANCE, MAY 1		<u>1,547,814</u>
FUND BALANCE, APRIL 30		<u><u>\$ 1,550,443</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, 2016

	<u>Budget</u>	<u>Actual</u>
REVENUES		
Investment income	\$ -	\$ 423
EXPENDITURES		
Capital outlay	462,252	83,314
Total expenditures	462,252	83,314
NET CHANGE IN FUND BALANCE	<u>\$ (462,252)</u>	(82,891)
FUND BALANCE, MAY 1		<u>368,406</u>
FUND BALANCE, APRIL 30		<u>\$ 285,515</u>

(See independent auditor's report.)

MAJOR PROPRIETARY FUND

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
OPERATING REVENUES		
Charges for services		
Water fees	\$ 4,041,813	\$ 3,877,439
Sewer fees	4,007,103	3,691,515
Other revenues	130,187	183,328
	<hr/>	<hr/>
Total operating revenues	8,179,103	7,752,282
OPERATING EXPENSES EXCLUDING DEPRECIATION		
Salaries and stipends	1,376,989	1,324,459
Payroll taxes	285,329	263,206
Employee benefits	298,173	284,416
General operating	2,707,161	2,639,199
Repairs and maintenance	829,100	1,071,570
Professional services	636,650	286,631
Special services	155,000	164,653
Insurance	64,585	67,234
Capital	71,296	69,341
	<hr/>	<hr/>
Total operating expenses excluding depreciation	6,424,283	6,170,709
OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION		
	1,754,820	1,581,573
Depreciation and amortization	<hr/>	1,933,553
	-	<hr/>
OPERATING INCOME (LOSS)		
	1,754,820	(351,980)
NON-OPERATING REVENUES (EXPENSES)		
Investment income	1,000	1,135
Bond stimulus payment	451,902	448,652
Debt service		
Principal repayment	(1,100,000)	(1,100,000)
Interest expense	(1,380,042)	(1,373,536)
Transfer from general fund	430,000	-
	<hr/>	<hr/>
Total non-operating revenues (expenses)	(1,597,140)	(2,023,749)
NET INCOME (LOSS) BUDGETARY BASIS		
	\$ 157,680	(2,375,729)
ADJUSTMENTS TO GAAP BASIS		
Capitalized assets		69,341
Increase in net pension liability		(149,929)
Principal repayment		<hr/>
		1,100,000
		<hr/>
Total adjustments to GAAP basis		1,019,412
CHANGE IN NET POSITION		
		<hr/>
		(1,356,317)
NET POSITION, MAY 1		
		10,990,955
Change in accounting principle		<hr/>
		(454,459)
NET POSITION, MAY 1, RESTATED		
		<hr/>
		10,536,496
NET POSITION, APRIL 30		
		<hr/>
		\$ 9,180,179
		<hr/>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	Budget	Actual
OPERATING EXPENSES		
Salaries and stipends		
President	\$ 6,800	\$ 5,550
Trustees	13,680	8,576
Clerical	173,440	181,261
Directors/superintendents	233,446	229,724
Operations staff	783,176	782,600
Overtime	112,743	63,573
Administrator	53,704	53,175
Total salaries and stipends	1,376,989	1,324,459
Payroll taxes		
FICA	104,536	103,498
Unemployment taxes	19,815	3,764
IMRF	160,978	155,944
Total payroll taxes	285,329	263,206
Employee benefits		
Group insurance	292,873	275,850
Uniforms	5,300	8,566
Total employee benefits	298,173	284,416
General operating		
Education	5,000	617
Gas heat	6,000	775
Electricity	316,000	349,794
Telephone	14,000	13,979
Postage	15,500	15,449
Publication legal notices	500	43
Supplies - general	11,000	10,503
Supplies - office	5,000	5,634
Supplies - sewer treatment	150,000	125,368
Supplies - water treatment	5,000	2,884
Motor fuel and lubrication	33,000	18,144
Conferences	4,500	2,801
Dues, subscriptions, and meetings	4,550	11,123

(This schedule is continued on the following pages.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
OPERATING EXPENSES (Continued)		
General operating (Continued)		
Training	\$ 3,500	\$ 1,094
Rentals	4,200	1,854
Employee physicals	1,200	911
Rubbish removal	11,000	9,462
Water meters	10,000	14,696
Safety program	4,000	869
Lab tests pretreatment	7,000	5,951
Operating software	10,000	1,300
Hardware	5,600	-
Other operating expenses	-	165
DuPage Water Commission	2,080,611	2,045,783
	<hr/>	<hr/>
Total general operating	2,707,161	2,639,199
Repairs and maintenance		
Vehicles	12,500	11,313
Equipment	14,000	13,600
Bulk material	10,000	12,661
Structures	138,000	83,059
Wells	33,000	52,184
Treatment plant	453,300	617,428
Lift stations	50,000	109,337
Sanitary sewers	50,000	106,033
Water systems	55,800	50,296
Meter repair	12,500	15,659
	<hr/>	<hr/>
Total repairs and maintenance	829,100	1,071,570
Professional services		
Legal	439,500	157,267
Engineering	83,500	20,004
Accounting	40,000	33,906
Payroll	2,400	3,320
Audit	28,000	24,873
Janitorial	17,250	14,118
Other services	26,000	33,143
	<hr/>	<hr/>
Total professional services	636,650	286,631

(This schedule is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2016

	<u>Budget</u>	<u>Actual</u>
OPERATING EXPENSES (Continued)		
Special services		
Sludge removal	\$ 80,000	\$ 62,079
Industrial pre-treatment	75,000	102,574
	<hr/>	<hr/>
Total special services	155,000	164,653
	<hr/>	<hr/>
Insurance		
Liability	22,275	25,768
Workers' compensation	42,310	41,466
	<hr/>	<hr/>
Total insurance	64,585	67,234
	<hr/>	<hr/>
Capital expenses - equipment	71,296	69,341
	<hr/>	<hr/>
TOTAL OPERATING EXPENSES	<u>\$ 6,424,283</u>	<u>\$ 6,170,709</u>

(See independent auditor's report.)

SUPPLEMENTAL DATA

VILLAGE OF ITASCA, ILLINOIS

**LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION BONDS, SERIES 2008B - VILLAGE PORTION**

April 30, 2016

Date of Issue	November 5, 2008
Date of Maturity	December 15, 2018
Authorized Issue	\$ 6,905,000
Denomination of Bonds	\$ 5,000
Interest Rates	3% to 4%
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
2017	\$ 675,000	\$ 83,800	\$ 758,800	2016	\$ 41,900	2016	\$ 41,900
2018	700,000	56,800	756,800	2017	28,400	2017	28,400
2019	720,000	28,800	748,800	2018	14,400	2018	14,400
	<u>\$ 2,095,000</u>	<u>\$ 169,400</u>	<u>\$ 2,264,400</u>		<u>\$ 84,700</u>		<u>\$ 84,700</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

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
2017	\$ 525,000	\$ 166,400	\$ 691,400	2016	\$ 83,200	2016	\$ 83,200
2018	550,000	145,400	695,400	2017	72,700	2017	72,700
2019	570,000	123,400	693,400	2018	61,700	2018	61,700
2020	595,000	100,600	695,600	2019	50,300	2019	50,300
2021	615,000	76,800	691,800	2020	38,400	2020	38,400
2022	640,000	52,200	692,200	2021	26,100	2021	26,100
2023	665,000	26,600	691,600	2022	13,300	2022	13,300
	<u>\$ 4,160,000</u>	<u>\$ 691,400</u>	<u>\$ 4,851,400</u>		<u>\$ 345,700</u>		<u>\$ 345,700</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

Date of Issue	August 15, 2006
Date of Maturity	December 15, 2021
Authorized Issue	\$ 900,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.3% to 5.1%
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
2017	\$ 65,000	\$ 21,672	\$ 86,672	2016	\$ 10,836	2016	\$ 10,836
2018	65,000	18,520	83,520	2017	9,260	2017	9,260
2019	70,000	15,336	85,336	2018	7,668	2018	7,668
2020	75,000	11,870	86,870	2019	5,935	2019	5,935
2021	80,000	8,120	88,120	2020	4,060	2020	4,060
2022	80,000	4,080	84,080	2021	2,040	2021	2,040
	<u>\$ 435,000</u>	<u>\$ 79,598</u>	<u>\$ 514,598</u>		<u>\$ 39,799</u>		<u>\$ 39,799</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

Date of Issue	December 3, 2009
Date of Maturity	February 1, 2039
Authorized Issue	\$ 24,000,000
Denomination of Bonds	\$ 5,000
Interest Rates	3.3% to 6.2%
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
2017	\$ 370,000	\$ 1,364,740	\$ 1,734,740	2017	\$ 682,370	2016	\$ 682,370
2018	380,000	1,348,830	1,728,830	2018	674,415	2017	674,415
2019	400,000	1,331,350	1,731,350	2019	665,675	2018	665,675
2020	420,000	1,312,350	1,732,350	2020	656,175	2019	656,175
2021	440,000	1,291,350	1,731,350	2021	645,675	2020	645,675
2022	470,000	1,268,910	1,738,910	2022	634,455	2021	634,455
2023	490,000	1,243,766	1,733,766	2023	621,883	2022	621,883
2024	520,000	1,217,060	1,737,060	2024	608,530	2023	608,530
2025	550,000	1,188,460	1,738,460	2025	594,230	2024	594,230
2026	580,000	1,158,210	1,738,210	2026	579,105	2025	579,105
2027	610,000	1,124,570	1,734,570	2027	562,285	2026	562,285
2028	640,000	1,089,190	1,729,190	2028	544,595	2027	544,595
2029	680,000	1,052,070	1,732,070	2029	526,035	2028	526,035
2030	720,000	1,012,630	1,732,630	2030	506,315	2029	506,315
2031	760,000	968,710	1,728,710	2031	484,355	2030	484,355
2032	1,190,000	922,350	2,112,350	2032	461,175	2031	461,175
2033	1,630,000	849,760	2,479,760	2033	424,880	2032	424,880
2034	1,730,000	750,330	2,480,330	2034	375,165	2033	375,165
2035	1,840,000	644,800	2,484,800	2035	322,400	2034	322,400
2036	1,950,000	530,720	2,480,720	2036	265,360	2035	265,360
2037	2,070,000	409,820	2,479,820	2037	204,910	2036	204,910
2038	2,200,000	281,480	2,481,480	2038	140,740	2037	140,740
2039	2,340,000	145,080	2,485,080	2039	72,540	2038	72,540
	<u>\$ 22,980,000</u>	<u>\$ 22,506,536</u>	<u>\$ 45,486,536</u>		<u>\$ 11,253,268</u>		<u>\$ 11,253,268</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

Date of Issue	February 11, 2014
Date of Maturity	December 15, 2033
Authorized Issue	\$ 3,340,000
Denomination of Bonds	\$ 5,000
Interest Rates	4.5%
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
2017	\$ 115,000	\$ 139,500	\$ 254,500	2016	\$ 69,750	2016	\$ 69,750
2018	120,000	134,325	254,325	2017	67,162	2017	67,162
2019	125,000	128,925	253,925	2018	64,463	2018	64,463
2020	130,000	123,300	253,300	2019	61,650	2019	61,650
2021	140,000	117,450	257,450	2020	58,725	2020	58,725
2022	145,000	111,150	256,150	2021	55,575	2021	55,575
2023	150,000	104,625	254,625	2022	52,312	2022	52,312
2024	155,000	97,875	252,875	2023	48,938	2023	48,938
2025	165,000	90,900	255,900	2024	45,450	2024	45,450
2026	170,000	83,475	253,475	2025	41,738	2025	41,738
2027	180,000	75,825	255,825	2026	37,913	2026	37,913
2028	185,000	67,725	252,725	2027	33,863	2027	33,863
2029	195,000	59,400	254,400	2028	29,700	2028	29,700
2030	205,000	50,625	255,625	2029	25,312	2029	25,312
2031	215,000	41,400	256,400	2030	20,700	2030	20,700
2032	225,000	31,725	256,725	2031	15,862	2031	15,862
2033	235,000	21,600	256,600	2032	10,800	2032	10,800
2034	245,000	11,025	256,025	2033	5,512	2033	5,512
	<u>\$ 3,100,000</u>	<u>\$ 1,490,850</u>	<u>\$ 4,590,850</u>		<u>\$ 745,425</u>		<u>\$ 745,425</u>

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF INSURANCE IN FORCE

April 30, 2016

Type of Coverage	Amount of Coverage	Expiration Date	Insurance Company
Commercial property		5/1/2016	Federal Insurance Company
Building and contents	\$ 69,590,899		
Business income including extra expense	2,050,000		
General liability		5/1/2016	Argonaut Great Central Insurance Company
General aggregate	3,000,000		
Products and completed ops aggregate	3,000,000		
Personal and advertising injury	1,000,000		
Each occurrence	1,000,000		
Fire damage (any one fire)	1,000,000		
Monies and securities	50,000		
Commercial automobile		5/1/2016	Argonaut Great Central Insurance Company
Liability	1,000,000		
Personal injury protection	N/A		
Uninsured motorist	100,000		
Underinsured motorist	100,000		
Umbrella		5/1/2016	Argonaut Great Central Insurance Company
Liability	9,000,000		
Annual aggregate	9,000,000		
Retained limit	1,000,000		
Workers' compensation		12/31/2016	Illinois Public Risk Fund
Each accident	2,500,000		
Disease - policy limit	2,500,000		
Disease - each employee	2,500,000		
Law enforcement liability		5/1/2016	Argonaut Great Central Insurance Company
Annual aggregate	3,000,000		
Each person/each wrongful act	1,000,000		
Public officials' and employment practices liability		5/1/2016	Argonaut Great Central Insurance Company
Annual aggregate	3,000,000		
Each wrongful act	1,000,000		
Cyber liability		6/2/2016	Lloyd's London
Annual aggregate	1,000,000		
Each and every claim	1,000,000		
Storage tank liability		8/1/2016	Ace Tank Safe
Annual aggregate	1,000,000		
Per storage tank	1,000,000		

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

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

April 30, 2016

<u>Levy Year</u>	<u>2015</u>	<u>2014</u>
Residential	\$ 233,030,760	\$ 218,227,923
Farms	12,895	13,170
Commercial	154,191,190	137,943,310
Industrial	169,739,280	156,149,166
	<u>\$ 556,974,125</u>	<u>\$ 512,333,569</u>

<u>Levy Year</u>	<u>2015</u>		<u>2014</u>	
	<u>Rate</u>	<u>Taxes</u>	<u>Rate</u>	<u>Taxes</u>
	<u>Extended</u>	<u>Extended</u>	<u>Extended</u>	<u>Extended</u>
Corporate	0.2063	\$ 1,149,038	0.2638	\$ 1,351,536
Bond and interest	0.1376	766,396	0.1485	760,815
Police Pension	0.1645	916,222	0.1356	694,724
TOTAL	<u>0.5084</u>	<u>\$ 2,831,656</u>	<u>0.5479</u>	<u>\$ 2,807,075</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 2015 and 2014 were \$530,147 and \$515,708, respectively.

(See independent auditor's report.)

VILLAGE OF ITASCA, ILLINOIS

SCHEDULE OF LEGAL DEBT MARGIN

April 30, 2016

Assessed valuation - 2015	<u>\$ 556,974,125</u>
Legal debt limit - 8.625% of assessed valuation	\$ 48,039,018
Amount of debt applicable to debt limit	
Village's general obligation debt	<u>7,600,000</u>
LEGAL DEBT MARGIN	<u>\$ 40,439,018</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

	2007	2008	2009	2010
GOVERNMENTAL ACTIVITIES				
Net investment in capital assets	\$ 90,363,723	\$ 90,666,984	\$ 89,814,800	\$ 88,007,793
Restricted	1,212,231	1,862,030	1,253,137	1,258,176
Unrestricted	4,763,977	5,216,861	5,750,004	3,982,441
TOTAL GOVERNMENTAL ACTIVITIES	\$ 96,339,931	\$ 97,745,875	\$ 96,817,941	\$ 93,248,410
BUSINESS-TYPE ACTIVITIES				
Net investment in capital assets	\$ 9,761,557	\$ 9,875,478	\$ 10,895,076	\$ 15,160,848
Unrestricted	3,203,420	4,164,856	2,604,176	2,291,186
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 12,964,977	\$ 14,040,334	\$ 13,499,252	\$ 17,452,034
PRIMARY GOVERNMENT				
Net investment in capital assets	\$ 100,125,280	\$ 100,542,462	\$ 100,709,876	\$ 103,168,641
Restricted	1,212,231	1,862,030	1,253,137	1,258,176
Unrestricted	7,967,397	9,381,717	8,354,180	6,273,627
TOTAL PRIMARY GOVERNMENT	\$ 109,304,908	\$ 111,786,209	\$ 110,317,193	\$ 110,700,444

The Village implemented GASB Statement No. 68 during 2016.

Data Source

Audited Financial Statements

2011	2012	2013	2014	2015	2016
\$ 86,086,632	\$ 84,355,772	\$ 82,462,526	\$ 79,463,098	\$ 78,202,970	\$ 77,774,223
1,531,216	3,135,730	3,703,525	4,159,291	5,503,700	5,315,395
4,348,107	5,064,981	7,298,521	10,516,995	7,584,042	(7,187,454)
\$ 91,965,955	\$ 92,556,483	\$ 93,464,572	\$ 94,139,384	\$ 91,290,712	\$ 75,902,164
\$ 18,219,626	\$ 12,273,883	\$ 11,769,338	\$ 10,421,964	\$ 9,467,059	\$ 8,705,616
(2,796,758)	2,318,579	1,310,939	1,411,824	1,523,896	474,563
\$ 15,422,868	\$ 14,592,462	\$ 13,080,277	\$ 11,833,788	\$ 10,990,955	\$ 9,180,179
\$ 104,306,258	\$ 96,629,655	\$ 94,231,864	\$ 89,885,062	\$ 87,670,029	\$ 86,479,839
1,531,216	3,135,730	3,703,525	4,159,291	5,503,700	5,315,395
1,551,349	7,383,560	8,609,460	11,928,819	9,107,938	(6,712,891)
\$ 107,388,823	\$ 107,148,945	\$ 106,544,849	\$ 105,973,172	\$ 102,281,667	\$ 85,082,343

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION

Last Ten Fiscal Years

	2007	2008	2009	2010
EXPENSES				
Governmental activities				
General government	\$ 2,941,755	\$ 3,581,580	\$ 2,290,560	\$ 3,169,008
Public safety	4,148,812	4,286,245	4,575,914	4,496,515
Community development	741,270	935,394	720,154	630,901
Public works	6,461,997	6,087,127	6,977,922	7,265,891
Interest	785,497	783,039	520,596	586,624
Total governmental activities expenses	15,079,331	15,673,385	15,085,146	16,148,939
Business-type activities				
Water and sewer	3,665,069	3,751,457	4,286,466	5,175,724
Interest	-	-	-	-
Total business-type activities expenses	3,665,069	3,751,457	4,286,466	5,175,724
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 18,744,400	\$ 19,424,842	\$ 19,371,612	\$ 21,324,663
PROGRAM REVENUES				
Governmental activities				
Charges for services				
Public safety	\$ 368,587	\$ 361,356	\$ 450,838	\$ 519,982
Community development	1,054,575	974,183	833,278	522,792
Public Works	199,299	170,857	236,314	122,632
Operating grants and contributions	240,885	231,773	216,643	209,518
Capital grants and contributions	29,021	34,965	29,497	31,624
Total governmental activities program revenues	1,892,367	1,773,134	1,766,570	1,406,548
Business-type activities				
Charges for services				
Water and sewer	3,227,030	3,786,271	3,755,646	3,956,315
Capital grants and contributions	-	443,923	-	5,000,000
Total business-type activities program revenues	3,227,030	4,230,194	3,755,646	8,956,315
TOTAL PRIMARY GOVERNMENT PROGRAM REVENUES	\$ 5,119,397	\$ 6,003,328	\$ 5,522,216	\$ 10,362,863
NET REVENUE (EXPENSE)				
Governmental activities	\$ (13,186,964)	\$ (13,900,251)	\$ (13,318,576)	\$ (14,742,391)
Business-type activities	(438,039)	478,737	(530,820)	3,780,591
TOTAL PRIMARY GOVERNMENT NET REVENUE (EXPENSE)	\$ (13,625,003)	\$ (13,421,514)	\$ (13,849,396)	\$ (10,961,800)

	2011	2012	2013	2014	2015	2016
\$	3,023,830	\$ 2,907,797	\$ 2,539,131	\$ 2,877,330	\$ 4,703,106	\$ 3,479,155
	5,010,422	5,005,282	4,898,678	4,938,440	5,440,539	6,058,119
	544,921	596,880	627,001	982,497	753,760	942,210
	4,634,428	4,367,247	5,320,761	5,566,081	6,281,524	5,642,221
	483,783	455,089	424,737	580,185	567,260	478,048
	13,697,384	13,332,295	13,810,308	14,944,533	17,746,189	16,599,753
	5,013,429	5,075,192	6,191,690	6,933,727	8,637,501	9,558,386
	1,402,584	1,402,584	1,402,734	1,400,011	-	-
	6,416,013	6,477,776	7,594,424	8,333,738	8,637,501	9,558,386
\$	20,113,397	\$ 19,810,071	\$ 21,404,732	\$ 23,278,271	\$ 26,383,690	\$ 26,158,139
\$	404,189	\$ 431,769	\$ 412,952	\$ 485,700	\$ 390,293	\$ 309,180
	554,281	707,154	643,243	1,058,825	905,238	756,655
	127,079	130,679	120,415	118,705	132,778	148,505
	265,159	248,220	205,955	213,525	211,962	221,232
	180,823	57,932	131,517	393,789	153,613	32,399
	1,531,531	1,575,754	1,514,082	2,270,544	1,793,884	1,467,971
	4,100,378	4,898,635	5,762,679	6,481,304	6,561,926	7,568,954
	-	-	-	-	-	-
	4,100,378	4,898,635	5,762,679	6,481,304	6,561,926	7,568,954
\$	5,631,909	\$ 6,474,389	\$ 7,276,761	\$ 8,751,848	\$ 8,355,810	\$ 9,036,925
\$	(12,165,853)	\$ (11,756,541)	\$ (12,296,226)	\$ (12,673,989)	\$ (15,952,305)	\$ (15,131,782)
	(2,315,635)	(1,579,141)	(1,831,745)	(1,852,434)	(2,075,575)	(1,989,432)
\$	(14,481,488)	\$ (13,335,682)	\$ (14,127,971)	\$ (14,526,423)	\$ (18,027,880)	\$ (17,121,214)

VILLAGE OF ITASCA, ILLINOIS

CHANGE IN NET POSITION (Continued)

Last Ten Fiscal Years

	2007	2008	2009	2010
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS				
Governmental activities				
Taxes				
Property	\$ 2,973,502	\$ 3,150,538	\$ 3,197,830	\$ 3,585,694
Hotel	1,106,901	1,287,674	1,074,228	775,908
Intergovernmental	9,439,468	8,921,315	7,321,700	6,277,113
Miscellaneous	421,512	548,799	336,229	460,596
Investment income	249,759	314,503	212,177	73,549
Transfers in (out)	-	-	248,478	-
Total governmental activities	14,191,142	14,222,829	12,390,642	11,172,860
Business-type activities				
Intergovernmental	-	-	-	-
Miscellaneous	94,829	98,091	103,751	121,029
Investment income	159,854	192,068	134,465	51,162
Transfers in (out)	-	-	(248,478)	-
Total business-type activities	254,683	290,159	(10,262)	172,191
TOTAL PRIMARY GOVERNMENT	\$ 14,445,825	\$ 14,512,988	\$ 12,380,380	\$ 11,345,051
CHANGE IN NET POSITION				
Governmental activities	\$ 1,004,178	\$ 322,578	\$ (927,934)	\$ (3,569,531)
Business-type activities	(183,356)	768,896	(541,082)	3,952,782
TOTAL PRIMARY GOVERNMENT CHANGE IN NET POSITION	\$ 820,822	\$ 1,091,474	\$ (1,469,016)	\$ 383,251

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	2,845,048	\$ 2,891,673	\$ 2,922,967	\$ 2,979,754	\$ 3,269,634	\$ 3,529,622
	893,270	1,042,657	1,229,225	1,214,144	1,260,731	1,237,362
	6,289,842	7,892,212	8,518,068	8,474,428	8,300,237	7,548,238
	824,101	503,931	626,420	639,080	713,792	995,486
	31,137	16,596	35,226	41,397	50,016	62,813
	-	-	-	-	(490,777)	-
	10,883,398	12,347,069	13,331,906	13,348,803	13,103,633	13,373,521
	-	490,777	490,777	451,761	451,661	448,652
	117,357	173,003	143,008	152,334	288,910	183,328
	169,112	84,955	6,797	1,850	1,394	1,135
	-	-	-	-	490,777	-
	286,469	748,735	640,582	605,945	1,232,742	633,115
\$	11,169,867	\$ 13,095,804	\$ 13,972,488	\$ 13,954,748	\$ 14,336,375	\$ 14,006,636
\$	(1,282,455)	\$ 590,528	\$ 1,035,680	\$ 674,814	\$ (2,848,672)	\$ (1,758,261)
	(2,029,166)	(830,406)	(1,191,163)	(1,246,489)	(842,833)	(1,356,317)
\$	(3,311,621)	\$ (239,878)	\$ (155,483)	\$ (571,675)	\$ (3,691,505)	\$ (3,114,578)

VILLAGE OF ITASCA, ILLINOIS

FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2007	2008	2009	2010
GENERAL FUND				
Restricted	\$ 15,683	\$ 57,645	\$ 52,353	\$ 66,301
Unrestricted				
Unassigned	5,254,091	5,873,196	5,206,535	3,504,380
TOTAL GENERAL FUND	\$ 5,269,774	\$ 5,930,841	\$ 5,258,888	\$ 3,570,681
ALL OTHER GOVERNMENTAL FUNDS				
Restricted				
Debt Service Funds	\$ 482,546	\$ 485,115	\$ 139,505	\$ 146,577
Highways and streets	-	361,229	207,863	423,612
Tourism	-	884,148	870,615	621,686
Special service areas	-	-	-	-
Unrestricted				
Assigned	2,228,818	407,897	1,372,780	1,390,737
Unassigned	-	-	-	-
TOTAL ALL OTHER GOVERNMENTAL FUNDS	\$ 2,711,364	\$ 2,138,389	\$ 2,590,763	\$ 2,582,612

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

Data Source

Audited Financial Statements

2011	2012*	2013	2014	2015	2016
\$ 66,378	\$ 28,829	\$ 29,750	\$ 32,584	\$ 35,375	\$ 35,375
3,847,515	5,982,901	8,071,249	9,851,800	10,128,426	9,642,012
<u>\$ 3,913,893</u>	<u>\$ 6,011,730</u>	<u>\$ 8,100,999</u>	<u>\$ 9,884,384</u>	<u>\$ 10,163,801</u>	<u>\$ 9,677,387</u>
\$ 146,018	\$ 144,975	\$ 144,975	\$ 399,709	\$ 393,413	\$ 485,254
315,492	197,337	209,596	236,020	300,244	320,821
1,003,328	1,289,202	1,838,982	2,271,858	2,409,882	2,252,892
-	1,475,387	1,480,222	4,460,058	2,364,786	2,221,053
1,401,661	-	-	-	-	-
-	(62,801)	(62,714)	(66,874)	(80,615)	(62,891)
<u>\$ 2,866,499</u>	<u>\$ 3,044,100</u>	<u>\$ 3,611,061</u>	<u>\$ 7,300,771</u>	<u>\$ 5,387,710</u>	<u>\$ 5,217,129</u>

VILLAGE OF ITASCA, ILLINOIS

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	2007	2008	2009	2010
REVENUES				
Taxes	\$ 2,973,502	\$ 3,150,538	\$ 3,197,830	\$ 3,585,694
Hotel taxes	1,106,901	1,287,674	1,074,228	775,908
Licenses and permits	1,054,575	974,183	833,278	522,792
Intergovernmental	9,439,468	8,921,315	7,321,700	6,277,113
Food and beverage tax	-	-	-	-
Grants	275,547	266,738	246,140	241,142
Charges for services	199,299	170,857	236,314	122,632
Fines and forfeits	368,587	361,356	450,838	519,982
Investment income	249,759	314,503	212,177	73,549
Miscellaneous	415,871	548,799	336,229	460,596
Total revenues	16,083,509	15,995,963	13,908,734	12,579,408
EXPENDITURES				
General government	2,875,802	3,288,520	3,243,367	3,034,057
Public safety	4,251,280	4,243,856	4,498,301	4,431,600
Community development	730,593	939,489	712,405	623,152
Public works	3,296,808	4,004,222	3,484,131	3,826,295
Debt service				
Principal	1,210,000	1,305,000	1,495,000	1,750,000
Interest	785,497	767,909	563,410	610,662
Issuance costs	-	-	68,671	-
Capital outlay	974,830	254,685	380,177	-
Total expenditures	14,124,810	14,803,681	14,445,462	14,275,766
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,958,699	1,192,282	(536,728)	(1,696,358)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	327,000	1,264,565	107,055
Transfers (out)	-	(327,000)	(1,016,087)	(107,055)
Bonds issued at par	900,000	-	6,905,000	-
Premium on bonds issued	-	-	99,797	-
Payment to escrow agent	-	-	(6,936,126)	-
Total other financing sources (uses)	900,000	-	317,149	-
NET CHANGE IN FUND BALANCES	\$ 2,858,699	\$ 1,192,282	\$ (219,579)	\$ (1,696,358)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	13.22%	13.77%	13.88%	10.38%

Data Source

Audited Financial Statements

	2011	2012	2013	2014	2015	2016
\$	2,845,048	\$ 2,891,673	\$ 2,922,967	\$ 2,979,754	\$ 3,269,634	\$ 3,529,623
	893,270	1,042,657	1,229,225	1,214,144	1,260,731	1,236,684
	554,281	707,154	643,243	1,058,825	905,238	756,655
	6,289,842	7,751,241	8,219,668	8,197,985	8,019,155	7,391,561
	-	140,971	298,400	276,443	281,082	303,324
	445,982	306,152	337,472	607,313	365,575	253,631
	127,079	130,679	120,415	118,705	132,778	148,505
	404,189	431,769	412,952	485,700	390,293	309,180
	31,137	16,596	35,226	41,397	50,016	62,813
	824,100	503,931	626,420	769,080	848,792	996,163
	12,414,928	13,922,823	14,845,988	15,749,346	15,523,294	14,988,139
	2,580,592	2,535,508	2,492,045	3,053,028	2,956,224	3,551,876
	4,842,148	4,826,298	4,785,808	4,719,758	5,092,099	5,543,869
	537,172	589,131	619,252	974,748	746,902	895,383
	1,885,239	1,784,094	2,512,072	2,788,188	3,545,124	3,241,538
	1,050,000	1,075,000	1,110,000	1,265,000	1,440,000	1,460,000
	513,474	466,314	436,378	482,338	560,577	531,468
	99,143	-	-	82,385	-	-
	379,204	371,040	234,203	250,805	2,325,235	421,000
	11,886,972	11,647,385	12,189,758	13,616,250	16,666,161	15,645,134
	527,956	2,275,438	2,656,230	2,133,096	(1,142,867)	(656,995)
	188,328	280,975	(119,530)	127,833	315,130	240,038
	(188,328)	(280,975)	119,530	(127,833)	(805,907)	(240,038)
	6,955,000	-	-	3,340,000	-	-
	434,323	-	-	-	-	-
	(7,290,180)	-	-	-	-	-
	99,143	-	-	3,340,000	(490,777)	-
\$	627,099	\$ 2,275,438	\$ 2,656,230	\$ 5,473,096	\$ (1,633,644)	\$ (656,995)
	12.53%	15.45%	12.45%	12.73%	10.53%	12.40%

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
2006	2007	\$ 7,778	\$ 295,504,050	\$ 166,689,100	\$ 206,376,723	\$ 668,577,651	\$ 0.3618	\$ 2,007,740,694	33.30%
2007	2008	7,122	330,340,316	170,646,600	207,026,446	708,020,484	0.3503	2,126,187,640	33.30%
2008	2009	7,712	342,677,353	183,671,090	215,541,930	741,898,085	0.3411	2,227,922,177	33.30%
2009	2010	7,549	343,982,282	186,325,060	207,669,070	737,983,961	0.3475	2,216,168,051	33.30%
2010	2011	8,995	314,640,341	169,290,760	186,121,655	670,061,751	0.3888	2,012,197,450	33.30%
2011	2012	9,896	273,668,733	156,950,010	186,755,430	617,384,069	0.4290	1,854,006,213	33.30%
2012	2013	10,890	242,912,083	150,714,120	171,702,060	565,339,153	0.4811	1,697,715,174	33.30%
2013	2014	11,974	222,443,542	140,820,800	162,870,496	526,146,812	0.5257	1,580,020,456	33.30%
2014	2015	13,170	218,227,923	137,943,310	156,149,166	512,333,569	0.5479	1,538,539,246	33.30%
2015	2016	12,895	233,030,760	154,191,190	169,739,280	556,974,125	0.5084	1,672,594,970	33.30%

Note: Property in the Village is reassessed each year. Property is assessed at 33.3% of actual value.

Data Source

Dupage County Clerk

VILLAGE OF ITASCA, ILLINOIS

LEGAL DEBT MARGIN INFORMATION

Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	\$ 57,664,822	\$ 61,066,767	\$ 63,988,710	\$ 63,651,117	\$ 57,792,826	\$ 53,249,376	\$ 48,760,505	\$ 45,380,163	\$ 44,188,770	\$ 48,039,018
Total net debt applicable to limit	13,950,000	15,630,000	13,950,000	15,210,000	13,745,000	12,565,000	9,600,000	10,140,000	8,890,000	7,600,000
LEGAL DEBT MARGIN	\$ 41,034,822	\$ 45,436,767	\$ 50,038,710	\$ 48,441,117	\$ 44,047,826	\$ 40,684,376	\$ 39,160,505	\$ 35,240,163	\$ 35,298,770	\$ 40,439,018
TOTAL NET DEBT APPLICABLE TO THE LIMIT AS A PERCENTAGE OF DEBT LIMIT	24.2%	25.6%	21.8%	23.9%	23.8%	23.6%	19.7%	22.3%	20.1%	15.8%

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
2007	1.00%	0.50%	0.25%	0.25%	0.25%	5.00%	7.25%
2008	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2009	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2010	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2011	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2012	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2013	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2014	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2015	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%
2016	1.00%	0.50%	0.25%	0.25%	0.75%	5.00%	7.75%

Data Source

Department of Revenue

VILLAGE OF ITASCA, ILLINOIS

GENERAL SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General merchandise	\$ 3,859	\$ 4,391	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	69,010	75,375	77,681	58,027	69,685	71,356	59,645	47,343	44,408	39,726
Drinking and eating places	227,594	233,291	214,604	190,185	191,295	211,215	199,475	201,522	212,164	216,663
Apparel	50	85	-	-	-	-	-	-	-	-
Furniture, H.H. and Radio	1,834,595	1,458,839	701,759	418,238	355,206	401,768	536,120	672,675	557,776	629,881
Lumber, building hardware	101,756	133,851	159,711	97,365	128,416	150,210	114,813	70,321	75,764	78,416
Automobile and filling stations	238,120	203,780	215,781	217,969	255,310	332,154	332,510	316,819	310,032	317,187
Drugs and miscellaneous retail	624,364	1,304,740	688,817	567,531	436,620	860,024	1,005,514	1,229,242	1,144,855	898,115
Agriculture and all others	1,695,064	1,056,674	1,477,110	1,560,867	1,429,088	885,155	842,335	548,828	544,068	556,700
Manufacturers	314,405	272,434	223,746	185,519	218,433	114,804	129,186	122,365	129,276	110,001
TOTAL	\$ 5,108,816	\$ 4,743,461	\$ 3,759,209	\$ 3,295,702	\$ 3,084,053	\$ 3,026,686	\$ 3,219,597	\$ 3,209,115	\$ 3,018,342	\$ 2,846,690
VILLAGE DIRECT SALES TAX RATE	1.00%									

Note: Data available for calendar year only.

Data Source

Illinois Department of Revenue

VILLAGE OF ITASCA, ILLINOIS

NON-HOME RULE SALES TAX BY CATEGORY

Last Ten Calendar Years

Calendar Year	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General merchandise	\$ 1,291	\$ 2,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	30,679	33,557	34,504	24,691	30,889	32,148	26,832	21,101	18,996	16,314
Drinking and eating places	112,374	116,546	107,187	95,028	95,545	105,530	99,676	100,670	105,428	108,218
Apparel	25	43	-	-	-	-	-	-	-	-
Furniture, H.H. and radio	901,488	725,453	350,879	209,120	177,604	200,886	268,061	336,338	278,889	314,853
Lumber, building hardware	64,841	66,914	78,901	49,498	64,208	74,140	57,336	35,159	37,869	39,199
Automobile and filling stations	87,979	43,477	91,441	86,522	104,673	143,824	142,331	135,476	132,050	107,926
Drugs and miscellaneous retail	274,905	620,471	308,856	250,876	186,931	397,634	469,900	484,400	438,877	370,836
Agriculture and all others	838,621	524,556	606,279	504,141	557,078	308,945	289,407	252,599	271,262	272,605
Manufacturers	154,241	138,890	110,346	91,360	107,892	55,569	63,048	59,493	62,826	52,872
TOTAL	\$ 2,466,444	\$ 2,272,102	\$ 1,688,392	\$ 1,311,237	\$ 1,324,820	\$ 1,318,677	\$ 1,416,591	\$ 1,425,236	\$ 1,346,196	\$ 1,282,822
VILLAGE NON-HOME RULE TAX RATE	0.50%									

Data available for calendar year only.

Data Source

Illinois Department of Revenue

ORDINANCE NO. 1826-16

**AN ORDINANCE GRANTING APPROVAL FOR A SPECIAL USE PERMIT FOR
925 W. THORNDALE AVE (Major Prime Plastics)**

WHEREAS, Major Prime Plastics, Inc. (“Petitioner”) has filed a petition requesting a special use permit for 925 W. Thorndale Avenue in the Village of Itasca (hereinafter “Subject Property”) in the M Limited Manufacturing District; and

WHEREAS, Petitioner seeks a special use permit pursuant to Section 11.02(3) of the Itasca Zoning Ordinance to allow for outdoor storage; and

WHEREAS, Petitioner has submitted an application, attached hereto as Exhibit A, for the special use permit, and a public hearing was held by the Itasca Plan Commission on October 19, 2016, pursuant to public notice as required by law, with respect to Petitioner’s application; and

WHEREAS, the Plan Commission made the following findings of facts with respect to the amended special use permit:

- (1) The approval of the special use is in the public interest and not solely for the interest of the applicant.
- (2) The proposed use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of public convenience and will contribute to the general welfare of the neighborhood or community.
- (3) Such use will not under the circumstances of the particular case be detrimental to the health, safety, morals or general welfare of persons residing or working in the vicinity or injurious to property values or improvements in the vicinity.
- (4) The proposed use will comply with the regulations and conditions specified in the Zoning Ordinance for such use, and with the stipulations and conditions made a part of the authorization granted by the Village Board of Trustees.

WHEREAS, the Itasca Plan Commission voted to recommend that the Village authorities grant the special use permit and approve the variance, subject to the following conditions:

- (1) Permit documents must be in substantial compliance with Plan Commission/Village Board submittal.
- (2) The project must comply with all Village Ordinances, Building Codes, and the DuPage County Stormwater Ordinance.
- (3) The Special Use will become null and void if not exercised within one-year from the date of Village Board approval.

- (4) The Special Use is for Major Prime Plastics only and will be revoked if they should cease to operate at this location.
- (5) If outdoor storage ceases for a period of 90 days or more, the Special Use will become null and void.
- (6) Storage is limited to the areas shown on the site plan prepared by the applicant.
- (7) Revise site plan to indicate the location of stored polypropylene fabric.
- (8) Revise site plan to indicate the maximum quantities of each type of stored item and a maximum height of 8' for all stacked materials, and approximate area/dimensions of stored items. The plan should be amended to include striping of the storage area boundary.
- (9) Limit the number of propane tanks to be stored to 28, within the existing storage cabinets located along the east wall of the building near the man door.
- (10) Storage is not to encroach on any employee or visitor parking.
- (11) Ample backing and turning areas must be maintained.
- (12) Performance standards for fuel storage in the M Limited Manufacturing District must be met.
- (13) Provide solid screening enclosure for dumpster in the appropriate location pursuant to the requirements of Code.
- (14) Adherence to Fire District review comments in memo from Leigh Fabbri, Itasca Fire Protection District No. 1, dated October 13, 2016.

NOW, THEREFORE, BE IT ORDAINED by the President and Board of Trustees of the Village of Itasca, DuPage County, Illinois, as follows:

SECTION ONE: The corporate authorities hereby make the following findings of fact:

- (1) The approval of the special use is in the public interest and not solely for the interest of the applicant.
- (2) The proposed use at the particular location requested is necessary or desirable to provide a service or a facility which is in the interest of public convenience and will contribute to the general welfare of the neighborhood or community.
- (3) Such use will not under the circumstances of the particular case be detrimental to the health, safety, morals or general welfare of persons residing or working in the vicinity or injurious to property values or improvements in the vicinity.

- (4) The proposed use will comply with the regulations and conditions specified in the Zoning Ordinance for such use, and with the stipulations and conditions made a part of the authorization granted by the Village Board of Trustees.

SECTION TWO: The corporate authorities hereby grant Petitioner a special use permit to allow for outdoor storage in the M Limited Manufacturing District, subject to the conditions listed in Section Three below; and

SECTION THREE: The special use approved in Section Two are subject to the following conditions:

- (1) Permit documents must be in substantial compliance with Plan Commission/Village Board submittal.
- (2) The project must comply with all Village Ordinances, Building Codes, and the DuPage County Stormwater Ordinance.
- (3) The Special Use will become null and void if not exercised within one-year from the date of Village Board approval.
- (4) The Special Use is for Major Prime Plastics only and will be revoked if they should cease to operate at this location.
- (5) If outdoor storage ceases for a period of 90 days or more, the Special Use will become null and void.
- (6) Storage is limited to the areas shown on the site plan prepared by the applicant.
- (7) Revise site plan to indicate the location of stored polypropylene fabric.
- (8) Revise site plan to indicate the maximum quantities of each type of stored item and a maximum height of 8' for all stacked materials, and approximate area/dimensions of stored items. The plan should be amended to include striping of the storage area boundary.
- (9) Limit the number of propane tanks to be stored to 28, within the existing storage cabinets located along the east wall of the building near the man door.
- (10) Storage is not to encroach on any employee or visitor parking.
- (11) Ample backing and turning areas must be maintained.
- (12) Performance standards for fuel storage in the M Limited Manufacturing District must be met.
- (13) Provide solid screening enclosure for dumpster in the appropriate location pursuant to the requirements of Code.

- (14) Adherence to Fire District review comments in memo from Leigh Fabbri, Itasca Fire Protection District No. 1, dated October 13, 2016.

SECTION FOUR: All other aspects of the Subject Property are to be in compliance with all Village ordinances, including but not limited to the Itasca Zoning Ordinance, unless otherwise modified by ordinance.

SECTION FIVE: SEVERABILITY. The various provisions of this Ordinance are to be considered as severable, and if any part or portion of this Ordinance shall be held invalid by any Court of competent jurisdiction, such decision shall not affect the validity of the remaining provisions of this Ordinance.

SECTION SIX: REPEAL OF PRIOR ORDINANCES. All prior Ordinances and Resolutions in conflict or inconsistent herewith are hereby expressly repealed only to the extent of such conflict or inconsistency.

SECTION SEVEN: EFFECTIVE DATE. This Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

AYES: _____

NAYES: _____

ABSENT: _____

ABSTAIN: _____

APPROVED and ADOPTED by the Village President and Board of Trustees of the Village of Itasca this ____ day of November, 2016.

APPROVED:

Village President Jeffery J. Pruyn

ATTEST:

Village Clerk Melody J. Craven