

**Village of Itasca, Illinois**

**Annual Financial Report**

**For the fiscal year ended April 30, 2015**

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## **INTRODUCTORY SECTION**

**Village of Itasca, Illinois**

PRINCIPAL OFFICIALS

April 30, 2015

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PRESIDENT

Jeff Pruyn

TRUSTEES

Jeff Aiani  
Ellen Leahy  
Frank Madaras

Marty Hower  
Michael Latoria  
Lucy Santorsola

VILLAGE ADMINISTRATOR

Evan Teich

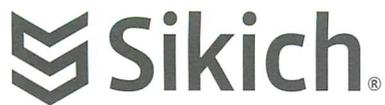
CLERK

Melody Craven

TREASURER

William Fates

**FINANCIAL SECTION**



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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, 2015, 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, 2015, 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.

## 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, supplemental information, and supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplemental information is 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.

A handwritten signature in black ink, appearing to read "Shuck LLP", is located at the bottom right of the page.

Naperville, Illinois  
November 9, 2015

VILLAGE OF ITASCA  
MANAGEMENT'S  
DISCUSSION AND ANALYSIS

April 30, 2015

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

## REPORTING THE VILLAGE AS A WHOLE

### Government-wide Financial Statements

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

The first government-wide statement is the *Statement of Net Position* that presents information about all of the Village's assets and liabilities, with the difference reported as *net position*. Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. Additionally, one would need to evaluate nonfinancial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

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

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

The Village's financial reporting includes the funds of the Village (primary government). The Village is not accountable for any outside organizations, and, therefore, no adjustments were made to blend financial information from other legally separate entities into this report.

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

## REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

### Fund Financial Statements

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

The Village has three kinds of funds:

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

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

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

The basic government fund financial statements are presented on pages 12-15 of this report.

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

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

The basic proprietary fund financial statements are presented on 16-18 of this report.

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

The basic fiduciary fund financial statements are presented on pages 19-20 of this report.

*Notes to the financial statements*

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements. The notes to the financial statements begin on page 23 of this report.

*Other information*

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

Major funds and component units are reported in the basic financial statements as discussed. Combining and individual schedules for non-major and internal service funds are presented in a subsequent section of this report beginning on page 70.

The Village's total primary government net position decreased \$2,848,672 as shown on page 12 of the report.

STATEMENT OF NET POSITION (IN MILLIONS)

	Governmental Activities		Business Type Activities		Total Primary Government	
	2015	2014	2015	2014	2014	2,014.0
Current & Other Assets	21.9	23.5	2.3	3.3	24.2	26.8
Capital Assets	87.9	90.5	46.1	48.0	134.0	138.5
Total Assets	109.8	114.0	48.4	51.3	158.2	165.3
Current Liabilities	1.4	4.5	1.7	1.1	3.1	5.6
Non-Current Liabilities	17.1	15.3	35.7	38.4	52.8	53.7
Total Liabilities	18.5	19.8	37.4	39.5	55.9	59.3
Net Assets Investment in Capital Assets net of related debt	78.2	79.5	9.5	9.8	87.7	89.3
Restricted	5.5	4.2	-	-	5.5	4.2
Unrestricted	7.6	10.5	1.5	2.0	9.1	12.5
Total Net Position	91.3	94.2	11.0	11.8	102.3	106.0

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

STATEMENT OF ACTIVITIES (IN MILLIONS)

	Governmental Activities		Business type Activities		Total Primary Government	
	2015	2014	2015	2014	2015	2014
Revenue:						
Program Revenues						
Charges for Services	\$ 1.4	\$ 1.7	\$ 6.6	6.5	\$ 8.0	8.2
Grants & Contributions	0.4	0.6	-	-	0.4	0.6
General Revenues						
Hotel Tax	1.3	1.2	-	-	1.3	1.2
Property Taxes	3.3	3.0	-	-	3.3	3.0
Inter-government Taxes	8.3	8.5	0.5	0.5	8.8	9.0
Investment Income	-	-	-	-	-	-
Others	0.7	0.6	0.3	0.2	1.0	0.8
Total Revenues	<u>15.4</u>	<u>15.6</u>	<u>7.4</u>	<u>7.2</u>	<u>22.8</u>	<u>22.8</u>
Expense:						
General						
Government	4.7	2.9	-	-	4.7	2.9
Public Safety	5.4	4.9	-	-	5.4	4.9
Community						
Development	0.8	1.0	-	-	0.8	1.0
Public Works	6.3	5.6	-	-	6.3	5.6
Interest	0.6	0.5	1.4	1.4	2.0	1.9
Water & Sewer	-	-	7.2	7.0	7.2	7.0
Total Expenses	<u>17.8</u>	<u>14.9</u>	<u>8.6</u>	<u>8.4</u>	<u>26.4</u>	<u>23.3</u>
(Increase) Decrease in net position	(2.4)	0.7	(1.2)	(1.2)	(3.6)	(0.5)

Financial Analysis of the Village's Funds

*Governmental Funds*

As discussed, governmental funds are reported in the fund statement with a short-term, inflow and outflow of spendable resources focus. This information is useful in assessing resources available at the end of the year in comparison with upcoming financing requirements. Governmental funds reported ending fund balances of \$15.6 million, down \$1.6 million from the prior year total of \$17.2 million.

### *Major Governmental Funds*

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The unassigned fund balance of the General Fund increased \$.3 from \$9.9 million to \$10.2 million. The General Fund cash balance of \$9.4 million remains within the policy limits established by the Village Board.

### *Enterprise funds*

The enterprise funds operated by the Village are the Water & Sewer. The Water Fund increased rates effective January 1, 2015. The Water and Sewer Fund rates were increased as of January 1, 2015 to provide additional Village resources directed to improving treatment of wastewater and increased expenses in overall fund operations.

### *General Fund Budgetary Highlights*

The original budget for the General Fund and actual expenditures did not exceed the budgeted amount.

### *Capital assets*

The Village established a policy of capitalizing assets with \$1,500 or more in value. The Village's investment in capital assets, net of accumulated depreciation, for governmental activities as of April 30, 2015 was \$87.9 million. The Village's investment in capital assets, net of accumulated depreciation, for business-type activities as of April 30, 2015 was \$46.1 million.

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

### *Long-term debt*

At the end of the fiscal year, the Village had total bonded debt outstanding of \$50.5 million. Of this amount, \$7.9 million is funded directly from property taxes. As a non-home rule government, under Illinois Law, the Village is limited to issuing debt to a level no greater than 8.625 % of the equalized assessed value. As of April 30, 2015 the Village debt represented 1.8 % of the equalized assessed value. Additional information about long-term debt can be found in Note G to the financial statements.

### *Bond Ratings*

The Village's general obligation bonds are rated Aa3 by Moody's Investor Rating Service. The Village's General obligation certificates are rated A2 by Moody's Investor Rating Service. The ratings were last confirmed in August 2012.

### *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.

*Contacting the Village's Financial Management*

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

## **BASIC FINANCIAL STATEMENTS**

**Village of Itasca, Illinois**  
**STATEMENT OF NET POSITION**  
April 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 14,664,234	\$ 1,049,928	\$ 15,714,162
Receivables			
Property taxes	3,322,783	-	3,322,783
Accounts	-	1,271,323	1,271,323
Sales and income taxes	1,233,882	-	1,233,882
Other	920,420	-	920,420
Net pension asset	143,423	-	143,423
Due from library	1,549,395	-	1,549,395
Capital assets			
Capital assets not being depreciated	40,473,800	1,335,645	41,809,445
Capital assets net of accumulated depreciation	47,390,106	44,736,818	92,126,924
<b>Total assets</b>	<b>109,698,043</b>	<b>48,393,714</b>	<b>158,091,757</b>
Deferred outflows	75,814	-	75,814
<b>Total assets and deferred outflows</b>	<b>109,773,857</b>	<b>48,393,714</b>	<b>158,167,571</b>
<b>LIABILITIES</b>			
Accounts payable	306,812	221,206	528,018
Accrued payroll	242,971	63,091	306,062
Accrued interest	198,498	344,772	543,270
Unearned revenue	54,445	-	54,445
Escrow deposits	510,102	-	510,102
Due to library	17,119	-	17,119
Due to fiduciary funds	4,510	-	4,510
Due to other governments	59,436	-	59,436
Noncurrent liabilities			
Due within one year	1,579,465	1,558,946	3,138,411
Due in more than one year	12,187,004	35,214,744	47,401,748
<b>Total liabilities</b>	<b>15,160,362</b>	<b>37,402,759</b>	<b>52,563,121</b>
Deferred inflows - property taxes	3,322,783	-	3,322,783
<b>Total liabilities and deferred inflows</b>	<b>18,483,145</b>	<b>37,402,759</b>	<b>55,885,904</b>
<b>NET POSITION</b>			
Net Investment in capital assets	78,202,970	9,467,059	87,670,029
Restricted for public safety	35,375	-	35,375
Restricted for streets	300,244	-	300,244
Restricted for tourism	2,409,882	-	2,409,882
Restricted for debt service	393,413	-	393,413
Restricted for special service areas	2,364,786	-	2,364,786
Unrestricted	7,584,042	1,523,896	9,107,938
<b>Total net position</b>	<b>\$ 91,290,712</b>	<b>\$ 10,990,955</b>	<b>\$ 102,281,667</b>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
**STATEMENT OF ACTIVITIES**  
For the year ended April 30, 2015

<u>Functions/Programs</u>	Program Revenues			
<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
<b>Primary government:</b>				
Governmental activities:				
General government	\$ 4,703,106	\$ -	\$ -	\$ -
Public safety	5,440,539	390,293	-	-
Community development	753,760	905,238	-	153,613
Public works	6,281,524	132,778	211,962	-
Interest expense	567,260	-	-	-
Total governmental activities	17,746,189	1,428,309	211,962	153,613
Business-type activities:				
Water and sewer	8,637,501	6,561,926	-	-
<b>Total primary government</b>	<b>\$ 26,383,690</b>	<b>\$ 7,990,235</b>	<b>\$ 211,962</b>	<b>\$ 153,613</b>

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

Total general revenues

Transfers

Change in net position

Net position - beginning

Net position - ending

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (4,703,106)	\$ -	\$ (4,703,106)
(5,050,246)	-	(5,050,246)
305,091	-	305,091
(5,936,784)	-	(5,936,784)
<u>(567,260)</u>	<u>-</u>	<u>(567,260)</u>
<u>(15,952,305)</u>	<u>-</u>	<u>(15,952,305)</u>
<u>-</u>	<u>(2,075,575)</u>	<u>(2,075,575)</u>
<u>(15,952,305)</u>	<u>(2,075,575)</u>	<u>(18,027,880)</u>
3,269,634	-	3,269,634
1,260,731	-	1,260,731
8,300,237	451,661	8,751,898
713,792	288,910	1,002,702
<u>50,016</u>	<u>1,394</u>	<u>51,410</u>
<u>13,594,410</u>	<u>741,965</u>	<u>14,336,375</u>
<u>(490,777)</u>	<u>490,777</u>	<u>-</u>
(2,848,672)	(842,833)	(3,691,505)
<u>94,139,384</u>	<u>11,833,788</u>	<u>105,973,172</u>
<u>\$ 91,290,712</u>	<u>\$ 10,990,955</u>	<u>\$ 102,281,667</u>

The accompanying notes are an integral part of this statement.

## Village of Itasca, Illinois

Governmental Funds

BALANCE SHEET

April 30, 2015

	General	General Obligation 2008	Non- Major Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 9,438,491	\$ -	\$ 5,225,743	\$ 14,664,234
Receivables				
Property taxes	2,046,260	760,815	515,708	3,322,783
Other	680,257	-	240,163	920,420
Sales and income taxes	1,233,882	-	-	1,233,882
Due from library	-	1,549,395	-	1,549,395
Due from other funds	65,587	-	19,672	85,259
Total assets	<u>\$ 13,464,477</u>	<u>\$ 2,310,210</u>	<u>\$ 6,001,286</u>	<u>\$ 21,775,973</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 301,067	\$ -	\$ 5,745	\$ 306,812
Accrued payroll	236,107	-	6,864	242,971
Unearned revenue	54,445	-	-	54,445
Escrow deposits	510,102	-	-	510,102
Due to library	17,119	-	-	17,119
Due to other funds	-	65,587	19,672	85,259
Due to fiduciary funds	4,510	-	-	4,510
Due to other governments	59,436	-	-	59,436
Compensated absences payable	71,630	-	-	71,630
Total liabilities	<u>1,254,416</u>	<u>65,587</u>	<u>32,281</u>	<u>1,352,284</u>
<b>Deferred inflows of resources</b>				
Property taxes	2,046,260	760,815	515,708	3,322,783
Unavailable revenue - due from other governments	-	1,549,395	-	1,549,395
Total deferred inflows of resources	<u>2,046,260</u>	<u>2,310,210</u>	<u>515,708</u>	<u>4,872,178</u>
Total liabilities and deferred inflows of resources	<u>3,300,676</u>	<u>2,375,797</u>	<u>547,989</u>	<u>6,224,462</u>
<b>Fund balances</b>				
<b>Restricted</b>				
Public Safety	35,375	-	-	35,375
Debt Service	-	-	393,413	393,413
Highway and streets	-	-	300,244	300,244
Tourism	-	-	2,409,882	2,409,882
Special service areas	-	-	2,364,786	2,364,786
<b>Unrestricted</b>				
Unassigned (deficit)	10,128,426	(65,587)	(15,028)	10,047,811
Total fund balances (deficit)	<u>10,163,801</u>	<u>(65,587)</u>	<u>5,453,297</u>	<u>15,551,511</u>
Total liabilities and fund balances	<u>\$ 13,464,477</u>	<u>\$ 2,310,210</u>	<u>\$ 6,001,286</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	87,863,906
Some of the Village's expenses are paid before the services have occurred; therefore, these expenses are reported as net pension assets.	143,423
Intergovernmental receivable from the Library is not unearned revenue on the statement of net position	1,549,395
Long-term liabilities, including bonds payable, accrued interest, and compensated absences payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(13,817,523)
Net position of governmental activities	<u>\$ 91,290,712</u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
 Governmental Funds  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 For the year ended April 30, 2015

	General	General Obligation 2008	Non- Major Funds	Total Governmental Funds
<b>Revenues</b>				
Property taxes	\$ 2,186,105	\$ 745,973	\$ 337,556	\$ 3,269,634
Hotel taxes	-	-	1,260,731	1,260,731
Licenses and permits	905,238	-	-	905,238
Intergovernmental	8,019,155	-	-	8,019,155
Food & Beverage Tax	281,082	-	-	281,082
Grants	153,613	-	211,962	365,575
Charges for services	132,778	-	-	132,778
Fines	390,293	-	-	390,293
Investment income	38,129	203	11,684	50,016
Miscellaneous	563,086	206,476	79,230	848,792
<b>Total revenues</b>	<b>12,669,479</b>	<b>952,652</b>	<b>1,901,163</b>	<b>15,523,294</b>
<b>Expenditures</b>				
<b>Current</b>				
General government	2,138,487	-	817,737	2,956,224
Public safety	5,092,099	-	-	5,092,099
Community development	746,902	-	-	746,902
Public works	3,545,124	-	-	3,545,124
<b>Debt service</b>				
Principal	485,000	765,000	190,000	1,440,000
Interest and fiscal agent fees	206,803	202,316	150,923	560,042
Issuance costs	-	-	535	535
Capital outlay	-	-	2,325,235	2,325,235
<b>Total expenditures</b>	<b>12,214,415</b>	<b>967,316</b>	<b>3,484,430</b>	<b>16,666,161</b>

Excess (deficiency) of revenues over expenditures	\$ <u>455,064</u>	\$ <u>(14,664)</u>	\$ <u>(1,583,267)</u>	\$ <u>(1,142,867)</u>
Other financing sources (uses)				
Transfers in	315,130	-	-	315,130
Transfer (out)	<u>(490,777)</u>	<u>-</u>	<u>(315,130)</u>	<u>(805,907)</u>
Total other financing sources (uses)	<u>(175,647)</u>	<u>-</u>	<u>(315,130)</u>	<u>(490,777)</u>
Net change in fund balances	279,417	(14,664)	(1,898,397)	(1,633,644)
Fund balances (deficit) - beginning of year	<u>9,884,384</u>	<u>(50,923)</u>	<u>7,351,694</u>	<u>17,185,155</u>
Fund balances (deficit) - end of year	<u><u>\$ 10,163,801</u></u>	<u><u>\$ (65,587)</u></u>	<u><u>\$ 5,453,297</u></u>	<u><u>\$ 15,551,511</u></u>

The accompanying notes are an integral part of this statement.

## Village of Itasca, Illinois

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

For the year ended April 30, 2015

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

Net change in fund balances - total governmental funds	\$ (1,633,644)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlay.	(2,601,734)
The change in the net pension asset is reported as an expense on the statement of activities.	4,171
The issuance of long-term debt (e.g., bonds, compensated absences) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt and increases in compensated absences consume the current financial resources of governmental funds.	<u>1,382,535</u>
Change in net position of governmental activities.	\$ <u><u>(2,848,672)</u></u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
Proprietary Fund - Water and Sewer  
STATEMENT OF NET POSITION  
April 30, 2015

<b>ASSETS</b>	
Current assets	
Cash and investments	\$ 1,049,928
Accounts receivable - Trade	<u>1,271,323</u>
Total current assets	<u>2,321,251</u>
Capital assets	
Cost	70,003,100
Less: accumulated depreciation	<u>23,930,637</u>
Net capital assets	<u>46,072,463</u>
Total assets	<u>48,393,714</u>
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	221,206
Accrued payroll	63,091
Bonds and loans payable-current portion	1,558,946
Accrued interest	<u>344,772</u>
Total current liabilities	2,188,015
Noncurrent liabilities	
Bonds payable	23,046,458
IEPA loan payable	12,000,000
Compensated absences payable	<u>168,286</u>
Total noncurrent liabilities	<u>35,214,744</u>
Total liabilities	<u>37,402,759</u>
<b>NET POSITION</b>	
Net investment in capital assets	9,467,059
Unrestricted	<u>1,523,896</u>
Total net position	<u>\$ 10,990,955</u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
Proprietary Fund - Water and Sewer  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN NET POSITION  
For the year ended April 30, 2015

<b>OPERATING REVENUES</b>	
Charges for services	
Water fees	\$ 3,337,710
Sewer fees	3,224,216
Miscellaneous	<u>288,910</u>
Total operating revenues	<u>6,850,836</u>
<b>OPERATING EXEPNSES EXCLUDING DEPRECIATION</b>	
Salaries/stipends	1,253,880
Payroll taxes	251,763
Employee benefits	259,065
General operating	2,510,325
Repairs and maintenance	503,416
Professional services	280,921
Special services	192,362
Insurance	<u>66,530</u>
Total operating expenses excluding depreciation	<u>5,318,262</u>
Operating income before depreciation	1,532,574
Depreciation and amortization	<u>1,929,867</u>
Operating income	<u>(397,293)</u>
Non-operating revenues and expenses	
Interest expense	(1,389,372)
Bond stimulus payment	451,661
Investment income	<u>1,394</u>
Total non-operating revenues and expenses	<u>(936,317)</u>
Income before transfers	(1,333,610)
Transfers in - from general fund	<u>490,777</u>
Change in net position	(842,833)
Net position - beginning of year	<u>11,833,788</u>
Net position - end of year	<u>\$ 10,990,955</u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
Proprietary Fund - Water and Sewer  
**STATEMENT OF CASH FLOWS**  
For the year ended April 30, 2015

<hr/>	
Cash flows from operating activities	
Receipts from customers and users	\$ 6,674,960
Payments to suppliers	(4,558,479)
Payments to employees	(1,239,454)
	<hr/>
Net cash from operating activities	877,027
	<hr/>
Cash flows from noncapital financing activities	
Loan payments	(1,607,000)
	<hr/>
Net cash from noncapital financing activities	(1,607,000)
	<hr/>
Cash flows from capital and related financing activities	
Transfer from general fund	490,777
Bond stimulus payment	451,661
Interest paid on bonds payable	(1,392,432)
	<hr/>
Net cash from capital and related financing activities	(449,994)
	<hr/>
Cash flows from investing activities	
Investment income	1,394
	<hr/>
Net cash from investing activities	1,394
	<hr/>
Net decrease in cash and equivalents	(1,178,573)
	<hr/>
Cash and equivalents	
Beginning of year	2,228,501
	<hr/>
End of year	\$ 1,049,928
	<hr/>
Reconciliation to statement of net position	
Cash and equivalents	\$ 1,049,928
	<hr/>
Cash and investments	\$ 1,049,928
	<hr/>
Cash flows from operating activities	
Operating income (loss)	\$ (397,293)
Adjustments to reconcile operating income (loss) to net cash used in operating activities	
Depreciation and amortization	1,929,867
Changes in assets and liabilities	
Accounts receivable	(175,876)
Accounts payable	(494,097)
Accrued payroll	2,081
Compensated absences	12,345
	<hr/>
Net cash from operating activities	\$ 877,027
	<hr/>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
Fiduciary Fund - Police Pension  
STATEMENT OF FIDUCIARY NET POSITION  
April 30, 2015

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<b>ASSETS</b>	
Cash and short-term investments	\$ 98,977
Investments, at fair value	
Money market mutual funds	393,421
Mutual funds	5,070,990
U.S. Treasury securities	1,536,849
U.S. agency securities	2,715,209
Corporate bonds	811,109
Corporate equity securities	4,579,122
Receivable (net, where applicable, of allowances for uncollectibles)	
Accrued interest	22,592
Due from general fund	<u>4,510</u>
 Total assets	 \$ <u><u>15,232,779</u></u>
<b>LIABILITIES</b>	
None	\$ <u>-</u>
<b>FIDUCIARY NET POSITION</b>	
Held in trust for employee pension benefits	\$ <u><u>15,232,779</u></u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
 Fiduciary Fund - Police Pension  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the year ended April 30, 2015

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ADDITIONS	
Employer contributions	\$ 677,725
Employee contributions	<u>215,723</u>
Total contributions	<u>893,448</u>
Investment income	
Interest and dividend income	563,317
Net appreciation in fair value of investments	<u>327,353</u>
Total investment income	890,670
Less investment expense	<u>(130,819)</u>
Net investment income	<u>759,851</u>
Total additions	<u>1,653,299</u>
Deductions	
Benefit payments	1,041,152
Administrative expenses	<u>25,762</u>
Total deductions	<u>1,066,914</u>
Net increase in fiduciary net position	586,385
Fiduciary net position at beginning of year	<u>14,646,394</u>
Fiduciary net position at end of year	<u>\$ 15,232,779</u>

The accompanying notes are an integral part of this statement.

**Village of Itasca, Illinois**  
**INDEX FOR THE NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

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**Village of Itasca, Illinois**  
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April 30, 2015

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**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Itasca, Illinois (the Village), have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the Village's accounting policies are described below.

1. Reporting Entity

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

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-Wide and Fund Financial Statements

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

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

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

3. Fund Accounting

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

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

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Fund Accounting (Continued)

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

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

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

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

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

Property, sales, and telecommunication taxes owed to the state at year end, franchise, utility, and food and beverage taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenues are considered to be measurable and available only when cash is received by the Village.

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major and only proprietary fund:

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

Additionally, the Village reports the following fund:

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

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

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

5. Cash Equivalents

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

6. Investments

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. Capital Assets

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

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

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

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Interfund Transactions

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

9. Compensated Absences

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

10. Long-Term Obligations

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

11. Fund Equity

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.

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. Fund Equity (Continued)

Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for a specific purpose, or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances approved by the Board. 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 is reported as unassigned. Deficit fund balances in other governmental funds are also reported as unassigned.

The Village has not adopted a fund balance policy. Therefore, in accordance with GASB Statement No. 54, the default flow of funds has been applied which prescribes that funds with the highest level of constraint are expended 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.

In the government-wide financial statements, restricted net position are legally restricted by outside parties for a specific purpose. Net investment in capital assets, is the book value of the capital assets, less any debt outstanding that was issued to construct or acquire the capital assets. None of the Village's net position or fund balances are restricted as a result from enabling legislation adopted by the Village.

12. Use of Estimates

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

13. Risk Management

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

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

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

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

**Village of Itasca, Illinois**  
 NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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

(Continued)

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

General obligation bonds, net of deferred items	\$ 4,309,473
General obligation certificates	4,932,277
Special service area bonds	3,705,000
Unamortized loss on refunding	(75,814)
Accrued interest payable	198,498
Compensated absences	715,536
Net other postemployment benefit obligation	<u>32,553</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net position of governmental activities	<u>\$ 13,817,523</u>

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

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

Capital outlay	\$ 388,953
Depreciation expense net of dispositions	<u>(2,990,687)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities	<u>\$ (2,601,734)</u>

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

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

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

(Continued)

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

Principal repayments		
General obligation bonds	\$	765,000
General obligation certificates		485,000
Special service area bonds		190,000
Amortization of loss on refunding		(15,291)
Amortization of bond premium		47,835
Change in OPEB		(3,115)
Compensated absences		60,142
Change in due from library		(140,353)
Change in accrued interest		(6,683)
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net position of governmental activities		\$ 1,382,535

**NOTE C - COMPLIANCE - DEFICIT FUND EQUITY**

The following funds had a deficit balance at April 30, 2015:

Fund		Deficit
General Obligations 2008	\$	65,587
Spring Lake Special Service Area - Debt Service		15,028

**NOTE D - DEPOSITS AND INVESTMENTS**

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

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

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

1. Deposits and investments

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

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

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

As of April 30, 2015, the Village's cash and investments consisted of the following:

	Government - Wide	Fiduciary	Total
Cash and investments	\$ 15,714,162	\$ 15,205,677	\$ 30,919,839

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

	Total
Cash on hand	\$ 418
Deposits with financial institutions - Village	13,515,839
Deposits with financial institutions - Police Pension Fund	492,398
Other investments - Village	2,197,905
Police Pension Fund - other investments	14,713,279
Total	\$ 30,919,839

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

1. Deposits and investments (Continued)

As of April 30, 2015, the Village has the following investment in debt securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> (In Years)	
		<u>Less than 1</u>	<u>1-5</u>
Illinois Metropolitan Investment Trust	\$ 1,435,224	\$ 1,435,224	\$ -
Negotiable CD's	<u>7,443,704</u>	<u>4,202,263</u>	<u>3,241,441</u>
Total	<u>\$ 8,878,928</u>	<u>\$ 5,637,487</u>	<u>\$ 3,241,441</u>

As of April 30, 2015, the Police Pension Fund has the following investment in debt securities.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities</u> (In Years)			
		<u>Less than 1</u>	<u>1-5</u>	<u>6-10</u>	<u>Greater than 10</u>
U.S Agency obligations	\$ 2,715,208	\$ 80,474	\$ 125,514	\$ 42,455	\$ 2,466,765
U.S Treasury obligations	1,536,849	-	564,629	534,910	437,310
Corporate bonds	<u>811,109</u>	<u>20,366</u>	<u>198,262</u>	<u>521,171</u>	<u>71,310</u>
	<u>\$ 5,063,166</u>	<u>\$ 100,840</u>	<u>\$ 888,405</u>	<u>\$ 1,098,536</u>	<u>\$ 2,975,385</u>

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE D - DEPOSITS AND INVESTMENTS (Continued)

2. Interest Rate Risk

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

3. Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bonds funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. As of April 30, 2014, the Village's investments in Federal National Mortgage Association and Federal Home Loan Bank bonds were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Illinois Funds' fair value of the position in the external investment pool is the same as the value of the pool shares and these investments are not subject to risk categorization and conform to the Illinois Public Funds Act. The fund is managed by the financial institution in which it is held.

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

4. Custodial Credit Risk

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

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

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

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE D - DEPOSITS AND INVESTMENTS (Continued)

5. Concentration of Credit Risk

It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over-concentration in a security, maturity, issuer, or class of securities. The Village's investment policy requires the Village to diversify its investments by security instrument and institution. Diversification by security instrument is as follows: U.S. Treasury obligations - 100% maximum; 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.

It is the policy of the Police Pension Fund to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over-concentration in a security, maturity, issuer, or class of securities. The Police Pension Fund's investment policy requires the Police Pension Fund to diversify its investments by asset class (equities, bonds, and cash equivalents) and within equities by economic sector, industry, quality, size, investment style, etc. Diversification by asset allocation is as follows: Large Cap Growth - 7% minimum, 10% preferred, 13% maximum; Large Cap Value - 7% minimum, 10% preferred, 13% maximum; Small/Midcap Growth - 5% minimum, 7.5% preferred, 10% maximum; Small/Midcap Value - 5% minimum, 7.5% preferred, 10% maximum; International Growth - 1% minimum, 2.5% preferred, 4% maximum; International Value - 1% minimum, 2.5% preferred, 4% maximum; and Fixed Income and Cash - 55% minimum, 60% preferred, 65% maximum.

NOTE E - RECEIVABLES

1. Property Taxes

Property taxes for 2014 attached as an enforceable lien on January 1, 2014 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2015. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2014 (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, 2014. The County collects such taxes and remits them periodically. The 2015 tax levy, which attached as an enforceable lien on property as of January 1, 2015, has not been recorded as a receivable as of April 30, 2015 as the tax has not yet been levied by the Village and will not be levied until December 2015 and, therefore, the levy is not measurable at April 30, 2015.

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

NOTE E - RECEIVABLES (Continued)

2. Other

Other receivables consist of the following receivables at April 30, 2015.

Governmental activities		
Other miscellaneous receivables	\$	680,257
Hamilton Lakes Capital Projects		1,180
Hotel Tax		218,867
Motor Fuel Tax		20,116
		20,116
Total governmental activities	\$	920,420

NOTE F - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015 were as follows:

1. Governmental Activities

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not being depreciated				
Land	\$ 40,473,800	\$ -	\$ -	\$ 40,473,800
Total capital assets, not being depreciated	40,473,800	-	-	40,473,800
Capital assets, being depreciated				
Buildings and improvements	19,057,217	-	-	19,057,217
Machinery and equipment	982,614	5,000	-	987,614
Transportation equipment	1,691,988	52,818	-	1,744,806
Infrastructure	109,695,182	331,135	-	110,026,317
Total capital assets being depreciated	131,427,001	388,953	-	131,815,954
Less accumulated depreciation for:				
Buildings and improvements	5,807,495	269,132	-	6,076,627
Machinery and equipment	606,391	57,801	-	664,192
Transportation equipment	1,214,617	87,537	-	1,302,154
Infrastructure	73,806,658	2,576,217	-	76,382,875
Total accumulated depreciation	81,435,161	2,990,687	-	84,425,848
Total capital assets being depreciated, net	49,991,840	(2,601,734)	-	47,390,106
Governmental activities capital assets, net	\$ 90,465,640	\$ (2,601,734)	\$ -	\$ 87,863,906

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

NOTE F - CAPITAL ASSETS (Continued)

2. Business-Type Activities

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>
Capital assets, not being depreciated				
Land and improvements	\$ 1,335,645	\$ -	\$ -	\$ 1,335,645
Construction in progress	62,329	-	62,329	-
Total capital assets, not being depreciated	<u>1,397,974</u>	<u>-</u>	<u>62,329</u>	<u>1,335,645</u>
Capital assets, being depreciated				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,614,347	-	-	1,614,347
Water and sewer system	<u>66,490,612</u>	<u>62,329</u>	<u>-</u>	<u>66,552,941</u>
Total capital assets being depreciated	<u>68,605,126</u>	<u>62,329</u>	<u>-</u>	<u>68,667,455</u>
Less accumulated depreciation for:				
Buildings and improvements	500,167	-	-	500,167
Equipment	1,281,633	59,576	-	1,341,209
Water and sewer system	<u>20,216,201</u>	<u>1,873,060</u>	<u>-</u>	<u>22,089,261</u>
Total accumulated depreciation	<u>21,998,001</u>	<u>1,932,636</u>	<u>-</u>	<u>23,930,637</u>
Total capital assets being depreciated, net	<u>46,607,125</u>	<u>(1,870,307)</u>	<u>-</u>	<u>44,736,818</u>
Business-type activities capital assets, net	<u>\$ 48,005,099</u>	<u>\$ (1,870,307)</u>	<u>\$ 62,329</u>	<u>\$ 46,072,463</u>

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE F - CAPITAL ASSETS (Continued)

3. Depreciation Expense

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

Governmental activities:

General government	\$ 155,803
Public safety	91,626
Community development	6,858
Public works	<u>2,736,400</u>
Total depreciation expense - governmental activities	<u>\$ 2,990,687</u>

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

**NOTE G - LONG-TERM DEBT**

**1. Changes in Long-Term Liabilities**

Long-term liability activity for the year ended April 30, 2015, is as follows:

**a. Primary Government - Governmental Activities**

	<u>Interest Rate</u>	<u>Final Maturity Date</u>	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance s</u>	<u>Due Within One Year</u>
<b>General Obligation Bonds</b>							
Series 2008B	3.00 to 4.00%	12/15/2018	\$ 3,370,000	\$ -	\$ 630,000	\$ 2,740,000	\$ 645,000
Series 2008A	3.00 to 4.00%	12/15/2018	1,620,000	-	135,000	1,485,000	140,000
Less unamortized premium to:							
Series 2008A			53,537	-	5,353	48,184	5,353
Series 2008B			45,362	-	9,073	36,289	9,073
			<u>5,088,899</u>	<u>-</u>	<u>779,426</u>	<u>4,309,473</u>	<u>799,426</u>
<b>General Fund Refunding Certificates</b>							
Series 2010	2% to 4%	12/1/2022	5,150,000	-	485,000	4,665,000	505,000
Less unamortized premium:							
Series 2010			300,686	-	33,409	267,277	33,409
			<u>5,450,686</u>	<u>-</u>	<u>518,409</u>	<u>4,932,277</u>	<u>538,409</u>
<b>Special Service Area Bonds</b>							
Series 2014	4.50%	12/15/2034	3,340,000	-	130,000	3,210,000	110,000
Series 2006		12/15/2021	555,000	-	60,000	495,000	60,000
			<u>3,895,000</u>	<u>-</u>	<u>190,000</u>	<u>3,705,000</u>	<u>170,000</u>
Compensated absences payable			821,585	11,488	45,906	787,167	71,630
Net postemployment benefit obligation			29,437	3,116	-	32,553	-
<b>Total</b>			<u>\$ 15,285,607</u>	<u>\$ 14,604</u>	<u>\$ 1,533,741</u>	<u>\$ 13,766,470</u>	<u>\$ 1,579,465</u>

**b. Primary Government - Business-Type Activities**

General obligation Bonds Series 2009A	\$ 23,670,000	\$ -	\$ 340,000	\$ 23,330,000	\$ 350,000
Illinois EPA bonds	13,500,000	-	750,000	12,750,000	750,000
IDOT loan	975,946	-	517,000	458,946	458,946
Unamortized bond premium	69,227	-	2,769	66,458	-
Compensated absences payable	155,941	168,286	155,941	168,286	-
	<u>\$ 38,371,114</u>	<u>\$ 168,286</u>	<u>\$ 1,765,710</u>	<u>\$ 36,773,690</u>	<u>\$ 1,558,946</u>

**Village of Itasca, Illinois**  
 NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE G - LONG-TERM DEBT (Continued)

2. General Obligation Bonds

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

3. Debt Service Requirements to Maturity

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 2,560,000	\$ 1,908,418	\$ 4,468,418
2017	2,645,000	1,835,898	4,480,898
2018	2,715,000	1,757,499	4,472,499
2019	2,790,000	1,675,061	4,465,061
2020	2,135,000	1,588,396	3,723,396
2021 - 2025	9,785,000	6,983,270	16,768,270
2026 - 2030	7,915,000	5,773,720	13,688,720
2031 - 2035	9,570,000	4,241,700	13,811,700
2036 - 2039	9,018,946	1,367,100	10,386,046
	<u>\$ 49,133,946</u>	<u>\$ 27,131,062</u>	<u>\$ 76,265,008</u>

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE H - INTERFUND BALANCES AND TRANSFERS

Individual interfund balances at April 30, 2015 are shown as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
<b>General Fund</b>		
General Obligation 2008 Fund	\$ 65,587	\$ -
Police Pension Fund	<u>-</u>	<u>4,510</u>
Total General Fund	<u>65,587</u>	<u>4,510</u>
<b>Debt Service Funds</b>		
General Obligation 2008 Fund		
General Fund	<u>-</u>	<u>65,587</u>
Total General Obligation 2008 Fund	<u>-</u>	<u>65,587</u>
Spring Lake Special Service Area Fund - Debt Service		
Spring Lake SSA - Capital Projects	<u>-</u>	<u>19,672</u>
Total Debt Service Funds	<u>-</u>	<u>85,259</u>
<b>Capital Projects Fund</b>		
Spring Lake Special Service Area Capital Projects Fund		
Spring Lake Special Service Area Debt Service Fund	19,672	-
Police Pension Fund	<u>4,510</u>	<u>-</u>
Total Capital Projects Funds	<u>24,182</u>	<u>-</u>
	<u>\$ 89,769</u>	<u>\$ 89,769</u>

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.

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE H - INTERFUND BALANCES AND TRANSFERS (Continued)

Individual interfund transfers during the fiscal year ended April 30, 2015 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 315,130	\$ -
Hotel Tax Fund	-	315,130
Total transfers	\$ 315,130	\$ 315,130

The transfer from the Hotel Tax Fund was to support the nature center activities.

Water & Sewer Fund	\$ 490,777	\$ -
General Fund	-	490,777
	\$ 490,777	\$ 490,777

The transfer from the general fund to the water and sewer fund was to support water and sewer capital projects.

NOTE I - CONTINGENT LIABILITIES

1. Litigation

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

2. Grants

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

NOTE J - COMMITMENTS

1. DuPage Water Commission

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

**Village of Itasca, Illinois**  
 NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE J - COMMITMENTS (Continued)

1. DuPage Water Commission (Continued)

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

Fiscal Year Ending April 30,	Amount
<u>                    </u>	<u>                    </u>
2016	\$ <u>122,077</u>
	\$ <u><u>122,077</u></u>

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

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

NOTE K - EMPLOYEE RETIREMENT SYSTEMS

1. Illinois Municipal Retirement Fund

*Plan Descriptions and Provisions*

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

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

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with 10 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount 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.

**Village of Itasca, Illinois**  
**NOTES TO THE FINANCIAL STATEMENTS**  
April 30, 2015

**NOTE K - EMPLOYEE RETIREMENT SYSTEMS** (Continued)

1. **Illinois Municipal Retirement Fund** (Continued)

*Plan Descriptions and Provisions* (Continued)

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2014 was 13.42% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on an open basis). The amortization period at April 30, 2013 was 29 years.

For the year ended April 30, 2015, the Village's annual pension cost of \$360,262 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20%

TREND INFORMATION

Annual Required Contribution (ARC)

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2015	\$ 360,262	100	% \$ -
2014	357,849	100	-
2013	300,663	100	-

The funded status of the plan at April 30, 2015, based on actuarial valuations performed as of December 31, 2014 for the IMRF is as follows. The actuarial assumptions used to determine the employer APC of the Plans as disclosed above.

**Village of Itasca, Illinois**  
 NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

1. Illinois Municipal Retirement Fund (Continued)

*Plan Descriptions and Provisions* (Continued)

	Municipal Retirement
Actuarial accrued liability (AAL)	\$ 13,717,344
Actuarial value of plan assets	11,252,305
Unfunded actuarial accrued liability (UAAL)	2,465,039
Funded ratio (actuarial value of plan assets/AAL)	82.03%
Covered payroll (active plan members)	\$ 3,306,151
UAAL as a percentage of covered payroll	74.56%

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

2. Police Pension

*Plan Description and Provisions*

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. Administrative costs are financed through investment earnings. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2015 was \$2,148,640. At April 30, 2015, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	19
Current employees	
Vested	15
Nonvested	9
Total	43

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Police Pension (Continued)

*Plan Description and Provisions* (Continued)

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

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the CPI or 3.00% compounded.

The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e. 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or 1/2 of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2015, the Village's contribution was 31.54% of covered payroll.

*Basis of Accounting*

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

*Method Used to Value Investments*

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

**NOTE K - EMPLOYEE RETIREMENT SYSTEMS** (Continued)

2. Police Pension (Continued)

*Significant Investments*

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

*Related-Party Transactions*

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

*Contributions*

Village contributions are determined annually by an actuarial study using the entry-age normal cost method. The valuation was prepared as of April 30, 2015. Significant assumptions used in the calculations include (a) 7.55% return on investments, (b) projected salary increases of 4.5% per year, and (c) 26-year amortization of unfunded liability.

ANNUAL PENSION COST AND NET PENSION LIABILITY

Annual required contribution (ARC)	\$ 676,543
Interest on net pension obligation	(10,514)
Adjustment to annual required contribution	<u>7,525</u>
Annual pension cost (APC)	673,554
Contributions made	<u>677,725</u>
Decrease in net pension obligation	(4,171)
Net pension obligation (asset)	
Beginning of year	<u>(139,252)</u>
End of year	<u><u>\$ (143,423)</u></u>

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Actual Employer Contribution	Percentage of APC Contributed	Net Pension Obligation (Asset)
4/30/13	\$ 534,353	102.1 %	\$ (134,196)
4/30/14	573,489	100.9	(139,252)
4/30/15	673,554	100.6	(143,423)

**Village of Itasca, Illinois**  
 NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE K - EMPLOYEE RETIREMENT SYSTEMS (Continued)

2. Police Pension (Continued)

*Contributions* (Continued)

Additional information as of the latest actuarial valuation follows:

Actuarial valuation date	April 30, 2015
Actuarial cost method	Entry-age normal cost
Amortization method	Level percentage of payroll, closed
Remaining amortization period	26 years
Asset valuation method	Market

Significant actuarial assumptions:

a) Investment rate of return	7.55% including inflation at 3.00%
b) Projected salary increases	4.50% including inflation at 3.00%
c) Cost-of-living adjustments	3.00% per year

The funded status of the plan as of April 30, 2015, based on actuarial valuations performed as of April 30, 2015 for the Police Pension Plan is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed above.

	<u>Police Pension</u>
Actuarial accrued liability (AAL)	\$ 28,107,004
Actuarial value of plan assets	15,232,779
Unfunded actuarial accrued liability (UAAL)	12,874,225
Funded ratio (actuarial value of plan assets/AAL)	54.2%
Covered payroll (active plan members)	\$ 2,148,640
UAAL as a percentage of covered payroll	599.2%

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

NOTE L - OTHER POST-EMPLOYMENT BENEFITS

1. Plan Description

In addition to providing the pension benefits described, the Village provides post-employment 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.

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

2. Benefits Provided

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

3. Membership

At April 30, 2015, membership consisted of:

Retirees and beneficiaries currently receiving benefits	14
Terminated employees entitled to benefits but not yet receiving them	-
Active employees	
Vested	8
Nonvested	<u>50</u>
TOTAL	<u>72</u>
Participating employers	<u>1</u>

4. Funding Policy

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

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

NOTE L - OTHER POST-EMPLOYMENT BENEFITS

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

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2010	\$ 7,914	\$ 4,497	56.8 %	\$ 6,936
April 30, 2011	7,924	4,497	56.4	10,410
April 30, 2012	7,924	4,497	56.7	13,837
April 30, 2013	46,693	38,919	83.4	21,611
April 30, 2014	46,693	38,919	83.4	21,611
April 30, 2015	104,357	101,241	97.0	32,552

The net OPEB obligation as of April 30, 2015 was calculated as follows:

Annual required contribution	\$ 104,882
Interest on net OPEB obligation	1,177
Adjustment to annual required contribution	<u>(1,702)</u>
Annual OPEB cost	104,357
Contributions made	<u>101,241</u>
Increase in net OPEB obligation	3,116
Net OPEB obligation beginning of year	<u>29,437</u>
<b>NET OPEB OBLIGATION END OF YEAR</b>	<b><u>\$ 32,553</u></b>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2015, 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 involved estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARC of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the AALs for benefits.

**Village of Itasca, Illinois**  
NOTES TO THE FINANCIAL STATEMENTS  
April 30, 2015

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NOTE L - OTHER POST-EMPLOYMENT BENEFITS (Continued)

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

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

In the April 30, 2015 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and an initial healthcare cost trend rate of 7.9% with an ultimate healthcare inflation rate of 5%. Both rates include a 3% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded AAL is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at April 30, 2015 30 years.

**REQUIRED SUPPLEMENTARY INFORMATION**  
**(Unaudited)**

**Village of Itasca, Illinois**  
**SCHEDULE OF FUNDING PROGRESS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
April 30, 2015

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
12/31/14	\$ 11,252,305	\$ 13,717,344	82.03 %	\$ 2,465,039	\$ 3,306,151	74.56 %
12/31/13	10,368,907	12,277,842	84.45	1,908,935	3,140,174	60.79
12/31/12	9,134,899	12,043,200	75.85	2,908,301	3,099,376	93.84
12/31/11	8,789,917	11,682,844	75.24	2,892,927	3,188,179	90.74
12/31/10	9,658,890	12,052,737	80.14	2,393,847	3,217,695	74.40
12/31/09	9,281,642	11,676,520	79.49	2,394,878	3,348,773	71.52

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$13,054,705. On a market basis, the funded ratio would be 95.17%.

See independent auditor's report.

**Village of Itasca, Illinois**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
April 30, 2015

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2015	\$ 360,262	\$ 360,262	100 %
2014	357,849	357,849	100
2013	300,663	300,663	100
2012	314,857	314,857	100
2011	307,689	307,689	100
2010	243,001	243,001	100

See independent auditor's report.

**Village of Itasca, Illinois**  
**SCHEDULE OF FUNDING PROGRESS**  
**POLICE PENSION FUND**  
April 30, 2015

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
4/30/15	\$ 15,232,779	\$ 28,107,004	54.2 %	\$ 12,874,225	\$ 2,148,640	599.2 %
4/30/14	14,646,394	24,508,467	59.9	9,862,073	1,991,755	495.1
4/30/13	13,782,647	23,655,529	58.3	9,872,882	1,998,734	494.0
4/30/12	12,922,072	21,583,226	59.9	8,661,154	1,877,990	461.2
4/30/11	12,962,967	20,442,904	63.4	7,882,847	1,973,692	379.0
4/30/10	11,517,790	19,130,207	60.2	7,612,417	1,987,850	382.9

See independent auditor's report.

**Village of Itasca, Illinois**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**  
**POLICE PENSION FUND**  
April 30, 2015

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2015	\$ 677,725	\$ 676,543	100 %
2014	578,545	576,591	100
2013	545,817	537,359	106
2012	596,937	621,324	95
2011	606,037	620,922	97
2010	502,722	490,884	102

See independent auditor's report.

**Village of Itasca, Illinois**  
**SCHEDULE OF FUNDING PROGRESS**  
**OTHER POSTEMPLOYMENT BENEFIT PLAN**  
April 30, 2015

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll [(2)-(1)]/(5)
4/30/15	\$ -	\$ 1,367,098	0.00 %	\$ 1,367,098	\$ 4,412,868	31.0 %
4/30/14	-	849,939	0.00	849,939	5,177,755	16.4
4/30/13	-	849,939	0.00	849,939	5,098,110	16.7
4/30/12	-	849,939	0.00	849,939	5,066,169	16.8
4/30/11	-	137,602	0.00	137,602	5,224,311	2.6
4/30/10	-	137,602	0.00	137,602	5,271,227	2.6

See independent auditor's report.

**Village of Itasca, Illinois**  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN  
April 30, 2015

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<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2015	\$ 101,241	\$ 104,882	97.0 %
2014	38,919	46,745	83.3
2013	38,919	46,693	83.4
2012	4,497	7,855	57.3
2011	4,497	7,855	57.3
2010	4,497	7,855	57.3

See independent auditor's report.

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	Original and Final Budget	Actual
Revenues		
Property taxes	\$ 2,550,517	\$ 2,186,105
Licenses	154,550	140,733
Building and other permits	476,500	764,505
Intergovernmental		
Sales	4,696,468	4,376,597
State income	840,000	847,036
Replacement	90,000	92,515
Local use	118,000	178,388
Telecommunications	1,170,000	1,127,419
Utility Tax	1,350,000	1,397,200
Food & Beverage Tax	280,000	281,082
Grants	352,008	153,613
Parking and other fees	138,500	132,778
Police fines and other receipts	399,750	390,293
Investment income	20,000	38,129
Miscellaneous	627,337	563,086
	<u>13,263,630</u>	<u>12,669,479</u>
Expenditures		
Current		
General government		
Administrative	2,122,896	1,813,470
Nature center	469,417	325,017
Public safety	5,726,525	5,092,099
Community development	997,800	746,902
Public works	4,131,853	3,545,124
Debt service		
Principal	485,000	485,000
Interest and fiscal agent fees	206,450	206,803
	<u>14,139,941</u>	<u>12,214,415</u>
Excess (deficiency) of revenues over expenditures	(876,311)	455,064
Other financing sources (uses)		
Transfers in	324,440	315,130
Transfers (out)	(490,777)	(490,777)
	<u>(166,337)</u>	<u>(175,647)</u>
Net change in fund balances	\$ <u>(1,042,648)</u>	279,417
Fund balance at beginning of year		9,884,384
Fund balance at end of year		\$ 10,163,801

See independent auditor's report.

**Village of Itasca, Illinois**  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2015

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1. LEGAL COMPLIANCE AND ACCOUNTABILITY - BUDGETS

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

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

- a) A proposed budget is prepared by the Village President and Village Administrator and is reviewed by the Village Board. Public meetings are held to obtain citizen comment.
- b) The proposed budget is approved by motion of the Village Board.
- c) An annual appropriation ordinance 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.
- e) The Village Board may modify the appropriation ordinance through a supplemental appropriation ordinance. There were no supplemental appropriation ordinances during the year.

The approved budget is reflected in these schedules to provide a more meaningful comparison of planned to actual operations. The budget is adopted for the general, special revenue, certain debt service funds, certain capital projects fund, and enterprise funds. The General Obligation 2008 Fund had expenditures of \$967,316 with a budget of \$760,787.

**SUPPLEMENTAL INFORMATION**

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
 For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Administrative		
Salaries/stipends		
President	\$ 21,200	\$ 20,171
Trustees	22,500	15,496
Administrator	57,766	58,482
Clerk	1,500	-
Clerical	231,500	183,166
Total salaries/stipends	<u>334,466</u>	<u>277,315</u>
Payroll taxes		
FICA	24,970	19,226
Unemployment tax	2,150	412
IMRF	41,600	41,788
Total payroll taxes	<u>68,720</u>	<u>61,426</u>
Employee benefits		
Group insurance	90,720	61,116
Uniforms	1,500	545
Total employee benefits	<u>92,220</u>	<u>61,661</u>
Operating		
Gas heating/electric	22,000	27,566
Telephone	15,000	12,988
Postage	6,500	6,549
Publication legal notices	3,000	3,287
Codification	12,000	6,563
Operating supplies - general	10,000	6,638
Conferences	3,000	2,367
Office supplies	6,000	7,236
Physical	300	-
Training	8,500	2,928
Dues, subscriptions, and meetings	8,200	8,244
Rentals	7,500	8,386
Community relations	23,000	23,224
Software	12,000	9,910
Miscellaneous	50,300	1,661
Total operating	<u>187,300</u>	<u>127,547</u>
Repairs and maintenance		
Building	22,000	21,655
Total repairs and maintenance	<u>22,000</u>	<u>21,655</u>

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Administrative (Continued)		
Professional services		
Legal & accounting	\$ 293,000	\$ 208,563
Payroll	14,000	11,849
Audit	26,000	27,687
Newsletter	20,000	15,533
Janitorial	49,000	35,937
Consulting services	31,000	32,530
Other	5,000	929
Total professional services	<u>438,000</u>	<u>333,028</u>
Special services		
Village share - garbage	<u>843,570</u>	<u>826,777</u>
Grants		
Seniors	<u>8,000</u>	<u>8,000</u>
Total grants	<u>8,000</u>	<u>8,000</u>
Insurance		
Liability	38,920	19,758
Workers' compensation	<u>3,700</u>	<u>8,728</u>
Total insurance	<u>42,620</u>	<u>28,486</u>
Capital expenditures		
Equipment	<u>86,000</u>	<u>67,575</u>
Total capital expenditures	<u>86,000</u>	<u>67,575</u>
Total administrative	<u>2,122,896</u>	<u>1,813,470</u>
Public works		
Salaries/stipends		
Directors/supervisors	132,221	136,316
General labor	419,846	382,707
Clerical	<u>21,258</u>	<u>28,653</u>
Total salaries/stipends	<u>573,325</u>	<u>547,676</u>
Payroll taxes		
FICA	48,569	42,373
Unemployment tax	9,206	1,833
IMRF	<u>85,203</u>	<u>74,698</u>
Total payroll taxes	<u>142,978</u>	<u>118,904</u>

(Continued)

# Village of Itasca, Illinois

## General Fund

### SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Public Works (Continued)		
Employee benefits		
Group insurance	\$ 123,850	\$ 95,662
Uniforms	5,000	4,276
Total employee benefits	<u>128,850</u>	<u>99,938</u>
Operating		
Electricity	65,000	56,621
Gas heating	10,000	20,845
Telephone	12,000	9,570
Postage	400	318
Conferences	2,000	1,194
Operating supplies - general	10,000	5,831
Motor fuel and lubrication	26,000	26,026
Office supplies	2,000	2,250
Training	2,000	589
Dues, subscriptions, and meetings	1,400	1,307
Rentals	5,000	1,248
Employee physicals	2,000	984
Rubbish removal	10,000	5,656
Streets - bulk materials	10,000	10,823
Total operating	<u>157,800</u>	<u>143,262</u>
Repairs and maintenance		
Vehicles	25,000	25,347
Building	35,000	35,833
Equipment	21,000	11,778
Street lights	65,000	70,760
Parking lots	25,000	9,032
Storm sewers	30,000	62,509
Parkways and parks	45,000	27,247
Street signs	20,000	18,489
Other repairs and maintenance	483,000	262,948
Total repairs and maintenance	<u>749,000</u>	<u>523,943</u>
Professional services		
Engineering	415,000	510,766
Total professional services	<u>415,000</u>	<u>510,766</u>
Special services		
Veterinary and animal control	3,000	1,655
Mosquito abatement	72,000	70,508
Snow removal	75,000	104,025
Branch contract	30,000	34,029

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	Budget	Actual
Public works (Continued)		
Special services (Continued)		
Lawn maintenance	\$ 83,000	\$ 96,903
Tree trimming	59,500	44,840
Tree planting	20,000	20,000
Traffic signals	30,000	10,775
Total special services	372,500	382,735
Insurance		
Liability	33,400	23,609
Workers' compensation	51,000	22,445
Total insurance	84,400	46,054
Capital expenditures		
Streets (not MFT)	1,508,000	1,171,846
Total capital expenditures	1,508,000	1,171,846
Total public works	4,131,853	3,545,124
Nature center		
Salaries/stipends		
General labor	82,563	76,875
Total salaries/stipends	82,563	76,875
Payroll taxes		
FICA	2,001	1,556
Unemployment tax	240	169
Total payroll taxes	2,241	1,725
Employee benefits		
Group insurance	14,302	24,258
Uniforms	100	108
Total employee benefits	14,402	24,366
Operating		
Gas heating	3,300	2,168
Telephone	3,000	3,095
Postage	100	50
Operating supplies - general	5,000	5,761
Dues, subscriptions, and meetings	2,300	352

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	Budget	Actual
Nature center (Contiued)		
Operating (Continued)		
Rentals	\$ 500	\$ 242
Program supplies	1,500	1,186
Total operating	16,200	12,944
Repair and maintenance		
Structures	284,500	190,778
Total repairs and maintenance	284,500	190,778
Professional services		
Janitorial	8,200	7,059
Other services	51,720	2,660
Total professional services	59,920	9,719
Insurance		
Liability	9,021	7,825
Workers' compensation	570	785
Total insurance	9,591	8,610
Total nature center	469,417	325,017
Community development		
Salaries/stipends		
Building commissioner	98,440	83,516
Building inspector	159,000	132,120
Clerical	87,000	76,073
Total salaries/stipends	344,440	291,709
Payroll taxes		
FICA	31,000	24,185
Unemployment tax	2,100	1,432
IMRF	40,000	37,417
Total payroll taxes	73,100	63,034
Employee benefits		
Group insurance	62,200	40,989
Uniforms	2,000	1,919
Total employee benefits	64,200	42,908

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Community development (Continued)		
Operating		
Telephone	\$ 17,000	\$ 13,829
Postage	2,000	1,922
Publication legal notices	6,000	1,137
Operating supplies - general	5,000	3,519
Motor fuel and lubrication	2,000	1,669
Conference	5,000	7,608
Office supplies	6,000	4,719
Training	5,000	3,105
Dues, subscriptions, and meetings	9,500	9,443
Operating software	2,500	2,897
Other	500	4,138
Total operating	<u>60,500</u>	<u>53,986</u>
Repairs and maintenance		
Vehicles	1,500	405
Buildings	7,000	4,828
Equipment	10,000	8,279
Total repairs and maintenance	<u>18,500</u>	<u>13,512</u>
Professional services		
Planner	63,500	63,321
Engineering	75,000	138,481
Inspections	50,000	38,502
Plan review	10,000	460
GIS mapping	5,000	3,800
Consulting	10,000	3,480
Other professional services	300	174
Planning	35,000	4,952
Total professional services	<u>248,800</u>	<u>253,170</u>
Commissions		
Planning	8,000	3,982
Historical	7,500	3,711
Economic development	100,000	5,593
Total commissions	<u>115,500</u>	<u>13,286</u>
Insurance		
Liability	5,560	4,235
Workers' compensation	7,200	8,781
Total insurance	<u>12,760</u>	<u>13,016</u>

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Community development (Continued)		
Capital expenditures		
Land	\$ 60,000	\$ 2,281
Total capital expenditures	<u>60,000</u>	<u>2,281</u>
Total community development	<u>997,800</u>	<u>746,902</u>
Public safety		
Salaries/stipends		
Police chief	117,968	68,134
Police officers	2,333,359	2,166,889
Clerk/dispatchers	434,395	494,302
Clerk/dispatchers overtime	31,326	37,733
Police overtime	133,267	121,483
Police court time	<u>50,000</u>	<u>35,864</u>
Total salaries/stipends	<u>3,100,315</u>	<u>2,924,405</u>
Payroll taxes		
FICA	237,580	216,398
Unemployment tax	11,015	6,741
IMRF	<u>47,946</u>	<u>51,123</u>
Total payroll taxes	<u>296,541</u>	<u>274,262</u>
Employee benefits		
Group insurance	690,778	640,581
Uniforms	25,220	26,114
Pension contribution	<u>950,000</u>	<u>662,162</u>
Total employee benefits	<u>1,665,998</u>	<u>1,328,857</u>
Operating		
Telephone	21,000	19,324
Postage	3,224	2,557
Operating supplies - general	1,960	1,251
Motor fuel and lubrication	52,000	41,430
Office supplies	12,000	9,097
Court, meetings, local, and miscellaneous	9,500	3,885
Dues, subscriptions, and meetings	8,850	6,435
Training	11,542	11,892
Shooting expenditure	13,810	13,444
Evidence	2,250	2,545
D.A.R.E.	18,110	17,905
Crime prevention	8,550	7,797
DUI technology	15,600	15,101

(Continued)

**Village of Itasca, Illinois**  
 General Fund  
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
 For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Public safety (Continued)		
Operating (Continued)		
Volunteer	\$ 6,872	\$ 1,637
Other operating expenditures	<u>2,800</u>	<u>2,335</u>
Total operating	<u>188,068</u>	<u>156,635</u>
Repairs and maintenance		
Vehicles	45,000	46,031
Hand-held equipment	4,000	2,418
Equipment	41,200	21,018
Building maintenance	<u>37,688</u>	<u>25,960</u>
Total repairs and maintenance	<u>127,888</u>	<u>95,427</u>
Professional services		
Prosecution cost	84,000	72,782
Police social services	25,840	20,766
Software	8,000	7,337
Police commission	<u>12,500</u>	<u>13,962</u>
Total professional services	<u>130,340</u>	<u>114,847</u>
Insurance		
Liability	68,938	48,703
Workers' compensation	<u>70,252</u>	<u>80,068</u>
Total insurance	<u>139,190</u>	<u>128,771</u>
Capital expenditures		
Vehicles	58,000	52,818
Equipment	<u>20,185</u>	<u>16,077</u>
Total capital expenditures	<u>78,185</u>	<u>68,895</u>
Total public safety	<u>5,726,525</u>	<u>5,092,099</u>
Debt Service		
Principal	485,000	485,000
Interest and fiscal agents	<u>206,450</u>	<u>206,803</u>
Total debt service	<u>691,450</u>	<u>691,803</u>
Total expenditures	<u>\$ 14,139,941</u>	<u>\$ 12,214,415</u>

See independent auditor's report.

(Concluded)

**Village of Itasca, Illinois**  
 General Obligation 2008 Fund  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Property taxes	\$ 760,038	\$ 745,973
Library bond payments	-	206,476
Investment income	-	203
	<u>760,038</u>	<u>952,652</u>
Total revenues		
Expenditures		
Debt service		
Principal	630,000	765,000
Interest	130,037	201,514
Bond agent fees	750	802
	<u>760,787</u>	<u>967,316</u>
Total expenditures		
Net change in fund balance	\$ <u>(749)</u>	(14,664)
Fund balance (deficit) at beginning of year		<u>(50,923)</u>
Fund balance (deficit) at end of year		\$ <u>(65,587)</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
 Nonmajor Governmental Funds  
 COMBINING BALANCE SHEET  
April 30, 2015

	Special Revenue			Debt Service		
	Motor Fuel Tax	Hotel Tax	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area
<b>ASSETS</b>						
Cash and investments	\$ 280,128	\$ 2,203,624	\$ 4,644	\$ 45,722	\$ 253,813	\$ 93,878
Receivables						
Property taxes	-	-	127,288	-	388,420	-
Other	20,116	218,867	-	-	-	-
Due from other funds	-	-	-	-	-	-
Total assets	<u>\$ 300,244</u>	<u>\$ 2,422,491</u>	<u>\$ 131,932</u>	<u>\$ 45,722</u>	<u>\$ 642,233</u>	<u>\$ 93,878</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 5,745	\$ -	\$ -	\$ -	\$ -
Accrued payroll	-	6,864	-	-	-	-
Due to other funds	-	-	19,672	-	-	-
Total liabilities	-	12,609	19,672	-	-	-
Deferred inflows of resources	-	-	127,288	-	388,420	-
Total liabilities and deferred inflows of resources	-	12,609	146,960	-	388,420	-
<b>FUND BALANCES</b>						
Restricted						
Debt Service	-	-	-	45,722	253,813	93,878
Highway and streets	300,244	-	-	-	-	-
Tourism	-	2,409,882	-	-	-	-
Special service areas	-	-	-	-	-	-
Unrestricted						
Unassigned	-	-	(15,028)	-	-	-
Total fund balances (deficit)	<u>300,244</u>	<u>2,409,882</u>	<u>(15,028)</u>	<u>45,722</u>	<u>253,813</u>	<u>93,878</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 300,244</u>	<u>\$ 2,422,491</u>	<u>\$ 131,932</u>	<u>\$ 45,722</u>	<u>\$ 642,233</u>	<u>\$ 93,878</u>

See independent auditor's report.

Capital Projects				
Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Total Nonmajor Governmental Funds
\$ 331,024	\$ 97,870	\$ 1,546,634	\$ 368,406	\$ 5,225,743
-	-	-	-	515,708
-	-	1,180	-	240,163
<u>19,672</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,672</u>
<u>\$ 350,696</u>	<u>\$ 97,870</u>	<u>\$ 1,547,814</u>	<u>\$ 368,406</u>	<u>\$ 6,001,286</u>
\$ -	\$ -	\$ -	\$ -	\$ 5,745
-	-	-	-	6,864
-	-	-	-	<u>19,672</u>
-	-	-	-	32,281
-	-	-	-	<u>515,708</u>
-	-	-	-	<u>547,989</u>
-	-	-	-	393,413
-	-	-	-	300,244
-	-	-	-	2,409,882
350,696	97,870	1,547,814	368,406	2,364,786
-	-	-	-	<u>(15,028)</u>
<u>350,696</u>	<u>97,870</u>	<u>1,547,814</u>	<u>368,406</u>	<u>5,453,297</u>
<u>\$ 350,696</u>	<u>\$ 97,870</u>	<u>\$ 1,547,814</u>	<u>\$ 368,406</u>	<u>\$ 6,001,286</u>

**Village of Itasca, Illinois**  
 Nonmajor Governmental Funds  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 For the year ended April 30, 2015

	Special Revenue			Debt Service		
	Motor Fuel Tax	Hotel Tax	Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area
Revenues						
Property taxes	\$ -	\$ -	\$ 88,233	\$ -	\$ 249,323	\$ -
Hotel tax	-	1,260,731	-	-	-	-
Operating grants	211,962	-	-	-	-	-
High growth cities program	72,106	-	-	-	-	-
Investment income	156	3,036	33	-	1,272	-
Other revenue	-	7,124	-	-	-	-
<b>Total revenues</b>	<b>284,224</b>	<b>1,270,891</b>	<b>88,266</b>	<b>-</b>	<b>250,595</b>	<b>-</b>
Expenditures						
General government	-	817,737	-	-	-	-
Debt service						
Principal	-	-	60,000	-	130,000	-
Interest	-	-	27,343	-	123,580	-
Issuance costs	-	-	-	-	535	-
Capital outlay						
Streets and highways	220,000	-	-	-	-	2,776
<b>Total expenditures</b>	<b>220,000</b>	<b>817,737</b>	<b>87,343</b>	<b>-</b>	<b>254,115</b>	<b>2,776</b>
Excess (deficiency) of revenues over expenditures	64,224	453,154	923	-	(3,520)	(2,776)
Other financing sources (uses)						
Transfers (out)	-	(315,130)	-	-	-	-
Net change in fund balances	64,224	138,024	923	-	(3,520)	(2,776)
Fund balances (deficit) at beginning of year	236,020	2,271,858	(15,951)	45,722	257,333	96,654
Fund balances (deficit) at end of year	\$ 300,244	\$ 2,409,882	\$ (15,028)	\$ 45,722	\$ 253,813	\$ 93,878

See independent auditor's report.

Capital Projects				
Spring Lake Special Service Area	CMD Special Service Area	Hamilton Lakes Special Service Area	Old Thorndale Special Service Area	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 337,556
-	-	-	-	1,260,731
-	-	-	-	211,962
-	-	-	-	72,106
639	849	4,619	1,080	11,684
-	-	-	-	7,124
<u>639</u>	<u>849</u>	<u>4,619</u>	<u>1,080</u>	<u>1,901,163</u>
-	-	-	-	817,737
-	-	-	-	190,000
-	-	-	-	150,923
-	-	-	-	535
-	<u>564,635</u>	<u>1,440,410</u>	<u>97,414</u>	<u>2,325,235</u>
-	<u>564,635</u>	<u>1,440,410</u>	<u>97,414</u>	<u>3,484,430</u>
639	(563,786)	(1,435,791)	(96,334)	(1,583,267)
-	-	-	-	(315,130)
639	(563,786)	(1,435,791)	(96,334)	(1,898,397)
<u>350,057</u>	<u>661,656</u>	<u>2,983,605</u>	<u>464,740</u>	<u>7,351,694</u>
<u>\$ 350,696</u>	<u>\$ 97,870</u>	<u>\$ 1,547,814</u>	<u>\$ 368,406</u>	<u>\$ 5,453,297</u>

**Village of Itasca, Illinois**  
 Motor Fuel Tax Fund  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Intergovernmental allotments - operating grants	\$ 216,000	\$ 211,962
High growth cities program	-	72,106
Investment income	<u>200</u>	<u>156</u>
Total revenues	216,200	284,224
Expenditures		
Streets and highways	<u>220,000</u>	<u>220,000</u>
Net change in fund balance	\$ <u><u>(3,800)</u></u>	64,224
Fund balance at beginning of year		<u>236,020</u>
Fund balance at end of year		\$ <u><u>300,244</u></u>

See independent auditor's report.

# Village of Itasca, Illinois

## Hotel Tax Fund

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

For the year ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>
Revenues		
Hotel tax	\$ 1,185,000	\$ 1,260,731
Investment income	4,000	3,036
Other revenue	<u>7,542</u>	<u>7,124</u>
Total revenues	<u>1,196,542</u>	<u>1,270,891</u>
Expenditures		
General government		
Police overtime	75,526	43,924
Operation staff	128,927	213,946
Public relations	426,000	339,842
Marketing	256,880	211,287
Equipment	<u>252,000</u>	<u>8,738</u>
Total expenditures	<u>1,139,333</u>	<u>817,737</u>
Excess (deficiency) of revenues over expenditures	57,209	453,154
Other financing sources (uses)		
Transfers (out)	<u>(324,440)</u>	<u>(315,130)</u>
Net change in fund balance	<u>\$ (267,231)</u>	138,024
Fund balance at beginning of year		<u>2,271,858</u>
Fund balance at end of year		<u>\$ 2,409,882</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
Spring Lake Special Service Area - Debt Service  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	Budget	Actual
Revenues		
Property taxes	\$ 87,342	\$ 88,233
Interest earned	-	33
Total revenues	87,342	88,266
Expenditures		
Debt service		
Principal	60,000	60,000
Interest	28,092	27,343
Total expenditures	88,092	87,343
Net change in fund balance	\$ (750)	923
Fund balance (deficit) at beginning of year		(15,951)
Fund balance (deficit) at end of year		\$ (15,028)

See independent auditor's report.

**Village of Itasca, Illinois**  
Hamilton Lakes Special Service Area - Debt Service  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Property taxes	\$ 254,000	\$ 249,323
Interest earned	<u>2,800</u>	<u>1,272</u>
Total revenues	<u>256,800</u>	<u>250,595</u>
Expenditures		
Debt service		
Principal	130,000	130,000
Interest	123,580	123,580
Bond agent fees	<u>750</u>	<u>535</u>
Total expenditures	<u>254,330</u>	<u>254,115</u>
Net change in fund balance	\$ <u><u>2,470</u></u>	(3,520)
Fund balance at beginning of year		<u>257,333</u>
Fund balance at end of year		\$ <u><u>253,813</u></u>

See independent auditor's report.

**Village of Itasca, Illinois**  
 Spring Lake Special Service Area - Capital Projects  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Interest earned	\$ <u>2,000</u>	\$ <u>639</u>
Total revenues	<u>2,000</u>	<u>639</u>
Expenditures		
Capital maintenance	<u>25,000</u>	<u>-</u>
Net change in fund balance	\$ <u><u>(23,000)</u></u>	639
Fund balance (deficit) at beginning of year		<u>350,057</u>
Fund balance (deficit) at end of year		\$ <u><u>350,696</u></u>

See independent auditor's report

**Village of Itasca, Illinois**  
Hamilton Lakes Special Service Area - Capital Projects  
SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Interest earned	\$ <u>700</u>	\$ <u>4,619</u>
Total revenue	<u>700</u>	<u>4,619</u>
Expenditures		
Capital maintenance	<u>2,200,000</u>	<u>1,440,410</u>
Net change in fund balance	\$ <u><u>(2,199,300)</u></u>	(1,435,791)
Fund balance at beginning of year		<u>2,983,605</u>
Fund balance at end of year		\$ <u><u>1,547,814</u></u>

See independent auditor's report.

**Village of Itasca, Illinois**  
 Old Thorndale Special Service Area - Capital Projects  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Interest earned	\$ <u>700</u>	\$ <u>1,080</u>
Expenditures		
Capital maintenance	<u>563,806</u>	<u>97,414</u>
Net change in fund balance	\$ <u><u>(563,106)</u></u>	(96,334)
Fund balance at beginning of year		<u>464,740</u>
Fund balance at end of year		\$ <u><u>368,406</u></u>

See independent auditor's report.

**Village of Itasca, Illinois**  
 CMD Special Service Area - Capital Projects  
 SCHEDULE OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Revenues		
Interest earned	\$ <u>1,250</u>	\$ <u>849</u>
Expenditures		
Capital maintenance	<u>710,000</u>	<u>564,635</u>
Net change in fund balance	\$ <u><u>(708,750)</u></u>	(563,786)
Fund balance at beginning of year		<u>661,656</u>
Fund balance at end of year		\$ <u><u>97,870</u></u>

See independent auditor's report.

**Village of Itasca, Illinois**  
Water and Sewer Fund  
**SCHEDULE OF REVENUES, EXPENSES, AND**  
**CHANGES IN NET POSITION - BUDGET AND ACTUAL**  
For the year ended April 30, 2015

	Budget	Actual
Operating revenues		
Charges for services		
Water fees	\$ 3,388,989	\$ 3,337,710
Sewer fees	3,299,541	3,224,216
Other revenues	130,215	288,910
Total operating revenues	6,818,745	6,850,836
Operating expenses excluding depreciation		
Salaries/stipends	1,291,481	1,253,880
Payroll taxes	286,404	251,763
Employee benefits	271,051	259,065
General operating	2,523,929	2,510,325
Repairs and maintenance	759,300	503,416
Professional services	313,484	280,921
Special services	175,000	192,362
Insurance	87,000	66,530
Capital	102,800	-
Total operating expenses	5,810,449	5,318,262
Operating income before depreciation and amortization	1,008,296	1,532,574
Depreciation and amortization	-	1,929,867
Operating income (loss)	1,008,296	(397,293)
Non-operating revenues and expenses		
Investment income	6,000	1,394
Bond stimulus payment	490,776	451,661
Interest expense	(1,391,694)	(1,389,372)
Transfer from general fund	490,777	490,777
Total non-operating revenues and expenses	(404,141)	(445,540)
Change in position	\$ 604,155	(842,833)
Net position- at beginning of year		11,833,788
Net position - at end of year		\$ 10,990,955

See independent auditor's report.

**Village of Itasca, Illinois**  
Water and Sewer Fund  
**SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL**  
For the year ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>
Operating expenses		
Salaries and stipends		
President	\$ 6,800	\$ 6,013
Trustees	13,680	9,057
Clerical	156,169	158,312
Directors/superintendents	223,420	165,447
Operations staff	734,282	796,622
Overtime	105,982	66,445
Administrator	51,148	51,984
Total salaries and stipends	<u>1,291,481</u>	<u>1,253,880</u>
Payroll taxes		
FICA	97,292	93,584
Unemployment taxes	18,440	2,943
IMRF	170,672	155,236
Total payroll taxes	<u>286,404</u>	<u>251,763</u>
Employee benefits		
Group insurance	265,251	253,662
Uniforms	5,800	5,403
Total employee benefits	<u>271,051</u>	<u>259,065</u>
General operating		
Gas heat	6,500	875
Electricity	295,000	311,578
Telephone	22,000	15,671
Postage	15,500	14,561
Publication legal notices	1,500	-
Supplies - general	7,000	10,092
Supplies - office	5,000	4,610
Supplies - sewer treatment	150,000	193,424
Supplies - water treatment	4,800	4,229
Motor fuel and lubrication	33,000	24,916
Conferences	3,500	1,986
Dues, subscriptions, and meetings	5,300	2,464
Training	8,000	3,215
Rentals	4,200	609
Employee physicals	1,400	725
Rubbish removal	15,000	4,033
Water meters	7,000	4,528
Safety program	4,000	566
Lab tests pretreatment	6,250	4,434

(Continued)

**Village of Itasca, Illinois**

Water and Sewer Fund

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>
Operating expenses (Continued)		
General operating (Continued)		
Operating software	\$ 8,700	\$ 4,129
Hardware	4,500	-
Other operating expenses	1,000	466
DuPage Water Commission	<u>1,914,779</u>	<u>1,903,214</u>
Total general operating	<u>2,523,929</u>	<u>2,510,325</u>
Repairs and maintenance		
Vehicles	12,500	12,095
Equipment	14,000	3,947
Bulk material	20,000	4,532
Structures	179,000	58,302
Wells	12,000	13,815
Treatment plant	50,000	95,703
Lift stations	72,500	21,598
Sanitary sewers	50,000	2,470
Water systems	336,800	272,189
Meter repair	<u>12,500</u>	<u>18,765</u>
Total repairs and maintenance	<u>759,300</u>	<u>503,416</u>
Professional services		
Legal	27,500	121,780
Engineering	167,000	48,994
Accounting	36,734	39,966
Payroll	2,500	2,962
Audit	26,000	27,187
Janitorial	17,250	14,118
Other services	<u>36,500</u>	<u>25,914</u>
Total professional services	<u>313,484</u>	<u>280,921</u>
Special services		
Sludge removal	75,000	114,882
Industrial pre-treatment	<u>100,000</u>	<u>77,480</u>
Total special services	<u>175,000</u>	<u>192,362</u>

(Continued)

**Village of Itasca, Illinois**

Water and Sewer Fund

SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL (Continued)

For the year ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>
Operating expenses (Continued)		
Insurance		
Liability	\$ 51,000	\$ 21,851
Workers' compensation	<u>36,000</u>	<u>44,679</u>
Total insurance	<u>87,000</u>	<u>66,530</u>
Capital expenses - equipment	102,800	-
Less expenses capitalized	<u>-</u>	<u>-</u>
Net capital expenses	<u>102,800</u>	<u>-</u>
Total operating expenses	<u>\$ 5,810,449</u>	<u>\$ 5,318,262</u>

See independent auditor's report.

(Concluded)

**SUPPLEMENTAL DATA**  
**(Unaudited)**

**Village of Itasca, Illinois**  
LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION BONDS, SERIES 2008B - VILLAGE PORTION  
April 30, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2016	\$ 645,000	\$ 107,988	\$ 752,988	2015	\$ 53,994	2015	\$ 53,994
2017	675,000	83,800	758,800	2016	41,900	2016	41,900
2018	700,000	56,800	756,800	2017	28,400	2017	28,400
2019	<u>720,000</u>	<u>28,800</u>	<u>748,800</u>	2018	<u>14,400</u>	2018	<u>14,400</u>
	<u>\$ 2,740,000</u>	<u>\$ 277,388</u>	<u>\$ 3,017,388</u>		<u>\$ 138,694</u>		<u>\$ 138,694</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION REFUNDING, SERIES 2010  
April 30, 2015

Date of Issue May 11, 2010  
Date of Maturity December 1, 2022  
Authorized Issue \$ 6,955,000  
Denomination of Bonds \$ 5,000  
Interest Rates 2.00% to 4.00%  
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	Requirements			Interest Due on			
	Principal	Interest	Totals	June 1	Amount	December 1	Amount
2016	\$ 505,000	\$ 186,600	\$ 691,600	2015	\$ 93,300	2015	\$ 93,300
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>\$ 4,665,000</u>	<u>\$ 878,000</u>	<u>\$ 5,543,000</u>		<u>\$ 439,000</u>		<u>\$ 439,000</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
LONG-TERM DEBT REQUIREMENTS  
SPECIAL SERVICE AREA BONDS, SERIES 2006  
April 30, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2016	\$ 60,000	\$ 24,552	\$ 84,552	2015	\$ 12,276	2015	\$ 12,276
2017	65,000	21,672	86,672	2016	10,836	2016	10,836
2018	65,000	18,520	83,520	2017	9,260	2017	9,260
2019	70,000	15,336	85,336	2018	7,668	2018	7,668
2020	75,000	11,870	86,870	2019	5,935	2019	5,935
2021	80,000	8,120	88,120	2020	4,060	2020	4,060
2022	80,000	4,080	84,080	2021	2,040	2021	2,040
	<u>\$ 495,000</u>	<u>\$ 104,150</u>	<u>\$ 599,150</u>		<u>\$ 52,075</u>		<u>\$ 52,075</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
LONG-TERM DEBT REQUIREMENTS  
GENERAL OBLIGATION CERTIFICATES, SERIES 2009A  
April 30, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	February 1	Amount	August 1	Amount
2016	\$ 350,000	\$ 1,379,090	\$ 1,729,090	2016	\$ 689,545	2015	\$ 689,545
2017	370,000	1,364,740	1,734,740	2017	682,370	2016	682,370
2018	380,000	1,348,830	1,728,830	2018	674,415	2017	674,415
2019	400,000	1,331,350	1,731,350	2019	665,675	2018	665,675
2020	420,000	1,312,350	1,732,350	2020	656,175	2019	656,175
2021	440,000	1,291,350	1,731,350	2021	645,675	2020	645,675
2022	470,000	1,268,910	1,738,910	2022	634,455	2021	634,455
2023	490,000	1,243,766	1,733,766	2023	621,883	2022	621,883
2024	520,000	1,217,060	1,737,060	2024	608,530	2023	608,530
2025	550,000	1,188,460	1,738,460	2025	594,230	2024	594,230
2026	580,000	1,158,210	1,738,210	2026	579,105	2025	579,105
2027	610,000	1,124,570	1,734,570	2027	562,285	2026	562,285
2028	640,000	1,089,190	1,729,190	2028	544,595	2027	544,595
2029	680,000	1,052,070	1,732,070	2029	526,035	2028	526,035
2030	720,000	1,012,630	1,732,630	2030	506,315	2029	506,315
2031	760,000	968,710	1,728,710	2031	484,355	2030	484,355
2032	1,190,000	922,350	2,112,350	2032	461,175	2031	461,175
2033	1,630,000	849,760	2,479,760	2033	424,880	2032	424,880
2034	1,730,000	750,330	2,480,330	2034	375,165	2033	375,165
2035	1,840,000	644,800	2,484,800	2035	322,400	2034	322,400
2036	1,950,000	530,720	2,480,720	2036	265,360	2035	265,360
2037	2,070,000	409,820	2,479,820	2037	204,910	2036	204,910
2038	2,200,000	281,480	2,481,480	2038	140,740	2037	140,740
2039	2,340,000	145,080	2,485,080	2039	72,540	2038	72,540
	<u>\$ 23,330,000</u>	<u>\$ 23,885,626</u>	<u>\$ 47,215,626</u>		<u>\$ 11,942,813</u>		<u>\$ 11,942,813</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
LONG-TERM DEBT REQUIREMENTS  
SPECIAL SERVICE AREA BONDS, SERIES 2014  
April 30, 2015

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

CURRENT AND FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year Ending	Requirements			Interest Due on			
	Principal	Interest	Totals	June 15	Amount	December 15	Amount
2016	\$ 110,000	\$ 144,450	\$ 254,450	2015	\$ 72,225	2015	\$ 72,225
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>\$ 3,210,000</u>	<u>\$ 1,635,300</u>	<u>\$ 4,845,300</u>		<u>\$ 817,650</u>		<u>\$ 817,650</u>

See independent auditor's report.

**Village of Itasca, Illinois**  
**SCHEDULE OF INSURANCE IN FORCE**  
April 30, 2015

Type of Coverage	Amount of Coverage	Expiration Date	Insurance Company
Commercial Property		5/1/2015	Federal Insurance Company
Building and Contents	\$29,101,149		
Business Income Including Extra Expense	562,380		
Monies and Securities	50,000		
General Liability		5/1/2015	American Automobile
General Aggregate	3,000,000		
Products and Completed Ops Aggregate	3,000,000		
Personal and Advertising Injury	1,000,000		
Each Occurrence	1,000,000		
Fire Damage (Any One Fire)	1,000,000		
Medical Expense (Any One Person)	5,000		
Commercial Automobile		5/1/2015	American Automobile
Liability	1,000,000		
Personal Injury Protection	N/A		
Uninsured Motorist	1,000,000		
Underinsured Motorist	1,000,000		
Umbrella		5/1/2015	American Alternative Ins. Co.
Liability	9,000,000		
Annual Aggregate	9,000,000		
Retained Limit	10,000		
Workers' Compensation		12/15/2015	Illinois Public Risk Fund
Each Accident	2,500,000		
Disease - Policy Limit	2,500,000		
Disease - Each Employee	2,500,000		
Law Enforcement Liability		5/1/2015	Clarendon Insurance Co.
Annual Aggregate	3,000,000		
Each Person/Each Wrongful Act	1,000,000		
Public Officials' and Employment Liability		5/1/2015	Clarendon Insurance Co.
Annual Aggregate	3,000,000		
Each Wrongful Act	1,000,000		

See independent auditor's report.

## Village of Itasca, Illinois

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

April 30, 2015

Levy Year	2014	2013
Residential	\$ 218,227,923	\$ 222,443,542
Farms	13,170	11,974
Commercial	137,943,310	140,820,800
Industrial	156,149,166	162,870,496
	\$ 512,333,569	\$ 526,146,812

Levy Year	2014		2013	
	Rate Extended	Taxes Extended	Rate Extended	Taxes Extended
Corporate	0.2638	\$ 1,351,536	0.2513	\$ 1,322,207
Bond and interest	0.1485	760,815	0.1459	767,648
Police pension	0.1356	694,724	0.1285	676,099
Total	0.5479	\$ 2,807,075	0.5257	\$ 2,765,954

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 2013 and 2014 were \$344,154 and \$515,708, respectively.

# Village of Itasca, Illinois

## LEGAL DEBT MARGIN

April 30, 2015

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Assessed Valuation - 2014	\$ <u>512,333,569</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 44,188,770
Amount of Debt Applicable to Debt Limit	
Village's general obligation debt	<u>8,890,000</u>
Legal Debt Margin	\$ <u>35,298,770</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."