



Eder, Casella & Co.  
815.344.1300  
[www.edercasella.com](http://www.edercasella.com)

***VILLAGE OF LAKE VILLA  
LAKE COUNTY, ILLINOIS***

***ANNUAL FINANCIAL REPORT***

***FOR THE FISCAL YEAR ENDED APRIL 30, 2022***

eder, casella & co

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Village of Lake Villa  
Lake Villa, Illinois

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

Village of Lake Villa

as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Lake Villa as of April 30, 2022, and the respective changes in financial position - modified cash basis and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Lake Villa and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter - Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the

financial statements in the circumstances. Management is also responsible for 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 Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Village of Lake Villa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Lake Villa's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplementary information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated October 17, 2022 on our consideration of Village of Lake Villa's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Lake Villa's internal control over financial reporting and compliance.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 17, 2022

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

To the Board of Trustees  
Village of Lake Villa  
Lake Villa, Illinois

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of

Village of Lake Villa

as of and for the year ended April 30, 2022, and the related notes to the financial statements, which collectively comprise Village of Lake Villa's basic financial statements, and have issued our report thereon dated October 17, 2022.

### Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in separately issued management letter, that we consider to be a material weakness.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether Village of Lake Villa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could

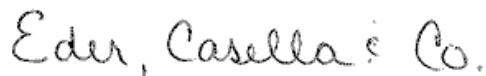
have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### ***Village of Lake Villa's Response to Findings***

Village of Lake Villa's response to the findings identified in our audit is described in the separate management letter issued. Village of Lake Villa's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

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



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 17, 2022



## SUPPLEMENTARY INFORMATION

## **VILLAGE OF LAKE VILLA**

### **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Village of Lake Villa (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2022.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities at April 30, 2022 by \$37,626,371 (net position). Of this amount, \$10,073,314 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$1,724,215.
- At April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$8,244,912, an increase of \$1,917,519 in comparison with the prior year, including a fund balance adjustment of \$28,891. Of this total amount, \$2,708,228 is available for spending at the Village's discretion (unassigned fund balance).
- At April 30, 2022, the unassigned fund balance for the General Fund was \$2,936,299, or 64% of total General Fund expenditures.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The Statement of Net Position – Modified Cash Basis presents information on all of the Village's assets and liabilities arising from cash transactions, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities – Modified Cash Basis presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported on the cash basis as soon as cash is received or disbursed, regardless of when the underlying event giving rise to the change occurs.

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include General Government, Police, Public Works, Streets, Building and Grounds, Mansion, Celebration of Summer Fund, and Parks. The business-type activities of the Village include water and sewer operations, and garbage collection.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund Statement of Assets, Liabilities, and Fund Balance – Modified Cash Basis and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains twenty individual governmental funds. Information is presented separately in the governmental fund Statement of Assets, Liabilities, and Fund Balance – Modified Cash Basis and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances – Modified Cash Basis for the General Fund, Motor Fuel Tax Fund and Capital Projects Fund which are considered to be major funds. Data from the other seventeen funds are combined into a single, aggregated presentation.

**Proprietary funds** - The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations and garbage payments.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, which is considered to be a major fund of the Village and the garbage fund, which is also, a major fund. The major proprietary funds consist of the Water and Sewer Fund and Garbage Fund.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information concerning the Village's progress in meeting its obligation to provide as fully adequate as possible services to all of its residents.

The Village adopts an annual budget for all of its funds. A budgetary comparison statement has been provided for the General, Motor Fuel Tax, and General Capital Funds to demonstrate compliance with this budget.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$37,626,371 at April 30, 2022.

By far, the largest portion of the Village's net assets (69%) reflects its investment in capital assets (e.g., land, construction in progress, buildings and improvements, land improvements, furniture and office equipment, vehicles and equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	Village of Lake Villa's Net Position					
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Assets						
Current and Other Assets	\$ 8,668,517	\$ 7,079,611	\$ 3,463,288	\$ 3,228,044	\$ 12,131,805	\$ 10,307,655
Capital Assets	10,321,338	10,722,975	20,848,751	21,485,339	31,170,089	32,208,314
Total Assets	<u>\$ 18,989,855</u>	<u>\$ 17,802,586</u>	<u>\$ 24,312,039</u>	<u>\$ 24,713,383</u>	<u>\$ 43,301,894</u>	<u>\$ 42,515,969</u>
Liabilities						
Long-Term Liabilities Outstanding	\$ 539,378	\$ 743,235	\$ 4,674,941	\$ 5,086,078	\$ 5,214,319	\$ 5,829,313
Other Liabilities	423,605	752,218	37,599	32,282	461,204	784,500
Total Liabilities	<u>\$ 962,983</u>	<u>\$ 1,495,453</u>	<u>\$ 4,712,540</u>	<u>\$ 5,118,360</u>	<u>\$ 5,675,523</u>	<u>\$ 6,613,813</u>
Net Position						
Net Investment in Capital Assets	\$ 9,781,960	\$ 9,979,740	\$ 16,173,810	\$ 16,399,261	\$ 25,955,770	\$ 26,379,001
Restricted	1,597,287	1,542,534	-	-	1,597,287	1,542,534
Unrestricted	6,647,625	4,784,859	3,425,689	3,195,762	10,073,314	7,980,621
Total Net Position	<u>\$ 18,026,872</u>	<u>\$ 16,307,133</u>	<u>\$ 19,599,499</u>	<u>\$ 19,595,023</u>	<u>\$ 37,626,371</u>	<u>\$ 35,902,156</u>

An additional portion of the Village's net position (4.25%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$10,073,314) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2022, the Village is able to report positive balances in all three categories of net position. The same situation held true for the prior fiscal year.

The Village's net position increased by \$1,724,215, including a net position adjustment of \$57,782, during the year ended April 30, 2022.

Village of Lake Villa's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Revenues						
Program Revenues						
Charges for Services	\$ 662,858	\$ 438,693	\$ 4,125,705	\$ 3,746,539	\$ 4,788,563	\$ 4,185,232
Operating Grants and Contributions	965,494	396,542	-	-	965,494	396,542
Capital Grants and Contributions	253,315	313,033	-	-	253,315	313,033
General Revenues						
Property Taxes	2,494,057	2,510,956	-	-	2,494,057	2,510,956
Sales Tax	1,267,159	903,578	-	-	1,267,159	903,578
Other Taxes	2,416,301	2,381,191	-	-	2,416,301	2,381,191
Unrestricted Investment Earnings	49,249	47,508	20,420	41,243	69,669	88,751
Gain on Asset Disposal	48,360	12,708	-	-	48,360	12,708
Gain/(Loss) on Investments	-	-	-	(31,890)	-	(31,890)
Other General Revenue	222,931	185,163	73,590	65,016	296,521	250,179
Total Revenues	<u>\$ 8,379,724</u>	<u>\$ 7,189,372</u>	<u>\$ 4,219,715</u>	<u>\$ 3,820,908</u>	<u>\$ 12,599,439</u>	<u>\$ 11,010,280</u>
Expenses						
General Government	\$ 1,920,746	\$ 1,409,879	\$ -	\$ -	\$ 1,920,746	\$ 1,409,879
Police	3,140,624	3,117,864	-	-	3,140,624	3,117,864
Public Works	223	10,867	-	-	223	10,867
Streets	1,313,398	1,764,927	-	-	1,313,398	1,764,927
Building and Grounds	379,905	400,677	-	-	379,905	400,677
Mansion	154,758	138,376	-	-	154,758	138,376
Celebration of Summer Fund	15,414	50	-	-	15,414	50
Debt Service	23,230	27,979	-	-	23,230	27,979
Garbage	-	-	624,220	597,500	624,220	597,500
Water and Sewer	-	-	3,360,488	3,195,815	3,360,488	3,195,815
Total Expenses	<u>\$ 6,948,298</u>	<u>\$ 6,870,619</u>	<u>\$ 3,984,708</u>	<u>\$ 3,793,315</u>	<u>\$ 10,933,006</u>	<u>\$ 10,663,934</u>
Increase/(Decrease) before Transfers	<u>\$ 1,431,426</u>	<u>\$ 318,753</u>	<u>\$ 235,007</u>	<u>\$ 27,593</u>	<u>\$ 1,666,433</u>	<u>\$ 346,346</u>
Transfers	259,422	148,492	(259,422)	(148,492)	-	-
Increase/(Decrease) in Net Position	<u>\$ 1,690,848</u>	<u>\$ 467,245</u>	<u>\$ (24,415)</u>	<u>\$ (120,899)</u>	<u>\$ 1,666,433</u>	<u>\$ 346,346</u>
Net Position - Beginning of Year	16,307,133	15,871,778	19,595,023	19,715,922	35,902,156	35,587,700
Net Position Adjustment	28,891	-	28,891	-	57,782	-
Net Position - End of Year	<u>\$ 18,026,872</u>	<u>\$ 16,339,023</u>	<u>\$ 19,599,499</u>	<u>\$ 19,595,023</u>	<u>\$ 37,626,371</u>	<u>\$ 35,934,046</u>

**Governmental Activities** – Governmental activities increased the Village's net position by \$1,719,739, including a net position adjustment of \$28,891.

**Business-Type Activities** – Business-type activities increased the Village's net position by \$4,476, including a net position adjustment of \$28,891.

## FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2022, the Village's governmental funds reported combined ending fund balances of \$8,244,912 an increase of \$1,917,519 in comparison with the prior year. Of this total amount, \$2,708,228 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted, committed, or assigned for specific purposes.

### *General Fund*

The General Fund is the chief operating fund of the Village. The focus of the Village's General Fund is to provide information on the revenues and expenditures of the funds that the Village receives from its general tax levies and from other unrestricted sources such as personal property replacement tax, grants, interest on bank deposits, and associated expenditures.

At April 30, 2022, unassigned fund balance of the General Fund was \$2,936,299, while total fund balance was \$2,964,659, an increase of \$544,784 in comparison with the prior year. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 64% of total General Fund expenditures, while total fund balance represents 65% of that same amount.

### *Motor Fuel Tax Fund*

The net change in fund balance was an increase of \$547,687 resulting in an ending fund balance of \$1,307,953.

### *General Capital Projects Fund*

The net change in fund balance was an increase of \$910,016 resulting in an ending balance of \$2,911,472.

**Proprietary funds** - The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the Water and Sewer Fund at April 30, 2022 amounted to \$3,300,840. The total decrease in net position for the Water and Sewer Fund was \$36,676 which is the excess of expenses over revenues for providing water and sewer services offset by a net position adjustment.

The Garbage Fund had an unrestricted net position balance at April 30, 2022 of \$124,849. The Village bills customers for garbage service on their water and sewer bills at a rate established by an approved ordinance. The current provider, Waste Management, bills the Village monthly for service provided. The Garbage Fund had \$41,152 in excess revenues over expenses for fiscal year 2022.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village did not amend its budget for the fiscal year ended April 30, 2022.

Significant differences between the budget and actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$2,187,827 (favorable) due primarily to the Village receiving more Sales Tax and State Income Tax than anticipated, along with a federal grant (ARPA Funds). This was also due to not budgeting for the Police Pension property taxes (to be remitted to the Police Pension fiduciary fund).
- The difference between the estimated expenditures and the actual expenditures was \$809,792 (unfavorable) and was primarily attributable to the Village not budgeting for Police Pension contributions related to the Police Pension property taxes.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2022 amounts to \$31,170,089 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, land improvements, furniture and office equipment, vehicles and equipment, and infrastructure. The total decrease in the Village's investment in capital assets for the current fiscal year was 4.24%.

Major capital asset events during the year ended April 30, 2022 included the following:

### Governmental Activities:

- Downtown Sidewalk Project - \$135,163
- Two New Squad Cars - \$73,921

### Business-Type Activities:

- Water Main Construction in Progress - \$51,712
- Well Upgrades - \$21,000

Village of Lake Villa's Capital Assets (net of depreciation)						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
Land	\$ 3,845,656	\$ 3,845,656	\$ -	\$ -	\$ 3,845,656	\$ 3,845,656
Construction in Progress	8,200	58,486	242,998	191,286	251,198	249,772
Buildings and Improvements	1,893,372	2,012,123	2,665,847	2,734,935	4,559,219	4,747,058
Land Improvements	2,070,163	1,949,852	37,373	-	2,107,536	1,949,852
Furniture and Office Equipment	152,507	168,448	-	-	152,507	168,448
Vehicles and Equipment	657,924	782,938	30,458	41,904	688,382	824,842
Infrastructure	1,693,516	1,905,472	17,872,075	18,517,214	19,565,591	20,422,686
Total	<u>\$ 10,321,338</u>	<u>\$ 10,722,975</u>	<u>\$ 20,848,751</u>	<u>\$ 21,485,339</u>	<u>\$ 31,170,089</u>	<u>\$ 32,208,314</u>

For more detail on the Village's Capital Assets, see Note 4 in the notes to the financial statements.

**Long Term Debt** - At April 30, 2022, the Village had \$5,214,319 in long-term debt.

Village of Lake Villa's Outstanding Debt						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2022	4/30/2021	4/30/2022	4/30/2021	4/30/2022	4/30/2021
GO Bonds 2019	\$ 539,378	\$ 743,235	\$ -	\$ -	\$ 539,378	\$ 743,235
GO Bonds	-	-	1,165,000	1,375,000	1,165,000	1,375,000
IEPA Loan 2017	-	-	3,509,941	3,711,078	3,509,941	3,711,078
Total	<u>\$ 539,378</u>	<u>\$ 743,235</u>	<u>\$ 4,674,941</u>	<u>\$ 5,086,078</u>	<u>\$ 5,214,319</u>	<u>\$ 5,829,313</u>

For more detail on the Village's long-term debt, see Note 5 in the notes to the financial statements.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Village considered many factors when setting the fiscal year 2023 budget. Those factors included expected property tax revenues, income and utility tax revenues, projected expenses, necessary capital outlay and account fund balances.

The General Operating Fund 2022-2023 budgeted fund surplus of \$167,664 that includes the costs of providing services such as police protection, park maintenance, street maintenance, administrative services, and code compliance services.

The General Capital Fund receives revenue from video gaming, water tower leases, and a portion of sales, use and income tax. In addition, this fund will receive funds in excess of the General Operating Fund designated fund reserve. These funds are set apart from operational spending and reserved for one-time community improvements and major equipment replacements. The fiscal year 2022-2023 budget of \$2,116,977 includes the following projects as well as other equipment purchases and improvement projects:

• Salt Storage	\$375,000
• Economic Incentive	\$20,000
• Building Repairs	\$42,000
• Repairs and Improvements	\$50,000
• Retail Recruitment	\$25,000
• Police Records & Evidence Upgrades	\$11,029
• Local Share State/County Projects	\$32,200
• Grant Applications	\$7,500
• Lehmann Park – Oslad	\$306,901
• Rebuild Illinois Grant	\$518,847
• Quiet Zone Improvements	\$16,500
• Sealcoating/Striping PD/Hall Parking lot	\$5,000
• Road Resurfacing Winddance Subdivision	\$250,000

The Water and Sewer Operating Fund 2022-2023 budgeted fund surplus of \$131,043 which includes operating costs of the water and sewer system.

The Water and Sewer Capital Fund receives revenue from one-time water and sewer connection fees generated from new building construction. In addition, this fund will receive funds in excess of the Water and Sewer Operating Fund designated fund reserve. These revenues are set apart from operational spending and reserved for one-time system improvements and replacements. The Water and Sewer Capital Fund 2022-2023 budget of \$816,237 includes the following system upgrades as well as other system repairs and improvements.

• Repairs and Improvements	\$50,000
• Well House Chemical Conversion	\$30,000
• Grand Ave Utility Relocation Design Eng.	\$32,237
• Sanitary Sewer Manhole Repairs	\$40,000
• Lake County Connection fees	\$10,000
• Milwaukee Ave. Inspection Valve	\$10,000
• Lift Station 4 Generation Replacement	\$20,000
• Generator Load Bank Testing	\$9,000
• Design and Engineering for Water Tower A	\$30,000
• Water Meter Program	\$250,000
• Design & Engineering Well 7 Booster Station	\$40,000
• Design & Engineering Interconnection	\$110,000
• Cedar Lake Rd Insertion Valve	\$15,000
• IEPA Grand Ave Watermain Relocation	\$656,735
• IEPA Grand Ave Sanitary Sewer Rehabilitation	\$431,142

Due to a clerical error, the total budget Water and Sewer Capital projects was incorrect. An amended budget was approved on June 6, 2022.

The Metra Fund 2022-2023 budgeted surplus of \$6,451 includes operating costs for the Metra station and parking lot.



The Mansion Fund 2022-2023 budgeted fund surplus of \$14,298 includes operating and maintenance costs for the Lehmann Mansion.

The Motor Fuel Tax Fund 2022-2023 budgeted a deficit of \$537,712.

The Downtown Business District Fund 2022-2023 budgeted surplus of \$75,278.

The Public Works Equipment Replacement Fund receives revenue from the General Fund and the Water and Sewer Fund to fund the regular replacement of Public Works vehicles and major equipment. The fund budget includes \$250,917 in vehicle and equipment purchases.

The Squad Car Replacement Fund receives revenue from the General Fund to fund the regular replacement of Police Department vehicles. The fund budget includes the purchase of two squads and one pickup truck totaling \$157,440.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Village of Lake Villa, 65 Cedar Ave., Lake Villa, IL 60046.

## BASIC FINANCIAL STATEMENTS

VILLAGE OF LAKE VILLA  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2022

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 8,645,342	\$ 3,454,258	\$ 12,099,600
Other Receivables	23,175	9,030	32,205
Capital Assets			
Land	3,845,656	-	3,845,656
Construction in Progress	8,200	242,998	251,198
Other Capital Assets, Net of Depreciation	6,467,482	20,605,753	27,073,235
Total Assets	<u>\$ 18,989,855</u>	<u>\$ 24,312,039</u>	<u>\$ 43,301,894</u>
<b>LIABILITIES</b>			
Due to Other Funds	\$ 2,697	\$ (2,697)	\$ -
Due to Fiduciary Funds	420,908	-	420,908
Due to Other Governments	-	40,296	40,296
Non-Current Liabilities			
Due Within One Year	85,204	419,895	505,099
Due in More Than One Year	454,174	4,255,046	4,709,220
Total Liabilities	<u>\$ 962,983</u>	<u>\$ 4,712,540</u>	<u>\$ 5,675,523</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 9,781,960	\$ 16,173,810	\$ 25,955,770
Restricted for:			
Streets	1,282,791	-	1,282,791
Drug Enforcement	12,514	-	12,514
DUI	7,664	-	7,664
Unemployment	28,360	-	28,360
Metra	13,938	-	13,938
Retirement	82,270	-	82,270
Celebration of Summer	3,010	-	3,010
Downtown TIF	127,563	-	127,563
Park Ave TIF	2,914	-	2,914
Parks	36,263	-	36,263
Unrestricted / (Deficit)	<u>6,647,625</u>	<u>3,425,689</u>	<u>10,073,314</u>
Total Net Position	<u>\$ 18,026,872</u>	<u>\$ 19,599,499</u>	<u>\$ 37,626,371</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED APRIL 30, 2022

	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs							
Governmental Activities							
General Government	\$ 1,920,746	\$ 208,144	\$ -	\$ -	\$ (1,712,602)	\$ -	\$ (1,712,602)
Police	3,140,624	228,535	583,327	-	(2,328,762)	-	(2,328,762)
Public Works	223	-	-	-	(223)	-	(223)
Streets	1,313,398	7,803	370,130	253,315	(682,150)	-	(682,150)
Building and Grounds	379,905	138,172	-	-	(241,733)	-	(241,733)
Mansion	154,758	80,204	-	-	(74,554)	-	(74,554)
Celebration of Summer Fun	15,414	-	12,037	-	(3,377)	-	(3,377)
Interest and Fees on Long-Term Debt	23,230	-	-	-	(23,230)	-	(23,230)
	<u>\$ 6,948,298</u>	<u>\$ 662,858</u>	<u>\$ 965,494</u>	<u>\$ 253,315</u>	<u>\$ (5,066,631)</u>	<u>\$ -</u>	<u>\$ (5,066,631)</u>
Business-Type Activities							
Garbage	\$ 624,220	\$ 645,189	\$ -	\$ -	\$ -	\$ 20,969	\$ 20,969
Water and Sewer	3,360,488	3,480,516	-	-	-	120,028	120,028
Total Business-Type Activities	<u>\$ 3,984,708</u>	<u>\$ 4,125,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 140,997</u>	<u>\$ 140,997</u>
Total Primary Government	<u>\$ 10,933,006</u>	<u>\$ 4,788,563</u>	<u>\$ 965,494</u>	<u>\$ 253,315</u>	<u>\$ (5,066,631)</u>	<u>\$ 140,997</u>	<u>\$ (4,925,634)</u>
General Revenues							
Taxes							
Property Tax					\$ 2,494,057	\$ -	\$ 2,494,057
State Sales Tax					1,267,159	-	1,267,159
State Income Tax					1,271,921	-	1,271,921
Other Taxes					1,144,380	-	1,144,380
Unrestricted Investment Earnings					49,249	20,420	69,669
Miscellaneous					222,931	15,461	238,392
Gain on Disposal of Capital Assets					48,360	-	48,360
Connection and Permit Fees					-	58,129	58,129
Transfers					259,422	(259,422)	-
Total General Revenues and Transfers					<u>\$ 6,757,479</u>	<u>\$ (165,412)</u>	<u>\$ 6,592,067</u>
Change in Net Position					\$ 1,690,848	\$ (24,415)	\$ 1,666,433
Net Position - Beginning of Year					16,307,133	19,595,023	35,902,156
Net Assets Adjustment (Note 18)					28,891	28,891	57,782
Net Position - End of Year					<u>\$ 18,026,872</u>	<u>\$ 19,599,499</u>	<u>\$ 37,626,371</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
FUND FINANCIAL STATEMENTS  
STATEMENT OF ASSETS, LIABILITIES, AND  
FUND BALANCE - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
AS OF APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Investments	\$ 3,365,248	\$ 1,307,953	\$ 2,907,754	\$ 1,283,740	\$ 8,864,695
Other Receivables	23,016	-	-	159	23,175
Due from Other Funds	-	-	3,718	5,000	8,718
<b>Total Assets</b>	<b>\$ 3,388,264</b>	<b>\$ 1,307,953</b>	<b>\$ 2,911,472</b>	<b>\$ 1,288,899</b>	<b>\$ 8,896,588</b>
<b>LIABILITIES</b>					
Cash Overdraft	\$ -	\$ -	\$ -	\$ 219,353	\$ 219,353
Due to Other Funds	2,697	-	-	8,718	11,415
Due to Fiduciary	420,908	-	-	-	420,908
<b>Total Liabilities</b>	<b>\$ 423,605</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 228,071</b>	<b>\$ 651,676</b>
<b>FUND BALANCES</b>					
Restricted					
Streets	\$ -	\$ 1,282,791	\$ -	\$ -	\$ 1,282,791
Drug Enforcement	-	-	-	12,514	12,514
DUI	-	-	-	7,664	7,664
Unemployment	28,360	-	-	-	28,360
Metra	-	-	-	13,938	13,938
Retirement	-	-	-	82,270	82,270
Celebration of Summer	-	-	-	3,010	3,010
Downtown TIF	-	-	-	127,563	127,563
Park Ave TIF	-	-	-	2,914	2,914
Parks	-	-	-	36,263	36,263
Assigned					
Streets	-	25,162	-	-	25,162
Public Works	-	-	-	209,299	209,299
Metra	-	-	-	33,593	33,593
Insurance	-	-	-	61,068	61,068
Celebration of Summer	-	-	-	418	418
Squad Car	-	-	-	135,257	135,257
DUI	-	-	-	211	211
Parks	-	-	-	75,952	75,952
Capital Projects	-	-	2,911,472	-	2,911,472
Downtown TIF	-	-	-	80,822	80,822
Park Ave TIF	-	-	-	2	2
Business District #1	-	-	-	383,821	383,821
Information Technology	-	-	-	4,028	4,028
Fleet Maintenance	-	-	-	18,292	18,292
Unassigned	2,936,299	-	-	(228,071)	2,708,228
<b>Total Fund Balances</b>	<b>\$ 2,964,659</b>	<b>\$ 1,307,953</b>	<b>\$ 2,911,472</b>	<b>\$ 1,060,828</b>	<b>\$ 8,244,912</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,388,264</b>	<b>\$ 1,307,953</b>	<b>\$ 2,911,472</b>	<b>\$ 1,288,899</b>	<b>\$ 8,896,588</b>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE STATEMENT OF ASSETS, LIABILITIES,  
AND FUND BALANCE - MODIFIED CASH BASIS  
TO THE STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
APRIL 30, 2022

Total Fund Balances - Governmental Funds	\$ 8,244,912
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Amounts reported for governmental activities in the Statement  
of Net Position - Modified Cash Basis are different because:

Capital assets used in governmental activities are not financial  
resources and therefore are not reported in the funds.

Capital Assets, net of accumulated depreciation	10,321,338
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Some liabilities are not due and payable in the current period  
and therefore are not reported in the funds.

General Obligation Note	<u>(539,378)</u>
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Net Position of Governmental Activities	<u><u>\$ 18,026,872</u></u>
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The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
MODIFIED CASH BASIS - GOVERNMENTAL FUNDS  
YEAR ENDED APRIL 30, 2022

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Local Taxes	\$ 3,785,433	\$ -	\$ 53,003	\$ 846,413	\$ 4,684,849
Intergovernmental	1,256,125	370,130	297,836	-	1,924,091
Licenses and Permits	310,691	-	-	-	310,691
Fines	113,290	-	-	3,294	116,584
Grant Revenue	583,327	192,022	-	-	775,349
Other	361,178	535	49,688	108,317	519,718
Total Revenues	<u>\$ 6,410,044</u>	<u>\$ 562,687</u>	<u>\$ 400,527</u>	<u>\$ 958,024</u>	<u>\$ 8,331,282</u>
EXPENDITURES					
CURRENT					
General Government	\$ 561,235	\$ -	\$ -	\$ 1,252,507	\$ 1,813,742
Police	3,025,377	-	-	2,640	3,028,017
Streets	805,550	-	-	-	805,550
Building and Grounds	182,033	-	-	-	182,033
Mansion	-	-	-	114,985	114,985
Celebration of Summer	-	-	-	15,414	15,414
CAPITAL OUTLAY					
General Government	2,880	-	167,998	13,240	184,118
Police	1,700	-	29,987	78,948	110,635
Public Works	-	-	39,340	223	39,563
Streets	5,260	15,000	169,672	47,428	237,360
Building and Grounds	3,750	-	-	-	3,750
DEBT SERVICE					
Principal	-	-	-	203,857	203,857
Interest and Fees	-	-	-	23,230	23,230
Total Expenditures	<u>\$ 4,587,785</u>	<u>\$ 15,000</u>	<u>\$ 406,997</u>	<u>\$ 1,752,472</u>	<u>\$ 6,762,254</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>\$ 1,822,259</u>	<u>\$ 547,687</u>	<u>\$ (6,470)</u>	<u>\$ (794,448)</u>	<u>\$ 1,569,028</u>
OTHER FINANCING SOURCES/(USES)					
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ 60,178	\$ 60,178
Transfers	(1,306,366)	-	916,486	649,302	259,422
	<u>\$ (1,306,366)</u>	<u>\$ -</u>	<u>\$ 916,486</u>	<u>\$ 709,480</u>	<u>\$ 319,600</u>
NET CHANGE IN FUND BALANCES	\$ 515,893	\$ 547,687	\$ 910,016	\$ (84,968)	\$ 1,888,628
FUND BALANCES - MAY 1, 2021	2,419,875	760,266	2,001,456	1,145,796	6,327,393
FUND BALANCE ADJUSTMENT (NOTE 18)	<u>28,891</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,891</u>
FUND BALANCES - APRIL 30, 2022	<u>\$ 2,964,659</u>	<u>\$ 1,307,953</u>	<u>\$ 2,911,472</u>	<u>\$ 1,060,828</u>	<u>\$ 8,244,912</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
FUND FINANCIAL STATEMENTS  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND  
BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
YEAR ENDED APRIL 30, 2022

Net Change in Fund Balances - Total Governmental Funds \$ 1,888,628

Amounts reported for governmental activities in the Statement of Activities - Modified  
Cash Basis are different because:

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities - Modified Cash Basis the cost of those assets is allocated  
over their estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (729,063)	
Capital Outlays	<u>339,162</u>	
		(389,901)

In the Statement of Activities - Modified Cash Basis, only the gain or loss on the sale  
of capital assets is reported, whereas in the governmental funds, the proceeds from  
the sale increase financial resources. Thus, the change in net position differs from  
the change in fund balance by the undepreciated balance of the capital assets sold.

Proceeds from Sale of Capital Assets	\$ (60,096)	
Gain on Sale of Capital Assets	<u>48,360</u>	
		(11,736)

Repayment of long-term debt requires the use of current financial resources of  
governmental funds and is therefore shown as an expenditure in the Statement  
of Revenues, Expenditures, and Changes in Fund Balances - Modified Cash Basis,  
but the repayment reduces long-term liabilities in the Statement of Net Position -  
Modified Cash Basis and is therefore not reported in the Statement of Activities -  
Modified Cash Basis.

Repayment of Long-Term Debt		<u>203,857</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 1,690,848</u></u>
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The Notes to Financial Statements are an integral part of this statement.



VILLAGE OF LAKE VILLA  
STATEMENT OF NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
APRIL 30, 2022

	Business-type Activities		
	Water and Sewer	Garbage	Total Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 3,329,409	\$ 124,849	\$ 3,454,258
Other Receivables	9,030	-	9,030
Due from General Fund	2,697	-	2,697
	<u>\$ 3,341,136</u>	<u>\$ 124,849</u>	<u>\$ 3,465,985</u>
Non-Current Assets			
Capital Assets			
Construction in Progress	\$ 242,998	\$ -	\$ 242,998
Other Capital Assets	3,774,742	-	3,774,742
Water and Sewer Systems	30,886,896	-	30,886,896
Less: Accumulated Depreciation	(14,055,885)	-	(14,055,885)
	<u>\$ 20,848,751</u>	<u>\$ -</u>	<u>\$ 20,848,751</u>
Total Assets	<u>\$ 24,189,887</u>	<u>\$ 124,849</u>	<u>\$ 24,314,736</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Governments	\$ 40,296	\$ -	\$ 40,296
Bonds and Notes Payable - Current	419,895	-	419,895
	<u>\$ 460,191</u>	<u>\$ -</u>	<u>\$ 460,191</u>
Non-Current Liabilities			
Bonds and Notes Payable (Net of Current Portion Shown Above)	<u>\$ 4,255,046</u>	<u>\$ -</u>	<u>\$ 4,255,046</u>
Total Liabilities	<u>\$ 4,715,237</u>	<u>\$ -</u>	<u>\$ 4,715,237</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 16,173,810	\$ -	\$ 16,173,810
Unrestricted / (Deficit)	<u>3,300,840</u>	<u>124,849</u>	<u>3,425,689</u>
Total Net Position	<u>\$ 19,474,650</u>	<u>\$ 124,849</u>	<u>\$ 19,599,499</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
NET POSITION - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
YEAR ENDED APRIL 30, 2022

	Enterprise Fund		Total Enterprise Funds
	Water and Sewer	Garbage	
OPERATING REVENUES			
Charges for Services			
Water Customer Sales/Connection Fees	\$ 2,094,964	\$ -	\$ 2,094,964
Sewer Customer Sales/Connection Fees	1,377,827	-	1,377,827
Refuse and Recycling Collections	-	645,189	645,189
County Connection Fees	58,129	-	58,129
Water Meter Sales	6,405	-	6,405
Inspection Fees	1,320	-	1,320
Miscellaneous Revenue	7,753	7,708	15,461
	<u>\$ 3,546,398</u>	<u>\$ 652,897</u>	<u>\$ 4,199,295</u>
OPERATING EXPENSES			
Water Department			
Personnel Expenses	\$ 326,676	\$ -	\$ 326,676
Contractor Expenses	68,647	-	68,647
Operating Expenses	887,928	-	887,928
Depreciation	417,887	-	417,887
Sewer Department			
Personnel Expenses	318,158	-	318,158
Contractor Expenses	797,656	-	797,656
Operating Expenses	90,645	-	90,645
Depreciation	345,696	-	345,696
Garbage Services			
Contractor Expenses	-	620,152	620,152
Operating Expenses	-	4,068	4,068
	<u>\$ 3,253,293</u>	<u>\$ 624,220</u>	<u>\$ 3,877,513</u>
OPERATING INCOME/(LOSS)	<u>\$ 293,105</u>	<u>\$ 28,677</u>	<u>\$ 321,782</u>
NON-OPERATING REVENUE/(EXPENSE)			
Interest Income	\$ 7,945	\$ 12,475	\$ 20,420
Interest Expense	(107,195)	-	(107,195)
	<u>\$ (99,250)</u>	<u>\$ 12,475</u>	<u>\$ (86,775)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 193,855</u>	<u>\$ 41,152</u>	<u>\$ 235,007</u>
TRANSFERS (TO)/FROM OTHER FUNDS			
Transfers	(259,422)	-	(259,422)
CHANGE IN NET POSITION	<u>\$ (65,567)</u>	<u>\$ 41,152</u>	<u>\$ (24,415)</u>
NET POSITION - MAY 1, 2021	19,511,326	83,697	19,595,023
NET POSITION ADJUSTMENT (NOTE 18)	<u>28,891</u>	<u>-</u>	<u>28,891</u>
NET POSITION - APRIL 30, 2022	<u><u>\$ 19,474,650</u></u>	<u><u>\$ 124,849</u></u>	<u><u>\$ 19,599,499</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS  
PROPRIETARY FUNDS  
YEAR ENDED APRIL 30, 2022

	<u>Enterprise Funds</u> <u>Water and Sewer</u> <u>and Garbage</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 4,194,311
Payments to Suppliers for Goods and Services	(2,462,486)
Payments to Employees for Services	(644,834)
Internal Activity - Payments to Other Funds	(1,293)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 1,085,698</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ (259,422)
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ (259,422)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (126,995)
Interest Paid on Capital Debt	(107,195)
Principal Paid on Capital Debt	(411,137)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (645,327)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents and Investments	\$ 20,420
Net Cash Provided/(Used) by Investing Activities	<u>\$ 20,420</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 201,369
CASH AND INVESTMENTS BALANCE - MAY 1, 2021	<u>3,252,889</u>
CASH AND INVESTMENTS BALANCE - APRIL 30, 2022	<u><u>\$ 3,454,258</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ 321,782
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	763,583
Change in Assets and Liabilities:	
Due To/From Other Funds	(1,293)
Other Receivables	(4,984)
Due to Other Governments	6,610
Net Cash Provided/(Used) by Operating Activities	<u><u>\$ 1,085,698</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
STATEMENT OF FIDUCIARY NET POSITION - MODIFIED CASH BASIS  
FIDUCIARY FUNDS  
APRIL 30, 2022

	Police Pension Trust Fund	Custodial Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,159,699	\$ -
Investments		
Corporate Bonds	486,765	-
Mutual Funds	3,286,764	-
Stocks	180,859	-
Certificates of Deposit	214,585	-
U.S. Treasury Obligations	2,556,600	-
Due from Other Funds	421,108	-
Prepays	1,455	-
Accrued Interest	16,267	-
Total Assets	<u>\$ 9,324,102</u>	<u>\$ -</u>
<b>LIABILITIES</b>		
Cash Overdraft	\$ -	\$ 4,233
Accounts Payable	64,521	-
Due to Other Funds	-	200
Total Liabilities	<u>\$ 64,521</u>	<u>\$ 4,433</u>
<b>NET POSITION</b>		
Restricted - Held in Trust for Pension Benefits	\$ 9,259,581	\$ -
Restricted for Developers, Property Owners, and Others	<u>-</u>	<u>(4,433)</u>
Total Net Position	<u><u>\$ 9,259,581</u></u>	<u><u>\$ (4,433)</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -  
MODIFIED CASH BASIS  
FIDUCIARY FUNDS  
YEAR ENDED APRIL 30, 2022

	Police Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions		
Employer	\$ 804,464	\$ -
Plan Members	143,876	-
Developers, Property Owners, and Others	-	42,212
Total Contributions	<u>\$ 948,340</u>	<u>\$ 42,212</u>
Investment Income		
Interest and Dividends	\$ 380,915	\$ -
Net Increase/(Decrease) in Fair Value of Investments	(715,945)	-
Less: Investment Expense	(22,568)	-
Net Investment Income	<u>\$ (357,598)</u>	<u>\$ -</u>
Total Additions	<u>\$ 590,742</u>	<u>\$ 42,212</u>
DEDUCTIONS		
Benefits	\$ 670,961	\$ -
Refunds	57,115	-
Administrative Expenses	50,243	-
Payments on Behalf of Developers, Property Owners, and Others	-	76,061
Total Deductions	<u>\$ 778,319</u>	<u>\$ 76,061</u>
NET INCREASE/(DECREASE)	\$ (187,577)	\$ (33,849)
TRANSFERS (TO)/FROM OTHER FUNDS	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	\$ (187,577)	\$ (33,849)
NET POSITION - MAY 1, 2021	9,447,158	-
NET POSITION ADJUSTMENT (NOTE 18)	<u>-</u>	<u>29,416</u>
NET POSITION - APRIL 30, 2022	<u><u>\$ 9,259,581</u></u>	<u><u>\$ (4,433)</u></u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2022

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Village of Lake Villa's (Village) financial statements are prepared in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Village are discussed below.

**A. *Reporting Entity***

The accompanying financial statements comply with the provisions of GASB statements, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has determined that the Police Pension Plan meets the above criteria. The Police Pension Plan is blended into the Village's primary government financial statements as a fiduciary fund although it remains a separate legal entity. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

**B. *Basic Financial Statements – Government-Wide Financial Statements***

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's General Government, Police, Public Works, Streets, Building and Grounds, Mansion, and Celebration of Summer Fund services are classified as governmental activities. The Village's water and sewer services and garbage fund are classified as business-type activities.

In the government-wide Statement of Net Position – Modified Cash Basis, the governmental and business-type activities columns (a) are presented on a consolidated basis, and (b) are reported on a modified cash, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities – Modified Cash Basis reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.). The Statement of Activities – Modified Cash Basis reduces gross expenses (including depreciation) by related program revenues, operating, and capital grants. Program revenues must be directly associated with the function (General Government, Police, Public Works, Streets, Building and Grounds, Mansion, and Celebration of Summer Fund). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenues (property taxes, sales taxes, grants and contributions not restricted to specific activities, unrestricted investment earnings, etc.).

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

### *C. Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of all governmental funds) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The following fund types are used by the Village:

#### *1. Governmental Funds*

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position based on the current financial resource measurement focus (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

General Fund – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Motor Fuel Tax Fund includes revenues from motor fuel tax and other state road grants along with the related expenditures.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities.

Debt Service Fund - Debt Service Funds are funds with cash reserved that is to be used to pay for the interest and principal payments on certain types of debt. The General Obligation Bond Series 2019 Fund is the Village's non-major debt service fund and includes re-payment of the debt that was issued during 2019, along with related expenditures.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

#### *2. Proprietary Fund Types*

The proprietary fund utilizes an "economic resource" measurement focus. The object is determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Village reports the following proprietary fund types:

Enterprise Funds – Enterprise Funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities

## NOTES TO FINANCIAL STATEMENTS (Continued)

in the government-wide financial statements. The Enterprise Funds include the Water and Sewer Fund and the Garbage Fund.

### 3. *Fiduciary Fund Types*

Fiduciary Funds are used to report assets held in a trustee or custodial capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The custodial fund accounts for assets held by the Village as an agent for developers involved with construction in the Village. This fund is custodial in nature and does not involve measurement of the results of operations. Any remaining amounts are restricted for future costs associated with construction within the Village.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension and custodial). Since by definition these assets are being held for the benefit of a third party (pension participants and developers) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

### D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

In the government-wide Statement of Net Position - Modified Cash Basis and Statement of Activities - Modified Cash Basis and the fund financial statements, governmental activities and business-type activities are presented using the modified cash basis of accounting. This basis recognizes assets, liabilities, net position/fund equity, revenues, and expenditures/expenses when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As a result of the use of the modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

If the Village utilized accounting principles generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financial statements would be presented on the accrual basis of accounting.

### E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all Village funds. Instead, the funds maintain their cash balances in common bank accounts, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds. Various non-major funds had cash overdrafts totaling \$219,353 at April 30, 2022. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.



## NOTES TO FINANCIAL STATEMENTS (Continued)

Investments are reported cost. Gains and losses on the sale of investments are recognized upon realization.

### F. *Restricted Cash and Cash Equivalents*

Certain enterprise fund resources can be classified as restricted cash and cash equivalents on the Balance Sheet because their use is limited by applicable bond covenants.

### G. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

### H. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more (\$25,000 or more for buildings and infrastructure) are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20 - 60 years
Land Improvements	20 - 50 years
Furniture and Office Equipment	5 - 25 years
Vehicles and Equipment	5 - 15 years
Water and Sewerage Infrastructure	30 - 50 years
Other Infrastructure	10 - 15 years

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets acquired on or after May 1, 2004. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

### I. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

### J. *Compensated Absences*

Under the cash basis of accounting, the Village does not accrue accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. Vacations and the associated employee-related costs are recorded when paid.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### K. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities and proprietary fund Statement of Net Position – Modified Cash Basis. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as debt service expenditures.

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

### L. *Government-Wide Net Position*

Government-wide net position is divided into three components:

1. *Net Investment in Capital Assets* – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. *Restricted Net Position* – consists of net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. *Unrestricted Net Position* – all other net positions are reported in this category.

### M. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. *Restricted* – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. *Committed* – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
3. *Assigned* – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The authority of the assigned fund balance has been retained by the Board of Trustees.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted, or committed,

## NOTES TO FINANCIAL STATEMENTS (Continued)

and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself. All assigned fund balances are the residual amounts of the fund.

4. *Unassigned* – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned, and Unassigned.

### N. *Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's district on or before the last Tuesday in December. The 2021 levy was passed by the Board on December 6, 2021. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

### O. *Defining Operating Revenues and Expenses*

The Village's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Village's Water and Sewer and Garbage Funds consist of charges for services and the costs of providing those services, administrative expenses, and depreciation on capital assets. All other revenue and expenses are reported as nonoperating.

### P. *Budgetary Information*

A proposed operating budget for the fiscal year commencing the following May 1 is submitted to the Board of Trustees. The operating budget includes proposed disbursements and the means of financing them. Public hearings are conducted to obtain taxpayer comments.

The budget is legally enacted through passage of an appropriation ordinance. The budget was passed on July 19, 2021. Budget amounts reflected on the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual reflect the Village's internal working budget amounts which are lower than legal budget amounts. Therefore, all funds operated within legal budgets.

The Village Board is authorized to transfer budgeted amounts between departments within any fund.

## NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Village's name, except the following balance held by the Village Police Pension:

- Uninsured and uncollateralized: \$70,240

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6.

*Custodial Credit Risk.* Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village has a policy that all deposits and investments in excess of any insurance shall be collateralized by pledged securities and the market value of the pledged

## NOTES TO FINANCIAL STATEMENTS (Continued)

securities shall equal or exceed the portion of deposit requiring collateralization. As of April 30, 2022, \$70,240 of the Village Police Pension's bank balance was exposed to custodial credit risk.

### Investments

As of April 30, 2022, the Village had the following investments and maturities:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	5 - 10	More than 10
State Investment Pool	\$ 621,427	\$ 621,427	\$ -	\$ -	\$ -
Gov't Agencies	394,329	-	239,783	-	154,546
Gov't Money Markets	850,797	850,797	-	-	-
Total Investments	<u>\$ 1,866,553</u>	<u>\$ 1,472,224</u>	<u>\$ 239,783</u>	<u>\$ -</u>	<u>\$ 154,546</u>

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does have regulatory oversight through the State of Illinois.

**Credit Risk.** State law limits investments based on credit risk. The Village's investment policy states that the Village cannot directly invest in securities maturing more than ten years from the date of purchase. As of April 30, 2022, the Village's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
Gov't Agencies	AA+	Standard and Poor's
Gov't Money Markets	AAAm	Standard and Poor's

## NOTE 3 - FAIR VALUE MEASUREMENT

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Debt securities and certificates of deposit classified as Level 2 of the fair value hierarchy are valued using matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. The Village, including the Police Pension, have the following recurring fair value measurements as of April 30, 2022:

Investments by fair value level	4/30/2022	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)
<b>Debt Securities:</b>			
U.S. Treasury Securities	\$ 2,556,600	\$ 2,556,600	\$ -
U.S. Government Agencies	394,329	-	394,329
Corporate Bonds	486,765	-	486,765
Certificate of Deposits	3,547,055	-	3,547,055
Total Debt Securities	<u>\$ 6,984,749</u>	<u>\$ 2,556,600</u>	<u>\$ 4,428,149</u>
<b>Equity Securities:</b>			
Corporate Securities	\$ 180,859	\$ 180,859	\$ -
Mutual Fund	3,286,764	3,286,764	-
Total Equity Securities	<u>\$ 3,467,623</u>	<u>\$ 3,467,623</u>	<u>\$ -</u>
Total Investments by fair value level	<u>\$ 10,452,372</u>	<u>\$ 6,024,223</u>	<u>\$ 4,428,149</u>

## NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2022 was as follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2021	Increases	Decreases	Balance April 30, 2022
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 3,845,656	\$ -	\$ -	\$ 3,845,656
Construction in Progress	58,486	8,200	58,486	8,200
Total Capital Assets not being depreciated	<u>\$ 3,904,142</u>	<u>\$ 8,200</u>	<u>\$ 58,486</u>	<u>\$ 3,853,856</u>
Other Capital Assets:				
Buildings and Improvements	\$ 4,143,317	\$ -	\$ -	\$ 4,143,317
Land Improvements	2,842,716	229,699	-	3,072,415
Furniture and Office Equipment	705,929	39,688	-	745,617
Vehicles and Equipment	2,610,260	80,721	126,033	2,564,948
Infrastructure	4,391,497	39,340	-	4,430,837
Total Other Capital Assets at Historical Cost	<u>\$ 14,693,719</u>	<u>\$ 389,448</u>	<u>\$ 126,033</u>	<u>\$ 14,957,134</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 2,131,194	\$ 118,751	\$ -	\$ 2,249,945
Land Improvements	892,864	109,388	-	1,002,252
Furniture and Office Equipment	537,481	55,629	-	593,110
Vehicles and Equipment	1,827,322	193,999	114,297	1,907,024
Infrastructure	2,486,025	251,296	-	2,737,321
Total Accumulated Depreciation	<u>\$ 7,874,886</u>	<u>\$ 729,063</u>	<u>\$ 114,297</u>	<u>\$ 8,489,652</u>
Other Capital Assets, Net	<u>\$ 6,818,833</u>	<u>\$ (339,615)</u>	<u>\$ 11,736</u>	<u>\$ 6,467,482</u>
Governmental Activities Capital Assets, net	<u>\$ 10,722,975</u>	<u>\$ (331,415)</u>	<u>\$ 70,222</u>	<u>\$ 10,321,338</u>
<b>Business-Type Activities:</b>				
Capital Assets not being depreciated:				
Construction in Progress	\$ 191,286	\$ 51,712	\$ -	\$ 242,998
Total Capital Assets not being depreciated	<u>\$ 191,286</u>	<u>\$ 51,712</u>	<u>\$ -</u>	<u>\$ 242,998</u>
Other Capital Assets:				
Buildings	\$ 3,428,720	\$ -	\$ -	\$ 3,428,720
Land Improvements	15,980	39,340	-	55,320
Equipment	66,791	-	-	66,791
Vehicles and Equipment	223,911	-	-	223,911
Infrastructure	30,850,953	35,943	-	30,886,896
Total Other Capital Assets at Historical Cost	<u>\$ 34,586,355</u>	<u>\$ 75,283</u>	<u>\$ -</u>	<u>\$ 34,661,638</u>
Less Accumulated Depreciation for:				
Buildings	\$ 693,785	\$ 69,088	\$ -	\$ 762,873
Land Improvements	15,980	1,967	-	17,947
Equipment	62,736	4,063	-	66,799
Vehicles and Equipment	186,062	7,383	-	193,445
Infrastructure	12,333,739	681,082	-	13,014,821
Total Accumulated Depreciation	<u>\$ 13,292,302</u>	<u>\$ 763,583</u>	<u>\$ -</u>	<u>\$ 14,055,885</u>
Other Capital Assets, Net	<u>\$ 21,294,053</u>	<u>\$ (688,300)</u>	<u>\$ -</u>	<u>\$ 20,605,753</u>
Business-Type Activities Capital Assets, net	<u>\$ 21,485,339</u>	<u>\$ (636,588)</u>	<u>\$ -</u>	<u>\$ 20,848,751</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
General Government	\$ 122,117
Police	102,563
Streets	270,488
Building and Grounds	194,122
Mansion	39,773
Total Governmental Activities Depreciation Expense	<u>\$ 729,063</u>
<b>Business-Type Activities:</b>	
Water Operations	\$ 417,887
Sewer Operations	345,696
Total Business-Type Activities Depreciation Expense	<u>\$ 763,583</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2022 was as follows:

	Balance May 1, 2021	Additions	Retirements	Balance April 30, 2022	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Long-Term Debt					
GO Bond 2019	\$ 743,235	\$ -	\$ 203,857	\$ 539,378	\$ 85,204
Total Governmental Activities					
Long-Term Debt	<u>\$ 743,235</u>	<u>\$ -</u>	<u>\$ 203,857</u>	<u>\$ 539,378</u>	<u>\$ 85,204</u>
<b>Business-Type Activities:</b>					
Long-Term Debt					
GO Bonds	\$ 1,375,000	\$ -	\$ 210,000	\$ 1,165,000	\$ 215,000
IEPA 2017 Loan	3,711,078	-	201,137	3,509,941	204,895
Total Business-Type Activities					
Long-Term Debt	<u>\$ 5,086,078</u>	<u>\$ -</u>	<u>\$ 411,137</u>	<u>\$ 4,674,941</u>	<u>\$ 419,895</u>
Long-Term Liabilities	<u>\$ 5,829,313</u>	<u>\$ -</u>	<u>\$ 614,994</u>	<u>\$ 5,214,319</u>	<u>\$ 505,099</u>

Long-term debt consisted of the following at April 30, 2022:

	Date of Issuance	Maturity Date	Interest Rate	Face Amount	Carrying Amount
<b>Governmental Activities</b>					
GO Bond Series 2019	3/25/2019	3/25/2029	3.40%	\$ 900,000	\$ 539,378
<b>Business-Type Activities:</b>					
GO Bonds	12/17/2014	12/15/2026	2.0% - 3.0%	\$ 2,550,000	\$ 1,165,000
IEPA Loan 2017	5/30/2017	12/17/2036	1.86%	4,472,954	3,509,941

On December 17, 2014, The Village issued \$2,550,000 in General Refunding Bonds, Series 2015A to refund \$2,550,000 of an outstanding 2006 issue. The money was deposited in an irrevocable trust with an escrow agent in order to redeem the debt. The 2006 issues were callable on April 30, 2015, therefore there was no defeased debt outstanding related to these bonds. The refunding of the 2006 bond generated a net savings of \$441,425.

On March 25, 2019, The Village issued \$900,000 in General Refunding Bonds for the purpose of paying the costs of streetscape improvements and land acquisition for municipal parking for the Village and for the payment of the expenses incident there to, providing for the security for and payment of said note, and authorizing the issues of the note.

At April 30, 2022 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2023	\$ 85,204	\$ 22,468	\$ 107,672
2024	88,101	19,571	107,672
2025	91,097	16,576	107,673
2026	94,194	13,479	107,673
2027	97,396	10,276	107,672
2028-2029	83,386	12,549	95,935
	<u>\$ 539,378</u>	<u>\$ 94,919</u>	<u>\$ 634,297</u>

At April 30, 2022 the annual debt service requirements to service long-term debt attributable to business-type activities are:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending April 30	Principal	Interest	Total
2023	\$ 419,895	\$ 98,186	\$ 518,081
2024	433,724	88,445	522,169
2025	447,625	78,357	525,982
2026	456,598	67,334	523,932
2027	470,645	56,087	526,732
2028-2032	1,166,635	179,525	1,346,160
2033-2037	1,279,819	62,479	1,342,298
	<u>\$ 4,674,941</u>	<u>\$ 630,413</u>	<u>\$ 5,305,354</u>

### NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at April 30, 2022 consisted of the following:

Due From	Due To	Amount
General Fund	Pension Fund	\$ 421,108
General Fund	Water and Sewer Fund	2,697
GO Note Series 2019 Fund	Business District #1	5,000
Custodial Fund	General Fund	200
Park Ave TIF	General Capital Fund	3,718

The interfund balance due to Pension resulted from the Village contribution for property tax not being transferred prior to year-end.

The interfund balance due from the General Fund to the Water and Sewer Fund was for credit card fees paid by the Water and Sewer Fund on behalf of the General Fund.

The interfund balance due from the GO Note Series 2019 Fund to the Business District #1 Fund was bond issuance costs made.

The interfund balance due from the Custodial Fund to the General Fund was for permit escrow transfer.

The interfund balance due from Park Ave TIF to the General Capital Fund was for legal expenses paid on behalf of the Park Ave TIF by the General Capital Fund.

Interfund transfers for the year ended April 30, 2022 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	General Capital Fund	\$ 916,486	Excess funds to be used for future capital purchases
General Fund	Information Technology Fund	30,000	To cover IT costs
General Fund	Fleet Repair Fund	210,000	To cover Fleet Repairs
General Fund	Fleet Replacement Fund	82,080	To cover Fleet Replacement
General Fund	Public Works Fleet Replacement Fund	67,800	To cover Fleet Replacement
Metra Fund	Liability Insurance Fund	5,205	To cover insurance premiums
Mansion Fund	Liability Insurance Fund	5,205	To cover insurance premiums
Water and Sewer Fund	Public Works Fleet Replacement Fund	100,200	Future capital purchases
Water and Sewer Fund	Liability Insurance Fund	59,222	To cover insurance premiums
Water and Sewer Fund	Information Technology Fund	30,000	To cover IT costs
Water and Sewer Fund	Fleet Maintenance fund	70,000	To cover Fleet Replacement
Business District #1	GO Note Series 2019 Fund	107,672	To cover bond payments made

### NOTE 7 - DEFICIT FUND BALANCES

The Mansion Fund, Special Events Funds, Park Ave TIF Fund and GO Series 2019 Fund had deficit fund balances of \$201,331, \$18,022, \$802, and \$5,000, respectively as of April 30, 2022.

### NOTE 8 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2020 tax levies. A summary of the assessed valuation, rates, and extensions for the years 2021, 2020, and 2019 follows:

## NOTES TO FINANCIAL STATEMENTS (Continued)

TAX YEAR	2021		2020		2019	
ASSESSED VALUATION	\$230,800,198		\$226,131,818		\$223,695,613	
	RATES	EXTENSIONS	RATES	EXTENSIONS	RATES	EXTENSIONS
Corporate	0.167306	\$ 386,143	0.174894	\$ 395,491	0.222375	\$ 497,443
Police Protection	0.208406	481,001	0.212708	481,000	0.215025	481,002
Tort and Liability Insurance	0.073438	169,495	0.076890	173,873	0.077728	173,874
Municipal Retirement	0.023973	55,330	0.027070	61,214	0.027364	61,212
Unemployment Insurance	0.000044	102	0.000045	102	0.000045	101
Audit	0.004333	10,001	0.004423	10,002	0.004471	10,000
Social Security	0.077328	178,473	0.079790	180,431	0.080659	180,431
Street and Bridge	0.050973	117,646	0.051797	117,130	0.052508	117,458
Police Pension	0.359011	828,598	0.355751	804,466	0.321552	719,298
PTAB/ Recapture	0.003990	9,209	0.000000	-	0.000000	-
	<u>0.968802</u>	<u>\$ 2,235,998</u>	<u>0.983368</u>	<u>\$ 2,223,709</u>	<u>1.001727</u>	<u>\$ 2,240,819</u>

### NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2022, the following funds have expenditures that exceeded the budget.

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,587,785	\$ 3,777,993	\$ 809,792
Mansion Fund	114,985	113,139	1,846
GO Note Series 2019 Fund	227,087	-	227,087
Downtown TIF Fund	399,106	61,050	338,056

### NOTE 10 - RETIREMENT FUND COMMITMENTS

#### A. Illinois Municipal Retirement Fund

##### Plan Description

The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report is available for download at [www.imrf.org](http://www.imrf.org).

##### Benefits Provided

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.



NOTES TO FINANCIAL STATEMENTS (Continued)

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate.

Contributions

As set by statute, the Villages Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rates for calendar year 2021 and 2022 were 9.54% and 8.93%, respectively. For the fiscal year ended April 30, 2022, the Village contributed \$112,206 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*B. Social Security*

Employees not qualifying for coverage under the Illinois Municipal Retirement Fund are considered “non-participating employees”. These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The Village paid the total required contribution for the current fiscal year.

*C. Police Pension*

Plan Administration

Full-time police sworn personnel of the Village are covered by The Police Pension Fund of the Village (Plan). Although this is a single-member pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a pension trust fund. No separate report is issued on this pension plan.

Plan Membership

Plan participation consisted of:

Inactive plan members or beneficiaries currently receiving benefits	17
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	16
Total	<u>33</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Benefits Provided

The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

Covered employees hired before January 1, 2011 attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary.

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

### Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the 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 Plan. For the year ended April 30, 2022 the Village's contribution was \$804,464.

### Investment Policy

ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts, mutual funds and corporate equity securities.

Shortly after year-end, all investments were transferred into the Illinois Police Officers' Pension Investment Fund (IPOPIF) due to the pension consolidation act - Public Act (P.A.) 101-0610. Due to this, the following long-term expected rates below are representative expectations as disclosed in the IPOPIF actuarial experience study dated March 4, 2022.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Long-Term Expected Rate of Return	Long-Term Inflation Expectations	Long-Term Expected Real Rate of Return	Target Allocation
US Large	6.65%	2.50%	4.15%	23.00%
US Small	7.04%	2.50%	4.54%	5.00%
International Developed	7.14%	2.50%	4.64%	18.00%
International Developed Small	2.25%	2.50%	-0.25%	5.00%
Emerging Markets	7.81%	2.50%	5.31%	7.00%
Private Equity (Direct)	9.65%	2.50%	7.15%	7.00%
Bank Loans	4.98%	2.50%	2.48%	3.00%
High Yield Corp. Credit	4.98%	2.50%	2.48%	3.00%
Emerging Market Debt	5.32%	2.50%	2.82%	3.00%
Private Credit	6.87%	2.50%	4.37%	5.00%
US TIPS	2.38%	2.50%	-0.12%	3.00%
Real Estate/Infrastructure	6.50%	2.50%	4.00%	8.00%
Cash	2.23%	2.50%	-0.27%	1.00%
Short-Term Gov't/Credit	3.23%	2.50%	0.73%	3.00%
US Treasury	1.90%	2.50%	-0.60%	3.00%
Core Plus Fixed Income	3.23%	2.50%	0.73%	3.00%

### Investment Valuations

All Investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2022 for debt securities, equity securities and mutual funds.

### Investment Concentrations

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.0% or more of the Plan's investments.

### Investment Rate of Return

For the year ended April 30, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

### Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Plan's deposits may not be returned to it. The Plan's investment policy requires all bank balances to be covered by federal depository insurance.

### Interest Rate Risk

The following table presents the investments and maturities of the Plan's debt securities as of April 30, 2022:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	5 - 10	More than 10
State Investment Pool	\$ 1,205,512	\$ 1,205,512	\$ -	\$ -	\$ -
US Treasury	2,556,600	522,464	1,942,848	91,288	-
Mutual Funds	3,286,764	3,286,764	-	-	-
Corporate Securities	180,859	180,859	-	-	-
Corporate Bonds	486,765	25,214	461,551	-	-
Total Investments	<u>\$ 7,716,500</u>	<u>\$ 5,220,813</u>	<u>\$ 2,404,399</u>	<u>\$ 91,288</u>	<u>\$ -</u>

## NOTES TO FINANCIAL STATEMENTS (Continued)

In accordance with its investment policy, the Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Plan.

### Credit Risk

Besides investing in security instruments authorized under State Statute, the Fund's investment policy further states investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. At year-end, the Fund's investments in U.S. Agency Obligations were not rated or rated AA+ by Standard & Poor's and state and local obligations were not rated or rated AA- to AAA by Standard & Poor's.

As of April 30, 2022, the Plan's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
US Treasury Obligations	Not Rated	N/A
Corporate Bonds	A - BBB+	Standard and Poor's
Mutual Funds	N/A	N/A
Corporate Securities	N/A	N/A

## NOTE 11 - POST-EMPLOYMENT BENEFIT COMMITMENTS – RETIREE INSURANCE PLAN

### *Plan Overview*

In addition to the retirement plans described in Note 10, the Village provides post-employment benefits other than pensions ("OPEB") to employees who meet certain criteria. The Plan, a single employer defined benefit plan, provides the following coverage:

### *Types of Coverage:*

PPO  
High PPO  
HDHP PPO

### *Coverage Provisions:*

### *Retirees – Non-PSEBA*

### Pre-65 Coverage:

Employees may continue Employer sponsored insurance in retirement. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent. Eligible Spouse/Dependent coverage may continue should Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent would be responsible for the full cost of coverage.

### Post-65 Coverage:

Retirees may continue Employer sponsored insurance in retirement past Medicare eligibility. Eligible Spouse/Dependent coverage may continue should Retiree coverage terminate under COBRA provisions when an applicable qualifying event occurs. The Spouse/Dependent would be responsible for the full cost of coverage. Coverage is secondary to Medicare once eligible.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### *Retirees –PSEBA*

#### Pre-65 Coverage:

Employees may continue Employer sponsored insurance in retirement. The Employer pays for the full cost of coverage for whichever basic group plan is elected, including the cost of coverage for any eligible spouse/dependent.

Eligible spouse coverage may continue after the death of the eligible employee, until and unless the spouse has remarried and/or become eligible for Medicare. The employer pays for the full cost of coverage for whichever basic group plan is elected if coverage continues. Upon a spouse's eligibility for Medicare, coverage may continue for the eligible spouse, with the Employer no longer paying any cost of coverage. Coverage is secondary to Medicare once eligible. Eligible dependent coverage may continue after the death of the eligible employee until the dependent reaches 18 years of age or until the end of the calendar year in which the dependent reaches 25 years of age, if the dependent continues to be dependent for support or the dependent is a student and is dependent for support. The employer pays for the full cost of coverage for whichever basic group plan is elected if coverage continues.

#### Post-65 Coverage:

Retirees may continue Employer sponsored insurance in retirement past Medicare eligibility. They are responsible for the full cost of coverage including coverage for any eligible spouse/dependent, with the Employer no longer paying any cost of coverage.

Eligible spouse coverage may continue after the death of the eligible employee, until and unless the spouse has remarried and/or become eligible for Medicare. The employer pays for the full cost of coverage for whichever basic group plan is elected if coverage continues. Upon a spouse's eligibility for Medicare, coverage may continue for the eligible spouse, with the Employer no longer paying any cost of coverage. Coverage is secondary to Medicare once eligible.

Eligible dependent coverage may continue after the death of the eligible employee until the dependent reaches 18 years of age or until the end of the calendar year in which the dependent reaches 25 years of age, if the dependent continues to be dependent for support or the dependent is a student and is dependent for support. The employer pays for the full cost of coverage for whichever basic group plan is elected if coverage continues.

The Plan does not issue a stand-alone financial report.

### *Eligibility*

Employees of the Village are eligible for retiree health benefits as listed below:

#### Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- Age 55 with at least 8 years of service (Reduced Pension)
- Age 55 with at least 30 years of service (Reduced Pension)
- Age 55 with at least 35 years of service (Full Pension)
- Age 60 with at least 8 years of service (Full Pension)

#### Regular Plan Tier 2 (Enrolled in IMRF Prior to January 1, 2011)

- Age 62 with at least 10 years of service (Reduced Pension)
- Age 62 with at least 30 years of service (Reduced Pension)
- Age 62 with at least 35 years of service (Full Pension)
- Age 67 with at least 8 years of service (Full Pension)

### *Contribution*

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan. Retirement plan contributions are only related to the subsidy; therefore, there are no direct cash contributions to report.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 12 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The Village is a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool of local governmental units through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Village and IMLRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions for IMLRMA, to report claims on a timely basis, cooperate with IMLRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by IMLRMA. Members have a contractual obligation to fund any deficit of IMLRMA attributable to a membership year during which they were a member. IMLRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. IMLRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members.

During the year ended April 30, 2022, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in each of the past three years. The Village is insured under a retrospectively rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended April 30, 2022, there were no significant adjustments in premiums based on actual experience.

### NOTE 13 - JOINT VENTURE

#### A. Solid Waste Agency of Lake County

The Village is a member of the Solid Waste Agency of Lake County (Agency). The Agency is a municipal corporation with 44 members whose purpose is to provide a solution to solid waste disposal problems. Upon approval by a majority of its members, the Agency may issue bonds for which the individual members would be financially liable. The Village's contract with the Agency provides that each member is liable for its proportionate share of annual operating and fixed costs. The Village's share of these costs is expected to be funded through fees paid by refuse haulers. In addition, the Village is obligated for any costs arising from defaults in payment obligations by other members.

The following represents a summary of the Agency's balance sheet at November 30, 2021 and the statement of revenues and expenses for the year then ended.

Assets	\$ 4,227,414
Deferred Outflow s Related to Pension	49,310
	<u>\$ 4,276,724</u>
Liabilities	\$ 104,217
Deferred Inflow s Related to Pension	321,594
Net Position	3,850,913
	<u>\$ 4,276,724</u>
Revenues	\$ 1,100,106
Expenses	1,030,952
Net Increase/(Decrease) in Net Position	<u>\$ 69,154</u>

November 30, 2021 is the latest date information available. Total payments for fiscal year 2022 made under these agreements for the Village of Lake Villa were \$4,068. Audited financial statements of the Agency may be obtained from the Village or the Agency's administrative office located in Gurnee, Illinois.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### B. Central Lake County Joint Action Water Agency

The Village and twelve other members have entered into a joint agreement: to provide water to member municipalities on a wholesale basis; to plan, construct, acquire, develop, operate, maintain, or contract for facilities for receiving, sorting, and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and their water users; and to provide adequate supplies of such water on an economical and efficient basis for the municipalities.

A summary of financial condition (modified cash basis) of CLCJAWA at April 30, 2021 (most recent information available) is as follows:

Assets	\$ 180,949,608
Deferred Outflows of Resources	1,154,642
	<u>\$ 182,104,250</u>
Liabilities	\$ 86,130,545
Deferred Inflows of Resources	1,500,591
Net Position	94,473,114
	<u>\$ 182,104,250</u>
Revenues	\$ 20,930,374
Expenses	19,851,856
Net Increase/(Decrease) in Net Position	<u>\$ 1,078,518</u>

Complete financial statements for Central Lake County Joint Action Water Agency can be obtained from the Administration Offices at 200 Rockland Rd., Lake Bluff, Illinois 60044.

### NOTE 14 - DEFERRED COMPENSATION PLAN

Employees of the Village may participate in a deferred compensation plan adopted under the provisions of Internal Revenue Code Section 457 (Deferred Compensation Plans with Respect to Service for State and Local Governments). The deferred compensation plan is available to all employees of the Village. Under the plan, employees may elect to defer a portion of their salaries and avoid paying taxes on the deferred portion until the withdrawal date. The deferred compensation amount is not available for withdrawal by employees until after termination, retirement, death, or unforeseen emergency.

The deferred compensation plan is administered by an unrelated financial institution. The Village has an obligation of due care in selecting this third-party administrator; however, investment decisions are ultimately made by the individual employee.

### NOTE 15 - COMMITMENTS

At April 30, 2022, the Village was a member of various joint agreements. As a member, the Village assumes certain obligations with respect to the entities' liabilities. Further information on the more significant joint agreements are provided in Note 13.

The Village pays sewage usage fees and collection connection fees for and remits them to the County of Lake, Illinois (County), in accordance with an agreement for sewerage disposal dated August 23, 1991. During the fiscal year ended April 30, 2022 the Village remitted \$820,206 to the County under the terms of this agreement.

### NOTE 16 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 8.625% of the most recent available equalized assessed valuation (EAV) of the Village.

## NOTES TO FINANCIAL STATEMENTS (Continued)

2021 EAV	\$ 230,800,198
	X <u>8.625%</u>
Debt Margin	\$ 19,906,517
Current Debt	<u>539,378</u>
Remaining Debt Margin	<u>\$ 19,367,139</u>

### NOTE 17 - NET INVESTMENT IN CAPITAL ASSET CALCULATION

Net investment in capital asset calculation as of April 30, 2022 was as follows:

#### Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$ 10,321,338
Less:	
Capital Related Debt	<u>(539,378)</u>
Investment in Capital Assets	<u>\$ 9,781,960</u>

#### Business-Type Activities

Capital Assets, Net of Accumulated Depreciation	\$ 20,848,751
Less:	
Capital Related Debt	<u>(4,674,941)</u>
Investment in Capital Assets	<u>\$ 16,173,810</u>

### NOTE 18 - NET POSITION/ FUND BALANCE ADJUSTMENT

A net position adjustment in the amount of \$29,416 was made in the Fiduciary Fund – Custodial Fund to align the fund with GASB 84, *Fiduciary Activities* requirements, which was implemented in the prior year.

Fund balance and net position adjustments were made in both the General Fund and Water and Sewer Fund in the amount of \$57,782 (\$28,891 in each separate fund). This was necessary to adjust the beginning balance in the Village's investments to cost basis for the governmental and proprietary funds.

### NOTE 19 - SUBSEQUENT EVENTS

On December 18, 2019, Governor JB Pritzker signed SB1300. The law, a Public Act (P.A.), 101-0610, represents the culmination of more than a decade of work by the Illinois Municipal League (IML). The law consolidates the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds, one for police officers (Article 3) and one for firefighters (Article 4), which will improve investment returns, eliminate unnecessary and redundant administrative costs, ensure more money is available to fund pension benefits and reduce the burden on local taxpayers. The law was effective as of January 1, 2020. All pension fund assets, currently reported within the fiduciary fund statements of the Village, were transferred to the police pension investment fund (IPOPIF) shortly after the current fiscal year-end.



## SUPPLEMENTARY INFORMATION

VILLAGE OF LAKE VILLA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2022

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
REVENUES			
Local Taxes			
Property Tax	\$ 1,026,489	\$	999,989
Property Tax - Police Pension	-		804,464
Property Tax - Road and Bridge	25,000		22,735
Sales Tax	650,000		1,053,405
Local Use Tax	357,070		317,264
Telecommunication Tax	150,000		110,356
Utility Tax - Gas	115,000		172,856
Utility Tax - Electric	310,000		304,364
Intergovernmental			
State Income Tax	920,908		1,223,452
State Replacement Tax	13,000		32,673
Federal Grants	1,000		583,327
Licenses and Permits			
Building Permits	80,000		131,812
Business Registration Fees	-		5,300
Impact Fees	-		1,800
Landscaping Inspection Fees	500		-
Liquor Licenses	18,000		34,150
Site Development Permits	1,000		6,360
Vehicle Licenses	95,000		97,090
Vending Licenses	600		16,975
Watershed Permit	50		-
Natural Gas Franchise	-		17,204
Fines			
Court Fines	85,000		91,610
Parking and Other Fines	20,000		21,680
Other			
Cable Franchise Fees	155,000		156,506
Investment Income	60,000		44,600
Police Reports	1,500		2,575
School Resource Officer Fees	116,000		109,376
Zoning Books, Maps and Hearing Fees	800		-
Other Revenue	20,300		48,121
Total Revenues	<u>\$ 4,222,217</u>	<u>\$</u>	<u>6,410,044</u>
EXPENDITURES			
CURRENT			
General Government			
Personnel Salaries	\$ 281,335	\$	323,080
Health Insurance Premiums	49,453		63,736
Training	14,000		9,739
Legal and Professional Fees	92,758		135,750
Maintenance	3,072		1,628
Printing and Publishing	13,200		8,613
Office Supplies	7,350		7,197
Credit Card Fees	2,500		1,439
Miscellaneous	8,000		10,053
	<u>\$ 471,668</u>	<u>\$</u>	<u>561,235</u>

See Accompanying Independent Auditor's Report

VILLAGE OF LAKE VILLA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2022

	BUDGETED AMOUNTS	
	ORIGINAL AND FINAL	ACTUAL AMOUNTS
EXPENDITURES (Continued)		
CURRENT (Continued)		
Police		
Personnel Salaries	\$ 1,790,133	\$ 1,729,099
Employee Retirement	-	804,464
Health Insurance Premiums	266,515	260,332
Physicals/Testing	1,500	720
Uniforms	18,750	30,202
Training	17,000	19,097
Range	12,000	10,954
Legal and Professional Fees	30,000	36,312
Dispatching	82,000	60,525
Radios	11,016	11,016
Computer Services	2,192	2,302
Equipment Maintenance	6,350	6,658
Police Commission	1,100	13,992
Printing	4,500	5,501
Office Supplies	11,350	6,168
Miscellaneous	31,400	28,035
	<u>\$ 2,285,806</u>	<u>\$ 3,025,377</u>
Streets		
Personnel Salaries	\$ 357,575	\$ 353,119
Health Insurance Premiums	76,804	69,145
Physicals/Testing	2,000	344
Uniforms	3,000	1,751
Training	2,000	900
Engineering	9,000	82
Street Sweeping	92,100	54,876
Maintenance	140,000	121,928
Electric	135,000	195,246
Supplies	12,000	8,159
	<u>\$ 829,479</u>	<u>\$ 805,550</u>
Building and Grounds		
Engineering and Inspector Fees	\$ 89,000	\$ 98,827
Maintenance	27,000	28,442
Utilities	2,400	2,187
Supplies	31,000	28,159
Cleaning	8,540	6,915
Telephone	18,000	17,503
	<u>\$ 175,940</u>	<u>\$ 182,033</u>
CAPITAL OUTLAY		
General Government	\$ 2,900	\$ 2,880
Police	1,800	1,700
Streets	5,000	5,260
Building and Grounds	5,400	3,750
	<u>\$ 15,100</u>	<u>\$ 13,590</u>
Total Expenditures	<u>\$ 3,777,993</u>	<u>\$ 4,587,785</u>

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VILLAGE OF LAKE VILLA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2022

	<u>BUDGETED AMOUNTS ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>
Continued		
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 444,224	\$ 1,822,259
OTHER FINANCING SOURCES/(USES)		
Transfers	<u>(390,880)</u>	<u>(1,306,366)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 53,344</u>	\$ 515,893
FUND BALANCE - MAY 1, 2021		2,419,875
FUND BALANCE ADJUSTMENT (NOTE 18)		<u>28,891</u>
FUND BALANCE - APRIL 30, 2022		<u>\$ 2,964,659</u>

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VILLAGE OF LAKE VILLA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND  
YEAR ENDED APRIL 30, 2022

	<u>BUDGETED AMOUNTS ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>
REVENUES		
Intergovernmental		
State Motor Fuel Tax	\$ 200,169	\$ 370,130
Rebuild IL Funds	97,981	192,022
Other		
Interest	6,000	535
Total Revenues	<u>\$ 304,150</u>	<u>\$ 562,687</u>
EXPENDITURES	<u>\$ 40,000</u>	<u>\$ 15,000</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 264,150	\$ 547,687
OTHER FINANCING SOURCES/(USES)	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 264,150</u>	\$ 547,687
FUND BALANCE - MAY 1, 2021		<u>760,266</u>
FUND BALANCE - APRIL 30, 2022		<u>\$ 1,307,953</u>

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VILLAGE OF LAKE VILLA  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL  
GENERAL CAPITAL FUND - CAPITAL PROJECTS FUND  
YEAR ENDED APRIL 30, 2022

	<u>BUDGETED AMOUNTS ORIGINAL AND FINAL</u>	<u>ACTUAL AMOUNTS</u>
REVENUES		
Local Taxes		
State Sales Tax	\$ 34,210	\$ 34,210
Local Use Taxes	18,793	18,793
Intergovernmental		
State Income Tax	48,469	48,469
Video Gaming	116,000	188,074
Grant Revenue	446,879	61,293
Other		
Rent - Water Tower	35,626	35,625
Other Revenues	1,100	14,063
Total Revenues	<u>\$ 701,077</u>	<u>\$ 400,527</u>
EXPENDITURES		
CAPITAL OUTLAY		
Maintenance - Streets		
General Government	\$ 180,000	\$ 167,998
Police	40,870	29,987
Public Works	-	39,340
Streets	920,879	169,672
	<u>\$ 1,141,749</u>	<u>\$ 406,997</u>
Total Expenditures	<u>\$ 1,141,749</u>	<u>\$ 406,997</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (440,672)	\$ (6,470)
OTHER FINANCING SOURCES/(USES)		
Transfers	<u>-</u>	<u>916,486</u>
NET CHANGE IN FUND BALANCE	<u>\$ (440,672)</u>	\$ 910,016
FUND BALANCE - MAY 1, 2021		<u>2,001,456</u>
FUND BALANCE - APRIL 30, 2022		<u>\$ 2,911,472</u>

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VILLAGE OF LAKE VILLA  
COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED APRIL 30, 2022

	Special Revenue Funds											Capital Projects Funds						Debt Service Fund	
	Mansion Fund	Metra Fund	Liability Insurance Fund	Retirement Fund	Celebration of Summer Fund	Special Events Fund	Drug Seizure Fund	DUI Fund	Business District #1 Fund	Downtown TIF Fund	Park Ave TIF Fund	Information Technology Fund	Fleet Maintenance Fund	Public Works Fleet Replacement Fund	Squad Car Fund	Park Capital Fund	GO Note Series 2019	Total	
ASSETS																			
Cash and Investments	\$ -	\$ 47,372	\$ 61,068	\$ 82,270	\$ 3,428	\$ -	\$ 12,514	\$ 7,875	\$ 378,821	\$ 208,385	\$ 2,916	\$ 4,028	\$ 18,292	\$ 209,299	\$ 135,257	\$ 112,215	\$ -	\$ 1,283,740	
Other Assets	-	159	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	159	
Due from Other Funds	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	5,000	
Total Assets	\$ -	\$ 47,531	\$ 61,068	\$ 82,270	\$ 3,428	\$ -	\$ 12,514	\$ 7,875	\$ 383,821	\$ 208,385	\$ 2,916	\$ 4,028	\$ 18,292	\$ 209,299	\$ 135,257	\$ 112,215	\$ -	\$ 1,288,899	
LIABILITIES																			
Cash Overdraft	\$ 201,331	\$ -	\$ -	\$ -	\$ -	\$ 18,022	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 219,353	
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	3,718	-	-	-	-	-	5,000	8,718	
Total Liabilities	\$ 201,331	\$ -	\$ -	\$ -	\$ -	\$ 18,022	\$ -	\$ -	\$ -	\$ -	\$ 3,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 228,071	
FUND BALANCE																			
Restricted	\$ -	\$ 13,938	\$ -	\$ 82,270	\$ 3,010	\$ -	\$ 12,514	\$ 7,664	\$ -	\$ 127,563	\$ 2,914	\$ -	\$ -	\$ -	\$ -	\$ 36,263	\$ -	\$ 286,136	
Assigned	-	33,593	61,068	-	418	-	-	211	383,821	80,822	2	4,028	18,292	209,299	135,257	75,952	-	1,002,763	
Unassigned	(201,331)	-	-	-	-	(18,022)	-	-	-	-	(3,718)	-	-	-	-	-	(5,000)	(228,071)	
Total Fund Balance	\$ (201,331)	\$ 47,531	\$ 61,068	\$ 82,270	\$ 3,428	\$ (18,022)	\$ 12,514	\$ 7,875	\$ 383,821	\$ 208,385	\$ (802)	\$ 4,028	\$ 18,292	\$ 209,299	\$ 135,257	\$ 112,215	\$ (5,000)	\$ 1,060,828	
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 47,531	\$ 61,068	\$ 82,270	\$ 3,428	\$ -	\$ 12,514	\$ 7,875	\$ 383,821	\$ 208,385	\$ 2,916	\$ 4,028	\$ 18,292	\$ 209,299	\$ 135,257	\$ 112,215	\$ -	\$ 1,288,899	

See Accompanying Independent Auditor's Report

VILLAGE OF LAKE VILLA  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES - MODIFIED CASH BASIS  
NONMAJOR GOVERNMENTAL FUNDS  
YEAR ENDED APRIL 30, 2022

	Special Revenue Funds											Capital Projects Funds					Debt Service Fund	Total
	Mansion Fund	Metra Fund	Liability Insurance Fund	Retirement Fund	Celebration of Summer Fund	Special Events Fund	Drug Seizure Fund	DUI Fund	Business District #1 Fund	Downtown TIF Fund	Park Ave TIF Fund	Information Technology Fund	Fleet Maintenance Fund	Fleet Replacement Fund	Squad Car Fund	Park Capital Fund	GO Note Series 2019	
REVENUES																		
Local Taxes																		
Property Taxes	\$ -	\$ -	\$ 173,234	\$ 240,744	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221,003	31,888	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 666,869
Sales Tax	-	-	-	-	-	-	-	-	179,544	-	-	-	-	-	-	-	-	179,544
Fines																		
DUI Fines	-	-	-	-	-	-	-	3,294	-	-	-	-	-	-	-	-	-	3,294
Other																		
Interest	-	238	-	-	-	-	-	-	3,777	97	2	-	-	-	-	-	-	4,114
Rent	46,849	33,355	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	80,204
Parking Fees	-	7,803	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,803
Donations	-	-	-	-	12,037	-	-	-	-	-	-	-	-	-	-	-	-	12,037
Other Revenue	-	-	-	-	-	3,051	742	-	-	-	-	-	-	-	-	-	366	4,159
Total Revenues	\$ 46,849	\$ 41,396	\$ 173,234	\$ 240,744	\$ 12,037	\$ 3,051	\$ 742	\$ 3,294	\$ 183,321	\$ 221,100	\$ 31,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 366	\$ 958,024
EXPENDITURES																		
Current	\$ 114,985	\$ 23,390	\$ 230,937	\$ 238,727	\$ 15,414	\$ 13,693	\$ 2,640	\$ -	\$ -	\$ 399,106	\$ 28,974	\$ 55,972	\$ 261,708	\$ -	\$ -	\$ -	\$ 227,087	\$ 1,612,633
Capital Outlay	-	-	-	-	-	-	-	5,200	13,240	-	-	-	-	223	73,748	47,428	-	139,839
Total Expenses	\$ 114,985	\$ 23,390	\$ 230,937	\$ 238,727	\$ 15,414	\$ 13,693	\$ 2,640	\$ 5,200	\$ 13,240	\$ 399,106	\$ 28,974	\$ 55,972	\$ 261,708	\$ 223	\$ 73,748	\$ 47,428	\$ 227,087	\$ 1,752,472
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (68,136)	\$ 18,006	\$ (57,703)	\$ 2,017	\$ (3,377)	\$ (10,642)	\$ (1,898)	\$ (1,906)	\$ 170,081	\$ (178,006)	\$ 2,916	\$ (55,972)	\$ (261,708)	\$ (223)	\$ (73,748)	\$ (47,428)	\$ (226,721)	\$ (794,448)
OTHER FINANCING SOURCES (USES)																		
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,028	\$ 34,150	\$ -	\$ -	\$ 60,178
Transfers	(5,205)	(5,205)	69,632	-	-	-	-	-	(107,672)	-	-	60,000	280,000	168,000	82,080	-	107,672	649,302
Total Other Financing Sources/(Uses)	\$ (5,205)	\$ (5,205)	\$ 69,632	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (107,672)	\$ -	\$ -	\$ 60,000	\$ 280,000	\$ 194,028	\$ 116,230	\$ -	\$ 107,672	\$ 709,480
NET CHANGE IN FUND BALANCES	\$ (73,341)	\$ 12,801	\$ 11,929	\$ 2,017	\$ (3,377)	\$ (10,642)	\$ (1,898)	\$ (1,906)	\$ 62,409	\$ (178,006)	\$ 2,916	\$ 4,028	\$ 18,292	\$ 193,805	\$ 42,482	\$ (47,428)	\$ (119,049)	\$ (84,968)
FUND BALANCES - MAY 1, 2021	(127,990)	34,730	49,139	80,253	6,805	(7,380)	14,412	9,781	321,412	386,391	(3,718)	-	-	15,494	92,775	159,643	114,049	1,145,796
FUND BALANCES - APRIL 30, 2022	\$ (201,331)	\$ 47,531	\$ 61,068	\$ 82,270	\$ 3,428	\$ (18,022)	\$ 12,514	\$ 7,875	\$ 383,821	\$ 208,385	\$ (802)	\$ 4,028	\$ 18,292	\$ 209,299	\$ 135,257	\$ 112,215	\$ (5,000)	\$ 1,060,828

See Accompanying Independent Auditor's Report



VILLAGE OF LAKE VILLA  
NOTES TO SUPPLEMENTARY INFORMATION  
APRIL 30, 2022

**NOTE 1 - BUDGETS**

A proposed operating budget for the fiscal year commencing the following May 1 is submitted to the Board of Trustees. The operating budget includes proposed disbursements and the means of financing them. Public hearings are conducted to obtain taxpayer comments.

The budget is legally enacted through passage of an appropriation ordinance. The budget was passed on July 19, 2021. Budget amounts reflected on the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual reflect the Village's internal working budget amounts which are lower than legal budget amounts. Therefore, all funds operated within legal budgets.

**NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended April 30, 2022, the following fund presented as supplementary information had expenditures that exceeded the budget:

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,587,785	\$ 3,777,993	\$ 809,792