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

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED APRIL 30, 2021**

**eder, casella & co**

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying 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, 2021, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes 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 Responsibility

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

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

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

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## Opinions

In our opinion, the financial statements referred to above 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, 2021, and the respective changes in financial position-modified cash basis and, where applicable, cash flows thereof for the year then ended on the basis of accounting described in Note 1.

## Change in Accounting Principle

As described in Note 17 to the financial statements, the Village implemented GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this 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 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.

## Other Matters

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The supplemental 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 on the basis of accounting described in Note 1.

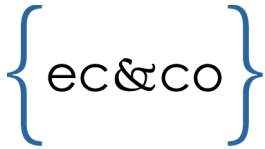
## Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2021 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 25, 2021



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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, 2021, 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 25, 2021.

**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 certain deficiencies in internal control, described in a separate management letter issued.

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## **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.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
October 25, 2021

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, 2021.

#### **FINANCIAL HIGHLIGHTS**

- The assets of the Village exceeded its liabilities at April 30, 2021 by \$35,902,156 (net position). Of this amount, \$7,980,621 (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 \$314,456.
- At April 30, 2021, the Village's governmental funds reported combined ending fund balances of \$6,327,393, an increase of \$709,711 in comparison with the prior year. Of this total amount, \$2,252,628 is available for spending at the Village's discretion (unassigned fund balance).
- At April 30, 2021, the unassigned fund balance for the General Fund was \$2,391,716, or 53% 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 eighteen 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 fifteen 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 \$35,902,156 at April 30, 2021.

By far, the largest portion of the Village's net assets (73%) 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	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
<b>Assets</b>						
Current and Other Assets	\$ 7,079,611	\$ 5,650,772	\$ 3,228,044	\$ 3,265,288	\$ 10,307,655	\$ 8,916,060
Capital Assets	10,722,975	11,077,024	21,485,339	22,045,150	32,208,314	33,122,174
<b>Total Assets</b>	<b>\$ 17,802,586</b>	<b>\$ 16,727,796</b>	<b>\$ 24,713,383</b>	<b>\$ 25,310,438</b>	<b>\$ 42,515,969</b>	<b>\$ 42,038,234</b>
<b>Liabilities</b>						
Long-Term Liabilities Outstanding	\$ 743,235	\$ 822,928	\$ 5,086,078	\$ 5,560,830	\$ 5,829,313	\$ 6,383,758
Other Liabilities	752,218	33,090	32,282	33,686	784,500	66,776
<b>Total Liabilities</b>	<b>\$ 1,495,453</b>	<b>\$ 856,018</b>	<b>\$ 5,118,360</b>	<b>\$ 5,594,516</b>	<b>\$ 6,613,813</b>	<b>\$ 6,450,534</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 9,979,740	\$ 10,254,096	\$ 16,399,261	\$ 16,484,320	\$ 26,379,001	\$ 26,738,416
Restricted	1,542,534	1,488,251	-	-	1,542,534	1,488,251
Unrestricted	4,784,859	4,129,431	3,195,762	3,231,602	7,980,621	7,361,033
<b>Total Net Position</b>	<b>\$ 16,307,133</b>	<b>\$ 15,871,778</b>	<b>\$ 19,595,023</b>	<b>\$ 19,715,922</b>	<b>\$ 35,902,156</b>	<b>\$ 35,587,700</b>

An additional portion of the Village's net position (4.30%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$7,980,621) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2021, 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 \$314,456 during the year ended April 30, 2021.

Village of Lake Villa's Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
Revenues						
Program Revenues						
Charges for Services	\$ 438,693	\$ 561,410	\$ 3,746,539	\$ 3,773,361	\$ 4,185,232	\$ 4,334,771
Operating Grants and Contributions	396,542	23,724	-	-	396,542	23,724
Capital Grants and Contributions	313,033	244,582	-	-	313,033	244,582
General Revenues						
Property Taxes	2,510,956	2,431,614	-	-	2,510,956	2,431,614
Sales Tax	903,578	890,384	-	-	903,578	890,384
Other Taxes	2,381,191	2,271,293	-	-	2,381,191	2,271,293
Unrestricted Investment Earnings	47,508	113,262	41,243	56,106	88,751	169,368
Gain on Asset Disposal	12,708	89,234	-	-	12,708	89,234
Gain/(Loss) on Investments	-	-	(31,890)	42,480	(31,890)	42,480
Other General Revenue	185,163	251,458	65,016	77,488	250,179	328,946
Total Revenues	<u>\$ 7,189,372</u>	<u>\$ 6,876,961</u>	<u>\$ 3,820,908</u>	<u>\$ 3,949,435</u>	<u>\$ 11,010,280</u>	<u>\$ 10,826,396</u>
Expenses						
General Government	\$ 1,409,879	\$ 1,398,780	\$ -	\$ -	\$ 1,409,879	\$ 1,398,780
Police	3,117,864	3,097,659	-	-	3,117,864	3,097,659
Public Works	10,867	-	-	-	10,867	-
Streets	1,764,927	1,241,991	-	-	1,764,927	1,241,991
Building and Grounds	400,677	346,414	-	-	400,677	346,414
Mansion	138,376	148,095	-	-	138,376	148,095
Celebration of Summer Fund	50	24,703	-	-	50	24,703
Debt Service	27,979	30,600	-	-	27,979	30,600
Garbage	-	-	597,500	593,830	597,500	593,830
Water and Sewer	-	-	3,195,815	3,224,828	3,195,815	3,224,828
Total Expenses	<u>\$ 6,870,619</u>	<u>\$ 6,288,242</u>	<u>\$ 3,793,315</u>	<u>\$ 3,818,658</u>	<u>\$ 10,663,934</u>	<u>\$ 10,106,900</u>
Increase/(Decrease) before Transfers	\$ 318,753	\$ 588,719	\$ 27,593	\$ 130,777	\$ 346,346	\$ 719,496
Transfers	148,492	138,972	(148,492)	(138,972)	-	-
Increase/(Decrease) in Net Position	\$ 467,245	\$ 727,691	\$ (120,899)	\$ (8,195)	\$ 346,346	\$ 719,496
Net Position - Beginning of Year	15,871,778	15,144,087	19,715,922	19,724,117	35,587,700	34,868,204
Net Position - End of Year	<u>\$ 16,339,023</u>	<u>\$ 15,871,778</u>	<u>\$ 19,595,023</u>	<u>\$ 19,715,922</u>	<u>\$ 35,934,046</u>	<u>\$ 35,587,700</u>

**Governmental Activities** – Governmental activities increased the Village's net position by \$435,355.

**Business-Type Activities** – Business-type activities decreased the Village's net position by \$120,899.

## 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, 2021, the Village's governmental funds reported combined ending fund balances of \$6,327,393, an increase of \$709,711 in comparison with the prior year. Of this total amount, \$2,252,628 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 committed for a variety of restricted 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, 2021, unassigned fund balance of the General Fund was \$2,391,716 while total fund balance was \$2,419,875 an increase of \$154,410 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 53% of total General Fund expenditures, while total fund balance represents 54% of that same amount.

#### *Motor Fuel Tax Fund*

The net change in fund balance was a decrease of \$925 resulting in an ending fund balance of \$760,266.

#### *General Capital Projects Fund*

The net change in fund balance was an increase of \$578,542 resulting in an ending balance of \$2,001,456.

**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, 2021 amounted to \$3,112,065. The total decrease in net position for the Water and Sewer Fund was \$162,551 which is the excess of expenses over revenues for providing water and sewer services.

The Garbage fund had an unrestricted net position balance at April 30, 2021 of \$83,697. The Village bills customers for garbage service on their water & 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 \$41,652 in excess revenues over expenses for fiscal year 2021.

### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village amended its budget for only the Metra and Motor Fuel Tax Funds for the fiscal year ended April 30, 2021; therefore, the amounts shown for original and final budget for the General fund are the same.

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 \$963,634 (favorable) due primarily to the Village not budgeting for Police Pension Taxes that are received and remitted to the Police Pension Fund as well as not budgeting for Lake County CARES Covid-19 grant received.
- The difference between the estimated expenditures and the actual expenditures was \$381,420 (unfavorable) and was primarily attributable to the Village not budgeting for Police Pension contributions related to the Police Pension Taxes noted in the revenues section above.

### **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, 2021 amounts to \$32,208,314 (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 2.76%.

Major capital asset events during the year ended April 30, 2021 included the following:

Governmental Activities:

- Three Utility Vehicle & Trailer - \$110,874
- Five Ton Dump Truck - \$143,540

Business-Type Activities:

- Water Main Construction in Progress - \$96,709
- Sewer Relocation Construction in Progress - \$94,577

	Governmental Activities		Business-Type Activities		Total	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
Land	\$ 3,845,656	\$ 3,838,656	\$ -	\$ -	\$ 3,845,656	\$ 3,838,656
Construction in Progress	58,486	-	191,286	-	249,772	-
Buildings and Improvements	2,012,123	2,146,795	2,734,935	2,804,023	4,747,058	4,950,818
Land Improvements	1,949,852	2,051,219	-	-	1,949,852	2,051,219
Furniture and Office Equipment	168,448	188,866	-	-	168,448	188,866
Vehicles and Equipment	782,938	694,882	41,904	53,350	824,842	748,232
Infrastructure	1,905,472	2,156,606	18,517,214	19,187,777	20,422,686	21,344,383
Total	<u>\$ 10,722,975</u>	<u>\$ 11,077,024</u>	<u>\$ 21,485,339</u>	<u>\$ 22,045,150</u>	<u>\$ 32,208,314</u>	<u>\$ 33,122,174</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, 2021, the Village had \$5,829,313 in long-term debt.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2021	4/30/2020	4/30/2021	4/30/2020	4/30/2021	4/30/2020
GO Bonds 2019	\$ 743,235	\$ 822,928	\$ -	\$ -	\$ 743,235	\$ 822,928
GO Bonds	-	-	1,375,000	1,585,000	1,375,000	1,585,000
IEPA Loan 2013	-	-	-	67,306	-	67,306
IEPA Loan 2017	-	-	3,711,078	3,908,524	3,711,078	3,908,524
Total	<u>\$ 743,235</u>	<u>\$ 822,928</u>	<u>\$ 5,086,078</u>	<u>\$ 5,560,830</u>	<u>\$ 5,829,313</u>	<u>\$ 6,383,758</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 2022 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 2021-2022 budgeted fund surplus of \$28,445 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 2021-2022 budget of \$1,141,749 includes the following projects as well as other equipment purchases and improvement projects:

- Downtown Sidewalk \$445,879
- Economic Incentive \$20,000
- Building Repairs \$73,700
- Repairs and Improvements \$50,000
- Office Furniture \$26,670
- Comprehensive Plan \$26,000
- Public Works Paving (50%) \$40,000
- COVID Expenses \$5,000
- Sidewalk Engineering: Grand Ave \$55,000
- Sidewalk Engineering: Grass Lake Rd \$30,000
- Sidewalk Replacements \$50,000
- Road Resurfacing Reserve \$300,000
- Service Request System \$7,000
- Entryway/Park Signs \$12,500

The Water and Sewer Operating Fund 2021-2022 budgeted fund deficit of \$100,899 which includes operating costs of the water and sewer system. The Village Board has approved a multi-year rate increase through May 1, 2023 for water and sewer rates. The Village Board continues to review these rate projections on an annual basis to ensure projections are on target.

The Water & 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 /Sewer Capital Fund 2021-2022 budget of \$308,800 includes the following system upgrades as well as other system repairs and improvements.

- Repairs and Improvements \$50,000
- Grand Ave – Utility Relocation Design Eng. \$36,000
- Sanitary Sewer Manhole Repairs \$40,000
- Well House Chemical Conversion \$30,000
- Public Works Paving \$40,000
- Water System Hydraulic Study \$75,000
- Well 5 & 11 SCADA Upgrades \$5,800
- Water System Leak Survey \$15,500
- Water Tower Inspections \$6,500
- Milwaukee Ave. Inspection Valve \$10,000

The Metra Fund 2021-2022 budgeted surplus of \$5,813 includes operating costs for the Metra station and parking lot.

The Mansion Fund 2021-2022 budgeted fund deficit of \$100,139 includes operating and maintenance costs for the Lehmann Mansion.

The Motor Fuel Tax Fund 2021-2022 budgeted surplus of \$264,150.

The Downtown Business District Fund 2021-2022 budgeted surplus of \$21,028.

The Public Works Equipment Replacement Fund receives revenue from the General Fund and the Water & Sewer fund to fund the regular replacement of Public Works vehicles and major equipment. The fund budget includes \$44,000 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 squad vehicles totaling \$83,230.

The Village approved the issuance of waterworks and sewerage system revenue bonds not to exceed \$1,300,000

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various governments and has continued to impact these organizations. The Village has not impacted during the year ended June 30, 2021. However, the extent of any additional impact on the Village is uncertain and cannot be reasonably estimated at this time.

## **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, 2021

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 4,779,911	\$ 1,516,166	\$ 6,296,077
Investments	2,037,812	1,707,832	3,745,644
Other Receivables	261,888	4,046	265,934
Capital Assets			
Land	3,845,656	-	3,845,656
Construction in Progress	58,486	191,286	249,772
Other Capital Assets, Net of Depreciation	6,818,833	21,294,053	28,112,886
<b>Total Assets</b>	<b>\$ 17,802,586</b>	<b>\$ 24,713,383</b>	<b>\$ 42,515,969</b>
<b>LIABILITIES</b>			
Due to Other Funds	\$ 752,218	\$ (1,404)	\$ 750,814
Due to Other Governments	-	33,686	33,686
Non-Current Liabilities			
Due Within One Year	82,403	411,137	493,540
Due in More Than One Year	660,832	4,674,941	5,335,773
<b>Total Liabilities</b>	<b>\$ 1,495,453</b>	<b>\$ 5,118,360</b>	<b>\$ 6,613,813</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 9,979,740	\$ 16,399,261	\$ 26,379,001
Restricted for:			
GO Bond Series 2019	102,297	-	102,297
Streets	735,639	-	735,639
Drug Enforcement	14,412	-	14,412
Squad Car	92,591	-	92,591
DUI	9,570	-	9,570
Insurance	49,139	-	49,139
Unemployment	28,159	-	28,159
Metra	34,730	-	34,730
Retirement	80,253	-	80,253
Celebration of Summer	6,387	-	6,387
Downtown TIF	305,666	-	305,666
Parks	83,691	-	83,691
Unrestricted / (Deficit)	4,784,859	3,195,762	7,980,621
<b>Total Net Position</b>	<b>\$ 16,307,133</b>	<b>\$ 19,595,023</b>	<b>\$ 35,902,156</b>

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, 2021

	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs</b>							
<b>Governmental Activities</b>							
General Government	\$ 1,409,879	\$ 156,644	\$ 396,542	\$ 25,000	\$ (831,693)	\$ -	\$ (831,693)
Police	3,117,864	155,426	-	-	(2,962,438)	-	(2,962,438)
Public Works	10,867	-	-	-	(10,867)	-	(10,867)
Streets	1,764,927	13,464	-	288,033	(1,463,430)	-	(1,463,430)
Building and Grounds	400,677	107,144	-	-	(293,533)	-	(293,533)
Mansion	138,376	6,015	-	-	(132,361)	-	(132,361)
Celebration of Summer Fun	50	-	-	-	(50)	-	(50)
Interest and Fees on Long-Term Debt	27,979	-	-	-	(27,979)	-	(27,979)
	<u>\$ 6,870,619</u>	<u>\$ 438,693</u>	<u>\$ 396,542</u>	<u>\$ 313,033</u>	<u>\$ (5,722,351)</u>	<u>\$ -</u>	<u>\$ (5,722,351)</u>
<b>Business-Type Activities</b>							
Garbage	\$ 597,500	\$ 627,779	\$ -	\$ -	\$ -	\$ 30,279	\$ 30,279
Water and Sewer	3,195,815	3,118,760	-	-	-	(77,055)	(77,055)
Total Business-Type Activities	<u>\$ 3,793,315</u>	<u>\$ 3,746,539</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (46,776)</u>	<u>\$ (46,776)</u>
Total Primary Government	<u>\$ 10,663,934</u>	<u>\$ 4,185,232</u>	<u>\$ 396,542</u>	<u>\$ 313,033</u>	<u>\$ (5,722,351)</u>	<u>\$ (46,776)</u>	<u>\$ (5,769,127)</u>
<b>General Revenues</b>							
<b>Taxes</b>							
Property Tax					\$ 2,510,956	\$ -	\$ 2,510,956
State Sales Tax					903,578	-	903,578
State Income Tax					1,009,190	-	1,009,190
State Motor Fuel Tax					342,216	-	342,216
Other Taxes					1,029,785	-	1,029,785
Unrestricted Investment Earnings					47,508	41,243	88,751
Miscellaneous					185,163	7,439	192,602
Gain on Disposal of Capital Assets					12,708	-	12,708
Gain/(Loss) on Investments					(31,890)	(31,890)	(63,780)
Connection and Permit Fees					-	57,577	57,577
Transfers					148,492	(148,492)	-
Total General Revenues and Transfers					<u>\$ 6,157,706</u>	<u>\$ (74,123)</u>	<u>\$ 6,083,583</u>
Change in Net Position					\$ 435,355	\$ (120,899)	\$ 314,456
Net Position - Beginning of Year					15,871,778	19,715,922	35,587,700
Net Position - End of Year					<u>\$ 16,307,133</u>	<u>\$ 19,595,023</u>	<u>\$ 35,902,156</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, 2021

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 1,122,439	\$ 760,266	\$ 1,744,317	\$ 1,288,259	\$ 4,915,281
Investments	2,037,812	-	-	-	2,037,812
Other Receivables	11,842	-	-	250,046	261,888
Due from Other Funds	200	-	257,139	-	257,339
<b>Total Assets</b>	<b>\$ 3,172,293</b>	<b>\$ 760,266</b>	<b>\$ 2,001,456</b>	<b>\$ 1,538,305</b>	<b>\$ 7,472,320</b>
<b>LIABILITIES</b>					
Cash Overdraft	\$ -	\$ -	\$ -	\$ 135,370	\$ 135,370
Due to Other Funds	752,418	-	-	257,139	1,009,557
<b>Total Liabilities</b>	<b>\$ 752,418</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 392,509</b>	<b>\$ 1,144,927</b>
<b>FUND BALANCES</b>					
<b>Restricted</b>					
GO Bond Series 2019	\$ -	\$ -	\$ -	\$ 102,297	\$ 102,297
Streets	-	735,639	-	-	735,639
Drug Enforcement	-	-	-	14,412	14,412
Squad Car	-	-	-	92,591	92,591
DUI	-	-	-	9,570	9,570
Insurance	-	-	-	49,139	49,139
Unemployment	28,159	-	-	-	28,159
Metra	-	-	-	34,730	34,730
Retirement	-	-	-	80,253	80,253
Celebration of Summer	-	-	-	6,387	6,387
Downtown TIF	-	-	-	305,666	305,666
Parks	-	-	-	83,691	83,691
<b>Assigned</b>					
GO Bond Series 2019	-	-	-	11,752	11,752
Streets	-	24,627	-	-	24,627
Public Works	-	-	-	15,494	15,494
Celebration of Summer	-	-	-	418	418
Squad Car	-	-	-	184	184
DUI	-	-	-	211	211
Parks	-	-	-	75,952	75,952
Capital Projects	-	-	2,001,456	-	2,001,456
Downtown TIF	-	-	-	80,725	80,725
Business District #1	-	-	-	321,412	321,412
<b>Unassigned</b>	<b>2,391,716</b>	<b>-</b>	<b>-</b>	<b>(139,088)</b>	<b>2,252,628</b>
<b>Total Fund Balances</b>	<b>\$ 2,419,875</b>	<b>\$ 760,266</b>	<b>\$ 2,001,456</b>	<b>\$ 1,145,796</b>	<b>\$ 6,327,393</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,172,293</b>	<b>\$ 760,266</b>	<b>\$ 2,001,456</b>	<b>\$ 1,538,305</b>	<b>\$ 7,472,320</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, 2021

Total Fund Balances - Governmental Funds	\$ 6,327,393
<p>Amounts reported for governmental activities in the Statement          of Net Position - Modified Cash Basis are different because:</p>	
<p>Capital assets used in governmental activities are not financial          resources and therefore are not reported in the funds.</p>	
Capital Assets, net of accumulated depreciation	10,722,975
<p>Some liabilities are not due and payable in the current period          and therefore are not reported in the funds.</p>	
General Obligation Note	<u>(743,235)</u>
Net Position of Governmental Activities	<u><u>\$ 16,307,133</u></u>

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, 2021

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Taxes	\$ 3,342,437	\$ -	\$ 213,916	\$ 788,705	\$ 4,345,058
Intergovernmental	888,455	630,249	219,996	-	1,738,700
Licenses and Permits	229,200	-	-	-	229,200
Fines	92,872	-	-	106	92,978
Grant Revenue	396,542	-	25,000	-	421,542
Other	289,570	961	34,588	24,067	349,186
<b>Total Revenues</b>	<b>\$ 5,239,076</b>	<b>\$ 631,210</b>	<b>\$ 493,500</b>	<b>\$ 812,878</b>	<b>\$ 7,176,664</b>
<b>EXPENDITURES</b>					
<b>CURRENT</b>					
General Government	\$ 472,316	\$ -	\$ -	\$ 630,672	\$ 1,102,988
Police	2,979,016	-	-	2,640	2,981,656
Streets	885,306	-	-	-	885,306
Building and Grounds	168,708	-	-	-	168,708
Mansion	-	-	-	82,682	82,682
Celebration of Summer	-	-	-	50	50
<b>CAPITAL OUTLAY</b>					
General Government	5,807	-	257,228	7,106	270,141
Police	2,063	-	54,272	110,024	166,359
Public Works	-	-	-	181,343	181,343
Streets	3,018	632,135	-	14,205	649,358
<b>DEBT SERVICE</b>					
Principal	-	-	-	79,693	79,693
Interest and Fees	-	-	-	27,979	27,979
<b>Total Expenditures</b>	<b>\$ 4,516,234</b>	<b>\$ 632,135</b>	<b>\$ 311,500</b>	<b>\$ 1,136,394</b>	<b>\$ 6,596,263</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ 722,842</b>	<b>\$ (925)</b>	<b>\$ 182,000</b>	<b>\$ (323,516)</b>	<b>\$ 580,401</b>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ 12,708	\$ 12,708
Gain/(Loss) on Investments	(31,890)	-	-	-	(31,890)
Transfers	(536,542)	-	396,542	288,492	148,492
	<u>\$ (568,432)</u>	<u>\$ -</u>	<u>\$ 396,542</u>	<u>\$ 301,200</u>	<u>\$ 129,310</u>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ 154,410</b>	<b>\$ (925)</b>	<b>\$ 578,542</b>	<b>\$ (22,316)</b>	<b>\$ 709,711</b>
<b>FUND BALANCES - MAY 1, 2020</b>	<b>2,265,465</b>	<b>761,191</b>	<b>1,422,914</b>	<b>1,168,112</b>	<b>5,617,682</b>
<b>FUND BALANCES - APRIL 30, 2021</b>	<b>\$ 2,419,875</b>	<b>\$ 760,266</b>	<b>\$ 2,001,456</b>	<b>\$ 1,145,796</b>	<b>\$ 6,327,393</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 REVENUES, EXPENDITURES, AND CHANGES IN FUND  
 BALANCES - MODIFIED CASH BASIS TO THE STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS  
 YEAR ENDED APRIL 30, 2021

Net Change in Fund Balances - Total Governmental Funds \$ 709,711

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	\$ (756,244)	
Capital Outlays	<u>402,195</u>	(354,049)

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	\$ (12,708)	
Gain on Sale of Capital Assets	<u>12,708</u>	-

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>79,693</u>
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Change in Net Position of Governmental Activities \$ 435,355

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, 2021

	Business-type Activities		
	Water and Sewer	Garbage	Total Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and Cash Equivalents	\$ 1,516,166	\$ -	\$ 1,516,166
Investments	1,624,135	83,697	1,707,832
Other Receivables	4,046	-	4,046
Due from General Fund	1,404	-	1,404
	<u>\$ 3,145,751</u>	<u>\$ 83,697</u>	<u>\$ 3,229,448</u>
Non-Current Assets			
Capital Assets			
Construction in Progress	\$ 191,286	\$ -	\$ 191,286
Other Capital Assets	3,735,402	-	3,735,402
Water and Sewer Systems	30,850,953	-	30,850,953
Less: Accumulated Depreciation	(13,292,302)	-	(13,292,302)
	<u>\$ 21,485,339</u>	<u>\$ -</u>	<u>\$ 21,485,339</u>
Total Assets	<u>\$ 24,631,090</u>	<u>\$ 83,697</u>	<u>\$ 24,714,787</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to Other Governments	\$ 33,686	\$ -	\$ 33,686
Bonds and Notes Payable - Current	411,137	-	411,137
	<u>\$ 444,823</u>	<u>\$ -</u>	<u>\$ 444,823</u>
Non-Current Liabilities			
Bonds and Notes Payable (Net of Current Portion Shown Above)	<u>\$ 4,674,941</u>	<u>\$ -</u>	<u>\$ 4,674,941</u>
Total Liabilities	<u>\$ 5,119,764</u>	<u>\$ -</u>	<u>\$ 5,119,764</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 16,399,261	\$ -	\$ 16,399,261
Unrestricted / (Deficit)	3,112,065	83,697	3,195,762
Total Net Position	<u>\$ 19,511,326</u>	<u>\$ 83,697</u>	<u>\$ 19,595,023</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, 2021

	Enterprise Fund		Total Enterprise Funds
	Water and Sewer	Garbage	
<b>OPERATING REVENUES</b>			
Charges for Services			
Water Customer Sales/Connection Fees	\$ 1,891,099	\$ -	\$ 1,891,099
Sewer Customer Sales/Connection Fees	1,226,184	-	1,226,184
Refuse and Recycling Collections	-	627,779	627,779
County Connection Fees	57,577	-	57,577
Water Meter Sales	1,077	-	1,077
Inspection Fees	400	-	400
Miscellaneous Revenue	4,953	2,486	7,439
	<u>\$ 3,181,290</u>	<u>\$ 630,265</u>	<u>\$ 3,811,555</u>
<b>OPERATING EXPENSES</b>			
Water Department			
Personnel Expenses	\$ 332,997	\$ -	\$ 332,997
Contractor Expenses	111,717	-	111,717
Operating Expenses	753,723	-	753,723
Depreciation	422,050	-	422,050
Sewer Department			
Personnel Expenses	331,840	-	331,840
Contractor Expenses	691,837	-	691,837
Operating Expenses	95,211	-	95,211
Depreciation	339,547	-	339,547
Garbage Services			
Contractor Expenses	-	593,754	593,754
Operating Expenses	-	3,746	3,746
	<u>\$ 3,078,922</u>	<u>\$ 597,500</u>	<u>\$ 3,676,422</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>\$ 102,368</u>	<u>\$ 32,765</u>	<u>\$ 135,133</u>
<b>NON-OPERATING REVENUE/(EXPENSE)</b>			
Interest Income	\$ 32,356	\$ 8,887	\$ 41,243
Interest Expense	(116,893)	-	(116,893)
Gain/(Loss) on Investments	(31,890)	-	(31,890)
	<u>\$ (116,427)</u>	<u>\$ 8,887</u>	<u>\$ (107,540)</u>
<b>INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>\$ (14,059)</u>	<u>\$ 41,652</u>	<u>\$ 27,593</u>
<b>TRANSFERS (TO)/FROM OTHER FUNDS</b>			
Transfers	<u>(148,492)</u>	<u>-</u>	<u>(148,492)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (162,551)</u>	<u>\$ 41,652</u>	<u>\$ (120,899)</u>
<b>NET POSITION - MAY 1, 2020</b>	<u>19,673,877</u>	<u>42,045</u>	<u>19,715,922</u>
<b>NET POSITION - APRIL 30, 2021</b>	<u><u>\$ 19,511,326</u></u>	<u><u>\$ 83,697</u></u>	<u><u>\$ 19,595,023</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, 2021

	<u>Enterprise Fund</u> <u>Water and Sewer</u> <u>and Garbage</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,811,512
Payments to Suppliers for Goods and Services	(2,249,988)
Payments to Employees for Services	(664,837)
Internal Activity - Payments to Other Funds	(1,404)
Net Cash Provided/(Used) by Operating Activities	\$ 895,283
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ (148,492)
Net Cash Provided/(Used) by Non-Capital Financing Activities	\$ (148,492)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (201,786)
Interest Paid on Capital Debt	(116,893)
Principal Paid on Capital Debt	(474,752)
Net Cash Provided/(Used) by Capital and Related Financing Activities	\$ (793,431)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents and Investments	\$ 41,243
Proceeds from Sale of Investments	700,434
Net Cash Provided/(Used) by Investing Activities	\$ 741,677
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 695,037
CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2020	821,129
CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2021	\$ 1,516,166
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ 135,133
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	761,597
Change in Assets and Liabilities:	
Due To/From Other Funds	(1,404)
Other Receivables	(43)
Net Cash Provided/(Used) by Operating Activities	\$ 895,283

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, 2021

	Police Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,499,648	\$ -
Investments		
Corporate Bonds	561,334	-
Mutual Funds	3,709,726	-
Stocks	161,941	-
Certificates of Deposit	206,312	83,968
U.S. Agency Obligations	96,530	-
U.S. Treasury Obligations	2,495,841	-
Due from Other Funds	751,014	-
Prepays	1,868	-
Accrued Interest	16,913	-
	<u>\$ 9,501,127</u>	<u>\$ 83,968</u>
<b>Total Assets</b>		
<b>LIABILITIES</b>		
Cash Overdraft	\$ -	\$ 54,352
Accounts Payable	53,969	-
Due to Other Funds	-	200
Due to Developers	-	29,416
	<u>\$ 53,969</u>	<u>\$ 83,968</u>
<b>Total Liabilities</b>		
<b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	<u>\$ 9,447,158</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, 2021

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 719,296
Plan Members	136,937
Total Contributions	<u>\$ 856,233</u>
Investment Income	
Interest and Dividends	\$ 273,343
Net Increase/(Decrease) in Fair Value of Investments	1,087,769
Less: Investment Expense	(20,385)
Net Investment Income	<u>\$ 1,340,727</u>
Total Additions	<u>\$ 2,196,960</u>
 DEDUCTIONS	
Benefits	\$ 558,676
Refunds	6,593
Administrative Expenses	36,405
Total Deductions	<u>\$ 601,674</u>
 NET INCREASE/(DECREASE)	 \$ 1,595,286
 TRANSFERS (TO)/FROM OTHER FUNDS	 <u>-</u>
 CHANGE IN NET POSITION	 \$ 1,595,286
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - MAY 1, 2020	 <u>7,851,872</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - APRIL 30, 2021	 <u><u>\$ 9,447,158</u></u>

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

VILLAGE OF LAKE VILLA  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2021

**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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.).

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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 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 agency 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 Village’s fiduciary funds are presented in the fiduciary fund financial statements by type (pension and agency). 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.



## NOTES TO FINANCIAL STATEMENTS (Continued)

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. The Agency Fund had a cash overdraft of \$54,352, while various non-major funds had cash overdrafts totaling \$135,370 at April 30, 2021. 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.

Investments are reported at fair value. Fair value is determined by quoted market prices. Gains and losses on the sale of investments are recognized as they are incurred.

### 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

acquisition of net position that applies to a future period and so will not be recognized as an inflow of resource until that time.

### *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.

### J. *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.

### K. *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.

### L. *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

## NOTES TO FINANCIAL STATEMENTS (Continued)

(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, 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.

### M. *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 2020 levy was passed by the Board on December 21, 2020. 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.

### N. *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.

### O. *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 April 20, 2020. An amended budget was passed on September 21, 2020. 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.

NOTES TO FINANCIAL STATEMENTS (Continued)

**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:

- Uninsured and uncollateralized: \$17,865

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 securities shall equal or exceed the portion of deposit requiring collateralization. As of April 30, 2021, \$17,865 of the Village’s bank balance was exposed to custodial credit risk.

*Investments*

As of April 30, 2021, 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	\$ 620,823	\$ 620,823	\$ -	\$ -	\$ -
Gov't Agencies	729,560	-	500,155	-	229,405
Gov't Money Markets	637,911	637,911	-	-	637,911
Total Investments	<u>\$ 1,988,294</u>	<u>\$ 1,258,734</u>	<u>\$ 500,155</u>	<u>\$ -</u>	<u>\$ 867,316</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, 2021, 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, 2021:

NOTES TO FINANCIAL STATEMENTS (Continued)

Investments by fair value level	4/30/2021	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	\$ 2,495,841	\$ 2,495,841	\$ -
U.S. Government Agencies	826,090	-	826,090
Corporate bonds	561,334	-	561,334
Certificate of Deposits	3,314,427	-	3,314,427
<b>Total Debt Securities</b>	<b>\$ 7,197,692</b>	<b>\$ 2,495,841</b>	<b>\$ 4,701,851</b>
<b>Equity Securities:</b>			
Corporate Securities	\$ 161,940	\$ 161,940	\$ -
Mutual Fund	3,709,726	3,709,726	-
<b>Total Equity Securities</b>	<b>\$ 3,871,666</b>	<b>\$ 3,871,666</b>	<b>\$ -</b>
<b>Total Investments by fair value level</b>	<b>\$ 11,069,358</b>	<b>\$ 6,367,507</b>	<b>\$ 4,701,851</b>

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2021 was as follows:

	Balance May 1, 2020	Increases	Decreases	Balance April 30, 2021
<b>Governmental Activities:</b>				
Capital Assets not being depreciated:				
Land	\$ 3,838,656	\$ 7,000	\$ -	\$ 3,845,656
Construction in Progress	-	58,486	-	58,486
<b>Total Capital Assets not being depreciated</b>	<b>\$ 3,838,656</b>	<b>\$ 65,486</b>	<b>\$ -</b>	<b>\$ 3,904,142</b>
Other Capital Assets:				
Buildings and Improvements	\$ 4,143,317	\$ -	\$ -	\$ 4,143,317
Land Improvements	2,835,610	7,106	-	2,842,716
Furniture and Office Equipment	666,019	39,910	-	705,929
Vehicles and Equipment	2,393,665	289,693	73,098	2,610,260
Infrastructure	4,391,497	-	-	4,391,497
<b>Total Other Capital Assets at Historical Cost</b>	<b>\$ 14,430,108</b>	<b>\$ 336,709</b>	<b>\$ 73,098</b>	<b>\$ 14,693,719</b>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 1,996,522	\$ 134,672	\$ -	\$ 2,131,194
Land Improvements	784,391	108,473	-	892,864
Furniture and Office Equipment	477,153	60,328	-	537,481
Vehicles and Equipment	1,698,783	201,637	73,098	1,827,322
Infrastructure	2,234,891	251,134	-	2,486,025
<b>Total Accumulated Depreciation</b>	<b>\$ 7,191,740</b>	<b>\$ 756,244</b>	<b>\$ 73,098</b>	<b>\$ 7,874,886</b>
<b>Other Capital Assets, Net</b>	<b>\$ 7,238,368</b>	<b>\$ (419,535)</b>	<b>\$ -</b>	<b>\$ 6,818,833</b>
<b>Governmental Activities Capital Assets, net</b>	<b>\$ 11,077,024</b>	<b>\$ (354,049)</b>	<b>\$ -</b>	<b>\$ 10,722,975</b>

NOTES TO FINANCIAL STATEMENTS (Continued)

	Balance May 1, 2020	Increases	Decreases	Balance April 30, 2021
<b>Business-Type Activities:</b>				
Capital Assets not being depreciated:				
Construction in Progress	\$ -	\$ 191,286	\$ -	\$ 191,286
Total Capital Assets not being depreciated	<u>\$ -</u>	<u>\$ 191,286</u>	<u>\$ -</u>	<u>\$ 191,286</u>
Other Capital Assets:				
Buildings	\$ 3,428,720	\$ -	\$ -	\$ 3,428,720
Land Improvements	15,980	-	-	15,980
Equipment	66,791	-	-	66,791
Vehicles and Equipment	223,911	-	-	223,911
Infrastructure	30,840,453	10,500	-	30,850,953
Total Other Capital Assets at Historical Cost	<u>\$ 34,575,855</u>	<u>\$ 10,500</u>	<u>\$ -</u>	<u>\$ 34,586,355</u>
Less Accumulated Depreciation for:				
Buildings	\$ 624,697	\$ 69,088	\$ -	\$ 693,785
Land Improvements	15,980	-	-	15,980
Equipment	58,673	4,063	-	62,736
Vehicles and Equipment	178,679	7,383	-	186,062
Infrastructure	11,652,676	681,063	-	12,333,739
Total Accumulated Depreciation	<u>\$ 12,530,705</u>	<u>\$ 761,597</u>	<u>\$ -</u>	<u>\$ 13,292,302</u>
Other Capital Assets, Net	<u>\$ 22,045,150</u>	<u>\$ (751,097)</u>	<u>\$ -</u>	<u>\$ 21,294,053</u>
Business-Type Activities Capital Assets, net	<u>\$ 22,045,150</u>	<u>\$ (559,811)</u>	<u>\$ -</u>	<u>\$ 21,485,339</u>

Depreciation expense was charged to functions as follows:

<b>Business-Type Activities:</b>	
Water Operations	\$ 422,050
Sewer Operations	339,547
Total Business-Type Activities Depreciation Expense	<u>\$ 761,597</u>

<b>Business-Type Activities:</b>	
Water Operations	\$ 422,050
Sewer Operations	339,547
Total Business-Type Activities Depreciation Expense	<u>\$ 761,597</u>

**NOTE 5 - LONG-TERM LIABILITY ACTIVITY**

Long-term liability activity for the year ended April 30, 2021 was as follows:

	Balance May 1, 2020	Additions	Retirements	Balance April 30, 2021	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Long-Term Debt					
GO Bond 2019	\$ 822,928	\$ -	\$ 79,693	\$ 743,235	\$ 82,403
Total Governmental Activities Long-Term Debt	<u>\$ 822,928</u>	<u>\$ -</u>	<u>\$ 79,693</u>	<u>\$ 743,235</u>	<u>\$ 82,403</u>
<b>Business-Type Activities:</b>					
Long-Term Debt					
GO Bonds	\$ 1,585,000	\$ -	\$ 210,000	\$ 1,375,000	\$ 210,000
IEPA 2013 Loan	67,306	-	67,306	-	-
IEPA 2017 Loan	3,908,524	-	197,446	3,711,078	201,137
Total Business-Type Activities Long-Term Debt	<u>\$ 5,560,830</u>	<u>\$ -</u>	<u>\$ 474,752</u>	<u>\$ 5,086,078</u>	<u>\$ 411,137</u>
Long-Term Liabilities	<u>\$ 6,383,758</u>	<u>\$ -</u>	<u>\$ 554,445</u>	<u>\$ 5,829,313</u>	<u>\$ 493,540</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

Long-term debt consisted of the following at April 30, 2021:

	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	\$ 743,235
<b>Business-Type Activities:</b>					
GO Bonds	12/17/2014	12/15/2026	2.0% - 3.0%	\$ 2,550,000	\$ 1,375,000
IEPA Loan 2013	8/1/2001	12/1/2020	2.535%	1,038,400	-
IEPA Loan 2017	5/30/2017	12/17/2036	1.86%	4,472,954	3,711,078

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, 2021 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2022	\$ 82,403	\$ 25,270	\$ 107,673
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
2027-2029	302,236	20,781	323,017
	<u>\$ 743,235</u>	<u>\$ 118,145</u>	<u>\$ 861,380</u>

At April 30, 2021 the annual debt service requirements to service long-term debt attributable to business-type activities are:

Year Ending April 30	Principal	Interest	Total
2022	\$ 411,137	\$ 107,195	\$ 518,332
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
2027-2031	1,395,235	208,425	1,603,660
2032-2036	1,276,335	86,162	1,362,497
2037	245,529	3,503	249,032
	<u>\$ 5,086,078</u>	<u>\$ 737,607</u>	<u>\$ 5,823,685</u>

**NOTE 6 - INTERFUND BALANCES AND TRANSFERS**

Interfund balances at April 30, 2021 consisted of the following:

NOTES TO FINANCIAL STATEMENTS (Continued)

Due From	Due To	Amount
General Fund	Pension Fund	\$ 751,014
General Fund	Water and Sewer Fund	1,404
Business District #1	GO Note Series 2019 Fund	102,672
Downtown TIF Fund	General Capital Fund	253,421
Developer Escrows	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 Business District #1 fund to the GO Note Series 2019 Fund to the Business District #1 fund was bond payments made.

The interfund balance due from the Downtown TIF fund to the General Capital Fund was for a TIF economic incentive payment made from the General Capital Fund but needed to be paid from the Downtown TIF Fund.

The interfund balance due from Developer Escrows 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, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Squad Car Fund	\$ 76,000	Future capital purchases
General Fund	Public Works Fleet Replacement Fund	64,000	Future capital purchases
General Fund	General Capital Fund	396,542	Excess funds to be used for future capital purchases
Metra Fund	Liability Insurance Fund	5,249	To cover insurance premiums
Mansion Fund	Liability Insurance Fund	5,249	To cover insurance premiums
Water and Sewer Fund	Public Works Fleet Replacement Fund	96,000	Future capital purchases
Water and Sewer Fund	Liability Insurance Fund	52,492	To cover insurance premiums

**NOTE 7 - DEFICIT FUND BALANCES**

The Mansion Fund, Special Events Funds and Park Ave TIF Fund had a deficit fund balances of \$127,990, \$7,380, and \$3,718, respectively as of April 30, 2021.

**NOTE 8 - PROPERTY TAXES**

Property taxes recorded in these financial statements are from the 2019 tax levies. A summary of the assessed valuation, rates, and extensions for the years 2019, 2018, and 2017 follows:



NOTES TO FINANCIAL STATEMENTS (Continued)

TAX YEAR ASSESSED VALUATION	2019		2018		2017	
	RATES	EXTENSIONS	RATES	EXTENSIONS	RATES	EXTENSIONS
	\$223,695,613		\$224,417,203		\$219,877,873	
Corporate	0.222375	\$ 497,443	0.202148	\$ 453,655	0.178511	\$ 392,506
Police Protection	0.215025	481,002	0.214471	481,310	0.214210	471,000
Tort and Liability Insurance	0.077728	173,874	0.077478	173,874	0.085494	187,982
Municipal Retirement	0.027364	61,212	0.028610	64,206	0.034110	75,000
Unemployment Insurance	0.000045	101	0.000045	101	0.000046	101
Audit	0.004471	10,000	0.004456	10,000	0.004548	10,000
Social Security	0.080659	180,431	0.079910	179,332	0.083987	184,669
Street and Bridge	0.052508	117,458	0.051790	116,225	0.053016	116,571
Police Pension	0.321552	719,298	0.349638	784,648	0.375597	825,855
	<u>1.001727</u>	<u>\$ 2,240,819</u>	<u>1.008546</u>	<u>\$ 2,263,351</u>	<u>1.029519</u>	<u>\$ 2,263,684</u>

**NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET**

For the year ended April 30, 2021, the following funds have expenditures that exceeded the budget.

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,516,234	\$ 4,134,814	\$ 381,420
DUI Fund	14,737	10,500	4,237
GO Note Series 2019 Fund	114,049	-	114,049
Downtown TIF Fund	130,699	42,550	88,149

**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 Comprehensive Annual 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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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.

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 2020 and 2021 were 9.88% and 9.54%, respectively. For the fiscal year ended April 30, 2021, the Village contributed \$107,710 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 Description

The Police Pension Plan (Plan) is a single employer defined benefit pension plan that covers sworn police personnel of the Village. Although this is a single-employer 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 and does not issue a stand-alone financial report.

#### 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.455% 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 2041 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2021, the Village's contribution was \$719,296.

### 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.

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

<u>Asset Class</u>	<u>Target</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income, Govt	40.00%	6.47%
Corporate Investment Grade	10.00%	5.59%
Domestic Equities	37.50%	12.32%
International Developed	12.50%	6.27%
Cash and Equivalents	0.00%	3.37%
	<u>100.00%</u>	

ILCS limits the Plan's investments in equities to 65% of total assets of the fund. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The Estimated Annual Inflation Rate (CPI) assumption used is 2.0%. The long-term expected rate of return on the Plan's investments was determined by the investment professionals that work with the fund, and best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class, adjusted for inflation. There are multiple approaches seen to providing these rates. Typically, the information is either based on capital market projections, or historical rates seen for the asset classes. Best estimates or arithmetic real rates of return excluding inflation for each major asset class are listed in the table above.

### Investment Valuations

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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, 2021, the annual money-weighted rate of return on pension plan investments (excluding CDs), net of pension plan investment expense, was 6.75%. 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, 2021:

Investment	Fair Value	Investment Maturities (in Years)			
		Less than 1	1 - 5	5 - 10	More than 10
State Investment Pool	\$ 1,204,340	\$ 1,204,340	\$ -	\$ -	\$ -
US Treasury	2,495,841	161,534	1,924,120	410,187	-
FHLMC	96,530	96,530	-	-	-
Mutual Funds	3,709,726	3,709,726	-	-	-
Corporate Securities	161,940	161,940	-	-	-
Corporate Bonds	561,334	80,832	226,908	253,594	-
Total Investments	<u>\$ 8,229,711</u>	<u>\$ 5,414,902</u>	<u>\$ 2,151,028</u>	<u>\$ 663,781</u>	<u>\$ -</u>

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

The Plan limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated at or above BBB- by Standard and Poor's, Baa3 by Moody's and BBB- by Fitch by at least two of the three rating agencies. The fixed income securities are not rated Baa3 to Aaa by Moody's. However, certain fixed income securities are not rated. As of April 30, 2021, the Plan's investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor's
US Treasury	AA+	Standard and Poor's
FHLMC	AA+	Standard and Poor's
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.

*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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Assets	\$ 4,002,428
Deferred Outflows Related to Pension	55,596
	<u>\$ 4,058,024</u>
Liabilities	\$ 87,795
Deferred Inflows Related to Pension	188,470
Net Position	3,781,759
	<u>\$ 4,058,024</u>
Revenues	\$ 938,460
Expenses	1,103,802
Net Increase/(Decrease) in Net Position	<u>\$ (165,342)</u>

### 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, 2021, 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, 2021, 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, 2020 and the statement of revenues and expenses for the year then ended.

Assets	\$ 4,002,428
Deferred Outflows Related to Pension	55,596
	<u>\$ 4,058,024</u>
Liabilities	\$ 87,795
Deferred Inflows Related to Pension	188,470
Net Position	3,781,759
	<u>\$ 4,058,024</u>
Revenues	\$ 938,460
Expenses	1,103,802
Net Increase/(Decrease) in Net Position	<u>\$ (165,342)</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2020 is the latest date information available. Total payments for fiscal year 2021 made under these agreements for the Village of Lake Villa were \$3,746. Audited financial statements of the Agency may be obtained from the Village or the Agency’s administrative office located in Gurnee, Illinois.

*B. Central Lake County Joint Action Water Agency*

The Agency 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, 2020 (most recent information available) is as follows:

Assets	\$ 191,631,584
Deferred Outflows of Resources	2,716,326
	<u>\$ 194,347,910</u>
Liabilities	\$ 99,076,345
Deferred Inflows of Resources	1,876,969
Net Position	93,394,596
	<u>\$ 194,347,910</u>
Revenues	\$ 24,810,221
Expenses	13,649,182
Net Increase/(Decrease) in Net Position	<u>\$ 11,161,039</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. As part of its fiduciary role, the Village has an obligation of due care in selecting this third-party administrator.

**NOTE 15 - COMMITMENTS**

At April 30, 2021, 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, 2021 the Village remitted \$644,039 to the County under the terms of this agreement.



NOTES TO FINANCIAL STATEMENTS (Continued)

**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.

2020 EAV	\$	226,131,818
	X	<u>8.625%</u>
Debt Margin	\$	19,503,869
Current Debt		743,235
Remaining Debt Margin	\$	<u><u>18,760,634</u></u>

**NOTE 17 - CHANGE IN ACCOUNTING PRINCIPLE**

The Village has implemented GASB Statement No. 84, *Fiduciary Activities*. This Statement establishes financial reporting standards related to Fiduciary Activities of the Village. Implementation of this standard resulted in no change to the Village.

**NOTE 18 - SUBSEQUENT EVENTS**

After year end, The Village approved the issuance of waterworks and sewerage system revenue bonds not to exceed \$1,300,000.

Since March 2020, the COVID-19 outbreak in the United States has created disruptions in various governments and has continued to impact these organizations. The Village was not impacted during the year ended June 30, 2021. However, the extent of any additional impact on the Village is uncertain and cannot be reasonably estimated at this time.

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, 2021

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
<b>REVENUES</b>		
Local Taxes		
Property Tax	\$ 1,128,443	\$ 1,122,210
Property Tax - Police Pension	-	719,296
Property Tax - Road and Bridge	25,000	22,757
Sales Tax	665,000	666,501
Local Use Tax	271,954	271,954
Telecommunication Tax	150,000	129,581
Utility Tax - Gas	115,000	114,835
Utility Tax - Electric	310,000	295,303
Intergovernmental		
State Income Tax	871,915	871,916
State Replacement Tax	13,000	16,539
Federal Grants	-	396,542
Licenses and Permits		
Amusement Licenses	900	50
Building Permits	65,000	105,722
Business Registration Fees	5,325	275
Landscaping Inspection Fees	500	100
Liquor Licenses	18,000	21,850
Site Development Permits	1,000	1,322
Vehicle Licenses	95,000	97,581
Vending Licenses	1,775	2,250
Watershed Permit	50	50
Fines		
Court Fines	120,000	79,735
Parking and Other Fines	55,000	13,137
Other		
Cable Franchise Fees	155,000	159,809
Investment Income	60,000	42,695
Police Reports	500	2,448
School Resource Officer Fees	121,000	60,000
Zoning Books, Maps and Hearing Fees	800	-
Other Revenue	25,280	24,618
<b>Total Revenues</b>	<b>\$ 4,275,442</b>	<b>\$ 5,239,076</b>
<b>EXPENDITURES</b>		
<b>CURRENT</b>		
General Government		
Personnel Salaries	\$ 288,017	\$ 262,499
Health Insurance Premiums	48,500	52,755
Training	13,900	10,917
Legal and Professional Fees	93,015	98,988
Computer Services	20,438	21,378
Maintenance	2,984	3,492
Printing and Publishing	13,700	7,417
Office Supplies	7,350	5,418
Credit Card Fees	900	1,402
Miscellaneous	8,000	8,050
	<b>\$ 496,804</b>	<b>\$ 472,316</b>

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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, 2021

	BUDGETED AMOUNTS	
	ORIGINAL AND FINAL	ACTUAL AMOUNTS
EXPENDITURES (Continued)		
CURRENT (Continued)		
Police		
Personnel Salaries	\$ 1,836,345	\$ 1,733,759
Employee Retirement	-	719,296
Health Insurance Premiums	270,000	237,314
Physicals/Testing	1,500	2,130
Uniforms	16,850	27,890
Training	17,000	14,008
Range	11,100	11,947
Legal and Professional Fees	30,000	34,295
Dispatching	81,052	80,000
Radios	10,608	11,016
Computer Services	2,200	2,192
Vehicle Maintenance	10,500	2,887
Equipment Maintenance	6,150	4,658
Fuel	32,000	22,281
Vehicle Supplies	18,000	22,200
Police Commission	600	6,780
Printing	6,500	2,683
Office Supplies	11,350	9,776
Miscellaneous	31,715	33,904
	<u>\$ 2,393,470</u>	<u>\$ 2,979,016</u>
Streets		
Personnel Salaries	\$ 372,000	\$ 368,747
Health Insurance Premiums	80,000	73,484
Physicals/Testing	2,000	127
Uniforms	3,000	1,886
Training	2,000	279
Engineering	9,000	7,256
Vehicle Maintenance	17,500	8,475
Fuel	24,000	16,711
Street Sweeping	47,000	91,410
Vehicle Supplies	30,000	36,623
Maintenance	162,000	117,413
Electric	145,000	148,088
Supplies	12,000	14,807
	<u>\$ 905,500</u>	<u>\$ 885,306</u>
Building and Grounds		
Engineering and Inspector Fees	\$ 93,300	\$ 78,600
Maintenance	19,000	31,214
Utilities	2,400	-
Supplies	31,000	32,588
Cleaning	8,540	7,585
Telephone	17,000	18,721
	<u>\$ 171,240</u>	<u>\$ 168,708</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, 2021

	BUDGETED AMOUNTS ORIGINAL AND FINAL	ACTUAL AMOUNTS
EXPENDITURES (Continued)		
CAPITAL OUTLAY		
General Government	\$ 13,300	\$ 5,807
Police	78,500	2,063
Streets	76,000	3,018
	\$ 167,800	\$ 10,888
 Total Expenditures	 \$ 4,134,814	 \$ 4,516,234
 EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 \$ 140,628	 \$ 722,842
 OTHER FINANCING SOURCES/(USES)		
Gain/(Loss) on Investments	\$ -	\$ (31,890)
Transfers	-	(536,542)
	\$ -	\$ (568,432)
 NET CHANGE IN FUND BALANCE	 \$ 140,628	 \$ 154,410
 FUND BALANCE - MAY 1, 2020		 2,265,465
 FUND BALANCE - APRIL 30, 2021		 \$ 2,419,875

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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, 2021

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL	FINAL	
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 217,214	\$ 217,214	\$ 342,216
Rebuild IL Funds	-	97,981	288,033
Other			
Interest	6,000	6,000	961
Total Revenues	<u>\$ 223,214</u>	<u>\$ 321,195</u>	<u>\$ 631,210</u>
EXPENDITURES	<u>\$ 652,765</u>	<u>652,765</u>	<u>\$ 632,135</u>
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (429,551)	\$ (331,570)	\$ (925)
OTHER FINANCING SOURCES/(USES)	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ (429,551)</u>	<u>\$ (331,570)</u>	\$ (925)
FUND BALANCE - MAY 1, 2020			<u>761,191</u>
FUND BALANCE - APRIL 30, 2021			<u>\$ 760,266</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, 2021

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
<b>REVENUES</b>		
Local Taxes		
State Sales Tax	\$ 35,000	\$ 95,065
Local Use Taxes	14,313	118,851
Intergovernmental		
State Income Tax	45,890	137,274
Video Gaming	145,000	82,722
Other		
Rent - Water Tower	34,554	34,588
Grant Revenue	466,000	25,000
Other Revenues	1,100	-
Total Revenues	\$ 741,857	\$ 493,500
<b>EXPENDITURES</b>		
CAPITAL OUTLAY		
Maintenance - Streets		
General Government	\$ 290,366	\$ 257,228
Police	49,700	54,272
Streets	525,000	-
	\$ 865,066	\$ 311,500
Total Expenditures	\$ 865,066	\$ 311,500
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (123,209)	\$ 182,000
OTHER FINANCING SOURCES/(USES)		
Transfers	-	396,542
NET CHANGE IN FUND BALANCE	\$ (123,209)	\$ 578,542
FUND BALANCE - MAY 1, 2020		\$ 1,422,914
FUND BALANCE - APRIL 30, 2021		\$ 2,001,456

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VILLAGE OF LAKE VILLA  
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2021

	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	Public Works Fleet Replacement Fund	Squad Car Fund	Park Capital Fund		GO Note Series 2019
<b>ASSETS</b>																
Cash and Cash Equivalents	\$ -	\$ 34,684	\$ 49,139	\$ 80,253	\$ 6,805	\$ -	\$ 14,412	\$ 9,781	\$ 316,412	\$ 389,812	\$ -	\$ 15,494	\$ 92,775	\$ 159,643	\$ 119,049	\$ 1,288,259
Other Assets	-	46	-	-	-	-	-	-	-	250,000	-	-	-	-	-	250,046
<b>Total Assets</b>	<b>\$ -</b>	<b>\$ 34,730</b>	<b>\$ 49,139</b>	<b>\$ 80,253</b>	<b>\$ 6,805</b>	<b>\$ -</b>	<b>\$ 14,412</b>	<b>\$ 9,781</b>	<b>\$ 316,412</b>	<b>\$ 639,812</b>	<b>\$ -</b>	<b>\$ 15,494</b>	<b>\$ 92,775</b>	<b>\$ 159,643</b>	<b>\$ 119,049</b>	<b>\$ 1,538,305</b>
<b>LIABILITIES</b>																
Cash Overdraft	\$ 127,990	\$ -	\$ -	\$ -	\$ -	\$ 7,380	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 135,370
Due to Other Funds	-	-	-	-	-	-	-	-	(5,000)	253,421	3,718	-	-	-	5,000	257,139
<b>Total Liabilities</b>	<b>\$ 127,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,380</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (5,000)</b>	<b>\$ 253,421</b>	<b>\$ 3,718</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000</b>	<b>\$ 392,509</b>
<b>FUND BALANCE</b>																
Restricted	\$ -	\$ 34,730	\$ 49,139	\$ 80,253	\$ 6,387	\$ -	\$ 14,412	\$ 9,570	\$ -	\$ 305,666	\$ -	\$ -	\$ 92,591	\$ 83,691	\$ 102,297	\$ 778,736
Assigned	-	-	-	-	418	-	-	211	321,412	80,725	-	15,494	184	75,952	11,752	506,148
Unassigned	(127,990)	-	-	-	-	(7,380)	-	-	-	-	(3,718)	-	-	-	-	(139,088)
<b>Total Fund Balance</b>	<b>\$ (127,990)</b>	<b>\$ 34,730</b>	<b>\$ 49,139</b>	<b>\$ 80,253</b>	<b>\$ 6,805</b>	<b>\$ (7,380)</b>	<b>\$ 14,412</b>	<b>\$ 9,781</b>	<b>\$ 321,412</b>	<b>\$ 386,391</b>	<b>\$ (3,718)</b>	<b>\$ 15,494</b>	<b>\$ 92,775</b>	<b>\$ 159,643</b>	<b>\$ 114,049</b>	<b>\$ 1,145,796</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ 34,730</b>	<b>\$ 49,139</b>	<b>\$ 80,253</b>	<b>\$ 6,805</b>	<b>\$ -</b>	<b>\$ 14,412</b>	<b>\$ 9,781</b>	<b>\$ 316,412</b>	<b>\$ 639,812</b>	<b>\$ -</b>	<b>\$ 15,494</b>	<b>\$ 92,775</b>	<b>\$ 159,643</b>	<b>\$ 119,049</b>	<b>\$ 1,538,305</b>

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VILLAGE OF LAKE VILLA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - MODIFIED CASH BASIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2021

	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	Public Works Fleet Replacement Fund	Squad Car Fund	Park Capital Fund		GO Note Series 2019
<b>REVENUES</b>																
Local Taxes																
Property Taxes	\$ -	\$ -	\$ 175,607	\$ 241,639	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 229,447	\$ -	\$ -	\$ -	\$ -	\$ -	
Sales Tax	-	-	-	-	-	-	-	-	142,012	-	-	-	-	-	-	
Fines																
DUI Fines	-	-	-	-	-	-	-	106	-	-	-	-	-	-	-	
Other																
Interest	-	508	-	-	-	-	-	-	3,164	180	-	-	-	-	-	
Rent	6,015	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Parking Fees	-	13,464	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other Revenue	-	-	-	-	-	-	238	247	-	-	-	-	-	251	736	
<b>Total Revenues</b>	<b>\$ 6,015</b>	<b>\$ 13,972</b>	<b>\$ 175,607</b>	<b>\$ 241,639</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 238</b>	<b>\$ 353</b>	<b>\$ 145,176</b>	<b>\$ 229,627</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 251</b>	<b>\$ 812,878</b>
<b>EXPENDITURES</b>																
Current	\$ 82,682	\$ 20,503	\$ 236,885	\$ 236,530	\$ 50	\$ 2,117	\$ 2,640	\$ -	\$ 220	\$ 130,699	\$ 3,718	\$ -	\$ -	\$ -	\$ 107,672	\$ 823,716
Capital Outlay	-	-	-	-	-	-	-	14,737	7,106	-	-	181,343	95,287	14,205	-	312,678
<b>Total Expenses</b>	<b>\$ 82,682</b>	<b>\$ 20,503</b>	<b>\$ 236,885</b>	<b>\$ 236,530</b>	<b>\$ 50</b>	<b>\$ 2,117</b>	<b>\$ 2,640</b>	<b>\$ 14,737</b>	<b>\$ 7,326</b>	<b>\$ 130,699</b>	<b>\$ 3,718</b>	<b>\$ 181,343</b>	<b>\$ 95,287</b>	<b>\$ 14,205</b>	<b>\$ 107,672</b>	<b>\$ 1,136,394</b>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>\$ (76,667)</b>	<b>\$ (6,531)</b>	<b>\$ (61,278)</b>	<b>\$ 5,109</b>	<b>\$ (50)</b>	<b>\$ (2,117)</b>	<b>\$ (2,402)</b>	<b>\$ (14,384)</b>	<b>\$ 137,850</b>	<b>\$ 98,928</b>	<b>\$ (3,718)</b>	<b>\$ (181,343)</b>	<b>\$ (95,287)</b>	<b>\$ (14,205)</b>	<b>\$ (107,421)</b>	<b>\$ (323,516)</b>
<b>OTHER FINANCING SOURCES/(USES)</b>																
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,708	\$ -	\$ -	\$ 12,708
Transfers	(5,249)	(5,249)	62,990	-	-	-	-	-	(107,672)	-	-	160,000	76,000	-	107,672	288,492
<b>Total Other Financing Sources/(Uses)</b>	<b>\$ (5,249)</b>	<b>\$ (5,249)</b>	<b>\$ 62,990</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (107,672)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 160,000</b>	<b>\$ 88,708</b>	<b>\$ -</b>	<b>\$ 107,672</b>	<b>\$ 301,200</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (81,916)</b>	<b>\$ (11,780)</b>	<b>\$ 1,712</b>	<b>\$ 5,109</b>	<b>\$ (50)</b>	<b>\$ (2,117)</b>	<b>\$ (2,402)</b>	<b>\$ (14,384)</b>	<b>\$ 30,178</b>	<b>\$ 98,928</b>	<b>\$ (3,718)</b>	<b>\$ (21,343)</b>	<b>\$ (6,579)</b>	<b>\$ (14,205)</b>	<b>\$ 251</b>	<b>\$ (22,316)</b>
<b>FUND BALANCES - MAY 1, 2020</b>	<b>(46,074)</b>	<b>46,510</b>	<b>47,427</b>	<b>75,144</b>	<b>6,855</b>	<b>(5,263)</b>	<b>16,814</b>	<b>24,165</b>	<b>291,234</b>	<b>287,463</b>	<b>-</b>	<b>36,837</b>	<b>99,354</b>	<b>173,848</b>	<b>113,798</b>	<b>1,168,112</b>
<b>FUND BALANCES - APRIL 30, 2021</b>	<b>\$ (127,990)</b>	<b>\$ 34,730</b>	<b>\$ 49,139</b>	<b>\$ 80,253</b>	<b>\$ 6,805</b>	<b>\$ (7,380)</b>	<b>\$ 14,412</b>	<b>\$ 9,781</b>	<b>\$ 321,412</b>	<b>\$ 386,391</b>	<b>\$ (3,718)</b>	<b>\$ 15,494</b>	<b>\$ 92,775</b>	<b>\$ 159,643</b>	<b>\$ 114,049</b>	<b>\$ 1,145,796</b>

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VILLAGE OF LAKE VILLA  
 NOTES TO SUPPLEMENTARY INFORMATION  
 APRIL 30, 2021

**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 April 20, 2020 and the budget amendment was passed on September 21, 2020. 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, 2021, the following funds had expenditures that exceeded the budget:

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,516,234	\$ 4,134,814	\$ 381,420