



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

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

Village of Lake Villa

as of and for the year ended April 30, 2023, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Village of Lake Villa as of April 30, 2023, and the respective changes in financial position - modified cash basis and, where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

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

Emphasis of Matter - Basis of Accounting

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

Change in Accounting Principle

As described in Note 18 to the financial statements, the Village implemented GASB Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Lake Villa's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Lake Villa's ability to continue as a going concern for a reasonable period of time.

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

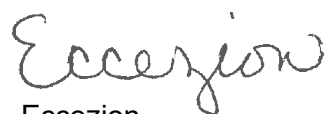
Supplementary Information

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

The information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 2024 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.



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McHenry, Illinois
January 25, 2024



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, 2023, 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 January 25, 2024.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant

deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in separately issued management letter, that we consider to be a material weakness.

Compliance and Other Matters

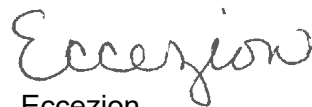
As part of obtaining reasonable assurance about whether Village of Lake Villa's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Village of Lake Villa's Response to Findings

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

Purpose of this Report

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



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McHenry, Illinois
January 25, 2024

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, 2023.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities at April 30, 2023 by \$39,956,510 (net position). Of this amount, \$12,169,499 (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 \$2,330,139
- At April 30, 2023, the Village's governmental funds reported combined ending fund balances of \$9,513,228, an increase of \$1,268,316 in comparison with the prior year. Of this total amount, \$3,630,575 is available for spending at the Village's discretion (unassigned fund balance).
- At April 30, 2023, the unassigned fund balance for the General Fund was \$3,941,126, or 81% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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 \$39,956,510 at April 30, 2023.

By far, the largest portion of the Village's net assets (66%) 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	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Assets						
Current and Other Assets	\$ 10,276,541	\$ 8,668,517	\$ 4,140,038	\$ 3,463,288	\$ 14,416,579	\$ 12,131,805
Capital Assets	10,999,972	10,321,338	20,991,988	20,848,751	31,991,960	31,170,089
Total Assets	<u>\$ 21,276,513</u>	<u>\$ 18,989,855</u>	<u>\$ 25,132,026</u>	<u>\$ 24,312,039</u>	<u>\$ 46,408,539</u>	<u>\$ 43,301,894</u>
Liabilities						
Long-Term Liabilities Outstanding	\$ 450,012	\$ 539,378	\$ 5,248,891	\$ 4,674,941	\$ 5,698,903	\$ 5,214,319
Other Liabilities	19,340	423,605	38,014	37,599	57,354	461,204
Total Liabilities	<u>\$ 469,352</u>	<u>\$ 962,983</u>	<u>\$ 5,286,905</u>	<u>\$ 4,712,540</u>	<u>\$ 5,756,257</u>	<u>\$ 5,675,523</u>
Deferred Inflows of Resources	<u>\$ 695,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 695,772</u>	<u>\$ -</u>
Net Position						
Net Investment in Capital Assets	\$ 10,549,960	\$ 9,781,960	\$ 15,743,097	\$ 16,173,810	\$ 26,293,057	\$ 25,955,770
Restricted	1,493,954	1,597,287	-	-	1,493,954	1,597,287
Unrestricted	8,067,475	6,647,625	4,102,024	3,425,689	12,169,499	10,073,314
Total Net Position	<u>\$ 20,111,389</u>	<u>\$ 18,026,872</u>	<u>\$ 19,845,121</u>	<u>\$ 19,599,499</u>	<u>\$ 39,956,510</u>	<u>\$ 37,626,371</u>

An additional portion of the Village's net position (4%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$12,169,499) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2023, 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 \$ \$2,330,139, during the year ended April 30, 2023.

Village of Lake Villa's Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Revenues						
Program Revenues						
Charges for Services	\$ 680,541	\$ 662,858	\$ 4,016,049	\$ 4,125,705	\$ 4,696,590	\$ 4,788,563
Operating Grants and Contributions	398,653	965,494	-	-	398,653	965,494
Capital Grants and Contributions	679,338	253,315	-	-	679,338	253,315
General Revenues						
Property Taxes	2,543,181	2,494,057	-	-	2,543,181	2,494,057
Utilities Tax	540,930	477,220	-	-	540,930	477,220
Sales Tax	1,306,322	1,267,159	-	-	1,306,322	1,267,159
Other Taxes	2,142,460	1,939,081	-	-	2,142,460	1,939,081
Unrestricted Investment Earnings	129,864	49,249	5,807	20,420	135,671	69,669
Gain on Asset Disposal	22,362	48,360	-	-	22,362	48,360
Gain/(Loss) on Investments	(865)	-	-	-	(865)	-
Other General Revenue	243,689	222,931	74,386	73,590	318,075	296,521
Total Revenues	\$ 8,686,475	\$ 8,379,724	\$ 4,096,242	\$ 4,219,715	\$ 12,782,717	\$ 12,599,439
Expenses						
General Government	\$ 1,734,029	\$ 1,920,746	\$ -	\$ -	\$ 1,734,029	\$ 1,920,746
Police	3,190,414	3,140,624	-	-	3,190,414	3,140,624
Public Works	155,616	223	-	-	155,616	223
Streets	1,189,356	1,313,398	-	-	1,189,356	1,313,398
Building and Grounds	394,941	379,905	-	-	394,941	379,905
Mansion	121,742	154,758	-	-	121,742	154,758
Celebration of Summer Fund	-	15,414	-	-	-	15,414
Debt Service	18,306	23,230	-	-	18,306	23,230
Garbage	-	-	657,205	624,220	657,205	624,220
Water and Sewer	-	-	2,990,969	3,360,488	2,990,969	3,360,488
Total Expenses	\$ 6,804,404	\$ 6,948,298	\$ 3,648,174	\$ 3,984,708	\$ 10,452,578	\$ 10,933,006
Increase/(Decrease) before Transfers	\$ 1,882,071	\$ 1,431,426	\$ 448,068	\$ 235,007	\$ 2,330,139	\$ 1,666,433
Transfers	202,446	259,422	(202,446)	(259,422)	-	-
Increase/(Decrease) in Net Position	\$ 2,084,517	\$ 1,690,848	\$ 245,622	\$ (24,415)	\$ 2,330,139	\$ 1,666,433
Net Position - Beginning of Year	18,026,872	16,307,133	19,599,499	19,595,023	37,626,371	35,902,156
Net Position Adjustment	-	28,891	-	28,891	-	57,782
Net Position - End of Year	\$ 20,111,389	\$ 18,026,872	\$ 19,845,121	\$ 19,599,499	\$ 39,956,510	\$ 37,626,371

Governmental Activities – Governmental activities increased the Village's net position by \$2,084,517.

Business-Type Activities – Business-type activities increased the Village's net position by \$245,622.

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, 2023, the Village's governmental funds reported combined ending fund balances of \$9,513,228 an increase of \$1,268,316 in comparison with the prior year. Of this total amount, \$3,630,575 constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted, committed, or assigned for specific purposes.

General Fund

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

At April 30, 2023, unassigned fund balance of the General Fund was \$3,941,126, while total fund balance was \$3,969,588, an increase of \$1,004,929 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 81% of total General Fund expenditures, while total fund balance represents 82% of that same amount.

Motor Fuel Tax Fund

The net change in fund balance was a decrease of \$188,995 resulting in an ending fund balance of \$1,118,958.

General Capital Projects Fund

The net change in fund balance was an increase of \$421,050 resulting in an ending balance of \$3,332,522.

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, 2023 amounted to \$3,942,246. The total increase in net position for the Water and Sewer Fund was \$210,693 which is the excess of revenues over expenditures for providing water and sewer services.

The Garbage Fund had an unrestricted net position balance at April 30, 2022 of \$159,778. The Village bills customers for garbage service on their water and sewer bills at a rate established by an approved ordinance. The current provider, Waste Management, bills the Village monthly for service provided. The Garbage Fund had \$34,929 in excess revenues over expenses for fiscal year 2023.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village amended its budget for the fiscal year ended April 30, 2023; however, the amended was not to change amounts, but to correct footing errors.

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 \$1,606,610 (favorable) due primarily to the Village receiving more Sales Tax and State Income Tax than anticipated, along with not budgeting for the Police Pension property taxes (to be remitted to the Police Pension fiduciary fund).
- The difference between the estimated expenditures and the actual expenditures was \$785,872 (unfavorable) and was primarily attributable to the Village not budgeting for Police Pension contributions related to the Police Pension property taxes as noted 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, 2023 amounts to \$31,991,960 (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 increase in the Village's investment in capital assets for the current fiscal year was 2.64%.

Major capital asset events during the year ended April 30, 2023 included the following:

Governmental Activities:

- Salt Storage Buildings - \$313,049
- Roadway Improvements - \$796,434
- Ford Super Duty F-550 - \$121,847

Business-Type Activities:

- Grand Ave Water & Sewer Project - \$1,065,596

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
Land	\$ 3,845,656	\$ 3,845,656	\$ 81,774	\$ -	\$ 3,927,430	\$ 3,845,656
Construction in Progress	-	8,200	-	242,998	-	251,198
Buildings and Improvements	2,097,330	1,893,372	2,596,758	2,665,847	4,694,088	4,559,219
Land Improvements	2,753,428	2,070,163	35,406	37,373	2,788,834	2,107,536
Furniture and Office Equipment	123,120	152,507	-	-	123,120	152,507
Vehicles and Equipment	708,214	657,924	40,735	30,458	748,949	688,382
Infrastructure	1,472,224	1,693,516	18,237,315	17,872,075	19,709,539	19,565,591
Total	<u>\$ 10,999,972</u>	<u>\$ 10,321,338</u>	<u>\$ 20,991,988</u>	<u>\$ 20,848,751</u>	<u>\$ 31,991,960</u>	<u>\$ 31,170,089</u>

For more detail on the Village's Capital Assets, see Note 3 in the notes to the financial statements.

Long Term Debt - At April 30, 2023, the Village had \$5,214,319 in long-term debt.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2023	4/30/2022	4/30/2023	4/30/2022	4/30/2023	4/30/2022
GO Bonds 2019	\$ 450,012	\$ 539,378	\$ -	\$ -	\$ 450,012	\$ 539,378
GO Bonds	-	-	950,000	1,165,000	950,000	1,165,000
IEPA Loan 2017	-	-	3,305,046	3,509,941	3,305,046	3,509,941
IEPA Loan 5887	-	-	636,012	-	636,012	-
IEPA Loan 5888	-	-	357,833	-	357,833	-
Total	<u>\$ 450,012</u>	<u>\$ 539,378</u>	<u>\$ 5,248,891</u>	<u>\$ 4,674,941</u>	<u>\$ 5,698,903</u>	<u>\$ 5,214,319</u>

For more detail on the Village's long-term debt, see Note 4 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 2024 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 2023-2024 budgeted fund surplus of \$213,909 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 2023-2024 budget of \$1,637,635 includes the following projects as well as other equipment purchases and improvement projects:

- Fleet Vehicles \$310,000
- Rehabilitation and Painting of Tower A \$250,000
- Water Meter Program Transfer \$250,000
- Grass Lake Pedestrian Path \$185,000
- Design and Engineering for Grand Avenue \$135,000
- Design Storm Sewer Improvements \$85,000
- Building Repairs \$50,000
- Repairs and Improvements \$50,000
- BS&A HR Implementation \$45,435
- IT Upgrades \$40,000
- Cedar Ave Crosswalk \$36,000
- Local Share State/County Projects \$32,200
- Economic Incentive \$25,000
- Quiet Zone Improvements \$18,500
- Retail Recruitment \$10,000

The Water and Sewer Operating Fund 2023-2024 budgeted fund surplus of \$44,854 which includes operating costs of the water and sewer system.

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 2023-2024 budget of \$1,570,000 includes the following system upgrades as well as other system repairs and improvements.

- Well 7 Booster Station Construction \$550,000
- Water Meter Program \$500,000
- Design & Engineering Grand Ave Interconnection \$135,000
- Sanitary Sewer Manhole Repairs \$80,000
- Repairs and Improvements \$50,000
- Pump Repair and Replacements \$50,000
- Design and Engineering for Water Tower A \$35,000
- Design & Engineering Well 7 Booster Station \$35,000
- Cedar Lake Rd Insertion Valve \$20,000
- SCADA Improvements \$16,000
- Milwaukee Ave. Inspection Valve \$15,000

The Metra Fund 2023-2024 budgeted surplus of \$11,033 includes operating costs for the Metra station and parking lot.

The Mansion Fund 2023-2024 budgeted fund surplus of \$22,215 includes operating and maintenance costs for the Lehmann Mansion.

The Motor Fuel Tax Fund 2023-2024 budgeted a surplus of \$98,303.

The Downtown Business District Fund 2023-2024 budgeted deficit of \$90,197.

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, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 9,536,520	\$ 4,136,086	\$ 13,672,606
Due from Other Funds	(3,952)	3,952	-
Right-To-Use Lease Receivable	743,973	-	743,973
Capital Assets			
Land	3,845,656	81,774	3,927,430
Other Capital Assets, Net of Depreciation	7,154,316	20,910,214	28,064,530
Total Assets	\$ 21,276,513	\$ 25,132,026	\$ 46,408,539
LIABILITIES			
Miscellaneous Payables	\$ -	\$ 1,378	\$ 1,378
Other Payables	5,317	-	5,317
Due to Fiduciary Funds	14,023	-	14,023
Due to Other Governments	-	36,636	36,636
Non-Current Liabilities			
Due Within One Year	88,101	480,125	568,226
Due in More Than One Year	361,911	4,768,766	5,130,677
Total Liabilities	\$ 469,352	\$ 5,286,905	\$ 5,756,257
Deferred Inflows of Resources			
Unavailable Revenue - Right-of-Use Leases - Lessor	\$ 695,772	\$ -	\$ 695,772
Total Deferred Inflows of Resources	\$ 695,772	\$ -	\$ 695,772
NET POSITION			
Net Investment in Capital Assets	\$ 10,549,960	\$ 15,743,097	\$ 26,293,057
Restricted for:			
Streets	1,078,026	-	1,078,026
Drug Enforcement	10,441	-	10,441
DUI	5,928	-	5,928
Unemployment	28,462	-	28,462
Downtown TIF	354,567	-	354,567
Park Ave TIF	16,530	-	16,530
Unrestricted / (Deficit)	8,067,475	4,102,024	12,169,499
Total Net Position	\$ 20,111,389	\$ 19,845,121	\$ 39,956,510

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, 2023

Functions/Programs	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
Governmental Activities							
General Government	\$ 1,734,029	\$ 229,178	\$ -	\$ 583,327	\$ (921,524)	\$ -	\$ (921,524)
Police	3,190,414	284,412	10,580	-	(2,895,422)	-	(2,895,422)
Public Works	155,616	-	-	-	(155,616)	-	(155,616)
Streets	1,189,356	10,203	355,073	96,011	(728,069)	-	(728,069)
Building and Grounds	394,941	121,288	-	-	(273,653)	-	(273,653)
Mansion	121,742	35,460	-	-	(86,282)	-	(86,282)
Celebration of Summer Fund	-	-	33,000	-	33,000	-	33,000
Interest and Fees on Long-Term Debt	18,306	-	-	-	(18,306)	-	(18,306)
	<u>\$ 6,804,404</u>	<u>\$ 680,541</u>	<u>\$ 398,653</u>	<u>\$ 679,338</u>	<u>\$ (5,045,872)</u>	<u>\$ -</u>	<u>\$ (5,045,872)</u>
Business-Type Activities							
Garbage	\$ 657,205	\$ 682,621	\$ -	\$ -	\$ -	\$ 25,416	\$ 25,416
Water and Sewer	2,990,969	3,333,428	-	-	-	342,459	342,459
Total Business-Type Activities	<u>\$ 3,648,174</u>	<u>\$ 4,016,049</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 367,875</u>	<u>\$ 367,875</u>
Total Primary Government	<u>\$ 10,452,578</u>	<u>\$ 4,696,590</u>	<u>\$ 398,653</u>	<u>\$ 679,338</u>	<u>\$ (5,045,872)</u>	<u>\$ 367,875</u>	<u>\$ (4,677,997)</u>
General Revenues							
Taxes							
Property Tax					\$ 2,543,181	\$ -	\$ 2,543,181
Utilities Tax					540,930	-	540,930
Intergovernmental							
State Sales Tax					1,306,322	-	1,306,322
State Income Tax					1,412,357	-	1,412,357
Other Taxes					730,103	-	730,103
Unrestricted Investment Earnings					129,864	5,807	135,671
Miscellaneous					243,689	16,826	260,515
Gain on Disposal of Capital Assets					22,362	-	22,362
Gain/(Loss) on Investments					(865)	-	(865)
Connection and Permit Fees					-	57,560	57,560
Transfers					202,446	(202,446)	-
Total General Revenues and Transfers					<u>\$ 7,130,389</u>	<u>\$ (122,253)</u>	<u>\$ 7,008,136</u>
Change in Net Position					\$ 2,084,517	\$ 245,622	\$ 2,330,139
Net Position - Beginning of Year					<u>18,026,872</u>	<u>19,599,499</u>	<u>37,626,371</u>
Net Position - End of Year					<u>\$ 20,111,389</u>	<u>\$ 19,845,121</u>	<u>\$ 39,956,510</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, 2023

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and Investments	\$ 3,992,880	\$ 1,118,958	\$ 3,328,804	\$ 1,401,429	\$ 9,842,071
Due from Other Funds	-	-	3,718	5,000	8,718
Total Assets	\$ 3,992,880	\$ 1,118,958	\$ 3,332,522	\$ 1,406,429	\$ 9,850,789
LIABILITIES					
Cash Overdraft	\$ -	\$ -	\$ -	\$ 305,551	\$ 305,551
Other Payables	5,317	-	-	-	5,317
Due to Other Funds	3,952	-	-	8,718	12,670
Due to Fiduciary Funds	14,023	-	-	-	14,023
Total Liabilities	\$ 23,292	\$ -	\$ -	\$ 314,269	\$ 337,561
FUND BALANCES					
Restricted					
Streets	\$ -	\$ 1,078,026	\$ -	\$ -	\$ 1,078,026
Drug Enforcement	-	-	-	10,441	10,441
DUI	-	-	-	5,928	5,928
Unemployment	28,462	-	-	-	28,462
Downtown TIF	-	-	-	354,567	354,567
Park Ave TIF	-	-	-	16,530	16,530
Assigned					
Streets	-	40,932	-	-	40,932
Public Works	-	-	-	318,799	318,799
Metra	-	-	-	66,649	66,649
Parks	-	-	-	73,214	73,214
Capital Projects	-	-	3,332,522	-	3,332,522
Downtown TIF	-	-	-	80,822	80,822
Business District #1	-	-	-	475,761	475,761
Unassigned	3,941,126	-	-	(310,551)	3,630,575
Total Fund Balances	\$ 3,969,588	\$ 1,118,958	\$ 3,332,522	\$ 1,092,160	\$ 9,513,228
Total Liabilities and Fund Balances	\$ 3,992,880	\$ 1,118,958	\$ 3,332,522	\$ 1,406,429	\$ 9,850,789

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, 2023

Total Fund Balances - Governmental Funds		\$ 9,513,228
<p>Amounts reported for governmental activities in the Statement of Net Position - Modified Cash Basis are different because:</p>		
<p>Right-of-Use Lease amounts (as lessor) used in governmental activities are not current financial resources and therefore are not reported in the funds.</p>		
Right-of-Use Lease Receivable	\$ 743,973	
Right-of-Use Lease Deferred Revenue	<u>(695,772)</u>	48,201
<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		10,999,972
<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>(450,012)</u>
Net Position of Governmental Activities		<u><u>\$ 20,111,389</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, 2023

	General Fund	Motor Fuel Tax Fund	General Capital Projects Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Local Taxes	\$ 1,854,141	\$ -	\$ -	\$ 689,040	\$ 2,543,181
Utilities Tax	540,930	-	-	-	540,930
Intergovernmental	2,915,113	355,073	335,250	198,419	3,803,855
Licenses and Permits	265,263	-	-	-	265,263
Fines	125,222	-	-	4,851	130,073
Grant Revenue	10,580	96,011	583,327	-	689,918
Other	500,222	15,770	38,014	89,550	643,556
Total Revenues	\$ 6,211,471	\$ 466,854	\$ 956,591	\$ 981,860	\$ 8,616,776
EXPENDITURES					
CURRENT					
General Government	\$ 684,648	\$ -	\$ -	\$ 928,653	\$ 1,613,301
Police	3,080,690	-	-	4,305	3,084,995
Streets	904,893	-	-	-	904,893
Building and Grounds Mansion	187,712 -	- -	- -	- 97,890	187,712 97,890
CAPITAL OUTLAY					
General Government	2,100	-	21,555	-	23,655
Police	3,945	-	9,676	60,748	74,369
Public Works	-	-	94,116	61,500	155,616
Streets	1,779	655,849	625,671	39,001	1,322,300
DEBT SERVICE					
Principal	-	-	-	89,366	89,366
Interest and Fees	-	-	-	18,306	18,306
Total Expenditures	\$ 4,865,767	\$ 655,849	\$ 751,018	\$ 1,299,769	\$ 7,572,403
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 1,345,704	\$ (188,995)	\$ 205,573	\$ (317,909)	\$ 1,044,373
OTHER FINANCING SOURCES/(USES)					
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ 22,362	\$ 22,362
Gain/(Loss) on Investments	(865)	-	-	-	(865)
Transfers	(339,910)	-	215,477	326,879	202,446
	\$ (340,775)	\$ -	\$ 215,477	\$ 349,241	\$ 223,943
NET CHANGE IN FUND BALANCES	\$ 1,004,929	\$ (188,995)	\$ 421,050	\$ 31,332	\$ 1,268,316
FUND BALANCES - MAY 1, 2022	2,964,659	1,307,953	2,911,472	1,060,828	8,244,912
FUND BALANCES - APRIL 30, 2023	\$ 3,969,588	\$ 1,118,958	\$ 3,332,522	\$ 1,092,160	\$ 9,513,228

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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ 1,268,316

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	\$ (683,869)	
Capital Outlays	<u>1,362,503</u>	678,634

Some revenues reported on the Statement of Activities do not provide current
 financial resources and therefore are deferred in the governmental funds.

Right-of-Use Lease Revenue		69,201
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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		89,366
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Receipt of lease payments as a lessor, related to Right-of-Use leases, increases
 financial resources in the governmental funds, however, the principal amounts
 received reduce the lease receivable in the Statement of Net Position and is
 therefore not reported in the Statement of Activities

		<u>(21,000)</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 2,084,517</u></u>
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The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF LAKE VILLA
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
PROPRIETARY FUNDS
APRIL 30, 2023

	Business-type Activities		
	Water and Sewer	Garbage	Total Enterprise Funds
ASSETS			
Current Assets			
Cash and Investments	\$ 3,976,308	\$ 159,778	\$ 4,136,086
Due from General Fund	3,952	-	3,952
	<u>\$ 3,980,260</u>	<u>\$ 159,778</u>	<u>\$ 4,140,038</u>
Non-Current Assets			
Capital Assets			
Land	\$ 81,774	\$ -	\$ 81,774
Other Capital Assets	3,794,364	-	3,794,364
Water and Sewer Systems	31,988,287	-	31,988,287
Less: Accumulated Depreciation	(14,872,437)	-	(14,872,437)
	<u>\$ 20,991,988</u>	<u>\$ -</u>	<u>\$ 20,991,988</u>
Total Assets	<u>\$ 24,972,248</u>	<u>\$ 159,778</u>	<u>\$ 25,132,026</u>
LIABILITIES			
Current Liabilities			
Miscellaneous Payables	\$ 1,378	\$ -	\$ 1,378
Due to Other Governments	36,636	-	36,636
Bonds and Notes Payable - Current	480,125	-	480,125
	<u>\$ 518,139</u>	<u>\$ -</u>	<u>\$ 518,139</u>
Non-Current Liabilities			
Bonds and Notes Payable (Net of Current Portion Shown Above)	\$ 4,768,766	\$ -	\$ 4,768,766
Total Liabilities	<u>\$ 5,286,905</u>	<u>\$ -</u>	<u>\$ 5,286,905</u>
NET POSITION			
Net Investment in Capital Assets	\$ 15,743,097	\$ -	\$ 15,743,097
Unrestricted / (Deficit)	3,942,246	159,778	4,102,024
	<u>\$ 19,685,343</u>	<u>\$ 159,778</u>	<u>\$ 19,845,121</u>
Total Net Position	<u>\$ 19,685,343</u>	<u>\$ 159,778</u>	<u>\$ 19,845,121</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, 2023

	Enterprise Fund		Total Enterprise Funds
	Water and Sewer	Garbage	
OPERATING REVENUES			
Charges for Services			
Water Customer Sales/Connection Fees	\$ 2,028,171	\$ -	\$ 2,028,171
Sewer Customer Sales/Connection Fees	1,304,490	-	1,304,490
Refuse and Recycling Collections	-	682,621	682,621
County Connection Fees	57,560	-	57,560
Water Meter Sales	167	-	167
Inspection Fees	600	-	600
Miscellaneous Revenue	7,313	9,513	16,826
	<u>\$ 3,398,301</u>	<u>\$ 692,134</u>	<u>\$ 4,090,435</u>
OPERATING EXPENSES			
Water Department			
Personnel Expenses	\$ 262,077	\$ -	\$ 262,077
Contractor Expenses	62,142	-	62,142
Operating Expenses	688,760	-	688,760
Depreciation	457,191	-	457,191
Sewer Department			
Personnel Expenses	249,205	-	249,205
Contractor Expenses	705,532	-	705,532
Operating Expenses	102,805	-	102,805
Depreciation	359,360	-	359,360
Garbage Services			
Contractor Expenses	-	653,459	653,459
Operating Expenses	-	3,746	3,746
	<u>\$ 2,887,072</u>	<u>\$ 657,205</u>	<u>\$ 3,544,277</u>
OPERATING INCOME/(LOSS)	<u>\$ 511,229</u>	<u>\$ 34,929</u>	<u>\$ 546,158</u>
NON-OPERATING REVENUE/(EXPENSE)			
Interest Income	\$ 5,807	\$ -	\$ 5,807
Interest Expense	(103,897)	-	(103,897)
	<u>\$ (98,090)</u>	<u>\$ -</u>	<u>\$ (98,090)</u>
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>\$ 413,139</u>	<u>\$ 34,929</u>	<u>\$ 448,068</u>
TRANSFERS (TO)/FROM OTHER FUNDS			
Transfers	(202,446)	-	(202,446)
CHANGE IN NET POSITION	<u>\$ 210,693</u>	<u>\$ 34,929</u>	<u>\$ 245,622</u>
NET POSITION - MAY 1, 2022	<u>19,474,650</u>	<u>124,849</u>	<u>19,599,499</u>
NET POSITION - APRIL 30, 2023	<u><u>\$ 19,685,343</u></u>	<u><u>\$ 159,778</u></u>	<u><u>\$ 19,845,121</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, 2023

	Enterprise Funds Water and Sewer and Garbage
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 4,099,465
Payments to Suppliers for Goods and Services	(2,220,104)
Payments to Employees for Services	(509,904)
Internal Activity - Payments to Other Funds	(1,255)
Net Cash Provided/(Used) by Operating Activities	\$ 1,368,202
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ (202,446)
Net Cash Provided/(Used) by Non-Capital Financing Activities	\$ (202,446)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of Capital Assets	\$ (959,788)
Interest Paid on Capital Debt	(103,897)
Principal Paid on Capital Debt	(435,195)
Proceeds from Capital Debt	1,009,145
Net Cash Provided/(Used) by Capital and Related Financing Activities	\$ (489,735)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on Cash and Cash Equivalents and Investments	\$ 5,807
Net Cash Provided/(Used) by Investing Activities	\$ 5,807
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 681,828
CASH AND INVESTMENTS BALANCE - MAY 1, 2022	3,454,258
CASH AND INVESTMENTS BALANCE - APRIL 30, 2023	\$ 4,136,086
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ 546,158
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	816,551
Change in Assets and Liabilities:	
Due To/From Other Funds	(1,255)
Other Receivables	9,030
Miscellaneous Payables	1,378
Due to Other Governments	(3,660)
Net Cash Provided/(Used) by Operating Activities	\$ 1,368,202

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, 2023

	Police Pension Trust Fund	Custodial Fund
ASSETS		
Cash and Cash Equivalents	\$ 2,470,934	\$ 6,958
Investments		
IPOPIF Consolidated Pool	7,134,221	-
Certificates of Deposit	214,585	-
Due from Other Funds	14,223	-
Prepays	3,703	-
Total Assets	\$ 9,837,666	\$ 6,958
 LIABILITIES		
Due to Other Funds	\$ -	\$ 200
Total Liabilities	\$ -	\$ 200
 NET POSITION		
Restricted - Held in Trust for Pension Benefits	\$ 9,837,666	\$ -
Restricted for Developers, Property Owners, and Others	-	6,758
Total Net Position	\$ 9,837,666	\$ 6,758

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, 2023

	Police Pension Trust Fund	Custodial Fund
ADDITIONS		
Contributions		
Employer	\$ 828,598	\$ -
Plan Members	227,258	-
Developers, Property Owners, and Others	-	78,091
Total Contributions	<u>\$ 1,055,856</u>	<u>\$ 78,091</u>
Investment Income		
Interest and Dividends	\$ 111,177	\$ -
Net Increase/(Decrease) in Fair Value of Investments	230,081	-
Less: Investment Expense	(12,165)	-
Net Investment Income	<u>\$ 329,093</u>	<u>\$ -</u>
Total Additions	<u>\$ 1,384,949</u>	<u>\$ 78,091</u>
DEDUCTIONS		
Benefits	\$ 766,863	\$ -
Refunds	12,183	-
Administrative Expenses	27,818	-
Payments on Behalf of Developers, Property Owners, and Others	-	66,900
Total Deductions	<u>\$ 806,864</u>	<u>\$ 66,900</u>
NET INCREASE/(DECREASE)	\$ 578,085	\$ 11,191
TRANSFERS (TO)/FROM OTHER FUNDS	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	\$ 578,085	\$ 11,191
NET POSITION - MAY 1, 2022	9,259,581	(4,433)
NET POSITION - APRIL 30, 2023	<u>\$ 9,837,666</u>	<u>\$ 6,758</u>

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

VILLAGE OF LAKE VILLA
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

B. Basic Financial Statements – Government-Wide Financial Statements

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

The Village does not allocate indirect costs.

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

C. Basic Financial Statements – Fund Financial Statements

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

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

The following fund types are used by the Village:

1. Governmental Funds

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

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

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

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

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

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

2. Proprietary Fund Types

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

3. *Fiduciary Fund Types*

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

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

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

D. *Basis of Accounting*

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

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

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

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

E. *Cash and Cash Equivalents and Investments*

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

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds. Various non-major funds had cash overdrafts totaling \$305,551 at April 30, 2023. Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

NOTES TO FINANCIAL STATEMENTS (Continued)

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

F. *Restricted Cash and Cash Equivalents*

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

G. *Interfund Activity*

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

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

H. *Capital Assets*

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

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

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

I. *Deferred Outflows and Inflows of Resources*

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

J. *Compensated Absences*

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

NOTES TO FINANCIAL STATEMENTS (Continued)

K. *Long-Term Obligations*

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

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

L. *Government-Wide Net Position*

Government-wide net position is divided into three components:

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

M. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (Continued)

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

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

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

N. *Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's district on or before the last Tuesday in December. The 2022 levy was passed by the Board on December 5, 2022. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

O. *Lease Arrangements*

The Village recognizes a right-to-use liability and a right-to-use asset (right-to-use asset) in the government-wide financial statements.

At the commencement of a lease, the Village initially measures the right-to-use liability at the present value of payments expected to be made during the agreement term. Subsequently, the right-to-use liability is reduced by the principal portion payments made. The right-to-use asset is initially measured as the initial amount of the right-to-use liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over the term of the lease. Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Village does not currently have any material lessee lease agreements that fall under this type of arrangement.

The Village is a lessor for a lease related to the use of a cell tower by a mobile phone carrier and another lease for use of the Mansion by a private company. At the commencement of the lease, the Village initially measures the lease receivable at the present value of payments expected to be made during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments made. The unavailable lease revenue is initially measured as the initial amount of the lease receivable. Subsequently, the unavailable lease revenue is recognized on a straight-line basis over the lease term. Key estimates and judgments related to leases include how the Village determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The Village uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Village uses its estimated incremental borrowing rate as the discount rate for lease arrangements.

The lease term includes the noncallable period of the lease. Payments included in the measurement of the right-to-use liability/deferred revenue are composed of fixed payments and purchase option prices that the Village is reasonably certain to exercise.

NOTES TO FINANCIAL STATEMENTS (Continued)

The Village monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the right-to-use asset/receivable and liability/deferral if certain changes occur that are expected to significantly affect these amounts. Right-to-use assets are reported with Capital Assets and lease liabilities are reported with Long-Term Liabilities on the Statement of Net Position.

P. 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.

Q. 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 18, 2022 and Amended on June 6, 2022 to correct footing errors. Budget amounts reflected on the Schedules of Revenues, Expenditures, and Changes in Fund Balance – Modified Cash Basis – Budget and Actual reflect the Village's internal working budget amounts which are lower than legal budget amounts. Therefore, all funds operated within legal budgets.

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

NOTE 2 - DEPOSITS, INVESTMENTS, AND FAIR VALUE MEASUREMENTS

Deposits with Financial Institutions

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments". The deposits and investments of the pension trust funds are held separately from those other funds.

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, 2023, none of the Village Police Pension's bank balance was exposed to custodial credit risk.

Investments

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

Police Pension

The Police Pension Fund holds all investments within the Illinois Police Officer's Pension Investment Fund (IPOPIF). IPOPIF was created to Public Act 101-0610 and codified within the Illinois Pension Code, becoming effective January 1, 2020, to streamline investments and eliminate unnecessary and redundant administrative costs, thereby ensuring assets are available to fund pension benefits for the beneficiaries of the participating pension funds as defined in 40 ILCS 5/22B-105. Participation in IPOPIF by Illinois suburban and downstate police pensions funds is mandatory and investments were contributed to the IPOPIF Investment Fund during the current fiscal year. IPOPIF has the authority to investment trust fund

NOTES TO FINANCIAL STATEMENTS (Continued)

assets in any type of security subject to the requirements and restrictions set forth in the Illinois Pension Code and is not restricted by the Pension Code sections that pertained exclusively to the Article 3 participating police pension funds.

As of April 30, 2023, the Village had the following investments, maturities and fair value measurements:

Village

Types of investments	Credit Quality/Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value (NAV)
				Level 1	Level 2	
Debt Securities:						
Illinois Funds Investment Pool	AAAmm	less than 1 year	\$ 640,820	\$ -	\$ -	\$ 640,820
Gov't Agencies	AA+	1 to 5 years	362,228	-	362,228	-
Gov't Money Markets	AAAmm	less than 1 year	301,628	-	301,628	-
Certificates of Deposit	Not Rated	less than 1 year	844,913	-	844,913	-
Certificates of Deposit	Not Rated	1 year to 5 years	3,064,976	-	3,064,976	-
Total Debt Securities			<u>\$ 5,214,565</u>	<u>\$ -</u>	<u>\$ 4,573,745</u>	<u>\$ 640,820</u>

Police Pension

Types of investments	Credit Quality/Ratings	Segmented Time Distribution	Amount	Fair Value Measurement Using		Net Asset Value (NAV)
				Level 1	Level 2	
Debt Securities:						
IPOPIF Investment Pool	Not Rated	less than 1 year	\$ 7,134,221	\$ -	\$ -	\$ 7,134,221
Certificates of Deposit	Not Rated	less than 1 year	214,930	-	214,930	-
Illinois Funds Investment Pool	Not Rated	less than 1 year	1,243,133	-	-	1,243,133
Total Debt Securities			<u>\$ 8,592,284</u>	<u>\$ -</u>	<u>\$ 214,930</u>	<u>\$ 8,377,354</u>

The Village and Police Pension Fund categorize 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; debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices; Level 3 inputs are significant unobservable inputs.

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities and certificates of deposit classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

The investments in the Illinois Fund Investment Pool are measured at net asset value. Illinois Funds is not registered with the Securities and Exchange Commission (SEC) but operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940.

The Police Pension Fund's pooled investment in IPOPIF, as noted in the table above, is valued at Net Asset Value per share. The pooled investments consist of the investments as noted in the target allocated table available at www.ipopif.org under Governing Documents, Policies, Investment Policy Statement. Investments in IPOPIF are value at IPOPIF's share price, which is the amount it would cost to buy the shares in the investment pool.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy does not address interest rate risk. However, the Village's investment services management invests all funds within the investment procedure manual developed by the Board.

NOTES TO FINANCIAL STATEMENTS (Continued)

Credit Risk. State law limits investments based on credit risk. The Village’s investment policy states that that the Village cannot directly invest in securities maturing more than ten years from the date of purchase.

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Increases	Decreases	Balance April 30, 2023
Governmental Activities:				
Capital Assets not being depreciated:				
Land	\$ 3,845,656	\$ -	\$ -	\$ 3,845,656
Construction in Progress	8,200	-	8,200	-
Total Capital Assets not being depreciated	<u>\$ 3,853,856</u>	<u>\$ -</u>	<u>\$ 8,200</u>	<u>\$ 3,845,656</u>
Other Capital Assets:				
Buildings and Improvements	\$ 4,143,317	\$ 313,049	\$ -	\$ 4,456,366
Land Improvements	3,072,415	808,037	-	3,880,452
Furniture and Office Equipment	745,617	15,341	-	760,958
Vehicles and Equipment	2,564,948	234,276	52,185	2,747,039
Infrastructure	4,430,837	-	-	4,430,837
Total Other Capital Assets at Historical Cost	<u>\$ 14,957,134</u>	<u>\$ 1,370,703</u>	<u>\$ 52,185</u>	<u>\$ 16,275,652</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 2,249,945	\$ 109,091	\$ -	\$ 2,359,036
Land Improvements	1,002,252	124,772	-	1,127,024
Furniture and Office Equipment	593,110	44,728	-	637,838
Vehicles and Equipment	1,907,024	183,986	52,185	2,038,825
Infrastructure	2,737,321	221,292	-	2,958,613
Total Accumulated Depreciation	<u>\$ 8,489,652</u>	<u>\$ 683,869</u>	<u>\$ 52,185</u>	<u>\$ 9,121,336</u>
Other Capital Assets, Net	<u>\$ 6,467,482</u>	<u>\$ 686,834</u>	<u>\$ -</u>	<u>\$ 7,154,316</u>
Governmental Activities Capital Assets, net	<u>\$ 10,321,338</u>	<u>\$ 686,834</u>	<u>\$ 8,200</u>	<u>\$ 10,999,972</u>
Business-Type Activities:				
Capital Assets not being depreciated:				
Land	\$ -	\$ 81,774	\$ -	\$ 81,774
Construction in Progress	242,998	-	242,998	-
Total Capital Assets not being depreciated	<u>\$ 242,998</u>	<u>\$ 81,774</u>	<u>\$ 242,998</u>	<u>\$ 81,774</u>
Other Capital Assets:				
Buildings	\$ 3,428,720	\$ -	\$ -	\$ 3,428,720
Land Improvements	55,320	-	-	55,320
Equipment	66,791	19,622	-	86,413
Vehicles and Equipment	223,911	-	-	223,911
Infrastructure	30,886,896	1,101,391	-	31,988,287
Total Other Capital Assets at Historical Cost	<u>\$ 34,661,638</u>	<u>\$ 1,121,013</u>	<u>\$ -</u>	<u>\$ 35,782,651</u>
Less Accumulated Depreciation for:				
Buildings	\$ 762,873	\$ 69,089	\$ -	\$ 831,962
Land Improvements	17,947	1,967	-	19,914
Equipment	66,799	1,962	-	68,761
Vehicles and Equipment	193,445	7,383	-	200,828
Infrastructure	13,014,821	736,151	-	13,750,972
Total Accumulated Depreciation	<u>\$ 14,055,885</u>	<u>\$ 816,552</u>	<u>\$ -</u>	<u>\$ 14,872,437</u>
Other Capital Assets, Net	<u>\$ 20,605,753</u>	<u>\$ 304,461</u>	<u>\$ -</u>	<u>\$ 20,910,214</u>
Business-Type Activities Capital Assets, net	<u>\$ 20,848,751</u>	<u>\$ 386,235</u>	<u>\$ 242,998</u>	<u>\$ 20,991,988</u>

Depreciation expense was charged to functions as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Governmental Activities:

General Government	\$ 112,413
Police	83,479
Streets	256,896
Building and Grounds	207,229
Mansion	23,852
Total Governmental Activities Depreciation Expense	<u>\$ 683,869</u>

Business-Type Activities:

Water Operations	\$ 457,192
Sewer Operations	359,360
Total Business-Type Activities Depreciation Expense	<u>\$ 816,552</u>

NOTE 4 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2023 was as follows:

	Balance May 1, 2022	Additions	Retirements	Balance April 30, 2023	Amounts Due Within One Year
Governmental Activities:					
Long-Term Debt					
GO Bond 2019	\$ 539,378	\$ -	\$ 89,366	\$ 450,012	\$ 88,101
Total Governmental Activities Long-Term Debt	<u>\$ 539,378</u>	<u>\$ -</u>	<u>\$ 89,366</u>	<u>\$ 450,012</u>	<u>\$ 88,101</u>
Business-Type Activities:					
Long-Term Debt					
GO Bonds	\$ 1,165,000	\$ -	\$ 215,000	\$ 950,000	\$ 225,000
IEPA 2017 Loan	3,509,941	-	204,895	3,305,046	208,724
IEPA Loan #5887	-	642,874	6,862	636,012	29,385
IEPA Loan #5888	-	366,271	8,438	357,833	17,016
Total Business-Type Activities Long-Term Debt	<u>\$ 4,674,941</u>	<u>\$ 1,009,145</u>	<u>\$ 435,195</u>	<u>\$ 5,248,891</u>	<u>\$ 480,125</u>

Long-term debt consisted of the following at April 30, 2023:

	Date of Issuance	Maturity Date	Interest Rate	Face Amount	Carrying Amount
Governmental Activities					
GO Bond Series 2019	3/25/2019	3/25/2029	3.40%	\$ 900,000	\$ 450,012
Business-Type Activities:					
GO Bonds	12/17/2014	12/15/2026	2.0% - 3.0%	\$ 2,550,000	\$ 950,000
IEPA Loan 2017	5/30/2017	12/17/2036	1.86%	4,472,954	3,305,046
IEPA Loan 5887	6/28/2022	8/17/2042	1.11%	642,874	636,012
IEPA Loan 5888	9/27/2022	3/27/2042	1.11%	366,271	357,833

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.

NOTES TO FINANCIAL STATEMENTS (Continued)

In June and September of 2022, the Village took out two IEPA Loans for the purpose of paying for Water & Sewer Improvements.

At April 30, 2023 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2024	\$ 88,101	\$ 19,571	\$ 107,672
2025	91,096	16,576	107,672
2026	94,194	13,479	107,673
2027	97,396	10,276	107,672
2028	79,225	6,965	86,190
2029	-	9,745	9,745
	<u>\$ 450,012</u>	<u>\$ 76,612</u>	<u>\$ 526,624</u>

Governmental activities debt is being liquidated by the GO Note Series 2019 Fund.

At April 30, 2023 the annual debt service requirements to service long-term debt attributable to business-type activities are:

Year Ending April 30	Principal	Interest	Total
2024	\$ 480,125	\$ 99,349	\$ 579,474
2025	494,542	88,744	583,286
2026	504,037	77,199	581,236
2027	518,613	65,423	584,036
2028	273,270	53,266	326,536
2029-2033	1,439,073	193,519	1,632,592
2034-2038	1,298,245	61,341	1,359,586
2039-2043	240,986	6,504	247,490
	<u>\$ 5,248,891</u>	<u>\$ 645,345</u>	<u>\$ 5,894,236</u>

Business-type activities debt is being liquidated by the Water and Sewer Fund.

NOTE 5 - LEASES

The District, as lessor, has the following leases:

	Contract Start	Contract End	Items	Initial Terms	Optional Terms	Initial Contract Value	Contract Options	Borrowing Rate (per year)	Monthly Payments	Number of Payments
Governmental Activities										
Lehmann Mansion	5/1/2022	4/30/2027	Mansion	5 years	N/A	\$ 200,000	Year 1 - 3.5% of all revenues derived \$50,000 annually beginning in year 2, with a variable payment of 5% of derived revenue in excess of \$250,000	5.00%	N/A	4
Water Tower	11/13/2018	11/13/2038	Water Tower	5 years	3 additional, 5 year terms	820,000	2nd Option (\$190,00), 3rd Option (\$215,986) 4th Option (\$244,369)	2.50%	2,811	12

Lease Revenue for the fiscal year ended April 30, 2023 was \$69,201, there were no variable payments on the Lehmann Mansion lease in the current year.

Annual lease receipts required under the lease agreement are as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Year Ending April 30	Principal	Interest	Total
2024	\$ 62,283	\$ 22,793	\$ 85,076
2025	65,756	20,191	85,947
2026	69,393	17,450	86,843
2027	73,205	14,565	87,770
2028	27,187	11,526	38,713
2029-2033	162,310	46,277	208,587
2034-2038	213,010	22,974	235,984
2038-2040	70,829	1,344	72,173
	<u>\$ 743,973</u>	<u>\$ 157,120</u>	<u>\$ 901,093</u>

A summary of deferred inflows – leases activity during the year ended April 30, 2023, is as follows:

	Balance May 1, 2022	Additions	Deductions	Balance April 30, 2023
Governmental Activities				
Deferred Inflow s - Right-To-Use Assets	\$ 587,676	\$ 177,297	\$ -	\$ 764,973
Total Deferred Inflow s - Right-To-Use Assets	<u>\$ 587,676</u>	<u>\$ 177,297</u>	<u>\$ -</u>	<u>\$ 764,973</u>
Less Accumulated Amortization:				
Deferred Inflow s - Right-To-Use Assets	\$ -	\$ 69,201	\$ -	\$ 69,201
Total Accumulated Amortization	<u>\$ -</u>	<u>\$ 69,201</u>	<u>\$ -</u>	<u>\$ 69,201</u>
Total Deferred Inflow s - Right-To-Use Assets, Net	<u>\$ 587,676</u>	<u>\$ 108,096</u>	<u>\$ -</u>	<u>\$ 695,772</u>

Revenue was recognized within functions as follows:

Governmental Activities	
General Gov't	\$ 33,741
Mansion	35,460
Total Governmental Activities Lessor Revenue	<u>\$ 69,201</u>

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at April 30, 2023 consisted of the following:

Due From	Due To	Amount
General Fund	Pension Fund	\$ 14,223
General Fund	Water and Sewer Fund	3,952
GO Note Series 2019 Fund	Business District #1	5,000
Custodial Fund	General Fund	200
Park Ave TIF	General Capital Fund	3,718

The interfund balance due to Pension resulted from the Village contribution for property tax not being transferred prior to year-end offset by expenses paid by the Village on behalf of the Pension.

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

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

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

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

Interfund transfers for the year ended April 30, 2023 were as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

Transfer From	Transfer To	Amount	Purpose
General Fund	Information Technology Fund	\$ 40,000	To cover IT costs
General Fund	Fleet Maintenance Fund	210,000	To cover Fleet Repairs
General Fund	Public Works Fleet Maintenance Fund	67,800	To cover Fleet Repairs
General Fund	Squad Car Fund	90,000	To cover Fleet Replacement
General Fund	Special Events Fund	28,750	To cover Fleet Replacement
Metra Fund	Liability Insurance Fund	5,208	To cover insurance premiums
Retirement Fund	General Fund	96,640	To cover retirement expenses
Mansion Fund	Liability Insurance Fund	5,208	To cover insurance premiums
Fleet Maintenance	General Capital Fund	21,037	Close out fund
Fleet Maintenance	Water and Sewer Fund	7,013	Close out fund
Information Technology	General Capital Fund	771	Close out fund
Information Technology	Water and Sewer Fund	771	Close out fund
Celebration of Summer Fund	Special Events Fund	3,478	Close out fund
Squad Car Fund	General Capital Fund	193,669	Close out fund
Liability Insurance Fund	Water and Sewer Fund	2,970	Close out fund
Water and Sewer Fund	Information Technology Fund	40,000	To cover IT costs
Water and Sewer Fund	Fleet Maintenance Fund	70,000	To cover Fleet Replacement
Water and Sewer Fund	Public Works Fleet Maintenance Fund	103,200	To cover Fleet Replacement
Business District #1	GO Note Series 2019 Fund	107,672	To cover bond payments made

NOTE 7 - DEFICIT FUND BALANCES

The Mansion Fund, Special Events Fund and GO Note Series 2019 Fund had deficit fund balances of \$303,383, \$2,168, and \$5,000 respectively as of April 30, 2023.

NOTE 8 - PROPERTY TAXES

Property taxes recorded in these financial statements are from the 2021 tax levies. A summary of the assessed valuation, rates, and extensions for the years 2022, 2021, and 2020 follows:

TAX YEAR	2022		2021		2020	
	RATES	EXTENSIONS	RATES	EXTENSIONS	RATES	EXTENSIONS
ASSESSED VALUATION	\$247,016,349		\$230,800,198		\$226,131,818	
Corporate	0.185638	\$ 458,556	0.167306	\$ 386,143	0.174894	\$ 395,491
Police Protection	0.195313	482,455	0.208406	481,001	0.212708	481,000
Tort and Liability Insurance	0.068825	170,009	0.073438	169,495	0.076890	173,873
Municipal Retirement	0.022467	55,497	0.023973	55,330	0.027070	61,214
Unemployment Insurance	0.000000	-	0.000044	102	0.000045	102
Audit	0.000000	-	0.004333	10,001	0.004423	10,002
Social Security	0.072470	179,013	0.077328	178,473	0.079790	180,431
Street and Bridge	0.038077	94,056	0.050973	117,646	0.051797	117,130
Police Pension	0.338084	835,123	0.359011	828,598	0.355751	804,466
PTAB/ Recapture	0.001704	4,209	0.003990	9,209	0.000000	-
	<u>0.922578</u>	<u>\$ 2,278,918</u>	<u>0.968802</u>	<u>\$ 2,235,998</u>	<u>0.983368</u>	<u>\$ 2,223,709</u>

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2023, the following funds have expenditures that exceeded the budget.

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,865,767	\$ 4,079,895	\$ 785,872
Liability Insurance Fund	238,001	234,000	4,001
Mansion Fund	97,890	60,702	37,188

NOTE 10 - RETIREMENT FUND COMMITMENTS

A. Illinois Municipal Retirement Fund

Plan Description

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

Benefits Provided

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

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

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. As of December 31, 2022, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	15
Inactive plan members entitled to but not yet receiving benefits	14
Active plan members	14
Total	<u>43</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

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 2022 and 2023 were 8.93% and 5.26%, respectively. For the fiscal year ended April 30, 2023, the Village contributed \$75,693 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

B. Social Security

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

C. Police Pension

Plan Administration

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

Plan Membership

As of April 30, 2023 plan participation consisted of:

Inactive plan members or beneficiaries currently receiving benefits	19
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	16
Total	<u>35</u>

Benefits Provided

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

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

Covered employees hired on or after January 1, 2011 attaining the age of 55 or more with 10 or more years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased

NOTES TO FINANCIAL STATEMENTS (Continued)

annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lessor of 3% or ½ the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Contributions

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Plan. For the year ended April 30, 2023 the Village's contribution was \$828,598.

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

Plan Overview

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

Types of Coverage:

PPO
High PPO
HDHP PPO

Coverage Provisions:

Retirees – Non-PSEBA

Pre-65 Coverage:

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

Post-65 Coverage:

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

NOTES TO FINANCIAL STATEMENTS (Continued)

Retirees –PSEBA

Pre-65 Coverage:

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

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

Post-65 Coverage:

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

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

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

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

Eligibility

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

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

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

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

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

Contribution

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan. Retirement plan contributions are currently only related to the

NOTES TO FINANCIAL STATEMENTS (Continued)

subsidy (as no one currently qualifies under PSEBA); therefore, there are no direct cash contributions to report in the current year.

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, 2023, 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, 2023, 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, 2022 and the statement of revenues and expenses for the year then ended.

Assets	\$ 4,924,049
Deferred Outflow s Related to Pension	34,263
	<u>\$ 4,958,312</u>
Liabilities	\$ 131,888
Deferred Inflow s Related to Pension	511,593
Net Position	4,314,831
	<u>\$ 4,958,312</u>
Revenues	<u>\$ 1,478,517</u>
Expenses	1,014,599
Net Increase/(Decrease) in Net Position	<u>\$ 463,918</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

November 30, 2022 is the latest date information available. Total payments for fiscal year 2023 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 Village and twelve other members have entered into a joint agreement: to provide water to member municipalities on a wholesale basis; to plan, construct, acquire, develop, operate, maintain, or contract for facilities for receiving, sorting, and transmitting water from Lake Michigan for the principal use and mutual benefit of the municipalities and their water users; and to provide adequate supplies of such water on an economical and efficient basis for the municipalities.

A summary of financial condition (modified cash basis) of CLCJAWA at April 30, 2023 (most recent information available) is as follows:

Assets	\$ 169,565,081
Deferred Outflows of Resources	2,188,044
	<u>\$ 171,753,125</u>
Liabilities	\$ 73,768,136
Deferred Inflows of Resources	440,077
Net Position	97,544,912
	<u>\$ 171,753,125</u>
Revenues	\$ 17,065,679
Expenses	16,123,902
Net Increase/(Decrease) in Net Position	<u>\$ 941,777</u>

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

NOTE 14 - DEFERRED COMPENSATION PLAN

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

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

NOTE 15 - COMMITMENTS

At April 30, 2023, 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, 2023 the Village remitted \$663,868 to the County under the terms of this agreement.

NOTE 16 - LEGAL DEBT LIMITATION

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

NOTES TO FINANCIAL STATEMENTS (Continued)

2022 EAV	\$ 250,334,742
	X 8.625%
Debt Margin	<u>\$ 21,591,371</u>
Current Debt	450,012
Remaining Debt Margin	<u><u>\$ 21,141,359</u></u>

NOTE 17 - NET INVESTMENT IN CAPITAL ASSET CALCULATION

Net investment in capital asset calculation as of April 30, 2023 was as follows:

Governmental Activities

Capital Assets, Net of Accumulated Depreciation	\$ 10,999,972
Less:	
Capital Related Debt	<u>(450,012)</u>
Investment in Capital Assets	<u><u>\$ 10,549,960</u></u>

Business-Type Activities

Capital Assets, Net of Accumulated Depreciation	\$ 20,991,988
Less:	
Capital Related Debt	<u>(5,248,891)</u>
Investment in Capital Assets	<u><u>\$ 15,743,097</u></u>

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

The Village has implemented GASB Statement, No. 87, *Leases*. This statement establishes financial reporting standards related to leases. Implementation of this standard resulted in recognizing the fair market value of the liability and asset at the commencement of the agreement. There have been no changes to the previously issued audited financial statements which would be required on a retrospective basis.

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, 2023

	BUDGETED AMOUNTS	ACTUAL AMOUNTS
	ORIGINAL AND FINAL	
REVENUES		
Local Taxes		
Property Tax	\$ 1,032,377	\$ 1,003,186
Property Tax - Police Pension	-	828,598
Property Tax - Road and Bridge	22,500	22,357
Intergovernmental		
Sales Tax	912,671	1,059,868
Local Use Tax	333,404	352,150
Telecommunication Tax	120,000	102,626
Utility Tax - Gas	120,000	243,621
Utility Tax - Electric	305,000	297,309
State Income Tax	1,039,655	1,357,638
State Replacement Tax	15,000	42,831
Licenses and Permits		
Amusement Licenses	500	-
Building Permits	95,000	119,819
Business Registration Fees	5,500	6,725
Impact Fees	-	2,846
Landscaping Inspection Fees	500	-
Liquor Licenses	19,400	14,650
Site Development Permits	5,000	1,469
Vehicle Licenses	95,000	96,179
Vending Licenses	16,500	23,575
Watershed Permit	50	-
Natural Gas Franchise	17,204	-
Fines		
Court Fines	85,000	114,352
Parking and Other Fines	25,000	10,870
Other		
Cable Franchise Fees	155,000	151,696
Grant Revenue	-	10,580
Investment Income	45,000	108,536
Police Reports	2,500	2,010
School Resource Officer Fees	116,000	152,329
Zoning Books, Maps and Hearing Fees	800	1,550
Other Revenue	20,300	84,101
Total Revenues	\$ 4,604,861	\$ 6,211,471
EXPENDITURES		
CURRENT		
General Government		
Personnel Salaries	\$ 303,903	\$ 356,177
Health Insurance Premiums	54,000	82,291
Training	14,000	10,076
Legal and Professional Fees	121,195	168,977
Maintenance	3,072	21,808
Printing and Publishing	13,200	4,843
Office Supplies	7,350	7,425
Credit Card Fees	3,000	1,256
Miscellaneous	8,000	18,856
	\$ 527,720	\$ 684,648

See Accompanying Independent Auditor's Report

VILLAGE OF LAKE VILLA
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - MODIFIED CASH BASIS - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED APRIL 30, 2023

	<u>BUDGETED AMOUNTS</u>	<u>ACTUAL AMOUNTS</u>
	<u>ORIGINAL AND FINAL</u>	<u>AMOUNTS</u>
EXPENDITURES (Continued)		
CURRENT (Continued)		
Police		
Personnel Salaries	\$ 1,848,164	\$ 1,800,048
Employee Retirement	-	828,598
Health Insurance Premiums	244,770	225,149
Physicals/Testing	1,500	-
Uniforms	30,400	27,324
Training	26,000	24,456
Range	14,000	7,909
Legal and Professional Fees	30,000	37,410
Dispatching	102,000	60,525
Radios	11,016	11,016
Computer Services	2,500	2,345
Equipment Maintenance	9,350	4,958
Police Commission	18,834	6,112
Printing	4,500	3,484
Office Supplies	13,350	9,844
Miscellaneous	31,400	31,512
	<u>\$ 2,387,784</u>	<u>\$ 3,080,690</u>
Streets		
Personnel Salaries	\$ 301,918	\$ 336,479
Health Insurance Premiums	76,000	68,363
Physicals/Testing	2,000	786
Uniforms	3,000	1,229
Training	2,000	750
Engineering	6,000	7,543
Street Sweeping	72,400	125,049
Maintenance	349,500	214,551
Electric	135,000	135,528
Supplies	12,000	14,615
	<u>\$ 959,818</u>	<u>\$ 904,893</u>
Building and Grounds		
Engineering and Inspector Fees	\$ 96,500	\$ 99,736
Maintenance	37,280	27,577
Utilities	2,400	2,294
Supplies	31,000	31,418
Cleaning	8,540	8,220
Telephone	18,500	18,467
	<u>\$ 194,220</u>	<u>\$ 187,712</u>
CAPITAL OUTLAY		
General Government	\$ 3,500	\$ 2,100
Police	5,053	3,945
Streets	1,800	1,779
	<u>\$ 10,353</u>	<u>\$ 7,824</u>
Total Expenditures	<u>\$ 4,079,895</u>	<u>\$ 4,865,767</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, 2023

	BUDGETED AMOUNTS ORIGINAL AND FINAL	ACTUAL AMOUNTS
Continued		
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 524,966	\$ 1,345,704
OTHER FINANCING SOURCES/(USES)		
Gain/(Loss) on Investments	\$ -	\$ (865)
Transfers	(320,800)	(339,910)
	\$ (320,800)	\$ (340,775)
NET CHANGE IN FUND BALANCE	\$ 204,166	\$ 1,004,929
FUND BALANCE - MAY 1, 2022		2,964,659
FUND BALANCE - APRIL 30, 2023		\$ 3,969,588

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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, 2023

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
REVENUES			
Intergovernmental			
State Motor Fuel Tax	\$ 201,043	\$	355,073
Rebuild IL Funds	-		96,011
Other			
Interest	1,000		15,770
Total Revenues	\$ 202,043	\$	466,854
EXPENDITURES	\$ 739,755	\$	655,849
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (537,712)	\$	(188,995)
OTHER FINANCING SOURCES/(USES)	-	-	
NET CHANGE IN FUND BALANCE	\$ (537,712)	\$	(188,995)
FUND BALANCE - MAY 1, 2022			1,307,953
FUND BALANCE - APRIL 30, 2023		\$	1,118,958

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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, 2023

	BUDGETED AMOUNTS		ACTUAL AMOUNTS
	ORIGINAL AND FINAL		
REVENUES			
Intergovernmental			
State Sales Tax	\$ 48,035	\$	48,035
Local Use Taxes	17,548		17,548
State Income Tax	54,719		54,719
Video Gaming	160,000		214,948
Grant Revenue	1,000		-
Other			
Rent - Water Tower	36,660		36,694
Grant Revenue	-		583,327
Interest	-		1,320
Other Revenues	1,100		-
Total Revenues	\$ 319,062	\$	956,591
EXPENDITURES			
CAPITAL OUTLAY			
Maintenance - Streets			
General Government	\$ 1,366,948	\$	21,555
Police	11,029		9,676
Public Works	92,000		94,116
Streets	647,000		625,671
	\$ 2,116,977	\$	751,018
Total Expenditures	\$ 2,116,977	\$	751,018
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (1,797,915)	\$	205,573
OTHER FINANCING SOURCES/(USES)			
Transfers	\$ -	\$	215,477
NET CHANGE IN FUND BALANCE	\$ (1,797,915)	\$	421,050
FUND BALANCE - MAY 1, 2022			2,911,472
FUND BALANCE - APRIL 30, 2023			\$ 3,332,522

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VILLAGE OF LAKE VILLA
 COMBINING BALANCE SHEET - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2023

	Special Revenue Funds										Capital Projects Funds					Debt Service Fund		Total
	Mansion Fund	Metra Fund	Liability Insurance Fund	Retirement Fund	Celebration of Summer Fund	Special Events Fund	Drug Seizure Fund	DUI Fund	Business District #1 Fund	Downtown TIF Fund	Park Ave TIF Fund	Information Technology Fund	Fleet Maintenance Fund	Fleet Replacement Fund	Squad Car Fund	Park Capital Fund	GO Note Series 2019	
ASSETS																		
Cash and Investments	\$ -	\$ 66,649	\$ -	\$ -	\$ -	\$ -	\$ 10,441	\$ 5,928	\$ 470,761	\$ 435,389	\$ 20,248	\$ -	\$ -	\$ 318,799	\$ -	\$ 73,214	\$ -	\$ 1,401,429
Due from Other Funds	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	-	-	-	5,000
Total Assets	\$ -	\$ 66,649	\$ -	\$ -	\$ -	\$ -	\$ 10,441	\$ 5,928	\$ 475,761	\$ 435,389	\$ 20,248	\$ -	\$ -	\$ 318,799	\$ -	\$ 73,214	\$ -	\$ 1,406,429
LIABILITIES																		
Cash Overdraft	\$ 303,383	\$ -	\$ -	\$ -	\$ -	\$ 2,168	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 305,551
Due to Other Funds	-	-	-	-	-	-	-	-	-	-	3,718	-	-	-	-	-	5,000	8,718
Total Liabilities	\$ 303,383	\$ -	\$ -	\$ -	\$ -	\$ 2,168	\$ -	\$ -	\$ -	\$ -	\$ 3,718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ 314,269
FUND BALANCE																		
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,441	\$ 5,928	\$ -	\$ 354,567	\$ 16,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 387,466
Assigned	-	66,649	-	-	-	-	-	-	475,761	80,822	-	-	-	318,799	-	73,214	-	1,015,245
Unassigned	(303,383)	-	-	-	-	(2,168)	-	-	-	-	-	-	-	-	-	-	(5,000)	(310,551)
Total Fund Balance	\$ (303,383)	\$ 66,649	\$ -	\$ -	\$ -	\$ (2,168)	\$ 10,441	\$ 5,928	\$ 475,761	\$ 435,389	\$ 16,530	\$ -	\$ -	\$ 318,799	\$ -	\$ 73,214	\$ (5,000)	\$ 1,092,160
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 66,649	\$ -	\$ -	\$ -	\$ -	\$ 10,441	\$ 5,928	\$ 475,761	\$ 435,389	\$ 20,248	\$ -	\$ -	\$ 318,799	\$ -	\$ 73,214	\$ -	\$ 1,406,429

See Accompanying Independent Auditor's Report

VILLAGE OF LAKE VILLA
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - MODIFIED CASH BASIS
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED APRIL 30, 2023

	Special Revenue Funds											Capital Projects Funds					Debt Service Fund	Total
	Mansion Fund	Metra Fund	Liability Insurance Fund	Retirement Fund	Celebration of Summer Fund	Special Events Fund	Drug Seizure Fund	DUI Fund	Business District #1 Fund	Downtown TIF Fund	Park Ave TIF Fund	Information Technology Fund	Fleet Maintenance Fund	Fleet Replacement Fund	Squad Car Fund	Park Capital Fund	GO Note Series 2019	
REVENUES																		
Local Taxes																		
Property Taxes	\$ -	\$ -	\$ 169,487	\$ 233,792	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 251,718	\$ 34,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 689,040
Intergovernmental																		
Sales Tax	-	-	-	-	-	-	-	-	198,419	-	-	-	-	-	-	-	-	198,419
Fines																		
DUI Fines	-	-	-	-	-	-	-	4,851	-	-	-	-	-	-	-	-	-	4,851
Other																		
Interest	-	-	-	-	-	-	-	-	1,193	2,873	172	-	-	-	-	-	-	4,238
Rent	-	34,217	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,217
Parking Fees	-	10,203	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,203
Donations	-	-	-	-	50	32,950	-	-	-	-	-	-	-	-	-	-	-	33,000
Other Revenue	1,046	-	-	-	-	4,614	2,232	-	-	-	-	-	-	-	-	-	-	7,892
Total Revenues	\$ 1,046	\$ 44,420	\$ 169,487	\$ 233,792	\$ 50	\$ 37,564	\$ 2,232	\$ 4,851	\$ 199,612	\$ 254,591	\$ 34,215	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 981,860
EXPENDITURES																		
Current	\$ 97,890	\$ 20,094	\$ 238,001	\$ 219,422	\$ -	\$ 53,938	\$ 4,305	\$ -	\$ -	\$ 27,587	\$ 16,883	\$ 82,486	\$ 270,242	\$ -	\$ -	\$ -	\$ -	\$ 1,138,520
Capital Outlay	-	-	-	-	-	-	-	6,798	-	-	-	-	-	61,500	53,950	39,001	-	161,249
Total Expenses	\$ 97,890	\$ 20,094	\$ 238,001	\$ 219,422	\$ -	\$ 53,938	\$ 4,305	\$ 6,798	\$ -	\$ 27,587	\$ 16,883	\$ 82,486	\$ 270,242	\$ 61,500	\$ 53,950	\$ 39,001	\$ -	\$ 1,299,769
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (96,844)	\$ 24,326	\$ (68,514)	\$ 14,370	\$ 50	\$ (16,374)	\$ (2,073)	\$ (1,947)	\$ 199,612	\$ 227,004	\$ 17,332	\$ (82,486)	\$ (270,242)	\$ (61,500)	\$ (53,950)	\$ (39,001)	\$ (107,672)	\$ (317,909)
OTHER FINANCING SOURCES (USES)																		
Proceeds from Sale of Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,362	\$ -	\$ -	\$ 22,362
Transfers	(5,208)	(5,208)	7,446	(96,640)	(3,478)	32,228	-	-	(107,672)	-	-	78,458	251,950	171,000	(103,669)	-	-	326,879
Total Other Financing Sources/(Uses)	\$ (5,208)	\$ (5,208)	\$ 7,446	\$ (96,640)	\$ (3,478)	\$ 32,228	\$ -	\$ -	\$ (107,672)	\$ -	\$ -	\$ 78,458	\$ 251,950	\$ 171,000	\$ (81,307)	\$ -	\$ 107,672	\$ 349,241
NET CHANGE IN FUND BALANCES	\$ (102,052)	\$ 19,118	\$ (61,068)	\$ (82,270)	\$ (3,428)	\$ 15,854	\$ (2,073)	\$ (1,947)	\$ 91,940	\$ 227,004	\$ 17,332	\$ (4,028)	\$ (18,292)	\$ 109,500	\$ (135,257)	\$ (39,001)	\$ -	\$ 31,332
FUND BALANCES - MAY 1, 2022	(201,331)	47,531	61,068	82,270	3,428	(18,022)	12,514	7,875	383,821	208,385	(802)	4,028	18,292.00	209,299	135,257	112,215	(5,000)	1,060,828
FUND BALANCES - APRIL 30, 2023	\$ (303,383)	\$ 66,649	\$ -	\$ -	\$ -	\$ (2,168)	\$ 10,441	\$ 5,928	\$ 475,761	\$ 435,389	\$ 16,530	\$ -	\$ -	\$ 318,799	\$ -	\$ 73,214	\$ (5,000)	\$ 1,092,160

See Accompanying Independent Auditor's Report

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

NOTE 1 - BUDGETS

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

The budget is legally enacted through passage of an appropriation ordinance. The budget was passed on April 18, 2022 and Amended on June 6, 2022 (for footing errors). 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, 2023, the following fund presented as supplementary information had expenditures that exceeded the budget:

Fund	Actual	Budget	Excess of Actual Over Budget
General Fund	\$ 4,865,767	\$ 4,079,895	\$ 785,872