ITASCA

VILLAGE OF ITASCA, ILLINOIS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Fiscal Year Ended April 30, 2025

VILLAGE OF ITASCA, ILLINOIS

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

For the Year Ended
April 30, 2025

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INTRODUCTORY SECTION

VILLAGE OF ITASCA, ILLINOIS

PRINCIPAL OFFICIALS

April 30, 2025

LEGISLATIVE

Jeff Pruyn, President

Board of Trustees

Jeff Aiani	Dino Gavanes
Ellen Leahy	Brendan Daly
Melissa Christensen	Patrick Powers

Jodi Conidi, Clerk

ADMINISTRATIVE

Carie Anne Ergo, Village Administrator

Jennifer Mitchell, Finance Director

October 22, 2025

To the Honorable Mayor, Members of the Village Board, and Citizens of the Village of Itasca, Illinois:

The annual comprehensive financial report for the Village of Itasca, Illinois, for the year ended April 30, 2025, is hereby submitted. The submittal of this report meets the State of Illinois requirement for all general-purpose local governments to publish a complete set of audited financial statements presented in conformity with generally accepted auditing standards.

Responsibility for the accuracy of the data in this report and completeness of its presentation lies solely with the Village of Itasca's management. The Village has established internal controls that are designed to protect the municipality's assets from loss, theft and misuse and to compile total and reliable information. As the cost of internal control should not exceed its benefits, the controls in place have been designed to provide reasonable, rather than absolute assurance, that the financial statements presented are free from material misstatements. To the best of our knowledge, this financial report is accurate and complete in all material aspects and fairly reflects the Village's financial position and changes in financial position of the various funds of the Village and the Village as a whole.

We are pleased to report that independent audit firm Sikich CPA LLC has issued an unmodified opinion on the Village of Itasca' financial statements for the year ended April 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

Included with the financial statements is a narrative overview and analysis of the financial statements in the form of *Management Discussion and Analysis (MD&A).* The MD&A complements this transmittal letter and should be read in conjunction with it. The financial statements include a view at the government-wide level and the fund level and are supplemented by notes to the financial statements.

Profile of the Government

The Village of Itasca, incorporated in 1890, is located at the junction of Interstate 290, Veterans Memorial Tollway, and the Elgin-O'Hare Expressway. Itasca began with a population of 76, which has since grown to 9,543. The Village covers an area of approximately 5.1 square miles and is located in DuPage County, Illinois, approximately 23 miles northwest of Chicago. Itasca is an upscale, residential community that prides itself on the high quality of living it affords its residents. It also boasts a large Class A office park and two manufacturing districts.

The Village is governed by a Board consisting of a mayor and six trustees, all of whom are elected at-large on a non-partisan basis. Policy-making and legislative authority are vested in the Village Board. The Board is responsible for, but not limited to, passing ordinances, adopting the budget, appointing committees, and hiring both the Village Administrator and Village Attorney. The Mayor is responsible for appointing the heads of various departments with the Village Board's consent. The Mayor is elected to serve a four-year term and the trustees serve four-year staggered terms, with three Board members elected every other two years. The elected officials collectively work as a unified Board to advance good government, and remain supportive of the professionals who run daily departmental operations of the Village government.

The Village Administrator is responsible for carrying out the policies and ordinances of the Village Board and for overseeing the day-to-day operations of the government. The Village of Itasca provides a full range of services, including but not limited to administrative, financial, police protection, public works, snow plowing, planning and zoning, economic development, a nature center, code enforcement, and community events. The Village also operates a water and sewer utility.

The annual budget serves as the foundation for the Village of Itasca's financial planning and control. The Village Board is required to adopt a final budget and appropriation ordinance by no later than July 31st. The budget is prepared by each departmental Director and reviewed by the Finance Director and Village Administrator. It is reflected at a fund, function and activity level. After administrative review and adjustments, the budget is presented to the Village Board for final review. The Village Board holds a public hearing and may add to, subtract from, or change budgeted amounts. After the budget has been adopted, any revisions that alter the total expenditures of any fund requires special approval of the Village Board.

Local Economy and Finances

Itasca is a mature community located in the O'Hare Industrial corridor of the Chicago metropolitan area, with limited land for new development. Equalized assessed valuation, (EAV) of real property at the end of the fiscal year totaled $879,847,503, an increase of 9.3% over the previous year. At a rate of 33.3% of market value, the equalized assessed valuation translates into $2.6 billion of investment in the community.

Total Corporate Fund (General Fund) revenue was $.7 million over the prior year. Corporate and police pension property tax increased nearly $180,480 as inflation was 6.5% for the 2023 levy year and the Village increased the 2023 tax levy to capture the full 5% increase plus growth from new construction.

Approximately 500 businesses operate in the Village - many located within industrial and business parks in the north and west portions of Itasca. The Village continued to experience substantial permit revenue due to continued construction within Hamilton Lakes and the development of Andrene Lane (1460 W. Thorndale). As a result, permit revenue totaled $1.5 million as compared to the budgeted revenue of $1.095 million. Going forward, the Village anticipates continued development within Hamilton Lakes for proposed data centers as well as development within the Downtown North TIF District. In future years, permit revenue may drop back in line with historical averages as the number of development opportunities decrease.

Similarly to FY 2024, interest income in the Corporate Fund was $1.4 million as liquid and CD interest rates remained high throughout the fiscal year. Utility tax increased $.4 million primarily due to the electricity consumption by the recently constructed NTT data centers as well as an increase in electricity rates.

Sales tax and non-home rule sales tax increased by $.7 million and $.2 million, respectively as a result of increased prices and a strong economy. The Village approved an ordinance increasing the non-home rule sales tax from .5% to 1% which will become effective January 1, 2026 and will result in a significant increase in revenue.

Conversely, replacement tax revenue was down 38.6% from FY 2024 as the State continued to clawback overallocations made in the State's fiscal years 2022 and 2023. As expected, telecommunications tax declined by 9.5% with the decline in landline telecommunications services.

The Corporate Fund made the budgeted surplus transfer of $3,780,847 to the Capital Projects Fund to support capital projects. Motor fuel tax was up 5.5% due in part to an increase in the high growth allotment. Hotel tax revenue at $1.2 million closely aligned with revenue received in FY 2024.

The CPI for 2023 and 2024 fell to 3.4% and 2.9%, respectively from the prior year of 6.5%. Since September 2024, the Federal Reserve has cut interest rates by 1.25% in its goal to achieve maximum employment and inflation at the rate of 2%. The Village should expect a corresponding decline in interest income and revenues affected by inflation such as sales tax, motor fuel tax, and hotel tax revenues. The decline in interest rates will result in expenditure savings or stabilization as well as savings on future bond issuance.

Long-Term Financial Planning

In the fall of 2015, the Village of Itasca's elected officials, officers and key management staff participated in a strategic planning process. The Village Board reached a collective agreement that maintaining fiscal sustainability, following established policies and procedures, and pursuing intergovernmental relations should be at the core of short-term and long-term decisions in order to support and enhance quality of life and resident satisfaction in the Village. Management is dedicated to pursuing economic development opportunities, addressing staffing priorities, and recommending infrastructure and capital improvements to achieve these goals.

The Village Board has identified projects in its five-year Capital Improvement Plan that supports the desired outcome of resident satisfaction and quality of life. This plan is updated annually prior to the start of the budget process.

As a non-home rule community, the Village is vulnerable to the impacts of declining revenue without sufficient means to raise revenues without voter approval, uncertainty of what Springfield could impose on local governments through unfunded mandates and reduced revenues, and pension expenses that are increasing at a rate faster than what we are able to collect through property tax increases due to PTELL.

The Village Board's directive for the past several years indicated its strong commitment to maintain a healthy fund balance as a priority for long-term financial health. The Village reports that as of April 30, 2025, the fund balance in the general fund is $13,753,300, which is equal to 100% of the actual FY 2025 Corporate Fund expenditures. The FY 2026 Budget approved a budget transfer of $2,746,614 of surplus to the Capital Projects Fund which will decrease the fund balance to 60% of the FY 2026 operating budget and align with the Village's adopted fiscal policy.

Major Initiatives

As part of the 5-Year Capital Improvement Plan and FY 2025 Budget, the Village managed several major projects in FY 2025 including:

Administration

- Usher Park – In partnership with the Park District, the Village secured a $600,000 OSLAD grant for the Usher Park Redesign Project. The Village completed the engineering and initiated the construction in FY 2025. The project will be completed in FY 2026.

Community and Economic Development

- Development Projects – Community Development continued to support major development projects including the following:
    - Itasca Station – The Village approved a planned development and redevelopment agreement for Itasca Station, a five-story downtown mixed-use building consisting of 124,800 square foot, 87 luxury apartments, 4,300 square feet of retail space, and covered parking. This project is currently under construction.
    - NTT Data Center – The Village approved a planned development allowing for the construction of data center CH2 and CH3 along with an electrical substation required to power the facilities. The construction and ramping up of the facilities in in process.
- Orchard Street Improvements – The Village initiated the design of 1) a proposed watermain upgrade necessary to support Itasca Station and future development and 2) streetscape improvements on Orchard Street desired to enhance the downtown through the Village's Downtown North TIF District.

Roadway and Sidewalk Improvements

- Park/Pierce/Devon – The Village substantially completed a project to complete intersection capacity improvements at Park/Pierce and Park/Devon Avenue intersections.
- Pierce Road Sidewalk Extension - The Village completed a project to construct a sidewalk extension along Pierce Road from Hamilton Parkway to Park Boulevard to provide improved pedestrian access within the Hamilton Lakes Business Park.
- Northside Infrastructure Project – The Village continued to prioritize the Northside Infrastructure Project to provide additional drainage relief to residents by removing existing surface drainage from ancient drain tiles and installing curbs and gutters. The project also includes the replacement of watermains. The Village continued to make progress on Phase II of the Northside Infrastructure Project. In addition, the Village secured IEPA loan funding for Phase III.
- Elgin O'Hare Tollway Enhancement – The Village settled an outstanding issue regarding the Village's contribution to the Elgin O'Hare Tollway Enhancement project and made the final payment to the project.
- Benson School Drop-Off – The Village initiated a project on behalf of School District 10 to improve the drop-off at Benson School. This project is substantially complete and will be fully reimbursed by the School District.
- Street Maintenance – The Village continued the annual street maintenance program.
- Sidewalk Program –The Village continued the annual sidewalk program.

Public Works

- Rear Yard Drainage Program –The Village continued to offer the Rear Yard Assistance Program for residents to alleviate their rear yard drainage issues.
- Backflow Program –The Village continued to offer the Sanitary Sewer Backflow Preventive Program to assist residents with the costs associated with the installation of a backflow prevention system.

Vehicles and Equipment

- Vehicles and Equipment – The Village continued to replace vehicles and equipment as identified in the Capital Improvement Plan.

Water and Sewer

- Ardmore and Baker Watermain Replacement – The Village initiated the engineering for the replacement of the Ardmore and Baker watermains in the Central Manufacturing District. The replacement of these watermains is in process.
- WWTP Equipment - The Village replaced necessary equipment in the WWTP.
- Sanitary Sewers – The Village continued the annual program to rehabilitate sanitary sewers and manholes and reduce the infiltration and inflow of stormwater into the sanitary sewer collection system.

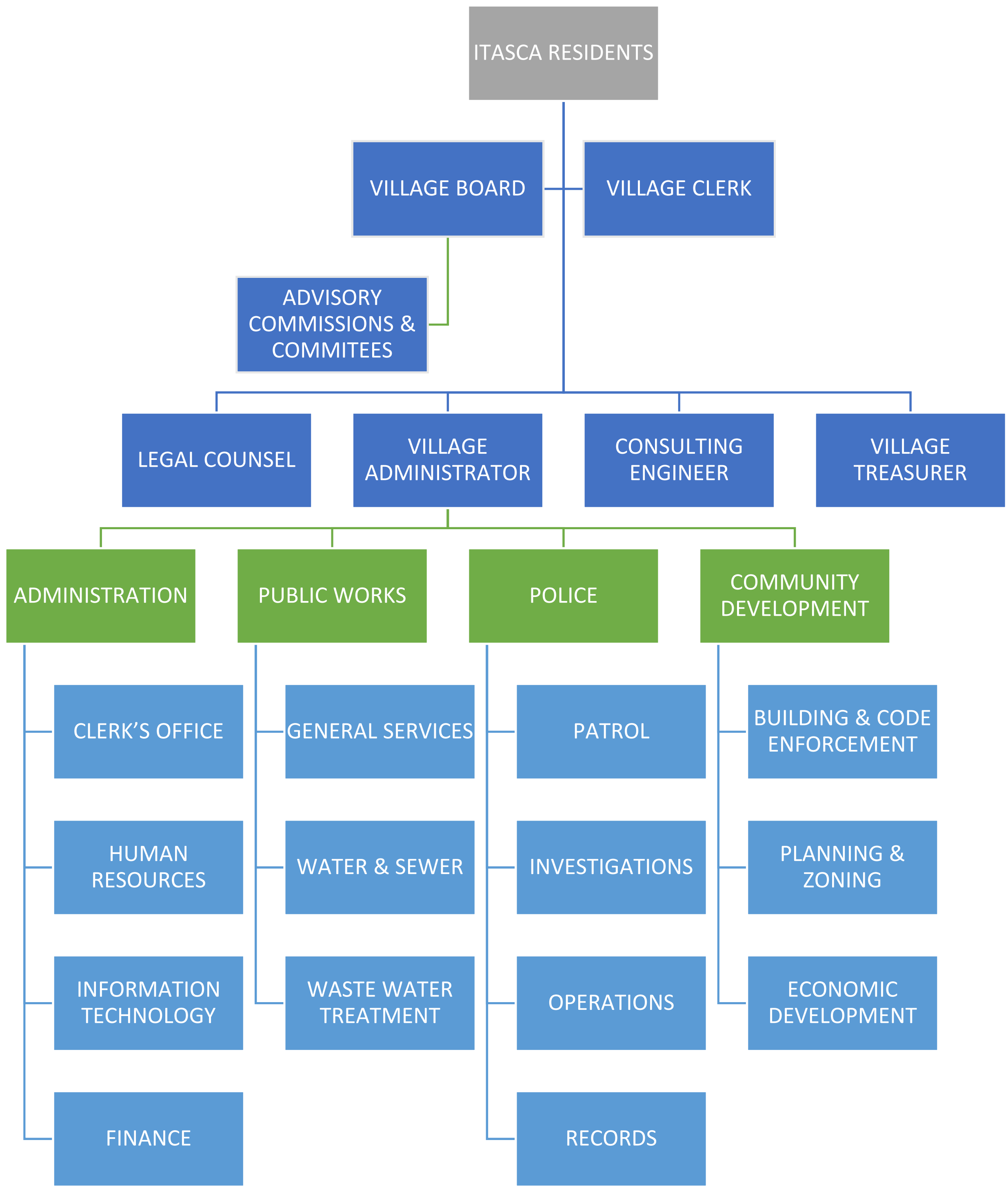
Acknowledgements

We express our appreciation to the Village Board of Trustees for their interest and support in planning and conducting the operations of the Village of Itasca in a fiscally responsible manner. The preparation of this report could not have been accomplished without significant staff support and the contributions of Amanda Socha, the Village's accountant from Selden Fox. We are pleased to present to you the Annual Comprehensive Financial Report for FY 2025.

Respectfully Submitted,

Jennifer Mitchell	Carie Anne Ergo
Finance Director	Village Administrator

Village of Itasca
MUNICIPAL ORGANIZATION STRUCTURE



FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Board of Trustees
Village of Itasca, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois (the Village), as of and for the year ended April 30, 2025, and the related notes to financial statements which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Itasca, Illinois as of April 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

The Village adopted new accounting guidance, GASB Statement No. 100, *Accounting Changes and Error Corrections-an Amendment of GASB Statement No. 62* and GASB Statement No. 101, *Compensated Absences*, during the year ended April 30, 2025. The implementation of this guidance resulted in changes to liabilities, and notes to the financial statements (see notes 5, 14, and 15 for additional information. Our opinion is not modified with respect to this matter.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these 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 the Village 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

As noted in Note 15 to the financial statements, the Village corrected an error from the prior period financial statements, which required a restatement of beginning fund balance. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and 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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 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, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks 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 the Village'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 the Village'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.

Other Matters

Required Supplementary Information

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

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 combining and individual fund financial statements and schedules and supplemental data 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 combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

This 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich CPA LLC

Naperville, Illinois
October 22, 2025

GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS

As the management of the Village of Itasca (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2025. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Letter of Transmittal on pages ii through v and the Village's financial statements beginning on page 5.

FINANCIAL HIGHLIGHTS

- Total Village's net position increased from $96.5 million as of April 30, 2024 to $102.4 million as of April 30, 2025.
- As of April 30, 2025, the unrestricted fund balance for the General fund was $13.4 million or 98% of actual General Fund expenditures and 92% of budgeted FY 2025 expenditures. This is an increase of $0.5 million from April 30, 2024.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT

In accordance with generally accepted accounting principles, the Village presents its financial statements so as to offer two perspectives of its financial position and results of operations. The government-wide perspective presents financial information for the government as a whole. The fund perspective involves the presentation of financial information for individual accounting entities established by the Village for specific purposes. The focus of the fund statements is on major funds. Both perspectives (government-wide and major fund) address likely user questions, provide a broad basis for comparison (year to year or government to government), and enhance the Village's accountability.

Government-wide Financial Statements

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

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the aggregate difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. Additionally, one would need to evaluate nonfinancial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved or deteriorated.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT (cont.)

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

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

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

The government-wide financial statements can be found on pages 5-8 of this report.

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

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

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT (cont.)

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and Capital Projects Fund, which are considered to be "major" funds. Data from the other 11 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic government fund financial statements are presented on pages 9-12 of this report.

Proprietary funds. The Village maintains one proprietary fund, the enterprise fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer utilities function. Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail. As the proprietary funds are reported on a full accrual bases, the Village of Itasca fund statements for the Water and Sewer fund mirror the government-wide statements.

The basic proprietary fund financial statements are presented on pages 13-17 of this report.

Fiduciary funds. Fiduciary Funds are used to account for resources held for benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains one fiduciary fund: the Police Pension Fund.

The basic fiduciary fund financial statements are presented on pages 18-19 of this report.

Notes to the financial statements
The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 20 of this report.

USING THE FINANCIAL SECTION OF THIS ANNUAL REPORT (cont.)

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning budget to actual comparisons for the General Fund and major governmental funds and the Village's progress in funding its obligation to provide pensions to its employees. Required supplementary information can be found on pages 61-69 of this report. The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 70-99 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following table reflects the condensed Statement of Net Position.

Condensed Statement of Net Position
April 30, 2025

	Governmental Activities		Business Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 40,945,612	$ 38,892,351	$ 14,079,936	$ 13,320,946	$ 55,025,548	$ 52,213,297
Capital assets, net	81,923,863	81,515,442	49,634,241	50,789,394	131,558,104	132,304,836
Deferred outflows of resources	1,552,425	2,435,734	480,538	877,617	2,032,963	3,313,351
Total assets and deferred outflows	$124,421,900	$ 122,843,527	$ 64,194,715	$ 64,987,957	$188,616,615	$187,831,484
Current liabilities	$ 3,521,275	$ 6,296,315	$ 1,116,638	$ 1,074,040	$ 4,637,913	$ 7,370,355
Noncurrent liabilities	45,253,751	45,853,662	31,160,381	32,817,120	76,414,132	78,670,782
Deferred inflows of resources	3,601,655	3,521,817	1,577,698	1,761,919	5,179,353	5,283,736
Total liabilities and deferred inflows	$ 52,376,681	$ 55,671,794	$ 33,854,717	$ 35,653,079	$ 86,231,398	$ 91,324,873
Net postion:						
Net investment in capital assets*	$ 73,783,891	$ 73,509,647	$ 19,971,100	$ 19,558,420	$ 86,624,241	$ 85,566,067
Restricted	8,525,950	8,596,200	-	-	8,525,950	8,596,200
Unrestricted (deficit)*	(10,264,622)	(14,934,114)	10,368,898	9,776,458	7,235,026	2,344,344
Total net position	$ 72,045,219	$ 67,171,733	$ 30,339,998	$ 29,334,878	$102,385,217	$ 96,506,611

*General Obligation Alternate Revenue Bonds Series 2022B were issued by Governmental Activities to fund capital asset acquisitions. In addition, a portion of the bonds were used for the Business-Type Activities. Therefore, the total column includes the outstanding balance for these bonds, while the Governmental Activities do not include these outstanding balances in the calculation of Net Investment in Capital Assets.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

A large portion of the Village's net position, $86,624,241 or 84.6%, reflects its investment in capital assets (for example, land, buildings and improvements, and equipment and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion, $8,525,950 or 8.3%, of the Village's net position represents resources that are subject to external restrictions on how they may be used. As of April 30, 2025, the Village is reporting an unrestricted net position of $7,235,026 or 7.1%. Unrestricted net position, if available, may be used to meet the government's ongoing obligations to citizens and creditors.

Activities

Condensed Statement of Activities
April 30, 2025

	Governmental Activities		Business Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Program revenues						
Charges for services	$ 2,052,698	$ 2,524,389	$ 10,992,490	$ 10,972,499	$ 13,045,188	$ 13,496,888
Grants and contributions						
Operating	1,058,564	689,387	-	-	1,058,564	689,387
Capital	9,392	11,819	-	-	9,392	11,819
General revenues						
Property taxes	3,536,126	3,360,605	-	-	3,536,126	3,360,605
Other taxes	13,936,793	13,371,478	-	14,709	13,936,793	13,386,187
Other	2,684,800	2,725,867	361,733	354,147	3,046,533	3,080,014
Total revenues	$ 23,278,373	$ 22,683,545	$ 11,354,223	$ 11,341,355	$ 34,632,596	$ 34,024,900
Expenses						
General government	$ 3,071,325	$ 3,688,343	$ -	$ -	$ 3,071,325	$ 3,688,343
Public safety	7,920,920	8,395,554	-	-	7,920,920	8,395,554
Community development	1,050,347	1,078,201	-	-	1,050,347	1,078,201
Public works	5,918,935	5,059,683	-	-	5,918,935	5,059,683
Water and sewer	-	-	9,730,117	9,793,367	9,730,117	9,793,367
Interest	552,089	575,920	-	-	552,089	575,920
Total expenses	$ 18,513,616	$ 18,797,701	$ 9,730,117	$ 9,793,367	$ 28,243,733	$ 28,591,068
Change in net position before transfers	4,764,757	3,885,844	1,624,106	1,547,988	6,388,863	5,433,832
Transfers	469,765	(3,947,850)	(469,765)	3,947,850	-	-
Change in net position	5,234,522	(62,006)	1,154,341	5,495,838	6,388,863	5,433,832
Net position, May 1, as previously reported	67,171,733	67,233,739	29,334,878	23,839,040	96,506,611	91,072,779
Change in accounting principle	(361,036)	-	(149,221)	-	(510,257)	-
Net position, May 1, as restated	66,810,697	67,233,739	29,185,657	23,839,040	95,996,354	91,072,779
Net position, April 30	72,045,219	67,171,733	30,339,998	29,334,878	102,385,217	96,506,611

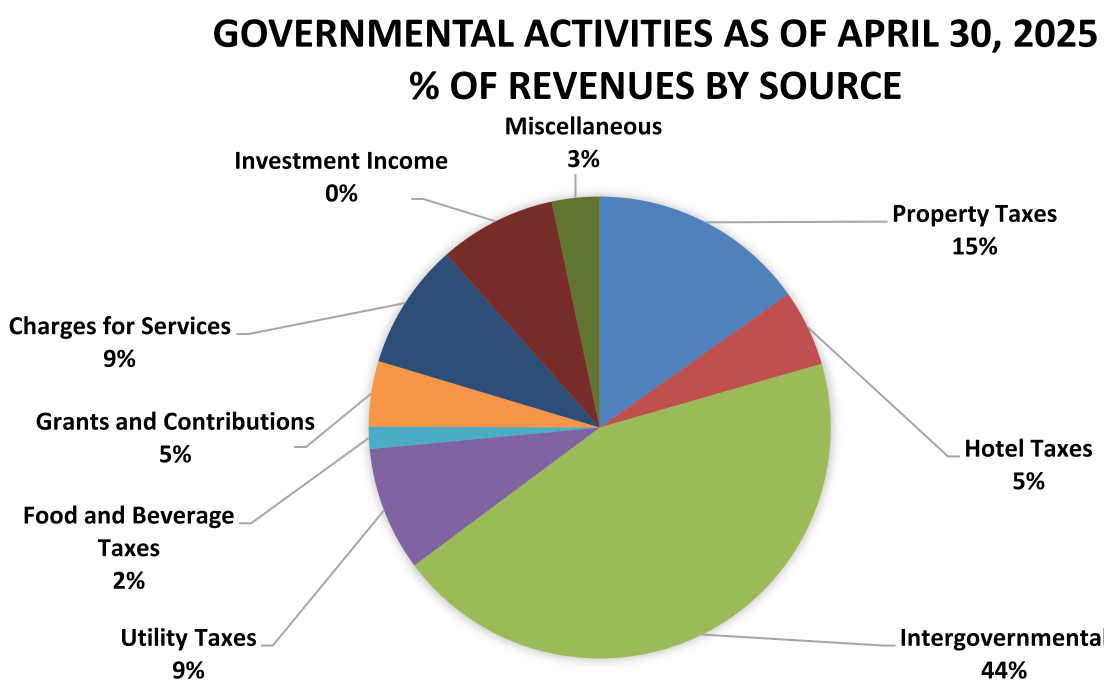
GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

The Village's combined net position increased by $5.9 million from $96.5 million to $102.4 million during FY 2025. This change is the result of $4.9 increase and $1.0 million increase in the net position of governmental activities and business-type activities, respectively. The change in net position was significantly impacted several years ago by the Village's implementation of Statement No. 68, Accounting and Financial Reporting for Pensions, of the Governmental Accounting Standards Board. These items pertain to the Village's participation in the Itasca Police Pension Fund and Illinois Municipal Retirement Fund. Under previous financial reporting standards, the Village was only required to report its obligations to the pension funds as required supplementary information (i.e., the obligations did not affect the statement of net position). In addition, the Village was required to implement GASB Statement No. 75 in FY 2019. This requires the reporting of the other postemployment liability resulting in an additional $2.1 million liability on the financial statements.

For more detailed information, see the Statement of Net Position on pages 5 and 6.

Governmental Activities

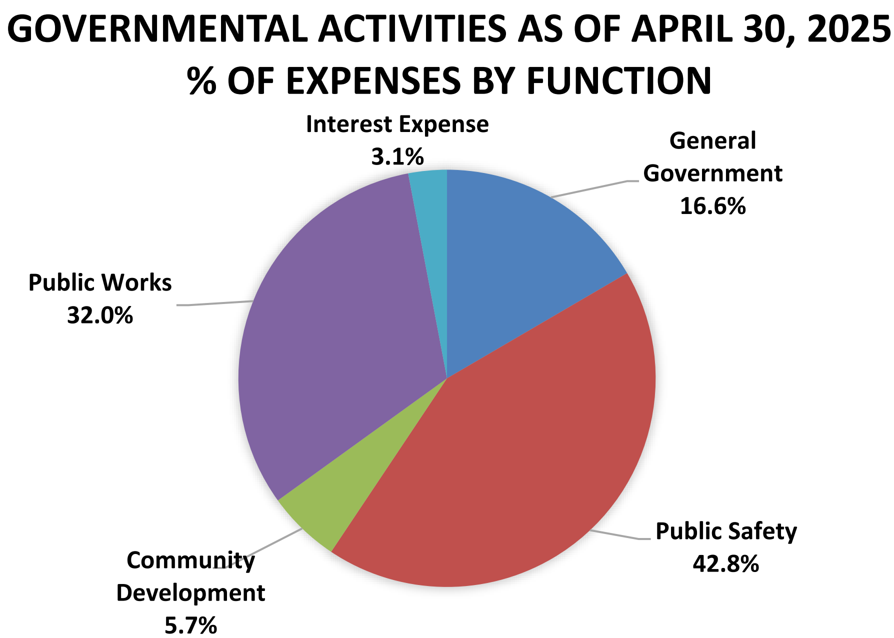
Revenues for governmental activities totaled $23.3 million, while the cost of all governmental functions totaled $18.5 million. This results in a net position before transfers of $4.8 million. The following table graphically depicts the major revenue sources of the Village. It depicts very clearly the reliance on intergovernmental revenues, property taxes, and utility taxes to fund governmental activities.



GOVERNMENT-WIDE FINANCIAL ANALYSIS (cont.)

FY 2025 expenses for governmental activities totaled $18.5 million, decreasing by $.3 million or 1.4% compared to FY 2024 expenses.

Itasca's largest share of costs allocated to governmental activities was in the area of Public Safety (law enforcement), accounting for 42.8% of total governmental expenses. This was followed by Public Works activities, making up 32.0% of total governmental spending, which includes Public Works operating and maintenance activities as well as the Village's infrastructure rehabilitation and replacement program. General Government activities round out total governmental activities at 16.6% which includes legislative boards and commissions, general administration, legal services, financial management, engineering services, employee relations, and building maintenance. Community Development, accounts for 5.7% of total government spending, and Interest Expense accounts for 3.% of total government spending.



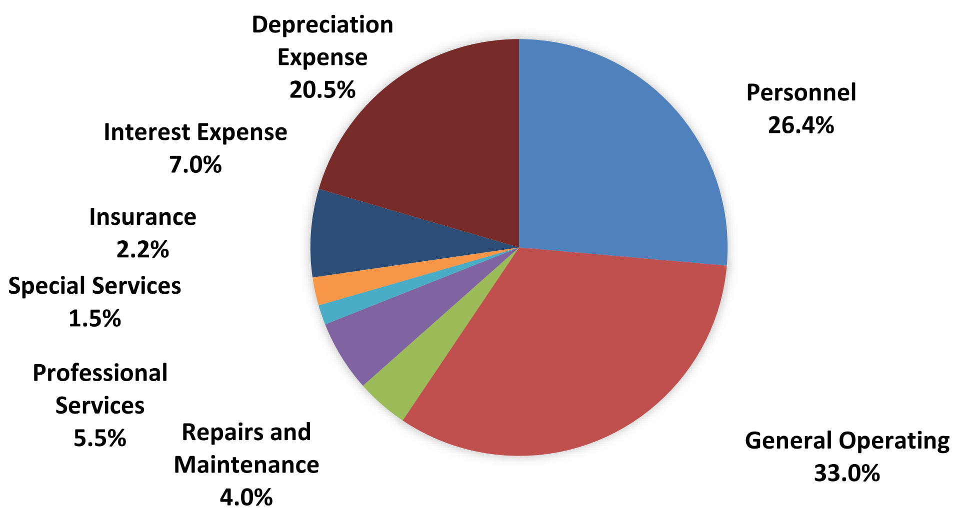
Business-Type Activities

Business-Type activities posted total revenues of $11.4 million, while the cost of all business-type activities totaled $9.7 million. This results in an increase in net position before transfers of $1.6 million. For the prior year ending April 30, 2024, revenues were $11.3 million, while the cost of all business-type activities totaled $9.89 million. This resulted in an increase in net position before transfers of $1.4 million (as restated).

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Itasca's total business-type activities are limited to the activities of its sole enterprise fund, the Water and Sewer Fund. Total expenses for water and sewer activities for FY 2025 totaled $9.7 million, a decrease of $212,471 or 2.1% from the prior year (as restated). Water and sewer activities include the purchase of Lake Michigan water though the Village's participation in the DuPage Water Commission, maintaining the Village's water distribution systems including mains, pumps, reservoirs, metering and billing, as well as the maintenance of the Village's sanitary sewage collection system and its treatment at the Wastewater Treatment Plan. Total system expenses can be categorized in the following manner:

BUSINESS-TYPE ACTIVITIES AS OF APRIL 30, 2025
% OF EXPENSES BY TYPE



Governmental Funds

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

At April 30, 2025 governmental funds reported combined fund balances of $34.1 million. Of this amount, approximately $12.0 million is assigned to capital projects. About $8.5 million is restricted: $3.6 million for Special Service Areas, $2.5 million for highways and streets, $2.0 million for tourism generated by hotel tax, $0.4 million for debt service, and $15,651 for public safety.

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

Major Governmental Funds

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. For the fiscal year ended April 30, 2025, fund balance in the General Fund increased by $295,410. The change to the fund balance is a combination of revenues of $17.6 million compared to expenditures of $13.7 million, adjusted for other financing uses of $3.6 million. After all activity and adjustments are accounted for, the General Fund has an ending fund balance of $13.8 million.

The Capital Projects Fund is designated as a major fund and is used to account for the acquisition and construction of facilities and equipment or the improvement of existing buildings and infrastructure. Capital improvements related to the Water and Sewer Fund are accounted for in that fund.

A total of $2.4 million in capital improvement projects were completed or in process at the end of FY25.

At the end of FY25, fund balance in the capital projects fund increased by $3.7 million which includes an operating deficit of $1.2 million plus a $4.9 million operating transfer from the General Fund. The capital project fund had reserves of almost $12 million at the end of FY25 which will continue to support the Village's five-year capital improvement plan.

Proprietary Funds

The focus for the proprietary fund at the fund level is synonymous with that found at the government-wide level. Reporting is on a full-accrual basis with short-term and long-term emphasis on financial data. The Water and Sewer Fund is the sole proprietary fund for the Village of Itasca. This fund records all financial activity relating to the municipality's water and sewer operations. The Water and Sewer Fund provides the same type of information in the government-wide financial statements reflected as "Business-type" activities, but in more detail.

At April 30, 2025, net position of the proprietary fund totaled $30.3 million. Cash and investments totaled $10.4 million, increasing from the prior year by $.6 million. Operating revenues decreased 2.4% from the previous year to $11.0 million. Operating expenses (including depreciation and interest) of $9.1 million were .4% lower than the previous year. On January 1, 2017, the volumetric rate was increased and the fixed revenue rate structure was adjusted to bring in an additional $500,000 annually to offset the predicted shortfall the fund would experience to meet the service demands to maintain and operate a water and sewer system. The rate structure was designed to account for a consistent decline of 2.5% in water usage, debt repayment, engineering expenses, increasing resources dedicated to capital expenditures, and the accumulation of sufficient reserves to meet the fund's current liabilities. On January 1, 2022, rates were frozen so that the Village could undergo a comprehensive water and sewer rate study to establish sustainable rate

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

increases going forward. The new rate structure recommended by the water and sewer rate study was adopted by the Village Board and an average increase of 2.7% became effective May 1, 2025. The rate structure includes increased through FY 2029.

Fiduciary Funds

The Village's one single-employer pension plan experienced an increase in the Net Position of $2.4 million in the fiscal year ended April 30, 2025 due primarily to $1.9 million in net investment income as interest earnings were high during the fiscal year. Deductions for benefits and other smaller items increased about 5.9%, from $2.2 million in the prior year to $2.4 million this year. As of April 30, 2025, total assets were $22.7 million.

General Fund Budgetary Highlights

The original budget for the General Fund was not amended during the year. Actual expenditures were under the budgeted amount by $.9 million. The General Fund budget was balanced with revenues budgeted at $14.7 million and expenses at $14.6 million. Actual revenues in the General Fund were $2.9 million over budget. The majority of the increase was a result of favorable budget variances in investment income, building permit revenue, sales tax, income tax, and utility tax due to a recovering economy, prior inflation and high interest rates. As a result, actual revenues received exceeded actual expenses by $3.9 million. After other financing sources and budgeted transfers, the net increase in fund balance was $295,410.

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

General Fund Budgetary Highlights
April 30, 2025

	General Fund	
	Final Budget	Actual
Revenues		
Taxes	$ 4,981,677	$ 5,423,859
Licenses and permits	1,342,700	1,835,414
Intergovernmental	7,306,747	7,913,496
Charges for services	62,350	93,139
Fines and forfeits	117,200	124,146
Other revenue	888,516	2,197,775
Total revenues	$ 14,699,190	$ 17,587,829
Expenditures		
General government	$ 2,652,933	$ 2,200,259
Public safety	7,757,473	7,783,918
Community development	1,245,406	1,025,966
Public works	2,926,565	2,663,998
Total expenditures	$ 14,582,377	$ 13,674,141
Other financing sources (uses)		
Transfers in	$ 196,350	$ 199,222
Transfers (out)	(3,995,847)	(3,817,690)
Proceeds from sale of capital assets	-	190
Total other financing sources (use:	$ (3,799,497)	$ (3,618,278)
Net change in fund balance	$ (3,682,684)	295,410
Fund balance, May 1		13,457,890
Fund balance, April 30		$ 13,753,300

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital assets

The Village's capital assets for both its governmental and business-type activities as of April 30, 2025 totaled $131.6 million (net of accumulated depreciation). This balance includes land, buildings, vehicles and equipment, infrastructure, sewer lines, water lines, water towers, water wells and water treatment facilities as well as intangible assets. The following schedule reflects the Village's capital asset balances as of April 30, 2025.

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business Type Activities		Totals	
	2025	2024*	2025	2024	2025	2024
Land and improvements	$ 40,473,800	$ 40,473,800	$ 1,335,645	$ 1,335,645	$ 41,809,445	$ 41,809,445
Construction in progress	2,813,158	6,710,418	537,592	6,426,118	3,350,750	13,136,536
Capital assets not being depreciated	$ 43,286,958	$ 47,184,218	$ 1,873,237	$ 7,761,763	$ 45,160,195	$ 54,945,981
Building and improvements	$ 12,487,024	$ 12,256,413	$ 186,174	$ 202,532	$ 12,673,198	$ 12,458,945
Machinery and equipment	$ 834,677	$ 816,822	$ 2,468,268	$ 1,090,084	3,302,945	1,906,906
Transportation equipment	508,891	526,135	-	-	508,891	526,135
Infrastructure	24,806,313	20,731,854	-	-	24,806,313	20,731,854
Water and sewer systems	-	-	45,106,562	41,735,015	45,106,562	41,735,015
Total capital assets being depreciated	$ 38,636,905	$ 34,331,224	$ 47,761,004	$ 43,027,631	$ 86,397,909	$ 77,358,855
Capital assets, net	$ 81,923,863	$ 81,515,442	$ 49,634,241	$ 50,789,394	$131,558,104	$132,304,836

Net capital assets for the year decreased by $.7 million. Net capital assets for governmental activities increased by $.4 million and business-type activities decreased by $1.2 million. Additional information on the Village's capital assets is presented in the notes to the basic financial statements on pages 31 and 32.

Long-Term debt

During the fiscal year, the Village's total debt obligation decreased by $.6 million for governmental activities and $1.7 million for business-type activities. During FY 2022, the Village refunded GO Bond 2009A to GO Bond 2022A and authorized the issuance of GO Bond 2022B in the amount of $13.64 million which resulted in the increase of the debt obligation affecting governmental activities. At the end of the fiscal year, the Village's total debt obligation was $76.4 million. Of that, $42.9 million is bonded debt. A total of $1.9 million is funded directly from property taxes revived from the Village's special services area for the Hamilton Lakes business park.

As a non-home rule government, under Illinois Law, the Village is limited to issuing debt to a level no greater than 8.625% of the equalized assessed value. As of April 30, 2025, the net debt applicable to the debt limit was 0%.

CAPITAL ASSETS AND DEBT ADMINISTRATION (cont.)

Long-Term Outstanding Debt
April 30, 2025

	Governmental Activities		Business Type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	$ 12,965,000	$ 13,310,000	$ 17,975,000	$ 18,445,000	$ 30,940,000	$ 31,755,000
Special service area bonds	1,855,000	2,020,000	-	-	1,855,000	2,020,000
IEPA loan	-	-	10,104,658	11,156,551	10,104,658	11,156,551
Bonded debt total	$ 14,820,000	$ 15,330,000	$ 28,079,658	$ 29,601,551	$ 42,899,658	$ 44,931,551
Compensated absences*	$ 688,496	$ 463,890	$ 248,590	$ 147,025	$ 937,086	$ 610,915
Installment contracts	128,432	170,934	-	-	128,432	170,934
Total postemployment benefit	1,743,775	1,535,110	332,148	398,035	2,075,923	1,933,145
Net pension liability	26,950,462	27,389,206	1,086,923	1,156,514	28,037,385	28,545,720
Other	922,586	964,522	1,413,062	1,513,995	2,335,648	2,478,517
Other long term liabilities	$ 30,433,751	$ 30,523,662	$ 3,080,723	$ 3,215,569	$ 33,514,474	$ 33,739,231
Total long term debt	$ 45,253,751	$ 45,853,662	$ 31,160,381	$ 32,817,120	$ 76,414,132	$ 78,670,782

Bond Ratings

During FY2022, the Village engaged S&P Global Ratings and received a bond rating of AA+ long-term rating to GO Bonds 2022A and 2022B. In addition, the Spring of 2016, the Village was able to maintain its Aa2, very strong credit position, bond rating from Moody's. Additional information on the Village's long-term debt is presented in the notes to the basic financial statements on pages 33 - 36.

ECONOMIC FACTORS

The local Village economy strengthened as interest rates remained high. The Village of Itasca is primarily an affluent residential community heavily reliant on sales taxes, income taxes, property taxes and utility sales. The Village contains three major business parks that generate much of the sales tax, property tax, and utility tax.

- The Village is directly impacted by the financial condition of the State of Illinois. The political environment in Springfield is closely monitored for legislation that could reduce or eliminate the shared revenue, and in turn impact the level of service to the residents.
- The Illinois Department of Revenue certified the CPI used for calculating the Village's 2024 Tax Levy to be 3.4%. The Village levied over 5% in order to capture tax revenue generated from new construction. The increase in property taxes will be used to offset the growing cost of funding for the Police Pension Fund and maintain the corporate property tax levy utilized for operating costs.

ECONOMIC FACTORS (cont.)

- The Village has a strong reliance on sales tax revenue. The Village will continue to monitor economic trends relating to retail sales and adjust forecasts/spending as appropriate. In conjunction with the approval of the FY 2026 Budget, the Village approved the following ordinances: 1) an ordinance implementing a local grocery tax in response to the State's elimination of the State-wide grocery tax and 2) an ordinance increasing the non-home rule sales tax from .5% to 1%. The non-home rule sales tax is the primary revenue source for the Capital Project Fund. This increase will be used to support capital projects and debt service associated with the Northside Infrastructure Project.
- The COVID-19 Pandemic caused uncertainty, unplanned expenses, and significant revenue decreases in sales tax, hotel tax, and income tax. Revenues significantly rebounded during FY 2023 and continued through FY 2025. The Village will continue to monitor economic trends to plan appropriately for any potential impact to revenue sources.
- The CPI decreased from 6.5% in 2022 to 3.4% in 2023 and 2.9% in 2024 which has helped moderate expenditure increases.
- The consolidation of the downstate Police Pension Funds along with high interest rates, resulted in returns of 9.54% and 9.68% in FY 2024 and FY 2025, respectively. As such, in the past two fiscal years, the unfunded liability in the Police Pension Fund decreased by $.7 million from $26.7 million to $26.0 million. The decrease in the unfunded liability is a significant change from the past historical trend of an annual increasing unfunded liability.

The above factors were taken into consideration for funding and planning purposes for current and future fiscal years. As of April 30, 2025, the unassigned fund balance of the General Fund was $13.2 million or 96.6% of total actual expenditures of the current year, exceeding the current policy of 50%. A FY 2026 budgeted transfer of $2.7 million from the General Fund to the Capital Fund is intended to reduce this fund balance to 60% of total expenditures to align with the Village's adopted fiscal policy.

ECONOMIC FACTORS (cont.)

The Water and Sewer Fund had cash and investments of $10.4 million as of April 30, 2025. The Village monitors both revenues and expenses to determine the utility rate levels necessary to cover the maintenance and long-term replacement infrastructure needs of the Water/Sewer Fund. During FY 2025, the Village completed and adopted a comprehensive water and sewer rate study which established rate increases through FY 2029. The rate increases were designed to meet the following goals:

- Design water and sewer rate increases to adequately fund operating expenses and capital expenses contained within the approved Capital Improvement Plan for FY 2025 – FY 2029.
- Increase the proportion of revenue generated by sewer charges to better match the distribution of sewer expenses.
- Maintain a 45-day operating reserve in the water and sewer operating fund.
- Maintain between $2 - $3 million in the water and sewer capital fund.
- Fund the water infrastructure expenses related to the completion of the Northside Infrastructure Project.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional information, should be directed to Carie Anne Ergo, Village Administrator or Jennifer Mitchell, Finance Director, at Village of Itasca, 550 N. Irving Park Road, Itasca, IL.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	$ 33,667,924	$ 10,442,531	$ 44,110,455
Receivables			
Property taxes	3,469,402	-	3,469,402
Accounts receivable	-	1,880,084	1,880,084
Sales taxes	2,198,954	-	2,198,954
Other	855,864	-	855,864
Intergovernmental	98,982	-	98,982
Lease	-	1,632,225	1,632,225
Accrued interest	221,172	4,581	225,753
Due from other governments	173,612	-	173,612
Due from library	53,205	-	53,205
Prepaid items	206,497	120,515	327,012
Capital assets			
Capital assets not being depreciated	43,286,958	1,873,237	45,160,195
Capital assets being depreciated (net of accumulated depreciation)	38,636,905	47,761,004	86,397,909
Total assets	122,869,475	63,714,177	186,583,652
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	313,365	342,902	656,267
Pension items - Police Pension	1,239,060	-	1,239,060
Unamortized loss on refunding	-	137,636	137,636
Total deferred outflows of resources	1,552,425	480,538	2,032,963
Total assets and deferred outflows of resources	124,421,900	64,194,715	188,616,615

(This statement is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION (Continued)

April 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Accounts payable	$ 1,927,464	$ 894,682	$ 2,822,146
Accrued payroll	48,062	21,665	69,727
Accrued interest	154,271	200,291	354,562
Intergovernmental payables	79,231	-	79,231
Unearned revenue	218,018	-	218,018
Escrow deposits	1,057,509	-	1,057,509
Due to fiduciary fund	36,720	-	36,720
Noncurrent liabilities			
Due within one year	867,870	1,626,140	2,494,010
Due in more than one year	44,385,881	29,534,241	73,920,122
Total liabilities	48,775,026	32,277,019	81,052,045
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	81,457	89,135	170,592
Pension items - Police Pension	50,796	-	50,796
Property taxes	3,469,402	-	3,469,402
Leases	-	1,488,563	1,488,563
Total deferred inflows of resources	3,601,655	1,577,698	5,179,353
Total liabilities and deferred inflows of resources	52,376,681	33,854,717	86,231,398
NET POSITION			
Net investment in capital assets*	73,783,891	19,971,100	86,624,241
Restricted			
Public safety	15,651	-	15,651
Debt service	404,359	-	404,359
Highways and streets	2,475,715	-	2,475,715
Tourism	1,995,544	-	1,995,544
Special service areas	3,634,681	-	3,634,681
Unrestricted (deficit)*	(10,264,622)	10,368,898	7,235,026
TOTAL NET POSITION	$ 72,045,219	$ 30,339,998	$ 102,385,217

*General Obligation Alternate Revenue Bonds Series 2022B were issued by Governmental Activities to fund capital asset acquisitions. In addition, a portion of the bonds were used for the Business-Type Activities. Therefore, the total column includes the outstanding balance for these bonds, while the Governmental Activities do not include these outstanding balances in the calculation of Net Investment in Capital Assets.

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2025

		Program Revenues		
FUNCTIONS/PROGRAMS	**Expenses**	**Charges for Services**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
PRIMARY GOVERNMENT				
Governmental Activities				
General government	$ 3,071,325	$ -	$ 500	$ -
Public safety	7,920,920	147,705	4,763	-
Community development	1,050,347	1,835,413	-	9,392
Public works	5,918,935	69,580	1,053,301	-
Interest expense	552,089	-	-	-
Total governmental activities	18,513,616	2,052,698	1,058,564	9,392
Business-Type Activities				
Water and sewer	9,730,117	10,992,490	-	-
TOTAL PRIMARY GOVERNMENT	$ 28,243,733	$ 13,045,188	$ 1,058,564	$ 9,392

	Net (Expense) Revenue and Changes in Net Position		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	$ (3,070,825)	$ -	$ (3,070,825)
	(7,768,452)	-	(7,768,452)
	794,458	-	794,458
	(4,796,054)	-	(4,796,054)
	(552,089)	-	(552,089)
	(15,392,962)	-	(15,392,962)
	-	1,262,373	1,262,373
	(15,392,962)	1,262,373	(14,130,589)
General Revenues			
Taxes			
Property	3,536,126	-	3,536,126
Hotel	1,247,135	-	1,247,135
Utility	2,024,478	-	2,024,478
Food and beverage	359,362	-	359,362
Intergovernmental	10,305,818	-	10,305,818
Miscellaneous	778,154	291,858	1,070,012
Investment income	1,906,456	69,875	1,976,331
Gain on sale of capital assets	190	-	190
Transfers	469,765	(469,765)	-
Total	20,627,484	(108,032)	20,519,452
CHANGE IN NET POSITION	5,234,522	1,154,341	6,388,863
NET POSITION, MAY 1, AS PREVIOUSLY REPORTED	67,171,733	29,334,878	96,506,611
Change in accounting principle	(361,036)	(149,221)	(510,257)
NET POSITION, MAY 1, AS RESTATED	66,810,697	29,185,657	95,996,354
NET POSITION, APRIL 30	$ 72,045,219	$ 30,339,998	$ 102,385,217

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 12,710,893	$ 12,032,559	$ 8,924,472	$ 33,667,924
Receivables				
Property taxes	2,986,202	-	483,200	3,469,402
Other	537,061	-	318,803	855,864
Sales taxes	1,580,836	618,118	-	2,198,954
Intergovernmental	-	98,982	-	98,982
Accrued interest	96,213	-	124,959	221,172
Due from other governments	-	21,174	152,438	173,612
Due from other funds	101,257	-	-	101,257
Due from library	53,205	-	-	53,205
Advance to other funds	179,743	-	-	179,743
Prepaid items	153,096	-	53,401	206,497
TOTAL ASSETS	$ 18,398,506	$ 12,770,833	$ 10,057,273	$ 41,226,612
LIABILITIES, DEFFERED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 436,722	$ 543,218	$ 947,524	$ 1,927,464
Accrued payroll	47,702	-	360	48,062
Intergovernmental payables	79,231	-	-	79,231
Unearned revenue	1,120	216,898	-	218,018
Escrow deposits	1,057,509	-	-	1,057,509
Due to other funds	-	-	101,257	101,257
Advance from other funds	-	-	179,743	179,743
Due to fiduciary fund	36,720	-	-	36,720
Total liabilities	1,659,004	760,116	1,228,884	3,648,004
DEFERRED INFLOWS OF RESOURCES				
Property taxes	2,986,202	-	483,200	3,469,402
Unavailable grant revenue	-	55,117	-	55,117
Total deferred inflows of resources	2,986,202	55,117	483,200	3,524,519
Total liabilities and deferred inflows of resources	4,645,206	815,233	1,712,084	7,172,523
FUND BALANCES				
Nonspendable				
Advance to other funds	179,743	-	-	179,743
Prepaid items	153,096	-	53,401	206,497
Restricted				
Public safety	15,651	-	-	15,651
Debt service	-	-	404,359	404,359
Highway and streets	-	-	2,475,715	2,475,715
Tourism	-	-	1,995,544	1,995,544
Special service areas	-	-	3,634,681	3,634,681
Assigned				
Capital projects	-	11,955,600	-	11,955,600
Subsequent year's budget	202,165	-	-	202,165
Unassigned (deficit)	13,202,645	-	(218,511)	12,984,134
Total fund balances	13,753,300	11,955,600	8,345,189	34,054,089
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 18,398,506	$ 12,770,833	$ 10,057,273	$ 41,226,612

See accompanying notes to financial statements.

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2025

FUND BALANCES OF GOVERNMENTAL FUNDS	$ 34,054,089
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	81,923,863
Certain assets are not available to report as revenue in the governmental funds but are revenue on the accrual basis of accounting	55,117
Premiums (discounts) on bonds are expensed in governmental funds but capitalized and amortized in the statement of net position	
Premium on issuance of bonds	(922,586)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
General obligation bonds	(12,965,000)
Special service area bonds	(1,855,000)
Installment contracts	(128,432)
Accrued interest payable	(154,271)
Compensated absences	(688,496)
Total OPEB liability	(1,743,775)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(993,298)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	231,908
Net pension liability for the Police Pension Fund is shown as a liability on the statement of net position	(25,957,164)
Differences between expected and actual experiences, assumption changes, and net differences between projected, and actual earnings for the Police Pension Fund are recognized as deferred outflows and inflows of resources on the statement of net position	1,188,264
NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 72,045,219

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

For the Year Ended April 30, 2025

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 3,040,019	$ -	$ 496,107	$ 3,536,126
Hotel taxes	-	-	1,247,135	1,247,135
Licenses and permits	1,835,414	-	-	1,835,414
Intergovernmental	7,913,496	2,097,579	294,743	10,305,818
Other taxes	2,383,840	-	-	2,383,840
Grants	18,272	525,029	473,155	1,016,456
Charges for services	93,139	-	-	93,139
Fines	124,146	-	-	124,146
Investment income	1,486,415	10,535	409,506	1,906,456
Miscellaneous	693,088	48,120	33,328	774,536
Total revenues	17,587,829	2,681,263	2,953,974	23,223,066
EXPENDITURES				
Current				
General government	2,200,259	-	1,112,035	3,312,294
Public safety	7,783,918	-	-	7,783,918
Community development	1,025,966	-	-	1,025,966
Public works	2,663,998	46,070	6,683	2,716,751
Debt service				
Principal	-	387,502	165,000	552,502
Interest and fiscal agent fees	-	509,419	91,703	601,122
Capital outlay	-	2,998,205	145,844	3,144,049
Total expenditures	13,674,141	3,941,196	1,521,265	19,136,602
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	3,913,688	(1,259,933)	1,432,709	4,086,464
OTHER FINANCING SOURCES (USES)				
Transfers in	199,222	4,939,678	36,843	5,175,743
Transfer (out)	(3,817,690)	-	(888,288)	(4,705,978)
Sale of capital assets	190	-	-	190
Total other financing sources (uses)	(3,618,278)	4,939,678	(851,445)	469,955
NET CHANGE IN FUND BALANCES	295,410	3,679,745	581,264	4,556,419
FUND BALANCES, MAY 1, AS PREVIOUSLY REPORTED	13,457,890	8,275,855	8,478,925	30,212,670
Error correction	-	-	(715,000)	(715,000)
FUND BALANCES, MAY 1, AS RESTATED	13,457,890	8,275,855	7,763,925	29,497,670
FUND BALANCES, APRIL 30	$ 13,753,300	$ 11,955,600	$ 8,345,189	$ 34,054,089

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

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

For the Year Ended April 30, 2025

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	$ 4,556,419
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized and depreciated in the statement of activities	2,408,960
Certain revenues are not available to pay liabilities of the current period	55,117
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a decrease of principal outstanding in the statement of activities	552,502
The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities	63,596
The change in deferred outflows and inflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities	(249,459)
The change in the net pension liability for the Police Pension Fund is reported only in the statement of activities	375,147
The change in deferred outflows and inflows of resources for the Police Pension Fund is reported only in the statement of activities	(504,020)
The change in the OPEB liability is reported only in the statement of activities	(208,665)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	(2,000,539)
Change in compensated absences payable	136,430
Amortization of bond premium	41,936
Change in accrued interest payable	7,097
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$ 5,234,521

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUND

April 30, 2025

		Water and Sewer
CURRENT ASSETS		
Cash and investments	$	10,442,531
Accounts receivable		1,880,084
Lease receivable		1,632,225
Accrued interest receivable		4,581
Prepaid items		120,515
Total current assets		14,079,936
NONCURRENT ASSETS		
Capital assets		
Capital assets not being depreciated		1,873,237
Capital assets being depreciated (net of accumulated depreciation)		47,761,004
Total noncurrent assets		49,634,241
Total assets		63,714,177
DEFERRED OUTFLOWS OF RESOURCES		
Pension items - IMRF		342,902
Unamortized loss on refunding		137,636
Total deferred outflows of resources		480,538
Total assets and deferred outflows of resources		64,194,715
CURRENT LIABILITIES		
Accounts payable		894,682
Accrued payroll		21,665
Bonds and loans payable - current portion		1,560,892
Compensated absences payable		24,859
Total OPEB liability		40,389
Accrued interest		200,291
Total current liabilities		2,742,778

(This statement is continued on the following page.)

STATEMENT OF NET POSITION (Continued)
PROPRIETARY FUND

April 30, 2025

	Water and Sewer
NONCURRENT LIABILITIES	
Bonds payable	$ 18,883,062
IEPA loan payable	9,048,766
Compensated absences payable	223,731
Net pension liability	1,086,923
Total OPEB liability	291,759
Total noncurrent liabilities	29,534,241
Total liabilities	32,277,019
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	89,135
Unavailable revenue - leases	1,488,563
Total deferred inflows of resources	1,577,698
Total liabilities and deferred inflows of resources	33,854,717
NET POSITION	
Net investment in capital assets	19,971,100
Unrestricted	10,368,898
TOTAL NET POSITION	$ 30,339,998

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUND

For the Year Ended April 30, 2025

	Water and Sewer
OPERATING REVENUES	
Charges for services	
Water fees	$ 5,575,458
Sewer fees	5,417,032
Total operating revenues	10,992,490
OPERATING EXPENSES EXCLUDING DEPRECIATION	
Salaries/stipends	1,914,190
Payroll taxes	321,135
Employee benefits	332,505
General operating	3,213,516
Repairs and maintenance	392,833
Professional services	538,072
Special services	149,612
Insurance	212,416
Total operating expenses excluding depreciation	7,074,279
OPERATING INCOME BEFORE DEPRECATION	3,918,211
DEPRECIATION	1,990,934
OPERATING INCOME	1,927,277
NON-OPERATING REVENUES (EXPENSES)	
Interest expense	(664,904)
Investment income	69,875
Miscellaneous revenue	291,858
Total non-operating revenues (expenses)	(303,171)
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	1,624,106
TRANSFERS	
Transfers in	-
Transfers (out)	(469,765)
Total transfers	(469,765)
CHANGE IN NET POSITION	1,154,341
NET POSITION, MAY 1, AS PREVIOUSLY STATED	29,334,878
Change in accounting principle	(149,221)
NET POSITION, MAY 1, AS RESTATED	29,185,657
NET POSITION, APRIL 30	$ 30,339,998

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUND

For the Year Ended April 30, 2025

	Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers and users	$ 11,263,835
Payments to suppliers	(4,574,984)
Payments to employees	(2,524,668)
Net cash from operating activities	4,164,183
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfunds	(469,765)
Net cash from noncapital financing activities	(469,765)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of capital assets	(790,619)
IEPA loan principal payments	(1,051,893)
Bond principal payments	(470,000)
Interest paid on bonds payable	(763,873)
Net cash from capital and related financing activities	(3,076,385)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	69,574
Net cash from investing activities	69,574
NET INCREASE IN CASH AND CASH EQUIVALENTS	687,607
CASH AND CASH EQUIVALENTS, MAY 1	9,754,924
CASH AND CASH EQUIVALENTS, APRIL 30	$ 10,442,531
NONCASH TRANSACTIONS	
Capital asset additions in accounts payable	$ 308,057
TOTAL NONCASH TRANSACTIONS	$ 308,057

(This statement is continued on the following page.)

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUND

For the Year Ended April 30, 2025

	Water and Sewer
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	$ 1,927,277
Adjustments to reconcile operating income to net cash used in operating activities	
Depreciation and amortization	1,990,934
Miscellanous revenue	291,858
Changes in assets and liabilities	
Accounts receivable	25,562
Lease receivable	23,870
Prepaid items	(120,515)
Accounts payable	51,980
Accrued payroll	(46,676)
Compensated absences	(47,656)
Deferred inflows of resources - leases	(69,945)
Pension items - IMRF	203,381
OPEB items	(65,887)
NET CASH FROM OPERATING ACTIVITIES	$ 4,164,183

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

April 30, 2025

ASSETS	
Cash and short-term investments	$ 714,000
Investments held in Illinois Police Officers' Pension Investment Fund	21,901,495
Due from Village	36,720
Prepaids	6,636
Total assets	22,658,851
LIABILITIES	
Accounts payable	675
NET POSITION RESTRICTED FOR PENSIONS	$ 22,658,176

See accompanying notes to financial statements.

VILLAGE OF ITASCA, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
POLICE PENSION TRUST FUND

For the Year Ended April 30, 2025

ADDITIONS	
Contributions	
Employer contributions	$ 2,244,043
Employee contributions	611,693
Total contributions	2,855,736
Investment income	
Interest and dividend income	131,292
Net increase in fair value of investments	1,795,486
Total investment income	1,926,778
Less investment expense	(14,036)
Net investment income	1,912,742
Total additions	4,768,478
DEDUCTIONS	
Benefit payments	2,340,474
Administrative expenses	40,646
Total deductions	2,381,120
NET INCREASE	2,387,358
NET POSITION RESTRICTED FOR PENSIONS	
May 1	20,270,818
April 30	$ 22,658,176

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village operates under a Board of Trustees-President-Administrator form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, water and sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services. As required by GAAP, these financial statements present the Village (the primary government). The Police Pension Fund has been included as a fiduciary component unit reported as a Pension Trust Fund. The Police Pension Fund functions for the benefit of the Village's sworn police employees and is governed by a five-member pension board. Two members appointed by the Mayor, the Village Treasurer and two elected police officers constitute the pension board. The Village and the Police Pension Fund participants are obligated to fund all the Police Pension Fund costs based upon actuarial valuations, including administrative costs. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the contribution levels. Accordingly, the Police Pension Fund is fiscally dependent on the Village. Separate financial statements are available for the Police Pension Fund.

b. Fund Accounting

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

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

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these financial statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays.

The Village reports the following major proprietary fund:

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

The Village reports the following fiduciary component unit:

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Cash and Cash Equivalents

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

Investments

Short-term investments are stated at cost or amortized cost plus accrued interest. Long-term investments (those with original maturities greater than one year from the date of purchase) are recorded at fair value.

The Village categorizes the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

f. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

g. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report, if any, are recorded as prepaid items/expenses. Prepaid expenditures are recognized on the consumption method in governmental funds.

h. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than $50,000 for streets, bridges, storm sewers, and sidewalks, $20,000 for buildings and improvements, and $5,000 for all other capital assets (other than land that does not have a capitalization threshold). Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	10-50
Machinery, vehicles, and equipment	4-20
Infrastructure	20-50
Water and sewer system	20-75
Books and audio – visual materials	5-7

i. Compensated Absences

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

The Village implemented GASB Statement No. 101, *Compensated Absences*, in 2025. Village policy permits employees to accumulate earned but unused sick leave. Sick leave is recognized as a liability if it is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

As a result of the implementation of GASB Statement No. 101, *Compensated Absences*, beginning net position was restated. See Note 5 and 14 for additional information.

j. Long-Term Obligations

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations (Continued)

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

k. Fund Balances/Net Position

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

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

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

None of the restricted net position or restricted fund balance results from enabling legislation adopted by the Village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

Interfund services are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

n. Use of Estimates

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

2. DEPOSITS AND INVESTMENTS

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes (ILCS). These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

2. DEPOSITS AND INVESTMENTS (Continued)

The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

The Illinois Metropolitan Investment Fund (IMET) is a local government investment pool. Created in 1996 as a not-for-profit trust formed under the Intergovernmental Cooperation Act and the Illinois Municipal Code. IMET was formed to provide Illinois government agencies with safe, liquid, attractive alternatives for investing and is managed by a Board of Trustees elected from the participating members. IMET offers participants two separate vehicles to meet their investment needs. The IMET Core Fund is designed for public funds that may be invested for longer than one year. The Core Fund carries the highest rating available (AAAf/bf) from Moody's for such funds. Member withdrawals can be made from the core fund with a five-day notice. The IMET Convenience Fund (CVF) is designed to accommodate funds requiring high liquidity, including short-term cash management programs and temporary investment of bond proceeds. It is comprised of collateralized and FHLB LoC backed bank deposits, FDIC insured certificates of deposit and U.S. Government securities. Member withdrawals are generally on the same day as requested. Investments in IMET are valued at IMET's share price, which is the price the investment could be sold.

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and yield.

The Village maintains a cash and investment pool that is available for use by most funds. The deposits and investments of the Police Pension Fund are held separately from those of other funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments."

a. Deposits with Financial Institutions

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Investments

As of April 30, 2025, the Village has the following investments and maturities in debt securities:

		Investment Maturities (in Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	Greater than 10
Negotiable CDs	$ 10,685,693	$ 8,820,100	$ 1,865,593	$ -	$ -
TOTAL	$ 10,685,693	$ 8,820,100	$ 1,865,593	$ -	$ -

c. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the market value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market. The Village has the following recurring fair value measurements as of April 30, 2025: negotiable CDs use level 1 inputs.

d. Credit Risk

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity: The Village primarily invests in negotiable certificates of deposit and external investment pools. The Illinois Funds, the money market mutual funds, and IMET are all rated AAA. The negotiable CDs are not rated.

e. Custodial Credit Risk

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

f. Concentration of Credit Risk

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in over-concentration in a security, maturity, issuer, or class of securities. The Village's investment policy requires the Village to diversify its

2. DEPOSITS AND INVESTMENTS (Continued)

f. Concentration of Credit Risk (Continued)

investments by security instrument and institution. Diversification by security instrument is as follows: U.S. Treasury obligations - 100% maximum; United States Government agency securities and instrumentalities of government sponsored corporations - 100% maximum; certificates of deposit (CDs) commercial banks - 33% maximum, the exception would be when the CDs are being invested using the Certificate of Deposit Account Registry Service (CDARS) or similar system; Illinois Governmental Cash Investment Fund - 20% maximum; and Illinois Metropolitan Investment Fund - 15%. Diversification by institution is as follows: CDs - no more than 15% of the total portfolio with any one institution.

3. RECEIVABLES

a. Property Taxes

Property taxes for 2024 attached as an enforceable lien on January 1, 2024 on property values assessed as of the same date and are recorded as receivables and unavailable revenue at April 30, 2025. The levy is intended to finance operations of the next fiscal year. Taxes are levied by December 2024 (by passage of a Tax Levy Ordinance). Tax bills are prepared by DuPage County payable in two installments, on or about June 1 and September 1, 2025. The County collects such taxes and remits them periodically. The 2025 tax levy, which attached as an enforceable lien on property as of January 1, 2025, has not been recorded as a receivable as of April 30, 2025 as the tax has not yet been levied by the Village and will not be levied until December 2025 and, therefore, the levy is not measurable at April 30, 2025.

b. Other Receivables

Other receivables consist of the following receivables at April 30, 2025:

GOVERNMENTAL ACTIVITIES	
Other miscellaneous receivables	$ 33,336
IPBC terminal reserve	145,308
IRMA deductible reserve	29,890
Hotel tax	284,311
Food and beverage tax	29,429
Utility tax	109,827
Telecommunication tax	136,493
Use tax	17,810
Cable TV franchise fee	34,968
Motor fuel tax	34,492
TOTAL GOVERNMENTAL ACTIVITIES	$ 855,864

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2025 was as follows:

	Balances May 1, Restated*	Increases	Decreases	Balances April 30
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	$ 40,473,800	$ -	$ -	$ 40,473,800
Construction in progress	6,710,418	916,690	4,813,950	2,813,158
Total capital assets not being depreciated	47,184,218	916,690	4,813,950	43,286,958
Capital assets being depreciated				
Buildings and improvements	20,820,463	550,373	-	21,370,836
Machinery and equipment	2,287,852	133,552	19,480	2,401,924
Transportation equipment	2,483,433	113,367	-	2,596,800
Infrastructure	115,248,351	5,508,928	-	120,757,279
Total capital assets being depreciated	140,840,099	6,306,220	19,480	147,126,839
Less accumulated depreciation for				
Buildings and improvements	8,564,050	319,762	-	8,883,812
Machinery, vehicles, and equipment	1,471,030	115,697	19,480	1,567,247
Transportation equipment	1,957,298	130,611	-	2,087,909
Infrastructure	94,516,497	1,434,469	-	95,950,966
Total accumulated depreciation	106,508,875	2,000,539	19,480	108,489,934
Total capital assets being depreciated, net	34,331,224	4,305,681	-	38,636,905
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	$ 81,515,442	$ 5,222,371	$ 4,813,950	$ 81,923,863

*Opening balances were restated due to an error correction. See Note 15 for additional information regarding this change.

4. CAPITAL ASSETS (Continued)

	Balances May 1	Increases	Decreases	Balances April 30
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land and improvements	$ 1,335,645	$ -	$ -	$ 1,335,645
Construction in progress	6,426,118	537,592	6,426,118	537,592
Total capital assets not being depreciated	7,761,763	537,592	6,426,118	1,873,237
Capital assets being depreciated				
Buildings and improvements	721,285	-	-	721,285
Equipment	3,228,194	1,546,711	-	4,774,905
Water and sewer system	78,348,066	5,177,596	-	83,525,662
Total capital assets being depreciated	82,297,545	6,724,307	-	89,021,852
Less accumulated depreciation for				
Buildings and improvements	518,753	16,358	-	535,111
Equipment	2,138,110	168,527	-	2,306,637
Water and sewer system	36,613,051	1,806,049	-	38,419,100
Total accumulated depreciation	39,269,914	1,990,934	-	41,260,848
Total capital assets being depreciated, net	43,027,631	4,733,373	-	47,761,004
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET	$ 50,789,394	$ 5,270,965	$ 6,426,118	$ 49,634,241

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

GOVERNMENTAL ACTIVITIES	
General government	$ 201,350
Public safety	99,675
Community development	5,968
Public works	1,693,546
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	$ 2,000,539

5. LONG-TERM DEBT

a. General Obligation Bonds

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

A summary of changes in long-term debt reported in the governmental activities of the Village for the year ended April 30, 2025 is as follows:

Governmental Activities

Issue	Interest Rate	Final Maturity Date	Beginning Balances, Restated*	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds Series 2022B (ARB)	3.00% to 5.00%	2/1/2047	$ 13,310,000	$ -	$ 345,000	$ 12,965,000	$ 360,000
Plus amortized premium Series 2022B (ARB)			964,522	-	41,936	922,586	-
Special service area bonds Series 2014	4.50%	12/15/2033	2,020,000	-	165,000	1,855,000	170,000
Installment contracts	0.00%	11/1/2027	170,934	-	42,502	128,432	56,978
Compensated absences Payable**			824,926	-	136,430	688,496	68,850
Total OPEB liability			1,535,110	208,665	-	1,743,775	212,042
Net pension liability - IMRF			1,056,895	-	63,595	993,298	-
Net pension liability - Police Pension			26,332,311	-	375,147	25,957,164	-
TOTAL GOVERNMENTAL ACTIVITIES			$ 46,214,698	$ 208,665	$ 1,169,610	$ 45,253,751	$ 867,870

For the governmental activities, the net pension liabilities and the total other postemployment benefit liability are generally liquidated by the General Fund. The general obligation bonds and installment contract are generally liquidated by the Capital Projects Fund.

*Opening balances were restated due to the implementation of GASB Statement No. 101, *Compensated Absences.* See Note 14 for additional information regarding this change.

**The amount displayed as additions or reductions represents the net change in the liability.

5. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Business-Type Activities

Issue	Beginning Balances, Restated*	Additions	Retirements	Ending Balances	Due Within One Year
General obligation bonds - Series 2022A (ARS)	$ 18,445,000	$ -	$ 470,000	$ 17,975,000	$ 505,000
IEPA loans					
EPA loan I	6,000,000	-	750,000	5,250,000	750,000
EPA loan II	5,156,551	-	301,893	4,854,658	305,892
Unamortized bond premium	1,513,995	-	100,933	1,413,062	-
Compensated absences payable**	296,246	-	47,656	248,590	24,859
Net pension liability - IMRF	1,156,514	-	69,591	1,086,923	-
Total OPEB liability	398,035	-	65,887	332,148	40,389
TOTAL BUSINESS-TYPE ACTIVITIES	$ 32,966,341	$ -	$ 1,805,960	$ 31,160,381	$ 1,626,140

*Opening balances were restated due to the implementation of GASB Statement No. 101, Compensated Absences. See Note 14 for additional information regarding this change.

**The amount displayed as additions or reductions represents the net change in the liability.

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year	Installment Contracts Principal	Installment Contracts Interest	SSA Bonds Principal	SSA Bonds Interest
2026	$ 56,978	$ -	$ 170,000	$ 83,475
2027	56,978	-	180,000	75,825
2028	14,476	-	185,000	67,725
2029	-	-	195,000	59,400
2030	-	-	205,000	50,625
2031	-	-	215,000	41,400
2032	-	-	225,000	31,725
2033	-	-	235,000	21,600
2034	-	-	245,000	11,025
TOTAL	$ 128,432	$ -	$ 1,855,000	$ 442,800

5. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year	Alternate Revenue Bonds Principal	Alternate Revenue Bonds Interest
2026	$ 360,000	$ 491,869
2027	380,000	473,869
2028	400,000	454,869
2029	420,000	434,869
2030	440,000	413,869
2031	460,000	391,869
2032	485,000	368,869
2033	510,000	344,619
2034	535,000	319,119
2035	555,000	297,719
2036	580,000	275,519
2037	600,000	252,319
2038	625,000	228,319
2039	650,000	203,319
2040	670,000	183,819
2041	690,000	163,719
2042	710,000	143,019
2043	730,000	121,719
2044	755,000	98,906
2045	780,000	75,313
2046	800,000	50,938
2047	830,000	25,938
TOTAL	$ 12,965,000	$ 5,814,387

5. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

	Business-Type Activities			
Fiscal	Alternate Revenue Source		IEPA Loan	
Year	Principal	Interest	Principal	Interest
2026	$ 505,000	$ 673,000	$ 1,055,892	$ 63,076
2027	540,000	647,750	1,059,942	59,024
2028	570,000	620,750	1,064,047	54,919
2029	615,000	592,250	1,068,206	50,761
2030	660,000	561,500	1,072,420	46,546
2031	705,000	528,500	1,076,690	42,276
2032	1,140,000	493,250	1,081,017	37,949
2033	1,580,000	447,650	335,401	33,566
2034	1,680,000	384,450	339,842	29,124
2035	1,785,000	317,250	344,343	24,623
2036	1,895,000	245,850	348,904	20,063
2037	1,990,000	189,000	353,525	15,443
2038	2,100,000	129,300	358,206	10,760
2039	2,210,000	66,300	362,950	6,016
2040	-	-	183,273	1,210
TOTAL	$ 17,975,000	$ 5,896,800	$ 10,104,658	$ 495,356

c. Alternate Revenue Bonds Payable

Revenue bonds currently outstanding are shown in the table above. The issuance is collateralized by the revenue of the water and sewer system and the various restricted accounts established by the bond ordinances. The amount of pledge remaining as of April 30, 2025, is as follows:

	Pledged Revenue Source	Pledge Remaining	Commitment End Date	Pledged Revenue Collected	Principal and Interest Paid
Water and sewer system revenue bonds of Series 2022A	Revenues of the system	$ 23,871,800	2/1/2039	$ 10,992,490	$ 1,166,500
Alternative revenue bonds of Series 2022B	Revenues of the sales, income, telecom, and utility taxes	18,779,387	2/1/2047	9,547,353	854,119

6. LESSOR DISCLOSURES

In accordance with GASB Statement No. 87, *Leases*, the Village's lessor activity is as follows:

The Village entered into two lease arrangements with start dates ranging from October 2015 to July 2021, to lease cell tower property. Payments ranging from $1,637 to $8,330 are due to the Village in monthly installments, through September 30, 2055, which reflects all renewal options being exercised for these arrangements. The lease arrangements are noncancelable and maintain interest rates ranging from 3.26% to 3.65%. During the fiscal year, the Village collected $23,871 and recognized a $69,945 reduction in the related deferred inflow of resources. The remaining lease receivable and deferred inflow of resources for these arrangements, recorded in the Water and Sewer Fund, is $1,632,225 and $1,488,563 as of April 30, 2025, respectively.

7. INDIVIDUAL FUND DISCLOSURES

a. Due To/Due From

Individual interfund due to/due from as of April 30, 2025 were as follows:

	Due To	Due From
General	$ 36,720	$ 101,257
Fiduciary component unit	-	36,720
Nonmajor funds	101,257	-
TOTAL	$ 137,977	$ 137,977

These amounts will be repaid in the next year.

b. Transfers In/Out

Individual interfund transfers during the fiscal year ended April 30, 2025 were as follows:

	Transfers In	Transfers Out
General	$ 199,222	$ 3,817,690
Capital Projects	4,939,678	-
Water and Sewer	-	469,765
Nonmajor Governmental Funds	36,843	888,288
TOTAL	$ 5,175,743	$ 5,175,743

7. INDIVIDUAL FUND DISCLOSURES (Continued)

b. Transfers In/Out (Continued)

The transfer from the Hotel Tax Fund was to transfer excess funds for the Nature Center. The transfer to the Stop the CPKC Coalition is to transfer the Village's portion of expenditures.

The transfer from the General Fund to the Capital Projects Fund was to transfer excess funds for capital projects. The transfer from the Hamilton Lakes SSA Capital Projects Fund to the Capital Projects Fund was to transfer excess funds for capital projects.

c. Advance To/Advance From

Individual interfund advance to/advance from as of April 30, 2025 were as follows:

	Advance To	Advance From
General	$ 179,743	$ -
Nonmajor Funds	-	179,743
TOTAL	$ 179,743	$ 179,743

The advance is to establish the Tax Increment Financing Fund and will be repaid in over one year.

d. Deficit Fund Balance/Net Position

The following funds reported a deficit fund balance as of the end of the fiscal year:

	Deficit Balance
Stop the CPKC Coalition Fund	$ 600
Downtown Tax Increment Financing Fund	217,911

8. CONTINGENT LIABILITIES

a. Litigation

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

b. Grants

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

9. COMMITMENTS

DuPage Water Commission

The Village is a customer of the DuPage Water Commission (the Commission) and has executed a Water Supply Contract with the Commission for a term ending in the year 2024 and was extended for a period of not less than 15 years and not more than 20 years. The contract provides that the Village pay its proportionate share of "fixed costs" (debt service and capital costs) to the Commission, such obligation being unconditional and irrevocable whether or not water is delivered.

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

10. RISK MANAGEMENT

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

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental, and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental, and nonprofit public service entities.

10. RISK MANAGEMENT (Continued)

IPBC maintains specific reinsurance coverage for claims in excess of $50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into the subsequent years' experience factor for premiums.

IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers: A Benefit Administrator and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

The Village started participating in the Intergovernmental Risk Management Agency (IRMA) as of January 1, 2025.

The Village participates in IRMA. IRMA is an organization of Illinois municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Statute to pool its risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration and litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

Each member appoints one delegate along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. The VIllage assumes the first $10,000 of each occurrence, and IRMA has self-insurance retentions at various amounts above that level. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in the appropriate funds. The coverages provided by IRMA are generally consistent with the coverages in the prior year.

Settlements have not exceeded insurance coverage during the current year or prior three fiscal years.

11. TAX ABATEMENTS

The Village rebates sales taxes to recruit, retain, or improve local business facilities or their supporting public infrastructure under certain circumstances. The terms of these rebate arrangements are specified within written agreements with the businesses concerned.

The Village has an agreement with a local retailer based upon sales tax revenue generated and paid by this retailer during the calendar year. The Village will remit 40% of sales tax revenue in excess of $376,373 paid by this retailer. The agreement expires on March 26, 2034 or when total payments to the retailer are $1,000,000. As of and for the year ended April 30, 2025, a liability of $0 has been accrued and payments of $10,431 were made. As of April 30, 2025, the Village has incurred total incentives of $1,000,000.

The Village has a redevelopment agreement with the developer of Itasca Station, which includes a rebate of tax increment financing (TIF) property tax revenue, sales tax, and food and beverage taxes. Per the agreement, the Village will rebate the TIF revenue, following the School District share, or 25% of the TIF revenue generated on the subject property, whichever is greater as follows: (1) to the developer, provide an annual TIF reimbursement of 75% of the remaining and available TIF revenue generated on the subject property through the earlier of December 31, 2040, or until the $2,600,000 cap is reached; (2) the Village shall retain 25% of the remaining and available TIF revenue generated on the subject property through the earlier of December 31, 2040, or until the $2,600,000 cap is reached; (3) all funds generated on the subject property reserved for the School District share, which are not required to be distributed to the School District, will be distributed to the developer through the earlier of December 31, 2040, or until the $2,600,000 cap is reached. Per the agreement, the Village will provide an annual rebate of 60% of sales tax and food and beverage tax generated on the subject property in an amount not to exceed $190,000. The developer share will be increased to 100% of the sales tax and food and beverage tax generated on the subject property, if approved by the Village, in order to incentive a food and beverage retailer that aligns with the Village's goals. As of April 30, 2025, no liability has been accrued, and no payments have been made.

12. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; and the Police Pension Plan, which is a single-employer pension plan. The benefits, benefit levels, employee contributions, and employer contributions for both plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at www.IMRF.org. The Police Pension Plan also issues a separate report which is available on the Village's website at www.itasca.com/1913/Annual-Financial-Reports.

12. DEFINED BENEFIT PENSION PLANS (Continued)

The table below is a summary for all pension plans as of and for the year ended April 30, 2025:

	IMRF	Police Pension	Total
Net pension liability	$ 2,080,221	$ 25,957,164	$ 28,037,385
Deferred outflows of resources	656,267	1,239,060	1,895,327
Deferred inflows of resources	170,592	50,796	221,388
Pension expense	710,959	2,372,916	3,083,875

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. The plan is treated as a cost sharing plan by the Village and Itasca Community Library (the Library). Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At December 31, 2024, most recent information available, IMRF membership consisted of:

Inactive plan members currently receiving benefits	85
Inactive plan members entitled to but not yet receiving benefits	65
Active plan members	51
TOTAL	201

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

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Benefits Provided

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution for the year ended April 30, 2025 was 10.05% of covered payroll.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2024
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Fair value

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.

Discount Rate

The discount rate used to measure the IMRF total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	33.50%	4.35%
International Equity	18.00%	5.40%
Fixed Income	24.50%	5.20%
Real Estate	10.50%	6.40%
Alternative Investments	12.50%	4.85% to 6.25%
Cash Equivalents	1.00%	3.60%
TOTAL	100.00%	

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability (Asset)

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability (Asset)
BALANCES AT JANUARY 1, 2024	$ 30,687,894	$ 27,928,377	$ 2,759,517
Changes for the period			
Service cost	365,143	-	365,143
Interest	2,178,036	-	2,178,036
Difference between expected and actual experience	46,498	-	46,498
Changes in assumptions	-	-	-
Employer contributions	-	389,499	(389,499)
Employee contributions	-	176,156	(176,156)
Net investment income	-	2,822,093	(2,822,093)
Benefit payments and refunds	(1,657,183)	(1,657,183)	-
Other (net transfer)	-	(632,023)	632,023
Net changes	932,494	1,098,542	(166,048)
BALANCES AT DECEMBER 31, 2024	$ 31,620,388	$ 29,026,919	$ 2,593,469

The table presented includes amounts for both the Village and the Library. The Village's proportionate share of the net pension liability at January 1, 2024, the employer contributions, and net pension liability at December 31, 2024 was $2,213,409, $312,417, and $2,080,221, respectively. The Library's proportionate share of the net pension liability at January 1, 2024, the employer contributions, and net pension liability at December 31, 2024 was $546,108, $77,082, and $513,248, respectively.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended April 30, 2025, the Village recognized pension expense of $710,959.

At April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 27,937	$ 212,682
Changes in assumption	2,112	-
Contributions made after measurement date	128,919	-
Net difference between projected and actual earnings on pension plan investments	659,218	-
TOTAL	$ 818,186	$ 212,682

The deferred outflows presented in the table above include amounts for both the Village and the Library. The Village's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2025 were $656,267 and $170,592, respectively. The Library's proportionate share of the deferred outflows and deferred inflows of resources at April 30, 2025 were $161,919 and $42,090, respectively.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

The $128,919 contributed after the measurement date of the plan will be recognized as a reduction of net pension liability for the fiscal year ended April 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized as pension expense by the Village as follows:

Year Ending April 30,	
2026	$ 151,961
2027	890,578
2028	(394,002)
2029	(171,952)
2030	-
Thereafter	-
TOTAL	$ 476,585

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village and the Library calculated using the discount rate of 7.25% as well as what the Village and the Library's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset) (Village)	$ 5,031,269	$ 2,080,221	$ (249,993)
Net pension liability (asset) (Library)	1,241,351	513,248	(61,680)
Net pension liability(asset) (Total)	$ 6,272,620	$ 2,593,469	$ (311,673)

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Plan Administration

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

The plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village's Mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

Plan Membership

At April 30, 2025, membership consisted of:

Inactive plan members currently receiving benefits	28
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	24
TOTAL	54

Benefits Provided

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and received a reduced benefit. The monthly

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the greater of the average monthly salary obtaining by dividing the total salary during the 48 consecutive months of service within the last of 60 months in which the total salary was the highest by the number of months in that period; or the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period.. Police officers' salary for pension purposes is capped at $106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including the costs of administering the plan, as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. However, the Village has been contributing 100% of the past service costs by 2040. For the year ended April 30, 2025, the Village's contribution was 77.09% of covered payroll.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Illinois Police Officers' Pension Investment Fund

The Illinois Police Officers' Pension Investment Fund (IPOPIF) is an investment trust fund responsible for the consolidation and fiduciary management of the pension assets of Illinois suburban and downstate police pension funds. IPOPIF was created by 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 pension funds is mandatory.

Deposits with Financial Institutions

The plan retains all of its available cash with one financial institution. Available cash is determined to be that amount which is required for the current expenditures of the plan. The excess of available cash is required to be transferred to IPOPIF for purposes of the long-term investment for the Plan.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the plan's deposits may not be returned to it. The plan's investment policy requires pledging of collateral for all bank balances held in the plan's name in excess of federal depository insurance, at amounts ranging from 110% to 115% of the fair market value of the funds secured, with the collateral held by an independent third party or the Federal Reserve Bank.

Investments

Investments of the plan are combined in a commingled external investment pool and held by IPOPIF. A schedule of investment expenses is included in IPOPIF's annual comprehensive financial report. For additional information on IPOPIF's investments, please refer to their annual comprehensive financial report as of June 30, 2024. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, Illinois 61602 or at www.ipopif.org.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Fair Value Measurement

The plan categorizes fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The plan held no investments subject to fair value measurement at April 30, 2025.

Net Asset Value

The net asset value (NAV) of the plan's pooled investment in IPOPIF was $21,901,495 at April 30, 2025. The pooled investments consist of the investments as noted in the target allocation table below. Investments in IPOPIF are valued at IPOPIF's share price, which is the price the investment could be sold. There are no unfunded commitments at April 30, 2025. The plan may redeem shares with a seven-calendar day notice. IPOPIF may, at its sole discretion and based on circumstances, process redemption requests with fewer than a seven-calendar day notice. Regular redemptions of the same amount on a particular day of the month may be arranged with IPOPIF.

Investment Policy

IPOPIF's investment policy was originally adopted by the Board of Trustees on December 17, 2021. IPOPIF has the authority to invest trust fund 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 pertain exclusively to the Article 3 participating police pension funds. IPOPIF shall be subject to the provisions of the Illinois Pension Code including, but not limited to, utilization of emerging investment managers and utilization of businesses owned by minorities, women and persons with disabilities.

Investment Rate of Return

For the year ended April 30, 2025, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.68%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	$ 32,686,618	$ 25,957,164	$ 20,445,768

Actuarial Assumptions

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

Actuarial valuation date	April 30, 2025
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00% (Tier 1) 1.25% (Tier 2)
Asset valuation method	Fair value

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Actuarial Assumptions (Continued)

Mortality rates were based on the PubS-2010 mortality projected five years past the valuation date with Scale MP-2021. The actuarial assumptions used in the April 30, 2025 valuation were based on the results of a 2022 actuarial experience study conducted by IPOPIF.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT MAY 1, 2024	$ 46,603,129	$ 20,270,818	$ 26,332,311
Changes for the period			
Service cost	607,790	-	607,790
Interest	2,992,644	-	2,992,644
Difference between expected and actual experience	429,028	-	429,028
Changes of assumptions	-	-	-
Buy back contributions	323,223	-	323,223
Changes of benefit terms	-	-	-
Employer contributions	-	2,244,043	(2,244,043)
Employee contributions	-	288,470	(288,470)
Buy back contributions	-	323,223	(323,223)
Net investment income	-	1,912,742	(1,912,742)
Benefit payments and refunds	(2,340,474)	(2,340,474)	-
Administrative expense	-	(40,646)	40,646
Net changes	2,012,211	2,387,358	(375,147)
BALANCES AT APRIL 30, 2025	$ 48,615,340	$ 22,658,176	$ 25,957,164

The funded status of the plan was 46.60% at April 30, 2025.

12. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended April 30, 2025, the Village recognized police pension expense of $2,372,916. At April 30, 2025, the Village reported deferred outflows of resources and deferred inflows of resources related to the fund from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 775,857	$ 15,652
Changes in assumption	-	35,144
Net difference between projected and actual earnings on pension plan investments	463,203	-
TOTAL	$ 1,239,060	$ 50,796

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

Year Ending April 30,	
2026	$ 939,768
2027	227,457
2028	(55,728)
2029	5,262
2030	71,505
Thereafter	-
TOTAL	$ 1,188,264

13. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides postemployment health care benefits to its retirees and certain disabled employees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements. All health care benefits are provided through the Village's insured health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous and substance abuse care; vision care; dental care; and prescriptions. Once reaching Medicare age, retirees are covered by a Medicare supplement plan as opposed to the Village's active employee health plan. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents until they are Medicare eligible. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the current members via the insured plan (pay-as-you-go) which results in an implicit subsidy to the Village.

c. Membership

At April 30, 2025, membership consisted of:

Retirees and beneficiaries currently receiving benefits	20
Terminated employees entitled to benefits by not yet receiving them	-
Active employees	67
TOTAL	87
Participating employers	1

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability

The Village's total OPEB liability of $2,075,923 was measured as of April 30, 2025, determined by an actuarial valuation as of May 1, 2024 and was rolled forward to April 30, 2025.

e. Actuarial Assumptions and Other Inputs

The total OPEB liability at April 30, 2025, as determined by an actuarial valuation as of May 1, 2024, was determined using the alternative measurement method using following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry-age normal
Actuarial value of assets	N/A
Inflation	3.00%
Salary increases	3.00%
Discount rate	4.64%
Healthcare cost trend rates	7.50% initial 4.50% ultimate
Retirees share of benefit-related costs	100% regular plan

The discount rate was based on the index rate for tax exempt general obligation municipal bonds rated AA or better at April 30, 2025. The discount rate at April 30, 2025 was 4.64%.

IMRF mortality follows the Sex Distinct Raw Rates as developed in the PubG.H-2010 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2020 Improvement Rates. Police mortality follows the Sex Distinct Raw Rates as developed in the PubS.H-2010 Study, with Blue Collar Adjustment. These rates are improved generationally using MP-2020 Improvement Rates. Spousal mortality follows the Sex Distinct Raw Rates as developed in the PubS.H-2010 Study. These rates are improved generationally using MP-2020 Improvement Rates. Disabled mortality follows the Sex Distinct Raw Rates as developed in the PubS.H-2010 Study for Disabled Pensioners. These rates are improved generationally using MP-2020 Improvement Rates.

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Actuarial Assumptions and Other Inputs (Continued)

The actuarial assumptions used in the April 30, 2025, valuation are based on 35% participation assumed, with 50% electing spouse coverage.

f. Changes in the Total OPEB Liability

	Total OPEB Liability
BALANCES AT MAY 1, 2024	$ 1,933,145
Changes for the period	
Service cost	54,357
Interest	79,866
Difference between expected and actual experience	222,441
Changes in benefit terms	-
Changes in assumptions	38,545
Benefit payments	(252,431)
Net changes	142,778
BALANCES AT APRIL 30, 2025	$ 2,075,923

The changes in assumptions were related to the discount rate changing from 4.42% to 4.64% and the health care trend rates.

g. Rate Sensitivity

The following is a sensitivity analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.64% as well as what the Village total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.64%) or 1 percentage point higher (5.64%) than the current rate:

	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Total OPEB liability	$ 2,197,490	$ 2,075,923	$ 1,965,994

13. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity (Continued)

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.50% to 4.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (6.50% to 3.50%) or 1 percentage point higher (8.50% to 5.50%) than the current rate:

	1% Decrease (6.50% to 3.50%)	Current Healthcare Rate (7.50% to 4.50%)	1% Increase (8.50% to 5.50%)
Total OPEB liability	$ 1,953,308	$ 2,075,923	$ 2,214,373

h. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2025, the Village recognized OPEB expense of $395,209. At April 30, 2025, the Village did not report deferred outflows of resources or deferred inflows of resources related to OPEB as the Village uses the alternative measurement method.

14. CHANGE IN ACCOUNTING PRINCIPLE

For the fiscal year ended April 30, 2025, the Village implemented GASB Statement No. 101, *Compensated Absences*. In addition to the value of unused time that is payable to employees upon separation of employment, the Village now recognizes an estimate amount of sick leave earned as of fiscal year-end that will more likely than not be used by employees as time off in future years as part of the liability for compensated absences. The beginning net position for the fiscal year ending April 30, 2024 have been restated to reflect the new guidance as follows:

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, MAY 1, 2024, AS REPORTED	$ 67,171,733
Change in accounting principle - GASB 101	(361,036)
Total net restatement	(361,036)
BEGINNING NET POSITION, MAY 1, 2024, AS RESTATED	$ 66,810,697

14. CHANGE IN ACCOUNTING PRINCIPLE (Continued)

BUSINESS-TYPE ACTIVITIES

BEGINNING NET POSITION, MAY 1, 2024, AS REPORTED	$ 29,334,878
Change in accounting principle - GASB 101	(149,221)
Total net restatement	(149,221)
BEGINNING NET POSITION, MAY 1, 2024, AS RESTATED	$ 29,185,657

WATER AND SEWER FUND

BEGINNING NET POSITION, MAY 1, 2024, AS REPORTED	$ 29,334,878
Change in accounting principle - GASB 101	(149,221)
Total net restatement	(149,221)
BEGINNING NET POSITION, MAY 1, 2024, AS RESTATED	$ 29,185,657

15. ERROR CORRECTION

The beginning net position/fund balance of the following opinion units have been restated to reflect an error correction to capital assets and accounts payable.

GOVERNMENTAL ACTIVITIES

BEGINNING NET POSITION, AS RESTATED FOR CHANGE IN ACCOUNTING PRINCIPLE IN NOTE # 14	$ 68,810,697
Error correction - capital assets	715,000
Error correction - accounts payable	(715,000)
Total net restatement	-
BEGINNING NET POSITION, AS RESTATED	$ 68,810,697

15. ERROR CORRECTION (Continued)

MOTOR FUEL TAX FUND

BEGINNING FUND BALANCE, AS PREVIOUSLY REPORTED	$ 2,660,643
Error correction - accounts payable	(715,000)
Total net restatement	(715,000)
BEGINNING FUND BALANCE, AS RESTATED	$ 1,945,643