

VILLAGE OF ISLAND LAKE,
ILLINOIS
ANNUAL FINANCIAL REPORT
Year Ended April 30, 2024

VILLAGE OF ISLAND LAKE, ILLINOIS

Contents

Year Ended April 30, 2024

| | <u>Pages</u> |
|---|--------------|
| Independent Auditor's Report | 1-3 |
| Required Supplementary Information: | |
| Management's Discussion and Analysis - Unaudited | 4-12 |
| Basic Financial Statements: | |
| Government-wide – Statement of Net Position | 13 |
| Government-wide – Statement of Activities | 14 |
| Governmental Fund Types – Combined Balance Sheet | 15 |
| Governmental Fund Type –Combined Statement of Revenue, Expenditures and Changes in Fund Balances | 16 |
| Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities | 17 |
| Proprietary Fund Type – Waterworks Fund Statement of Net Position | 18 |
| Proprietary Fund Type – Waterworks Fund Statement of Revenues, Expenses and Changes in Net Position | 19 |
| Proprietary Fund Type – Waterworks Fund Statement of Cash Flows | 20 |
| Fiduciary Fund Type – Police Pension Fund Statement of Net Position | 21 |
| Fiduciary Fund Type – Police Pension Fund Statement of Changes in Net Position | 22 |
| Notes to Financial Statements | 23-59 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Contents (continued)

Year Ended April 30, 2024

| Required Supplementary Information: | <u>Pages</u> |
|---|--------------|
| Illinois Municipal Retirement (IMRF) - Multi-year Schedule of Changes in IMRF Net Pension Liability and Related Ratios | 60 |
| Illinois Municipal Retirement (IMRF) - Multi-year Schedule of IMRF Pension Contributions | 61 |
| Illinois Municipal Retirement (IMRF) - SLEP Multi-year Schedule of Changes in IMRF Net Pension Liability and Related Ratios | 62 |
| Illinois Municipal Retirement (IMRF) - SLEP Multi-year Schedule of IMRF Pension Contributions | 63 |
| Police Pension – Multi-year Schedule of Changes in Net Pension Liability and Related Ratios | 64 |
| Police Pension – Multi-year Schedule of Police Pension Contributions | 65 |
| General Fund – Statement of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual | 66-72 |
| Recreation Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual | 73-74 |
| Motor Fuel Tax Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual | 75 |
| Notes to Required Supplementary Information | 76 |
| Supplementary Information: | |
| Proprietary Fund - Waterworks Fund - Statement of Expenditures - Appropriations and Actual | 77-78 |
| Other Information: | |
| Property Tax Extension Rates and Extensions | 79 |



INDEPENDENT AUDITOR'S REPORT

To the Village President and
the Members of the Board of Trustees
of the Village of Island Lake, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and aggregate remaining fund information of the Village of Island Lake, Illinois as of and for the year ended April 30, 2024, and the related notes to the financial statements, which collectively comprise the Village of Island Lake'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 aggregate remaining fund information of the Village of Island Lake, Illinois as of April 30, 2024, 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.

We did not audit the financial statements of the Police Pension Fund, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the aggregate remaining fund information as of April 30, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Village's Police Pension Fund, are based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village of Island Lake, Illinois 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 of Island Lake, Illinois' 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, 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 of Island Lake'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 of Island Lake'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of changes in net pension liability and related ratios, schedules of pension contributions, and budgetary comparison information 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 of Island Lake, Illinois' basic financial statements. The supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Proprietary Fund, Waterworks Fund – Statement of Expenditures – Appropriations and Actual is 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 the 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.

GW & Associates, P.C.

GW & Associates, P.C.

Hillside, Illinois

April 11, 2025

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS - UNAUDITED

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended April 30, 2024

As management of the Village of Island Lake (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the year ended April 30, 2024.

FINANCIAL HIGHLIGHTS

- The assets of the Village exceeded its liabilities and deferred inflows at April 30, 2024 by \$31,215,098 (Net Position). Of this amount, (\$4,748,230) is unrestricted net position and may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position decreased by \$1,248,601.
- At April 30, 2024, the Village's governmental funds reported combined ending fund balances of \$1,597,526, a decrease of \$28,408 from the prior period.
- The Village's total governmental net capital assets decreased by \$407,301 for the year ended April 30, 2024.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

The Statement of Net Position presents information on all of the Village's assets, deferred outflows of resources and deferred inflows of resources, liabilities, with the 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.

The Statement of Activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related 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., uncollected taxes).

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, streets & roads and culture & recreation. The business-type activities of the Village include water and sewer. The government-wide financial statements can be found on pages 12 and 13 of this report.

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended April 30, 2024

Fund financial statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental 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 the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund 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 various 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. All funds are considered major with the General Fund being the Village's main major fund.

The basic governmental fund financial statements can be found on pages 14 through 19 of this report.

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

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

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

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended April 30, 2024

segregate police pension funds. The basic fiduciary fund financial statements can be found on pages 20 and 21 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 can be found on pages 22 through 57 of this report.

Other Information

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

The Village adopts an annual budget for all funds. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget. The budgetary comparison for the general fund can be found on pages 64 to 70 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows exceeded liabilities and deferred inflows by \$31,215,098 at April 30, 2024.

Of the Village's net position, \$35,828,089 reflects its net investment in capital assets (e.g., land, construction in progress, buildings, systems and equipment); less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited

Year Ended April 30, 2024

Village of Island Lake - Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|----------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 |
| Current and Other Assets | \$ 3,625,537 | \$ 3,574,064 | \$ 2,743,674 | \$ 2,540,053 | \$ 6,369,211 | \$ 6,114,117 |
| Capital Assets | 26,805,480 | 27,212,780 | 9,154,236 | 9,420,521 | 35,959,716 | 36,633,301 |
| Net Total Assets | \$ 30,431,017 | \$ 30,786,844 | \$ 11,897,910 | \$ 11,960,574 | \$ 42,328,927 | \$ 42,747,418 |
| Deferred Outflows - IMRF | \$ 1,651,601 | \$ 2,577,114 | \$ - | \$ - | \$ 1,651,601 | \$ 2,577,114 |
| Current Liabilities | \$ 468,272 | \$ 496,725 | \$ 44,264 | \$ 96,178 | \$ 512,536 | \$ 592,903 |
| Noncurrent Liabilities | 9,889,292 | 10,277,839 | 3,810 | 13,618 | 9,893,102 | 10,291,457 |
| Total Liabilities | 10,357,564 | 10,774,564 | 48,074 | 109,796 | 10,405,638 | 10,884,360 |
| Deferred Inflows - | | | | | | |
| IMRF | 819,058 | 503,488 | - | - | 819,058 | 503,488 |
| Property taxes | 1,540,734 | 1,472,985 | - | - | 1,540,734 | 1,472,985 |
| Total Deferred Inflows | 2,359,792 | 1,976,473 | - | - | 2,359,792 | 1,976,473 |
| Net Position | | | | | | |
| Net investment in capital assets | 26,673,853 | 27,124,152 | 9,154,236 | 9,420,521 | 35,828,089 | 36,544,673 |
| Restricted | 135,239 | 136,023 | - | - | 135,239 | 136,023 |
| Unrestricted | (7,443,830) | (6,647,254) | 2,695,600 | 2,430,257 | (4,748,230) | (4,216,997) |
| Total Net Position | \$ 19,365,262 | \$ 20,612,921 | \$ 11,849,836 | \$ 11,850,778 | \$ 31,215,098 | \$ 32,463,699 |

An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (\$4,748,230) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2024, the Village is able to report positive balances in two categories of net position, both for the Village as a whole, as well as for its separate governmental and business-type activities. The Village's net position decreased by \$1,248,601 during the year ended April 30, 2024.

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended April 30, 2024

Village of Island Lake - Statement of Activities and Changes in Net Position

| | Governmental Activities | | Business-Type Activities | | Total | |
|-------------------------------------|-------------------------|---------------|--------------------------|---------------|---------------|---------------|
| | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 |
| Program Revenues | | | | | | |
| Charges for Services | \$ 742,917 | \$ 885,828 | \$ 1,578,720 | \$ 1,556,468 | \$ 2,321,637 | \$ 2,442,296 |
| Capital Grants & Contributions | - | - | - | 632,626 | - | 632,626 |
| Operating Grants & Contributions | 410,407 | 429,609 | - | - | 410,407 | 429,609 |
| General Revenues | | | | | | |
| Property Tax | 1,497,357 | 1,430,276 | - | - | 1,497,357 | 1,430,276 |
| Other Tax | 270,794 | 294,313 | - | - | 270,794 | 294,313 |
| Utility Tax | 342,823 | 433,982 | - | - | 342,823 | 433,982 |
| Sales Tax | 1,218,801 | 1,324,191 | - | - | 1,218,801 | 1,324,191 |
| Income Tax | 1,341,377 | 1,254,721 | - | - | 1,341,377 | 1,254,721 |
| Other | 109,428 | 140,840 | 5,660 | 26,145 | 115,088 | 166,985 |
| Interest | 10,367 | 4,712 | 464 | 1,254 | 10,831 | 5,966 |
| Total Revenues | \$ 5,944,271 | \$ 6,198,472 | \$ 1,584,844 | \$ 2,216,493 | \$ 7,529,115 | \$ 8,414,965 |
| Expenses | | | | | | |
| General Government | \$ 1,114,847 | \$ 1,234,028 | \$ - | \$ - | \$ 1,114,847 | \$ 1,234,028 |
| Public Safety | 3,591,909 | 3,599,879 | - | - | 3,591,909 | 3,599,879 |
| Streets & Roads | 2,085,583 | 2,110,006 | - | - | 2,085,583 | 2,110,006 |
| Culture & Recreation | 399,591 | 268,170 | - | - | 399,591 | 268,170 |
| Interest on Long-Term Debt | - | 1,440 | - | - | - | 1,440 |
| Proprietary Activities | - | - | 1,730,285 | 1,443,102 | 1,730,285 | 1,443,102 |
| Total Expenses | 7,191,930 | 7,213,523 | 1,730,285 | 1,443,102 | 8,922,215 | 8,656,625 |
| Capitalized connection fees | - | - | 144,499 | 200,335 | 144,499 | 200,335 |
| Transfers In (Out) | - | 31,645 | - | (31,645) | - | - |
| Increase (Decrease) in Net Position | (1,247,659) | (983,406) | (942) | 942,081 | (1,248,601) | (41,325) |
| Net Position - Beginning of Year | 20,612,921 | 21,596,327 | 11,850,778 | 10,908,697 | 32,463,699 | 32,505,024 |
| Net Position - End of Year | \$ 19,365,262 | \$ 20,612,921 | \$ 11,849,836 | \$ 11,850,778 | \$ 31,215,098 | \$ 32,463,699 |

Governmental activities

Governmental activities decreased the Village's net position by \$1,247,659.

Some significant changes occurred within Charges for Services were mainly due to lower club attendance, a reduced summer camp size, and the Village no longer receiving vehicle sticker revenues. Property taxes also saw a slight increase due to a Bond that was being levied for in prior years which was not levied for in the current year. Sales Tax saw a reduction from the prior year since the Village saw a grocery store close, which negatively impacted that Tax. Income tax increased due to wages trying to keep up with inflation. General Government expenses saw a slight decrease because of reduced spending by the Village.

Business-type activities

Business-type activities decreased the Village's net position by \$942.

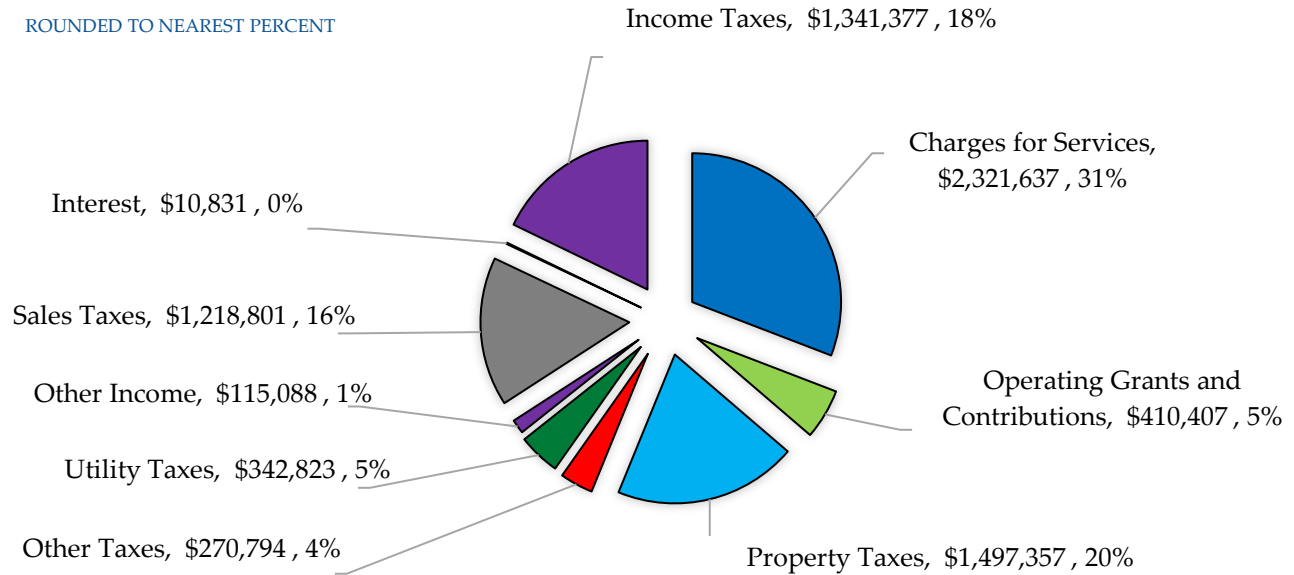
Capital Grants in the prior year were ARPA funds which were no longer received in the current year. These ARPA funds were use in the current year for maintenance and other similar expenses – this increased the total proprietary expense activities.

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended April 30, 2024

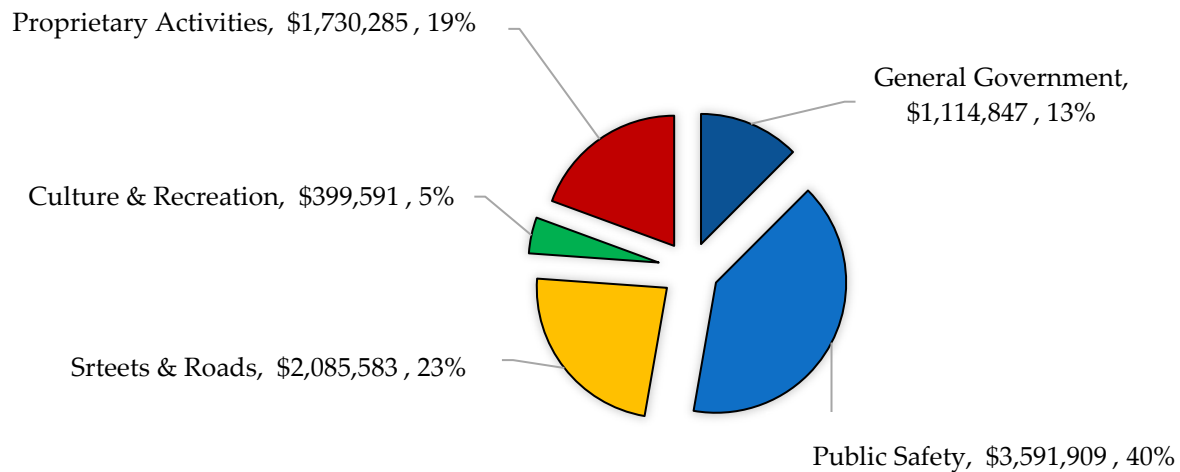
2024 REVENUES

ROUNDED TO NEAREST PERCENT



2024 EXPENSES

ROUNDED TO NEAREST PERCENT



VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended April 30, 2024

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

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

Governmental funds

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

At April 30, 2024, the Village's governmental funds reported combined ending fund balances of \$1,597,526, a decrease of \$28,408 in comparison with the prior period. A portion of the fund balance is assigned or restricted to indicate that it is not available for new spending because it has already been allocated for specific purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2024, the fund balance of the General Fund was \$2,101,706. This represents an increase of \$184,368 compared to the prior period.

General Fund Budgetary Highlights

There were no differences between the original budget and the final budget. There were no changes in the total amount of the budget. The Village's estimated expenditures were more than the actual expenditures by \$607,542.

CAPITAL ASSETS

The Village's capital assets for its governmental and business-type activities as of April 30, 2024 amounts to \$35,959,716 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, improvements, infrastructure, systems, and equipment.

Village of Island Lake Capital Assets

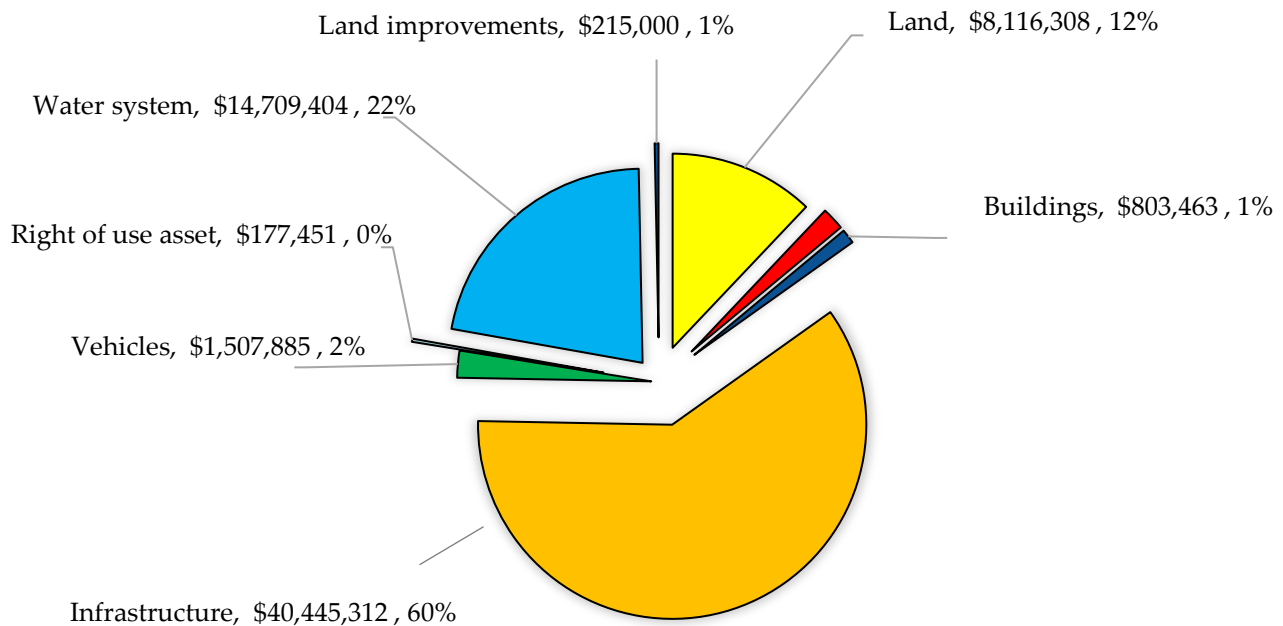
| | Governmental Activities | | Business Type Activities | | Total | |
|---------------------------|-------------------------|---------------|--------------------------|--------------|---------------|---------------|
| | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 | 4/30/2024 | 4/30/2023 |
| Land | \$ 8,116,308 | \$ 8,116,308 | \$ - | \$ - | \$ 8,116,308 | \$ 8,116,308 |
| Land improvements | 215,000 | 215,000 | - | - | 215,000 | 215,000 |
| Buildings | 803,463 | 803,463 | - | - | 803,463 | 803,463 |
| Machinery and equipment | 841,411 | 726,625 | 598,700 | 543,056 | 1,440,111 | 1,269,681 |
| Vehicles | 1,292,036 | 1,292,036 | 279,780 | 215,849 | 1,571,816 | 1,507,885 |
| Right of use asset | 164,322 | 177,451 | - | - | 164,322 | 177,451 |
| Infrastructure | 40,877,642 | 40,445,312 | - | - | 40,877,642 | 40,445,312 |
| Water system | - | - | 14,709,404 | 14,709,404 | 14,709,404 | 14,709,404 |
| Total Capital Assets | 52,310,182 | 51,776,195 | 15,587,884 | 15,468,309 | 67,898,066 | 67,244,504 |
| Accumulated | | | | | | |
| Depreciation/amortization | 25,504,702 | 24,563,415 | 6,433,648 | 6,047,788 | 31,938,350 | 30,611,203 |
| Total Net Capital Assets | \$ 26,805,480 | \$ 27,212,780 | \$ 9,154,236 | \$ 9,420,521 | \$ 35,959,716 | \$ 36,633,301 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended April 30, 2024

Additional information on the Village's capital assets can be found in note 3 on pages 37-38.

CAPITAL ASSETS (AT COST)



ECONOMIC FACTORS

Description of Current or Expected Conditions

Currently, management is not aware of any other significant changes in conditions that could have a significant effect on the financial position or results of activities of the Village in the near future. However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Island Lake, 3720 Greenleaf Avenue, Island Lake, IL 60042.

VILLAGE OF ISLAND LAKE, ILLINOIS

Management's Discussion and Analysis - Unaudited
Year Ended April 30, 2024

However, management continues to monitor items that may impact future receipts, especially noting a potential decline in state funds as well as losses due to the tax cap.

Requests for Information

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Village of Island Lake, 3720 Greenleaf Avenue, Island Lake, IL 60042.

BASIC FINANCIAL STATEMENTS

VILLAGE OF ISLAND LAKE

Government-wide - Statement of Net Position

April 30, 2024

| Assets | Primary Government | | Total |
|---|-------------------------|--------------------------|----------------------|
| | Governmental Activities | Business-Type Activities | |
| Current Assets | | | |
| Cash and equivalents, at cost | \$ 1,338,090 | \$ 2,521,235 | \$ 3,859,325 |
| Property tax receivable | 1,540,734 | - | 1,540,734 |
| Receivables - net of allowances | 615,900 | 178,540 | 794,440 |
| Prepays | 101,788 | - | 101,788 |
| Internal balances | (43,899) | 43,899 | - |
| Total Current Assets | 3,552,613 | 2,743,674 | 6,296,287 |
| Noncurrent Assets | | | |
| Net pension asset - SLEP | 72,924 | - | 72,924 |
| Capital assets not being depreciated | 8,116,308 | - | 8,116,308 |
| Capital assets, being depreciated/amortized | 18,689,172 | 9,154,236 | 27,843,408 |
| Total Noncurrent Assets | 26,878,404 | 9,154,236 | 36,032,640 |
| Total Assets | 30,431,017 | 11,897,910 | 42,328,927 |
| Deferred Pension Outflows | 1,651,601 | - | 1,651,601 |
| Current Liabilities | | | |
| Accounts payable | 63,748 | 19,370 | 83,118 |
| Accrued payroll | 74,617 | 8,873 | 83,490 |
| Deposits payable | 252,052 | 16,021 | 268,073 |
| Due to other governments | 23,936 | - | 23,936 |
| Lease liability - current portion | 53,919 | - | 53,919 |
| Total Current Liabilities | 468,272 | 44,264 | 512,536 |
| Noncurrent Liabilities | | | |
| Net pension liability | 9,661,644 | - | 9,661,644 |
| Compensated absences | 149,940 | 3,810 | 153,750 |
| Lease liability- noncurrent portion | 77,708 | - | 77,708 |
| Total Noncurrent Liabilities | 9,889,292 | 3,810 | 9,893,102 |
| Total Liabilities | 10,357,564 | 48,074 | 10,405,638 |
| Deferred Inflows - Pensions | 819,058 | - | 819,058 |
| Deferred Inflows - Property Taxes | 1,540,734 | - | 1,540,734 |
| Total Deferred Inflows | 2,359,792 | - | 2,359,792 |
| Net Position | | | |
| Net investment in capital assets | 26,673,853 | 9,154,236 | 35,828,089 |
| Restricted | 135,239 | - | 135,239 |
| Unrestricted | (7,443,830) | 2,695,600 | (4,748,230) |
| Total Net Position | \$ 19,365,262 | \$ 11,849,836 | \$ 31,215,098 |

The accompanying notes are an integral part of these financial statements.

VILLAGE OF ISLAND LAKE

Government-wide - Statement of Activities

For the Year Ended April 30, 2024

| | | Program Revenues | | | Net Revenue (Expense) and Changes | | |
|--|---------------------|---------------------|--------------------------|--------------------------|--------------------------------------|----------------------|----------------------|
| | | Charges for | Operating | Capital | Governmental | Business-Type | Totals |
| Governmental Activities | Expenses | Services | Grants and Contributions | Grants and Contributions | Activities | Activities | |
| General government | \$ 1,114,847 | \$ 501,647 | \$ 19,008 | \$ - | \$ (594,192) | \$ - | \$ (594,192) |
| Public safety | 3,591,909 | 156,542 | 38,153 | - | (3,397,214) | - | (3,397,214) |
| Culture and recreation | 399,591 | 84,728 | - | - | (314,863) | - | (314,863) |
| Highways and streets | 2,085,583 | - | 353,246 | - | (1,732,337) | - | (1,732,337) |
| Total Governmental Activities | 7,191,930 | 742,917 | 410,407 | - | (6,038,606) | - | (6,038,606) |
| Business-Type Activities | | | | | | | |
| Waterworks | 1,730,285 | 1,578,720 | - | - | - | (151,565) | (151,565) |
| Total Business-Type Activities | 1,730,285 | 1,578,720 | - | - | - | (151,565) | (151,565) |
| Total Primary Government | \$ 8,922,215 | \$ 2,321,637 | \$ 410,407 | \$ - | (6,038,606) | (151,565) | (6,190,171) |
| General Revenues: | | | | | | | |
| Taxes | | | | | | | |
| | | | | | 1,497,357 | - | 1,497,357 |
| | | | | | 342,823 | - | 342,823 |
| | | | | | 270,794 | - | 270,794 |
| | | | | | 1,218,801 | - | 1,218,801 |
| | | | | | 1,341,377 | - | 1,341,377 |
| | | | | | 10,367 | 464 | 10,831 |
| | | | | | 109,428 | 5,660 | 115,088 |
| Total General Revenues Before Transfers | | | | | 4,790,947 | 6,124 | 4,797,071 |
| Connection Fees Capitalized | | | | | - | 144,499 | 144,499 |
| Changes in Net Position | | | | | (1,247,659) | (942) | (1,248,601) |
| Net Position, Beginning of Year | | | | | 20,612,921 | 11,850,778 | 32,463,699 |
| Total Net Position, End of Year | | | | | \$ 19,365,262 | \$ 11,849,836 | \$ 31,215,098 |

The accompanying notes are an integral part of these financial statements.

VILLAGE OF ISLAND LAKE

Governmental Fund Types - Combined Balance Sheet

April 30, 2024

| | General | Garbage | Recreation | Motor | |
|--|---------------------|------------------|------------------|-------------------|---------------------|
| Assets | Fund | Fund | Fund | Fuel Tax | Total |
| Cash and cash equivalents | \$ 1,031,478 | \$ - | \$ - | \$ 567,001 | \$ 1,598,479 |
| Property taxes receivable, current levy | 1,540,734 | - | - | - | 1,540,734 |
| Other receivables | 534,786 | 81,114 | - | - | 615,900 |
| Prepays | 89,562 | - | 12,226 | - | 101,788 |
| Due from other funds | 839,899 | - | - | - | 839,899 |
| Total Assets | 4,036,459 | 81,114 | 12,226 | 567,001 | 4,696,800 |
| Liabilities | | | | | |
| Cash overdraft | - | 75,104 | 185,285 | - | 260,389 |
| Accounts payable and accruals | 46,335 | - | 300 | 17,113 | 63,748 |
| Accrued payroll | 71,696 | - | 2,921 | - | 74,617 |
| Deposits held | 252,052 | - | - | - | 252,052 |
| Due to other funds | - | 45,252 | - | 838,546 | 883,798 |
| Due to other governments | 23,936 | - | - | - | 23,936 |
| Total Liabilities | 394,019 | 120,356 | 188,506 | 855,659 | 1,558,540 |
| Deferred Inflows - Property Taxes | 1,540,734 | - | - | - | 1,540,734 |
| Fund Balance | | | | | |
| Nonspendable | 89,562 | - | 12,226 | - | 101,788 |
| Restricted | 135,239 | - | - | - | 135,239 |
| Unassigned | 1,876,905 | (39,242) | (188,506) | (288,658) | 1,360,499 |
| Total Fund Balance | 2,101,706 | (39,242) | (176,280) | (288,658) | 1,597,526 |
| Total Liabilities, Deferred Inflows, and Fund Balance | \$ 4,036,459 | \$ 81,114 | \$ 12,226 | \$ 567,001 | \$ 4,696,800 |

The accompanying notes are an integral part of these financial statements.

VILLAGE OF ISLAND LAKE

Governmental Fund Type - Combined Statement of Revenue, Expenditures and Changes in Fund Balance

For the Year Ended April 30, 2024

| | General Fund | Garbage Fund | Recreation Fund | Motor Fuel Tax Fund | Total |
|-----------------------------------|---------------------|--------------------|---------------------|------------------------|---------------------|
| Revenue | | | | | |
| Property taxes | \$ 1,497,357 | \$ - | \$ - | \$ - | \$ 1,497,357 |
| Intergovernmental revenue | 2,830,972 | - | - | 353,246 | 3,184,218 |
| Utility taxes | 342,823 | - | - | - | 342,823 |
| Fines | 156,542 | - | - | - | 156,542 |
| Licenses, fees, permits, taxes | 500,156 | - | 1,491 | - | 501,647 |
| Summer camp | - | - | 17,057 | - | 17,057 |
| Club fees | - | - | 67,671 | - | 67,671 |
| Grants and donations | 51,816 | - | 5,345 | - | 57,161 |
| Miscellaneous and other income | 10,810 | 713 | 97,905 | - | 109,428 |
| Interest income | 9,926 | - | - | 441 | 10,367 |
| Total Revenue | 5,400,402 | 713 | 189,469 | 353,687 | 5,944,271 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 1,199,049 | 17 | - | - | 1,199,066 |
| Public safety | 2,919,213 | - | - | - | 2,919,213 |
| Culture and recreation | 189,499 | - | 210,092 | - | 399,591 |
| Highway and streets | 710,654 | - | - | 109,791 | 820,445 |
| Capital Outlay | | | | | |
| Capital expenditures | 186,597 | - | - | 436,745 | 623,342 |
| Debt Service | | | | | |
| Debt service - principal | 11,022 | - | - | - | 11,022 |
| Total Expenditures | 5,216,034 | 17 | 210,092 | 546,536 | 5,972,679 |
| Net Change in Fund Balance | 184,368 | 696 | (20,623) | (192,849) | (28,408) |
| Fund Balance | | | | | |
| Fund Balance, beginning of year | 1,917,338 | (39,938) | (155,657) | (95,809) | 1,625,934 |
| Fund Balance, end of year | \$ 2,101,706 | \$ (39,242) | \$ (176,280) | \$ (288,658) | \$ 1,597,526 |

The accompanying notes are an integral part of these financial statements.

VILLAGE OF ISLAND LAKE

Reconciliation of the Governmental Fund Balance to the Statement of Net Position and the Statement of Activities For the Year Ended April 30, 2024

Reconciliation of the Governmental Fund Balance to the Statement of Net Position

| | |
|---|----------------------|
| Total Fund Balances - Total Governmental Funds | \$ 1,597,526 |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. | |
| Amount net of depreciation/amortization | 26,805,480 |
| Pension liabilities and deferred inflows/outflows are not reported in funds | (8,906,117) |
| Long term debt is not recorded in the fund statement but is included as a liability in the Statement of Net Position | (131,627) |
| Total Net Position - Governmental Activities | \$ 19,365,262 |

Reconciliation of the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities

| | |
|--|-----------------------|
| Net Change in Fund Balance - Governmental Funds | \$ (28,408) |
| Governmental funds report capital outlays as expenditures; however for the Statement of Activities the amounts are capitalized and depreciated/amortized over their useful life. (amount shown is net of depreciation) | (407,301) |
| Governmental funds report the payment of debt as an expenditure; however the Statement of Activities records the payment as a reduction in the debt liability. | 11,022 |
| Governmental funds do not record GASB 87 Right-of-use lease assets/liabilities; however the Statement of Activities records the expense of leases. | (54,020) |
| Governmental funds do not record GASB 68 pension liabilities; however the Statement of Activities records the expense of pensions. | (754,132) |
| Governmental funds do not accrue for compensated absences but the expenses are accrued for in the Statement of Activities. | (14,820) |
| Changes in Net Position - Governmental Activities | \$ (1,247,659) |

The accompanying notes are an integral part of these financial statements.

| |
|--|
| VILLAGE OF ISLAND LAKE |
| <i>Proprietary Fund Type - Waterworks Fund</i> |
| <i>Statement of Net Position</i> |
| <i>April 30, 2024</i> |

| | Waterworks |
|---|----------------------|
| Assets | Fund |
| Cash and cash equivalents | \$ 2,521,235 |
| Accounts receivable, net of allowance | 178,540 |
| Capital assets, net of depreciation | 9,154,236 |
| Due from other funds | 43,899 |
| Total Assets | 11,897,910 |
| Liabilities | |
| Accounts payable and accruals | 19,370 |
| Accrued payroll | 8,873 |
| Compensated absences - noncurrent | 3,810 |
| Water deposits | 16,021 |
| Total Liabilities | 48,074 |
| Net Position | |
| Net investment in capital assets | 9,154,236 |
| Unrestricted | 2,695,600 |
| Total Net Position | 11,849,836 |
| Total Liabilities and Net Position | \$ 11,897,910 |

VILLAGE OF ISLAND LAKE

Proprietary Fund Type - Waterworks Fund Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended April 30, 2024

| | Revenues | Waterworks Fund |
|---|---------------------------------------|----------------------------|
| Water usage charges | | \$ 1,535,580 |
| Water meters | | 3,330 |
| Inspection fees | | 1,200 |
| Late fees and discounts | | 38,610 |
| Total Revenues | | 1,578,720 |
| | Expenses | |
| Administrative | | 487,969 |
| Contractual | | 661,945 |
| Commodities | | 194,511 |
| Total Expenses | | 1,344,425 |
| Operating Income (Loss) Before Depreciation/Amortization | | 234,295 |
| Less: Depreciation and Amortization | | 385,860 |
| Operating Income (Loss) | | (151,565) |
| | Non-Operating Income (Expense) | |
| Interest income | | 464 |
| Miscellaneous and other income | | 5,660 |
| Total Non-operating Income/(Expense) | | 6,124 |
| Net Income (Loss) Before Transfers | | (145,441) |
| Capitalized connection fees | | 144,499 |
| Net Position, Beginning of Year | | 11,850,778 |
| Total Net Position | | \$ 11,849,836 |

VILLAGE OF ISLAND LAKE

Proprietary Fund Type - Waterworks Fund

Statement of Cash Flows

For the Year Ended April 30, 2024

| | |
|--|---------------------|
| Cash Flows from Operating Activities | |
| Cash received from customers and users | \$ 1,578,720 |
| Cash paid to suppliers | (891,182) |
| Cash paid for personnel | (487,969) |
| Net Cash Provided by Operating Activities | 199,569 |
| Cash Flows from Investing Activities | |
| Interest income | 464 |
| Net Cash Provided by Investing Activities | 464 |
| Cash Flows from Noncapital Financing Activities | |
| Other income | 5,660 |
| Net Cash Provided by Noncapital Financing Activities | 5,660 |
| Cash Flows from Capital & Financing Activities | |
| Contributed connection fees | 144,499 |
| Capital asset additions | (119,575) |
| Net Cash Provided by Capital & Financing Activities | 24,924 |
| Net Increase/(Decrease) in Cash | 230,617 |
| Cash, beginning of year | 2,290,618 |
| Cash, end of year | \$ 2,521,235 |
| Reconciliation of Operating Income to Net Cash | |
| Provided by Operating Activities: | |
| Net operating income (loss) for the year | \$ (151,565) |
| Depreciation/amortization | 385,860 |
| (Increase) decrease in accounts receivable | 25,643 |
| Increase (decrease) in accounts payable | (56,067) |
| Increase (decrease) in accrued payroll | 3,033 |
| Increase (decrease) in deposits | 1,120 |
| Increase (decrease) compensated absences | (9,808) |
| Increase (decrease) in due to other funds | 1,353 |
| Net Cash Provided by Operating Activities | \$ 199,569 |
| Cash payments for interest made during the year were \$0. | |

VILLAGE OF ISLAND LAKE

Fiduciary Fund Type - Police Pension Fund

Statement of Net Position

April 30, 2024

Assets

| | |
|--|------------------|
| Cash and Cash Equivalents | \$ 287,211 |
| Investments held in the Illinois Police Officers' Pension Investment Fund | 3,340,251 |
| Total Assets | <u>3,627,462</u> |

Net Position

| | |
|---|---------------------|
| Held in Trust for Pension Benefits | <u>\$ 3,627,462</u> |
|---|---------------------|

VILLAGE OF ISLAND LAKE

Fiduciary Fund Type - Police Pension Fund

Statement of Changes in Net Position

For the Year Ended April 30, 2024

Additions

| | |
|------------------------------|----------------|
| Contributions - employer | \$ 543,929 |
| Contributions - plan members | 119,984 |
| Total Contributions | <u>663,913</u> |

Investment Income

| | |
|--------------------------|----------------|
| Interest earned | 20,542 |
| Net change in fair value | 271,720 |
| Total Investment Income | <u>292,262</u> |

| | |
|----------------------------------|----------------|
| Less: Investment Expenses | <u>(1,376)</u> |
| Net Investment Income | <u>290,886</u> |

| | |
|-----------------|----------------|
| Total Additions | <u>954,799</u> |
|-----------------|----------------|

Deductions

| | |
|-----------------------|---------------|
| Benefits and Refunds: | |
| Benefits | 557,974 |
| Professional services | <u>39,490</u> |

| | |
|------------------|----------------|
| Total Deductions | <u>597,464</u> |
|------------------|----------------|

| | |
|-------------------------------|---------|
| Change in Net Position | 357,335 |
|-------------------------------|---------|

Net Position Held in Trust for Pension Benefits

| | |
|---------------------------------|----------------------------|
| Net Position, Beginning of Year | <u>3,270,127</u> |
| Net Position, End of Year | <u><u>\$ 3,627,462</u></u> |

NOTES TO THE BASIC
FINANCIAL STATEMENTS

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Island Lake, Illinois, (Village) is a municipal corporation governed by an elected president and six-member Board of Trustees. The Village's major operations include police safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, waterworks services and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

REPORTING ENTITY –

The Village's financial reporting entity comprises the following:

Primary Government Village –

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 61, "The Financial Reporting Omnibus - an Amendment of GASB Statement No. 14 and No. 34," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 61, there are no component units included in the reporting entity.

Police Pension Employees Retirement System –

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. 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 contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PPERS.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL STATEMENT PRESENTATION –

Government-Wide Statements –

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's public safety, highway and street maintenance and reconstruction, culture and recreation, and general administrative services are classified as governmental activities. The Village's waterworks services are classified as business-type activities.

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

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities (general government, public safety, culture and recreation, etc.). The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges for services, etc.).

The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which 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.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc.).

The Village allocates indirect costs to the proprietary funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations but are paid through the General Fund.

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

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements –

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds, if any, by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

GOVERNMENTAL FUNDS -

The focus of the governmental funds measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

General fund –

The general operating fund of the Village is used to account for all financial resources except those required to be accounted for in another fund. The general fund is a major fund.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special revenue funds –

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains three major special revenue funds. The Garbage Fund is used to account for restricted revenues and expenditures related to the disposal of residential solid waste. The Recreation Fund is used to account for revenues and expenditures related to the establishment and maintenance of recreational programs. The Motor Fuel Tax Fund is used to account for restricted funds received from the State of Illinois Motor Fuel Tax to be used for operating and maintaining local streets and roads.

Proprietary Funds –

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The following is a description of the proprietary fund of the Village:

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Waterworks Fund, which is used to account for revenues and expenses related to the operation of the waterworks utilities.

Fiduciary Funds –

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

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Pension trust funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police Pension Fund accounts for the accumulation of resources to be used for disability and retirement annuity payments to employees covered by the plan.

Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS, BASIS OF ACCOUNTING -

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined on the following pages.

Measurement Focus –

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate. All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net position.

Basis of Accounting –

In the government-wide Statement of Net Position and Statement of Activities, both governmental and business-like activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available". Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty-day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales and use taxes, franchise taxes, licenses, interest revenue, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

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

ASSETS, LIABILITIES, AND NET POSITION OR EQUITY -

Cash and Cash equivalents –

Cash and cash equivalents on the Statement of Net Position are considered to be cash on hand, demand deposits, and cash with fiscal agent. For the purpose of proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Receivables –

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report waterworks charges as their major receivables.

Interfund Receivables, Payables and Activity –

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Prepays –

Prepays are valued at cost, which approximates market. The cost of governmental fund-type prepaids are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets –

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. Infrastructure such as streets,

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

traffic signals and signs are capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the general capital assets. Donated capital assets are capitalized at acquisition value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

| | |
|-------------------------|-------------|
| Land improvements | 10 Years |
| Buildings | 50 Years |
| Machinery and equipment | 5-20 Years |
| Vehicles | 5-10 Years |
| Infrastructure | 50 Years |
| Water Plant | 40-70 Years |

Compensated Absences –

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for non-vesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as "terminal leave" prior to retirement.

All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations –

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

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums 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 debt service expenditures.

Unearned Revenues–

Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity –

In the government-wide financial statements, equity is classified as net position and displayed in three components:

Net investment in capital assets –

Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets –

Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislations.

Unrestricted net assets –

All other net assets that do not meet the definition of "restricted" or "net investment in capital assets."

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 2 – STEWARDSHIP, ACCOUNTABILITY AND BUDGETARY COMPLIANCE

All budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue (except Garbage), and the enterprise funds. All annual appropriations lapse at fiscal year end.

During the first quarter of each year, the Finance Committee of the Board of Trustees, working in conjunction with the Village Treasurer, drafts an appropriation ordinance to be adopted by the Village Board. The ordinance also specifies the objects and purposes for which these appropriations are made and the amount appropriated for each.

Prior to adoption of the appropriation ordinance, the Village makes the proposed ordinance conveniently available for public inspection and holds at least one hearing subsequent to published notice. Subsequent to the public hearing and before final action is taken on the appropriation ordinance, the Village Board may revise, alter, increase, or decrease the items contained therein.

Final action to adopt the appropriation for the year ended the following April 30th, is taken by the Board before December 31st.

The Board may subsequently transfer appropriation amounts to other appropriations. Furthermore, under certain conditions, it may pass a supplemental appropriation; however, a supplemental appropriation was not passed during the fiscal year.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, no supplemental appropriations were made.

Budgetary Compliance -

The Village's budgetary comparison schedules are presented using the appropriations ordinance of the Village, the legal spending limit of the Village is outlined in the Appropriation Ordinance. The following funds have expenditures/expenses in relation to the relative appropriation ordinance as listed below.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 2 – STEWARDSHIP, ACCOUNTABILITY AND BUDGETARY COMPLIANCE (CONTINUED)

| Fund | Final Appropriation | Actual Expenditures |
|----------------|------------------------|------------------------|
| General | \$ 5,823,576 | \$ 5,216,034 |
| Recreation | 243,060 | 210,092 |
| Motor Fuel Tax | 500,000 | 546,536 |
| Garbage | - | 17 |
| Waterworks | 1,496,517 | 1,730,285 |
| Police Pension | - | 598,840 |

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks.

The deposits and investments of the Police Pension Fund are held separately from those of the Village. The Illinois Police Officers' Pension Investment Fund (IPOPIF) 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.

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

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

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.

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 report. For additional information on IPOPIF's investments, please refer to their annual report as of June 30, 2023. A copy of that report can be obtained from IPOPIF at 456 Fulton Street, Suite 402, Peoria, IL 61602 or at www.ipopif.org.

The Net Asset Value (NAV) of the plan's pooled investment in IPOPIF was \$3,340,251 at April 30, 2024. 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, 2024. 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.

For the year ended April 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.54%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK

Deposits –

The carrying amount of the Village's deposits for governmental and business type activities totaled \$3,859,325 and the bank balances totaled \$4,085,704 at April 30, 2024. The Village has \$347,234 covered by FDIC insurance, \$3,588,311 collateralized, \$7,564 uncollateralized and \$142,595 of these balances is invested in the Illinois Funds at April 30, 2024.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

Interest Rate Risk –

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village's investment policy states that safety of principal is the foremost object of the Village. The policy additionally states that the investments of the Village shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. At April 30, 2024, the Village does not have any other investments outstanding other than the investment in the Illinois Funds, which has an average maturity of less than one year.

Credit Risk –

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under State Statute, the Village's investment policy does not further limit investment instrument choices. At April 30, 2024, the Village's investment in the Illinois Funds is rated AAA by Standard & Poor's.

Custodial Credit Risk –

In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. For an investment, this 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's investment policy states that all funds on deposit in banks are to be at a collateralization level of 102% of market value of principal and accrued interest. At year-end, the Village's investment in the Illinois Funds is non-categorizable for custodial credit risk.

Concentration Credit Risk –

This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the Village shall diversify investments by security type and institution. At year-end, the Village's investment in the Illinois Funds do not represent more than 5% of the total cash and investment portfolio.

Cash equivalents-

At year-end, the carrying amount of the Pension Fund cash equivalents totaled \$287,211 and the bank balances totaled \$287,211.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

POLICE PENSION FUND - INTEREST RATE RISK, CREDIT RISK, CUSTODIAL CREDIT RISK AND CONCENTRATION RISK

Police Pension Fund Investments –

At year-end, the Pension Fund has the following investments and maturities:

| | Fair Value | Investment Maturities (in Years) | | | |
|---------------------------|---------------|----------------------------------|--------|---------|-----------------|
| | | Less Than 1 | 1 to 5 | 6 to 10 | More than 10 |
| Illinois Police Officers' | | | | | |
| Pension Investment Fund | \$ 3,340,251 | \$ 3,340,251 | \$ - | \$ - | \$ - |
| | \$ 3,340,251 | \$ 3,340,251 | \$ - | \$ - | \$ - |

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

Interest Rate Risk –

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Fund's investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Credit Risk –

The Fund limits its exposure to credit risk, the risk that the issuers of a debt security will not pay its par value upon maturity, by primarily investing in money market mutual funds. The Fund's investment policy stresses the safety of principal, but does not specifically address credit risk. As of April 30, 2024, the money market mutual funds were not rated.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

Custodial Credit Risk –

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. Flow-through FDIC insurance is available for the Fund's deposits with financial institutions. The Fund's investment policy requires pledging of collateral for its deposits in excess of federal depository insurance.

Property Taxes –

The Village's property tax is levied on January 1 of each year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in June and in September of the following calendar year. The Village receives significant distribution of tax receipts approximately one month after these dates. The revenue for the current fiscal year is from the 2022 levy. The 2023 levy was passed by the board on November 9th, 2023.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

CAPITAL ASSETS –

Governmental Activities –

Governmental capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-----------------------|---------------------|---------------|----------------------|
| Nondepreciable capital assets | | | | |
| Land | \$ 8,116,308 | \$ - | \$ - | \$ 8,116,308 |
| Depreciable capital assets | | | | |
| Land improvements | 215,000 | - | - | 215,000 |
| Buildings | 803,463 | - | - | 803,463 |
| Machinery and equipment | 726,626 | 114,785 | - | 841,411 |
| Vehicles | 1,292,036 | - | - | 1,292,036 |
| Right of use asset | 177,451 | - | 13,129 | 164,322 |
| Infrastructure | 40,445,312 | 432,330 | - | 40,877,642 |
| | <u>43,659,888</u> | <u>547,115</u> | <u>13,129</u> | <u>44,193,874</u> |
| Less: accumulated depreciation/amortization | | | | |
| Land improvements | 215,000 | - | - | 215,000 |
| Buildings | 457,355 | 20,133 | - | 477,488 |
| Machinery and equipment | 648,225 | 25,966 | - | 674,191 |
| Vehicles | 1,248,343 | 38,126 | - | 1,286,469 |
| Right of use asset | 80,660 | 80,660 | 13,129 | 148,191 |
| Infrastructure | 21,913,832 | 789,531 | - | 22,703,363 |
| | <u>24,563,415</u> | <u>954,416</u> | <u>13,129</u> | <u>25,504,702</u> |
| Total net depreciable capital assets | <u>19,096,473</u> | <u>(407,301)</u> | <u>-</u> | <u>18,689,172</u> |
| Total net capital assets | <u>\$ 27,212,781</u> | <u>\$ (407,301)</u> | <u>\$ -</u> | <u>\$ 26,805,480</u> |

Depreciation/amortization expense was charged to governmental activities as follows:

| | |
|--|-------------------|
| General Government | \$ 35,726 |
| Public Safety | 90,297 |
| Highways and Streets | <u>828,393</u> |
| Governmental Depreciation/Amortization | <u>\$ 954,416</u> |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

Business-Type Activities –

Business-type capital asset activity for the year was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--------------------------------|-----------------------|---------------------|-------------|---------------------|
| Depreciable capital assets | | | | |
| Machinery and equipment | \$ 543,056 | \$ 55,644 | \$ - | \$ 598,700 |
| Vehicles | 215,849 | 63,931 | - | 279,780 |
| Water System/Infrastructure | 14,709,404 | - | - | 14,709,404 |
| | <u>15,468,309</u> | <u>119,575</u> | <u>-</u> | <u>15,587,884</u> |
| Less: accumulated depreciation | | | | |
| Machinery and equipment | 241,310 | 27,817 | - | 269,127 |
| Vehicles | 207,275 | 11,686 | - | 218,961 |
| Water System/Infrastructure | 5,599,203 | 346,357 | - | 5,945,560 |
| | <u>6,047,788</u> | <u>385,860</u> | <u>-</u> | <u>6,433,648</u> |
| Total net capital assets | <u>\$ 9,420,521</u> | <u>\$ (266,285)</u> | <u>\$ -</u> | <u>\$ 9,154,236</u> |

Depreciation expense of \$385,860 was charged to the waterworks business-type activities.

INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances –

Interfund balances for the year consisted of the following:

| Receivable Fund | Payable Fund | Amount |
|-----------------|----------------|------------|
| General | Motor Fuel Tax | \$ 838,546 |
| General | Waterworks | 1,353 |
| Waterworks | Garbage | 45,252 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

LONG- TERM DEBT -

Notes Payable –

The Village issues notes payable to provide funds for the acquisition of capital equipment and facilities. Notes payable currently outstanding are as follows:

| Issue | Fund Debt Retired by | Beginning Balances | Issuances | Retirements | Ending Balances |
|--|-------------------------|-----------------------|-----------|-------------|--------------------|
| Note Payable of 2020 for the purchase of a Vac Truck, due in monthly installments of \$814.66 including interest at 2.99% through June 22, 2024. | General | \$ 11,022 | \$ - | \$ 11,022 | \$ - |
| Totals | | \$ 11,022 | \$ - | \$ 11,022 | \$ - |

Long-Term Liability Activity –

Changes in long-term liabilities during the fiscal year were as follows:

| Type of Debt | Beginning Balances | Additions | Deductions | Ending Balances | Amounts Due within One Year |
|---------------------------|-----------------------|-------------------|-------------------|---------------------|-----------------------------------|
| Governmental Activities: | | | | | |
| Net pension liability | \$ 10,123,982 | \$ - | \$ 462,338 | \$ 9,661,644 | \$ - |
| Compensated absences | 135,120 | 149,940 | 135,120 | 149,940 | 149,940 |
| ROU lease payable | 77,606 | 67,150 | 13,129 | 131,627 | 53,919 |
| Notes payable | 11,022 | - | 11,022 | - | - |
| | <u>\$ 10,347,730</u> | <u>\$ 217,090</u> | <u>\$ 621,609</u> | <u>\$ 9,943,211</u> | <u>\$ 203,859</u> |
| Business-Type Activities: | | | | | |
| Compensated absences | \$ 13,618 | \$ 3,810 | \$ 13,618 | \$ 3,810 | \$ 3,810 |
| | <u>\$ 13,618</u> | <u>\$ 3,810</u> | <u>\$ 13,618</u> | <u>\$ 3,810</u> | <u>\$ 3,810</u> |

The General Fund makes payments on the net pension liability. Payments on the notes payable are made by the General Fund. For the governmental activities, compensated absences are generally liquidated by the General Fund. Also, for business-type activities, compensated absences are liquidated by the Waterworks Fund.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

FUND BALANCE -

Investment in capital assets – net of related debt, was comprised of the following as of

April 30, 2024:

| | |
|--|----------------------|
| Governmental activities | |
| Capital assets - net of accumulated depreciation | \$ 26,805,480 |
| Less capital related debt: | |
| ROU lease payable | <u>(131,627)</u> |
| Net investment in capital assets | <u>\$ 26,673,853</u> |
| Business-type activities | |
| Capital assets - net of accumulated depreciation | \$ 9,154,236 |
| Less: capital related debt | <u>-</u> |
| Net investment in capital assets | <u>\$ 9,154,236</u> |

Fund Balance Classifications -

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended April 30, 2011. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance. The classifications used in the governmental fund financials statements are as follows:

NONSPENDABLE - This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Village has not classified any items as being Nonspendable.

RESTRICTED - This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. Debt service resources are to be used for future servicing of the revenue note and are restricted through debt covenants. Infrastructure Projects are restricted by State Statute and County laws and are legally segregated for funding of infrastructure improvements. This

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 3 – DETAIL NOTES ON ALL FUNDS, DEPOSITS AND INVESTMENTS (CONTINUED)

classification also includes the remaining positive fund balance for all governmental funds except for the General Fund.

COMMITTED - This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Village Board. These amounts cannot be used for any other purpose unless the Village Board removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

ASSIGNED - This classification includes amounts that are constrained by the Village's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Village Board or through the Village Board delegating this responsibility to the Village President through the budgetary process.

UNASSIGNED - This classification includes the residual fund balance for the General Fund and the amount established for minimum funding which represents the portion of the General Fund balance that has been established by the board to be used for debt service or in emergency situations.

Minimum Fund Balance Policy –

The Village's policy manual states that the General Fund should maintain a minimum unassigned fund balance equal to three months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to the capital projects fund at the discretion of the Board.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

| | General | Garbage | Recreation | Motor Fuel Tax | Total |
|----------------------|--------------|-------------|--------------|-------------------|--------------|
| Fund Balances | | | | | |
| Nonspendable | \$ 89,562 | \$ - | \$ 12,226 | \$ - | \$ 101,788 |
| Restricted | | | | | |
| Property tax levies: | | | | | |
| IMRF | 135,239 | - | - | - | 135,239 |
| Total Restricted | 135,239 | - | - | - | 135,239 |
| Unassigned | 1,876,905 | (39,242) | (189,506) | (288,658) | 1,359,499 |
| Total Fund Balances | \$ 2,101,706 | \$ (39,242) | \$ (177,280) | \$ (288,658) | \$ 1,596,526 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 4 – RISK MANAGEMENT AND OTHER INFORMATION

RISK MANAGEMENT -

The McHenry County Municipal Risk Management Agency (MCMRMA) –

The McHenry County Municipal Risk Management Agency is a proprietary agency whose members are McHenry County, Illinois governments. MCMRMA manages and funds first party property losses, third party liability claims, workers' compensation claims, and Public Officials liability claims of its members.

Each member assumes the first \$1,000 of each occurrence and has self-insurance retention at various amounts. Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Chairman and a Treasurer.

The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined in advance of each membership year based on the individual member's eligible revenue as defined in the bylaws of MCMRMA and assessment factors based on past member experience and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year.

Members have a contractual obligation to fund any deficit of MCMRMA attributable to a membership year during which they were a member.

CONTINGENT LIABILITIES -

Grants –

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. 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.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 – RETIREMENT PLANS

VILLAGE RETIREMENT PLANS –

The Village participates in multiple retirement plans. Illinois Municipal Retirement Fund (IMRF) consists of two plans, the Regular Plan (RP) and the Sheriff's Law Enforcement Plan (SLEP) for the Village. The Village also has a Police Pension Plan for its current members, which is included in the overall Village retirement set of plans.

PLAN DESCRIPTIONS, PROVISIONS AND FUNDING POLICIES – IMRF & SLEP

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

BENEFITS PROVIDED -

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

All three IMRF benefit plans have two tiers. Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits)

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

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

As of December 31, 2023, the following employees were covered by the benefit terms:

| | IMRF | IMRF - SLEP |
|--|-----------|-------------|
| Retirees and Beneficiaries currently receiving benefits | 32 | 2 |
| Inactive Plan Members entitled to but not yet receiving benefits | 14 | 0 |
| Active Plan Members | 17 | 0 |
| Total | 63 | 2 |

CONTRIBUTIONS -

As set by statute, the Village’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar year 2023 was 10.10%. The Village’s annual contribution rate for calendar year 2024 was 10.59%. For the year ended April 30, 2024, the Village contributed \$105,694 to the plan. The Village’s annual SLEP contribution rate for calendar year 2023 was 12.49%. For the year ended April 30, 2024, the Village contributed \$0 to the SLEP plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

NET PENSION LIABILITY -

The Village’s net pension liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

ACTUARIAL ASSUMPTIONS -

The following are the methods and assumptions used to determine total pension liability at December 31, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- For non-disabled retirees the Pub-2010 Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) 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.
- 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 as of December 31, 2023:

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

| | Portfolio | Long-Term Expected |
|-------------------------|-------------------|-----------------------|
| | Target | Real Rate |
| <u>Asset Class</u> | <u>Percentage</u> | <u>of Return</u> |
| Domestic Equity | 34.5% | 5.00% |
| International Equity | 18.0% | 6.35% |
| Fixed Income | 24.5% | 4.75% |
| Real Estate | 10.5% | 6.30% |
| Alternative Investments | 11.5% | 6.05-8.65% |
| Cash Equivalents | <u>1.0%</u> | 3.80% |
| Total | 100% | |

SINGLE DISCOUNT RATE -

A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 3.77%, and the resulting single discount rate is 7.25%.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

SENSITIVITY OF THE NET PENSION LIABILITY TO CHANGES IN THE DISCOUNT RATE-

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption - Regular Plan

| | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|-------------------------------|----------------------|---|----------------------|
| Total Pension Liability | \$ 9,967,091 | \$ 9,137,503 | \$ 8,437,770 |
| Plan Fiduciary Net Position | 8,083,933 | 8,083,933 | 8,083,933 |
| Net Pension Liability/(Asset) | <u>\$ 1,883,158</u> | <u>\$ 1,053,570</u> | <u>\$ 353,837</u> |

Sensitivity of Net Pension Liability/(Asset) to the Single discount rate Assumption - SLEP

| | 1% Decrease 6.25% | Current Single Discount Rate Assumption 7.25% | 1% Increase 8.25% |
|-------------------------------|----------------------|---|----------------------|
| Total Pension Liability | \$ 267,903 | \$ 249,412 | \$ 233,181 |
| Plan Fiduciary Net Position | 322,336 | 322,336 | 322,336 |
| Net Pension Liability/(Asset) | <u>\$ (54,433)</u> | <u>\$ (72,924)</u> | <u>\$ (89,155)</u> |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Position Liability (a) - (b) |
|-------------------------------------|--------------------------------|------------------------------------|-------------------------------------|
| Balances Beginning at 5/01/23 | \$ 9,279,519 | \$ 8,023,225 | \$ 1,256,294 |
| Changes for the year: | | | |
| Service Cost | \$ 90,984 | \$ - | \$ 90,984 |
| Interest | 652,848 | - | 652,848 |
| Actuarial Experience | (227,212) | - | (227,212) |
| Assumptions Changes | (18,221) | - | (18,221) |
| Contributions - Employer | - | 107,141 | (107,141) |
| Contributions - Employee | - | 45,149 | (45,149) |
| Net Investment Income | - | 863,050 | (863,050) |
| Benefit Payments, Including Refunds | (640,415) | (640,415) | - |
| Administrative Expense | - | (314,217) | 314,217 |
| Net Changes | (142,016) | 60,708 | (202,724) |
| Balances Ending at 4/30/24 | \$ 9,137,503 | \$ 8,083,933 | \$ 1,053,570 |

Plan fiduciary net position as a percentage
of the total pension liability

88.47%

Covered Valuation payroll

\$ 1,003,301

Net pension liability as a percentage
of covered valuation payroll

105.01%

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5—RETIREMENT PLANS (CONTINUED)

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Position Liability (a) - (b) |
|-------------------------------------|--------------------------------|------------------------------------|-------------------------------------|
| Balances Beginning at 12/31/23 | \$ 252,764 | \$ 301,075 | \$ (48,311) |
| Changes for the year: | | | |
| Service Cost | \$ - | \$ - | \$ - |
| Interest | 17,362 | - | 17,362 |
| Actuarial Experience | 6,509 | - | 6,509 |
| Assumptions Changes | (653) | - | (653) |
| Contributions - Employer | - | - | - |
| Contributions - Employee | - | - | - |
| Net Investment Income | - | 35,938 | (35,938) |
| Benefit Payments, Including Refunds | (26,570) | (26,570) | - |
| Other (Net Transfer | - | 11,893 | |
| Net Changes | (3,352) | 21,261 | (12,720) |
| Balances Ending at 4/30/24 | \$ 249,412 | \$ 322,336 | \$ (61,031) |

Plan fiduciary net position as a percentage
of the total pension liability

129.24%

Covered Valuation payroll

\$ -

Net pension liability as a percentage
of covered valuation payroll

0.00%

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the period ended April 30, 2024, the Village recognized pension expense of \$319,765. At April 30, 2024, the Village reported deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

| Deferred Amounts Related to Pensions | Deferred Outflows of Resources -Regular Plan | Deferred Inflows of Resources -Regular Plan | Deferred Outflows of Resources - SLEP | Deferred Inflows of Resources - SLEP | Deferred Outflows of Resources - Total | Deferred Inflows of Resources - Total |
|---|---|--|--|---|---|--|
| <i>Deferred Amounts to be Recognized in Pensions Expense in Future Periods</i> | | | | | | |
| Differences between expected and actual experience | \$ 42,420 | \$ 106,566 | \$ - | \$ - | \$ 42,420 | \$ 106,566 |
| Changes in assumptions | - | 8,546 | - | - | - | 8,546 |
| Net difference between projected and actual earnings on pension plan investments | 495,039 | - | 19,479 | - | 514,518 | - |
| Total Deferred Amounts to be recognized in pension expense in future periods | 537,459 | 115,112 | 19,479 | - | 556,938 | 115,112 |
| Pension Contributions Made Subsequent to the Measurement Date | 39,093 | - | - | - | 39,093 | - |
| Total Deferred Amounts Related to Pensions | \$ 576,552 | \$ 115,112 | \$ 19,479 | \$ - | \$ 596,031 | \$ 115,112 |

Pension contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

| Year Ending April 30, | Net Deferred Outflows of Resources - Regular Plan | Net Deferred Outflows of Resources - SLEP | Total |
|--------------------------|--|--|-------------------|
| 2025 | \$ (12,314) | \$ 1,348 | \$ (10,966) |
| 2026 | 168,989 | 6,514 | 175,503 |
| 2027 | 327,763 | 14,547 | 342,310 |
| 2028 | (62,091) | (2,930) | (65,021) |
| 2029 | - | - | - |
| Thereafter | - | - | - |
| Total | \$ 422,347 | \$ 19,479 | \$ 441,826 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2023 Contribution Rate* for both, Regular Plan and SLEP

Valuation Date:

December 31, 2023

Notes

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior contributions are reported.

Methods and Assumptions Used to Determine 2023 Contribution Rates:

Actuarial Cost Method

Aggregate Entry Age Normal

Amortization Method

Level Percentage of Payroll, Closed

Remaining Amortization
Period

Non-Taxing bodies: 10-year rolling period.

Taxing bodies (Regular, SLEP and ECO groups): 20-year closed period

Early Retirement Incentive Plan liabilities: a period up to 10 years selected by the employer upon adoption of ERI.

SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years and one employer was financed over 26 years).

Asset Valuation Method

5-Year smoothed market; 20% corridor

Wage growth

2.75%

Price Inflation

2.25%

Salary Increases

2.75% to 13.75% including inflation

Investment Rate of Return

7.25%

Retirement Age

Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. 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-2020. 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-2020.

Other Information:

Notes

There were no benefit changes during the year

* Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 – RETIREMENT PLANS (CONTINUED)

PLAN DESCRIPTION – POLICE PENSION PLAN

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes (Chapter 108 1/2 Article 3) and may be amended only by the Illinois legislature. The Village of Island Lake accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2024 was \$1,210,737.

The following is a summary of the Police Pension Plan as provided for in the Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

Covered employees are required 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 administrative costs, as actuarially determined by an enrolled actuary.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements
Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

Membership

| | |
|---|------------------|
| Inactive Plan Members or Beneficiaries Currently Receiving Benefits | 9 |
| Inactive Plan Members Entitled to But Not Yet Receiving Benefits | 15 |
| Active Plan Members | <u>12</u> |
| Total | <u><u>36</u></u> |

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS-

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

Method used to value investments -- Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price.

SUMMARY OF SIGNIFICANT ACTUARIAL ASSUMPTIONS –

| | |
|--|-------|
| Discount Rate used for the Total Pension Liability | 5.92% |
| Long-Term Expected Rate of Return on Plan Assets | 6.50% |
| Inflation Rate Included | 2.50% |

The discount rate was updated from 5.80% to 5.92%.

Future benefit payments beyond 42 years were discounted using a high-quality municipal bond rate of 4.42 percent. The high-quality municipal bond rate was based on the daily rate closest to, but not later than the measurement date of the S&P Municipal Bond 20 Year High Grade Rate Index.

The pooled investments consist of the investments as noted in the target allocation table available at www.ipopif.org.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

The Fund's investment manager establishes the following target allocation across asset classes:

| Asset Class | Target | Long-Term Expected Real Rate of Return |
|-------------------------------|--------|--|
| US Large | 23% | 4.15% |
| US Small | 5% | 4.54% |
| International Developed | 18% | 4.64% |
| International Developed Small | 5% | -0.25% |
| Emerging Markets | 7% | 5.31% |
| Private Equity (Direct) | 7% | 7.15% |
| Bank Loans | 3% | 2.48% |
| High Yield Corp Credit | 3% | 2.48% |
| Emerging Market Debt | 3% | 2.82% |
| Private Credit | 5% | 4.37% |
| US TIPS | 3% | -0.12% |
| Real Estate/Infrastructure | 8% | 4.00% |
| Cash | 1% | -0.27% |
| Short-term Govt/Credit | 3% | 0.73% |
| US Treasury | 3% | -0.60% |
| Core Plus Fixed Income | 3% | 0.73% |

SENSITIVITY OF THE DISCOUNT RATE –

| | 1% Decrease 4.92% | Current Discount Rate 5.92% | 1% Increase 6.92% |
|--------------------------------|-------------------------|-----------------------------------|-------------------------|
| Employer Net Pension Liability | \$ 10,469,583 | \$ 8,608,074 | \$ 7,101,969 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

The projection of cash flows used to determine the Discount Rate assumed that current Plan Member contributions will be made at the current contribution rate and that Sponsor contributions will be made at rates equal to the difference between actuarially determined contribution rates and the Member rate.

CHANGES IN NET PENSION LIABILITY -

| | Total Pension Liability (a) | Plan Fiduciary Net Position (b) | Net Position Liability (a) - (b) |
|-------------------------------------|--------------------------------|------------------------------------|-------------------------------------|
| Balances Beginning at 5/01/23 | \$ 12,137,815 | \$ 3,270,127 | \$ 8,867,688 |
| Changes for the year: | | | |
| Service Cost | \$ 340,947 | \$ - | \$ 340,947 |
| Interest | 707,976 | - | 707,976 |
| Actuarial Experience | (190,065) | - | (190,065) |
| Assumptions Changes | (203,163) | - | (203,163) |
| Contributions - Employer | - | 543,929 | (543,929) |
| Contributions - Employee | - | 119,984 | (119,984) |
| Net Investment Income | - | 290,886 | (290,886) |
| Benefit Payments, Including Refunds | (557,974) | (557,974) | - |
| Administrative Expense | - | (39,490) | 39,490 |
| Net Changes | 97,721 | 357,335 | (259,614) |
| Balances Ending at 4/30/24 | \$ 12,235,536 | \$ 3,627,462 | \$ 8,608,074 |

PENSION EXPENSE, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES -

For the period ended April 30, 2024, the Village recognized pension expense of \$1,085,437. The table below shows the cumulative amounts to be shown as deferred outflows and inflows of resources. Changes in total pension liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in pension expense over the expected remaining service life of all employees (active and retired) in the pension fund. Differences in projected and actual earnings over the measurement period are recognized over a 5-year period. Amounts not yet recognized are summarized below.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 5 –RETIREMENT PLANS (CONTINUED)

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Expected and Actual Experience | \$ 251,193 | \$ 153,684 |
| Changes in Assumptions | 659,411 | 550,262 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments | 144,966 | - |
| Total | <u>\$ 1,055,570</u> | <u>\$ 703,946</u> |

Subsequent to the measurement date, the following amounts will be recognized in pension expense in the upcoming years:

| Year Ended April, 30: | Net Deferred Outflows |
|-----------------------|-----------------------|
| 2025 | \$ 298,884 |
| 2026 | 234,091 |
| 2027 | (71,763) |
| 2028 | (109,588) |
| 2029 | - |
| Thereafter | - |
| Total | <u>\$ 351,624</u> |

RETIREMENT PLAN BALANCES

Below is aggregate information related to all of the pension plans in total reported by the Village as of and for the year ended April 30, 2024.

Total Retirement Plan Balances for the year Ended April 30, 2024

| | IMRF | IMRF-SLEP | POLICE PENSION | Total |
|-----------------------------|--------------|------------|----------------|---------------|
| Total Pension Liability | \$ 9,137,503 | \$ 249,412 | \$ 12,235,536 | \$ 21,622,451 |
| Plan Fiduciary Net Position | 8,083,933 | 322,336 | 3,627,462 | 12,033,731 |
| Net Pension Liability | 1,053,570 | - | 8,608,074 | 9,661,644 |
| Net Pension Asset | - | 72,924 | - | 72,924 |
| Deferred Outflow | 576,552 | 19,479 | 1,055,570 | 1,651,601 |
| Deferred Inflow | 115,112 | - | 703,946 | 819,058 |
| Pension Expense | 319,765 | - | 1,085,437 | 1,405,202 |

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 6 – DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

As of these financial statements, the Village has adopted GASB Statement No. 65 and No. 68, which defined how certain financial statement elements are presented in the statement of financial position. The elements are classified as follows:

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 position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. Accordingly, the item, deferred pension outflows, is reported only in the government-wide statement of net position.

Deferred outflows of resources (\$1,651,601) reported are for pension related expenses to be recognized in the following year(s).

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 position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Accordingly, the item, deferred inflow-property taxes, for \$1,540,734 is reported in the governmental funds balance sheet and government-wide statement of net position. Deferred inflows of resources of \$819,058 is reported in the government-wide statement of net position for pension related revenues and (\$1,540,734) for property taxes to be received in the following year.

NOTE 7 – COMMITMENTS

LEASE:

The Village leases its police vehicle fleet under a lease agreement with Enterprise Fleet Management beginning in April 2020. The original term of each vehicle is 48 months, however new vehicles are added throughout the year as older vehicles are removed from service. Principal amounts for future payments are calculated to the net present value at 5% incremental borrowing rate over the life of the lease. The Right-of-Use (ROU) asset and lease liability have been included on the Statement of Net Position at the net present value of future lease payments within the current lease contract due to the implementation of GASB 87.

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Financial Statements

Year Ended April 30, 2024

NOTE 7 – COMMITMENTS (CONTINUED)

Future minimum lease payments under the lease agreement are as follows:

| Fiscal Year Ended Date | Principal | Interest | Total |
|-----------------------------------|-------------------|------------------|-------------------|
| 4/30/2025 | \$ 77,709 | \$ 5,895 | \$ 83,604 |
| 4/30/2026 | 25,965 | 2,834 | 28,799 |
| 4/30/2027 | 14,068 | 1,674 | 15,742 |
| 4/30/2028 | 13,885 | 544 | 14,429 |
| TOTALS | \$ 131,627 | \$ 10,947 | \$ 142,574 |

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events are events or transactions that occur after the balance sheet date but before the financial statements are issued or available to be issued. There are no known subsequent events that have occurred as of the date of these financial statements that require inclusion into this report.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF ISLAND LAKE, ILLINOIS

Schedule of Required Supplemental Information Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios Last 10 Calendar Years *(schedule to be built prospectively from 2015)*

| Calendar Year Ending | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ 90,984 | \$ 101,032 | \$ 103,260 | \$ 122,809 | \$ 119,592 | \$ 109,470 | \$ 120,567 | \$ 112,915 | \$ 108,309 | |
| Interest on the Total Pension Liability | 652,848 | 631,348 | 605,973 | 594,597 | 567,663 | 543,160 | 534,601 | 512,146 | 485,887 | |
| Benefit Changes | - | - | - | - | - | - | - | - | - | |
| Difference between Expected and Actual Experience | (227,212) | 146,546 | 144,332 | (62,361) | 81,323 | 102,606 | 34,683 | (18,651) | 50,490 | |
| Assumption Changes | (18,221) | - | - | (36,773) | - | 201,480 | (216,699) | (22,906) | 16,116 | |
| Benefit Payments and Refunds | (640,415) | (514,280) | (490,622) | (412,541) | (384,831) | (363,323) | (343,648) | (287,071) | (301,341) | |
| Net Change in Total Pension Liability | (142,016) | 364,646 | 362,943 | 205,731 | 383,747 | 593,393 | 129,504 | 296,433 | 359,461 | |
| Total Pension Liability - Beginning | 9,279,519 | 8,914,873 | 8,551,930 | 8,346,199 | 7,962,452 | 7,369,059 | 7,239,555 | 6,943,122 | 6,583,661 | |
| Total Pension Liability - Ending (a) | \$ 9,137,503 | \$ 9,279,519 | \$ 8,914,873 | \$ 8,551,930 | \$ 8,346,199 | \$ 7,962,452 | \$ 7,369,059 | \$ 7,239,555 | \$ 6,943,122 | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer Contributions | \$ 107,141 | \$ 134,540 | \$ 140,720 | \$ 135,101 | \$ 125,445 | \$ 139,865 | \$ 143,863 | \$ 148,895 | \$ 138,667 | |
| Employee Contributions | 45,149 | 49,706 | 48,376 | 49,427 | 55,398 | 52,802 | 51,999 | 49,267 | 45,264 | |
| Pension Plan Net Investment Income | 863,050 | (1,266,778) | 1,396,639 | 1,085,895 | 1,220,224 | (366,499) | 1,074,115 | 402,822 | 29,082 | |
| Benefit Payments and Refunds | (640,415) | (514,280) | (490,622) | (412,541) | (384,831) | (363,323) | (343,648) | (287,071) | (301,341) | |
| Other | (314,217) | 82,923 | (45,886) | 57,359 | (66,091) | 138,168 | (102,210) | 31,957 | 64,774 | |
| Net Change in Plan Fiduciary Net Position | 60,708 | (1,513,889) | 1,049,227 | 915,241 | 950,145 | (398,987) | 824,119 | 345,870 | (23,554) | |
| Plan Fiduciary Net Position - Beginning | 8,023,225 | 9,537,114 | 8,487,887 | 7,572,646 | 6,622,501 | 7,021,488 | 6,197,369 | 5,851,499 | 5,875,053 | |
| Plan Fiduciary Net Position - Ending (b) | \$ 8,083,933 | \$ 8,023,225 | \$ 9,537,114 | \$ 8,487,887 | \$ 7,572,646 | \$ 6,622,501 | \$ 7,021,488 | \$ 6,197,369 | \$ 5,851,499 | |
| Net Pension Liability/(Asset) - Ending (a) - (b) | \$ 1,053,570 | \$ 1,256,294 | \$ (622,241) | \$ 64,043 | \$ 773,553 | \$ 1,339,951 | \$ 347,571 | \$ 1,042,186 | \$ 1,091,623 | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 88.47% | 86.46% | 106.98% | 99.25% | 90.73% | 83.17% | 95.28% | 85.60% | 84.28% | |
| Covered Valuation Payroll | \$ 1,003,301 | \$ 1,104,579 | \$ 1,075,015 | \$ 1,098,376 | \$ 1,231,059 | \$ 1,173,370 | \$ 1,155,527 | \$ 1,094,814 | \$ 1,005,863 | |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 105.01% | 113.74% | -57.88% | 5.83% | 62.84% | 114.20% | 30.08% | 95.19% | 108.53% | |

VILLAGE OF ISLAND LAKE, ILLINOIS

**Schedule of Required Supplemental Information
Multi-year Schedule of IMRF Pension Contributions
Last 10 Fiscal Years**

(schedule to be built prospectively from 2015)

| Fiscal Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|--|--------------------------------|---|--|--|
| 2016 | \$ 138,608 | \$ 138,667 | \$ (59) | \$ 1,005,863 | 13.79% |
| 2017 | 148,895 | 148,895 | - | 1,094,814 | 13.60% |
| 2018 | 143,863 | 143,863 | - | 1,155,527 | 12.45% |
| 2019 | 139,866 | 139,865 | 1 | 1,173,370 | 11.92% |
| 2020 | 125,445 | 125,445 | - | 1,231,059 | 10.19% |
| 2021 | 135,100 | 135,101 | (1) | 1,098,376 | 12.30% |
| 2022 | 140,719 | 140,720 | (1) | 1,075,015 | 13.09% |
| 2023 | 126,806 | 134,540 | (7,734) | 1,104,579 | 12.18% |
| 2024 | 105,694 | 105,694 | - | 1,028,569 | 10.28% |

VILLAGE OF ISLAND LAKE, ILLINOIS

Schedule of Required Supplemental Information Multi-year Schedule of Changes in Net IMRF Pension Liability and Related Ratios - SLEP Last 10 Calendar Years

(schedule to be built prospectively from 2015)

| Calendar Year Ending | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|-------------------|-------------------|-------------------|------|
| Total Pension Liability | | | | | | | | | | |
| Service Cost | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 8,185 | \$ 8,506 | \$ 15,898 | \$ 13,870 | |
| Interest on the Total Pension Liability | 17,362 | 17,555 | 17,718 | 19,473 | 20,134 | 23,214 | 21,899 | 19,957 | 5,711 | |
| Benefit Changes | - | - | - | - | - | - | - | - | - | |
| Difference between Expected and Actual Experience | 6,509 | 6,031 | 5,623 | (11,064) | 5,128 | (38,214) | 16,950 | 7,244 | 181,133 | |
| Assumption Changes | (653) | - | - | 2,478 | - | 5,067 | (8,855) | - | - | |
| Benefit Payments and Refunds | (26,570) | (25,907) | (25,277) | (44,930) | (23,809) | (28,124) | (13,500) | (13,517) | (10,059) | |
| Net Change in Total Pension Liability | (3,352) | (2,321) | (1,936) | (34,043) | 1,453 | (29,872) | 25,000 | 29,582 | 190,655 | |
| Total Pension Liability - Beginning | 252,764 | 255,085 | 257,021 | 291,064 | 289,611 | 319,483 | 294,483 | 264,901 | 74,246 | |
| Total Pension Liability - Ending (a) | \$ 249,412 | \$ 252,764 | \$ 255,085 | \$ 257,021 | \$ 291,064 | \$ 289,611 | \$ 319,483 | \$ 294,483 | \$ 264,901 | |
| Plan Fiduciary Net Position | | | | | | | | | | |
| Employer Contributions | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 11,339 | \$ 14,669 | \$ 7,447 | \$ 4,247 | |
| Employee Contributions | - | - | - | - | - | 6,380 | 6,762 | 6,571 | 4,914 | |
| Pension Plan Net Investment Income | 35,938 | (60,382) | 64,073 | 48,890 | 60,871 | (17,851) | 45,286 | 16,943 | 733 | |
| Benefit Payments and Refunds | (26,570) | (25,907) | (25,277) | (44,930) | (23,809) | (28,124) | (13,500) | (13,517) | (10,059) | |
| Other | 11,893 | 4,410 | 3,129 | (6,793) | 3,653 | 13,598 | 4,212 | 512 | 95,495 | |
| Net Change in Plan Fiduciary Net Position | 21,261 | (81,879) | 41,925 | (2,833) | 40,715 | (14,658) | 57,429 | 17,956 | 95,330 | |
| Plan Fiduciary Net Position - Beginning | 301,075 | 382,954 | 341,029 | 343,862 | 303,147 | 317,805 | 260,376 | 242,420 | 147,090 | |
| Plan Fiduciary Net Position - Ending (b) | \$ 322,336 | \$ 301,075 | \$ 382,954 | \$ 341,029 | \$ 343,862 | \$ 303,147 | \$ 317,805 | \$ 260,376 | \$ 242,420 | |
| Net Pension Liability/(Asset) - Ending (a) - (b) | \$ (72,924) | \$ (48,311) | \$ (127,869) | \$ (84,008) | \$ (52,798) | \$ (13,536) | \$ 1,678 | \$ 34,107 | \$ 22,481 | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 129.24% | 119.11% | 150.13% | 132.69% | 118.14% | 104.67% | 99.47% | 88.42% | 91.51% | |
| Covered Valuation Payroll | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 85,066 | \$ 90,161 | \$ 87,615 | \$ 65,526 | |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | -15.91% | 1.86% | 38.93% | 34.31% | |

VILLAGE OF ISLAND LAKE, ILLINOIS

**Schedule of Required Supplemental Information
Multi-year Schedule of IMRF Pension Contributions - SLEP**

Last 10 Fiscal Years

(schedule to be built prospectively from 2015)

| Fiscal Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|--|--------------------------------|---|--|--|
| 2016 | \$ 4,305 | \$ 4,247 | \$ 58 | \$ 65,526 | 6.48% |
| 2017 | 7,447 | 7,447 | - | 87,615 | 8.50% |
| 2018 | 14,669 | 14,669 | - | 90,161 | 16.27% |
| 2019 | 11,339 | 11,339 | - | 85,066 | 0.00% |
| 2020 | - | - | - | - | 0.00% |
| 2021 | - | - | - | - | 0.00% |
| 2022 | - | - | - | - | 0.00% |
| 2023 | - | - | - | - | 0.00% |
| 2024 | - | - | - | - | 0.00% |

VILLAGE OF ISLAND LAKE, ILLINOIS

Schedule of Required Supplemental Information
Multi-year Schedule of Changes in Net Police Pension Liability and Related Ratios
Last 10 Fiscal Years

(schedule to be built prospectively from 2015)

| Fiscal Year Ending April 30, | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---------------------|--------------------|--------------------|---------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-------------|
| Total Pension Liability | | | | | | | | | | | |
| Service Cost | \$340,947 | \$326,371 | \$324,766 | \$284,151 | \$230,032 | \$225,345 | \$264,016 | \$230,454 | \$231,320 | \$239,570 | |
| Interest on the Total Pension Liability | 707,976 | 680,761 | 637,453 | 625,754 | 578,020 | 513,891 | 503,981 | 501,205 | 444,791 | 406,711 | |
| Benefit Changes | - | - | - | - | 106,617 | - | - | - | - | - | |
| Difference between Expected and Actual Experience | (190,065) | 16,636 | 136,139 | (4,896) | 281,040 | 574,074 | 106,397 | (337,970) | 141,823 | (267,419) | |
| Assumption Changes | (203,163) | 337,164 | (658,864) | 1,159,940 | (39,335) | 335,923 | (239,408) | 356,975 | 370,848 | 475,748 | |
| Benefit Payments and Refunds | (557,974) | (487,473) | (508,761) | (506,453) | (507,780) | (431,114) | (432,210) | (410,205) | (355,519) | (265,712) | |
| Net Change in Total Pension Liability | \$97,721 | \$873,459 | (\$69,267) | 1,558,496 | 648,594 | 1,218,119 | 202,776 | 340,459 | 833,263 | 588,898 | |
| Total Pension Liability - Beginning | 12,137,815 | 11,264,356 | 11,333,623 | 9,775,127 | 9,126,533 | 7,908,414 | 7,705,638 | 7,365,179 | 6,531,916 | 5,943,018 | |
| Total Pension Liability - Ending (a) | \$12,235,536 | 12,137,815 | 11,264,356 | \$11,333,623 | \$9,775,127 | \$9,126,533 | \$7,908,414 | \$7,705,638 | \$7,365,179 | \$6,531,916 | |
| Plan Fiduciary Net Position | | | | | | | | | | | |
| Employer Contributions | 543,929 | 221,343 | 218,845 | 193,532 | 194,946 | 200,671 | 243,401 | 278,353 | 249,889 | 244,810 | |
| Employee Contributions | 119,984 | 125,661 | 122,462 | 112,868 | 110,937 | 90,382 | 83,915 | 90,071 | 131,357 | 171,675 | |
| Pension Plan Net Investment Income | 290,886 | 27,527 | (154,720) | 544,265 | 65,246 | 188,268 | 170,037 | 212,493 | 12,427 | 135,943 | |
| Benefit Payments and Refunds | (557,974) | (487,473) | (508,761) | (506,453) | (507,780) | (431,114) | (432,210) | (410,205) | (355,519) | (265,712) | |
| Other | (39,490) | (40,495) | (40,993) | (29,808) | (44,345) | (45,139) | (22,218) | (16,469) | (15,360) | (21,921) | |
| Net Change in Plan Fiduciary Net Position | 357,335 | (153,437) | (363,167) | 314,404 | (180,996) | 3,068 | 42,925 | 154,243 | 22,794 | 264,795 | |
| Plan Fiduciary Net Position - Beginning | 3,270,127 | 3,423,564 | \$3,786,731 | 3,472,327 | 3,653,323 | 3,650,255 | 3,607,330 | 3,453,087 | 3,430,293 | 3,165,498 | |
| Plan Fiduciary Net Position - Ending (b) | 3,627,462 | 3,270,127 | 3,423,564 | \$3,786,731 | \$3,472,327 | \$3,653,323 | \$3,650,255 | \$3,607,330 | \$3,453,087 | \$3,430,293 | |
| Net Pension Liability/(Asset) - Ending (a) - (b) | 8,608,074 | 8,867,688 | 7,840,792 | 7,546,892 | 6,302,800 | 5,473,210 | 4,258,159 | 4,098,308 | 3,912,092 | 3,101,623 | |
| Plan Fiduciary Net Position as a Percentage of Total Pension Liability | 29.65% | 26.94% | 30.39% | 33.41% | 35.52% | 40.03% | 46.16% | 46.81% | 46.88% | 52.52% | |
| Covered Valuation Payroll | \$1,210,737 | \$1,268,022 | \$1,235,742 | \$1,132,820 | \$1,218,506 | \$1,094,704 | \$890,386 | \$862,160 | \$887,619 | \$883,994 | |
| Net Pension Liability as a Percentage of Covered Valuation Payroll | 710.98% | 699.33% | 634.50% | 666.20% | 517.26% | 499.97% | 478.24% | 475.35% | 440.74% | 350.86% | |

VILLAGE OF ISLAND LAKE, ILLINOIS

**Schedule of Required Supplemental Information
Multi-year Schedule of Police Pension Contributions
Last 10 Fiscal Years**

(schedule to be built prospectively from 2015)

| Fiscal Year Ending April 30, | Actuarially Determined Contribution | Actual Contribution | Contribution Deficiency (Excess) | Covered Valuation Payroll | Actual Contribution as a % of Covered Valuation Payroll |
|---|--|--------------------------------|---|--|--|
| 2015 | \$ 247,120 | \$ 244,810 | \$ 2,310 | \$ 883,994 | 27.69% |
| 2016 | 247,120 | 249,889 | (2,769) | 887,619 | 28.15% |
| 2017 | 283,535 | 278,353 | 5,182 | 862,160 | 32.29% |
| 2018 | 321,039 | 243,401 | 77,638 | 890,386 | 27.34% |
| 2019 | 347,334 | 200,671 | 146,663 | 1,094,704 | 18.33% |
| 2020 | 428,999 | 194,946 | 234,053 | 1,218,506 | 16.00% |
| 2021 | 505,606 | 193,532 | 312,074 | 1,132,820 | 17.08% |
| 2022 | 614,441 | 218,845 | 395,596 | 1,235,742 | 17.71% |
| 2023 | 628,616 | 221,343 | 407,273 | 1,268,022 | 17.46% |
| 2024 | 738,692 | 543,929 | 194,763 | 1,210,737 | 44.93% |

Note: Actuarially determined contribution rates are calculated as of May 1 of the prior fiscal year.

VILLAGE OF ISLAND LAKE

General Fund - Statement of Revenues, Expenditures - Appropriations and Actual
For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|-----------------------------------|------------------|------------------|------------------|
| | Original | Final | Accrual Basis |
| Revenue | | | |
| Property taxes | \$ 1,231,926 | \$ 1,231,926 | \$ 1,497,357 |
| Intergovernmental revenue | 3,245,740 | 3,245,740 | 2,830,972 |
| Utility taxes | 508,000 | 508,000 | 342,823 |
| Fines | 134,200 | 134,200 | 156,542 |
| Licenses, fees, permits, taxes | 289,885 | 289,885 | 500,156 |
| Grants and donations | 219,502 | 219,502 | 51,816 |
| Miscellaneous and other income | 52,900 | 52,900 | 10,810 |
| Interest income | 1,100 | 1,100 | 9,926 |
| Total Revenue | 5,683,253 | 5,683,253 | 5,400,402 |
| Administrative Personnel | | | |
| Administrative salaries | 229,759 | 229,759 | 248,385 |
| Elected officials | 44,550 | 44,550 | 36,475 |
| Overtime | 5,462 | 5,462 | 1,495 |
| Zoning board of appeals | 1,150 | 1,150 | - |
| Retirement contribution | 53,954 | 53,954 | 47,212 |
| Part-time salaries | 26,000 | 26,000 | 28,730 |
| Total Personnel | 360,875 | 360,875 | 362,297 |
| Contractual Service | | | |
| Health and life insurance | 37,504 | 37,504 | 29,026 |
| Maintenance - equipment | 6,000 | 6,000 | 2,928 |
| Engineering services | 37,000 | 37,000 | 36,357 |
| Medical | 200 | 200 | 232 |
| Legal services | 80,000 | 80,000 | 53,302 |
| Data processing | 55,350 | 55,350 | 83,277 |
| Other professional services | 50,000 | 50,000 | 54,394 |
| Postage | 8,000 | 8,000 | 12,166 |
| Telephone | 4,989 | 4,989 | 5,775 |
| Publishing | 1,750 | 1,750 | 427 |
| Dues and subscriptions | 5,000 | 5,000 | 3,547 |
| Travel and meetings | 400 | 400 | 539 |
| Training | 1,000 | 1,000 | - |
| General insurance | 200 | 200 | - |
| Rentals | 1,900 | 1,900 | - |
| Forms and printing | 7,000 | 7,000 | 2,488 |
| Bank charges | 1,200 | 1,200 | 3,034 |
| Total Contractual Services | 297,493 | 297,493 | 287,492 |

continued

VILLAGE OF ISLAND LAKE*General Fund - Statement of Revenues, Expenditures - Appropriations and Actual**For the Year Ended April 30, 2024*

| | Appropriations | | Modified |
|--|-----------------------|----------------|-----------------|
| | Original | Final | Accrual |
| | | | Basis |
| Administrative (Continued) | | | |
| Commodities | | | |
| Office supplies | \$ 4,500 | \$ 4,500 | \$ 4,988 |
| Gasoline and oil | 1,100 | 1,100 | 299 |
| Operating supplies | 10,000 | 10,000 | 8,729 |
| Vehicle maintenance supplies | 500 | 500 | - |
| Total Commodities | 16,100 | 16,100 | 14,016 |
| Other Expenditures | | | |
| Community relations | 3,000 | 3,000 | 6,720 |
| Other professional developments | 500 | 500 | - |
| Transfer for police pension | 163,800 | 163,800 | - |
| Miscellaneous expenses | 500 | 500 | 51,307 |
| Total Other Expenditures | 167,800 | 167,800 | 58,027 |
| Total Administrative Expenditures | 842,268 | 842,268 | 721,832 |
| Building and Grounds | | | |
| Personnel | | | |
| Salaries - personnel | 20,800 | 20,800 | 13,632 |
| Retirement contribution | 1,592 | 1,592 | 1,066 |
| Total Personnel | 22,392 | 22,392 | 14,698 |
| Contractual Services | | | |
| Maintenance - building | 26,799 | 26,799 | 25,799 |
| Maintenance - equipment | 5,000 | 5,000 | 3,338 |
| Maintenance - grounds | 15,000 | 15,000 | 8,255 |
| Lake/weed spraying | 4,000 | 4,000 | - |
| Uniforms | 500 | 500 | 602 |
| Tree removal | 2,000 | 2,000 | 2,450 |
| Sewer fees | 1,500 | 1,500 | 1,692 |
| Rentals | 700 | 700 | - |
| Total Contractual Services | 55,499 | 55,499 | 42,136 |
| Commodities | | | |
| Janitorial supplies | 2,500 | 2,500 | 121 |
| Building maintenance supplies | 10,000 | 10,000 | 3,312 |
| Total Commodities | 12,500 | 12,500 | 3,433 |
| Total Building and Grounds | 90,391 | 90,391 | 60,267 |

continued

VILLAGE OF ISLAND LAKE*General Fund - Statement of Revenues, Expenditures - Appropriations and Actual**For the Year Ended April 30, 2024*

| | Appropriations | | Modified |
|---|-----------------------|----------------|----------------------|
| | Original | Final | Accrual Basis |
| Fire and Police Commission | | | |
| Contractual Services | | | |
| Fire and police commission salaries | \$ 1,300 | \$ 1,300 | \$ - |
| Other professional services | 200 | 200 | 10,503 |
| Training | - | - | 1,150 |
| Dues | 750 | 750 | - |
| Total Contractual Services | 2,250 | 2,250 | 11,653 |
| Total Fire and Police Commission | 2,250 | 2,250 | 11,653 |
| Emergency Management | | | |
| Communications | 2,000 | 2,000 | 550 |
| Dues | 100 | 100 | - |
| Small tools | 100 | 100 | - |
| Miscellaneous expense | 500 | 500 | 721 |
| Total Emergency Management | 2,700 | 2,700 | 1,271 |
| Total General Expenditures | 937,609 | 937,609 | 795,023 |
| Lake Management Committee | | | |
| Contractual Services | | | |
| Personnel services | 3,600 | 3,600 | 1,770 |
| Maintenance - equipment | 1,363 | 1,363 | 4,400 |
| Maintenance - other | 500 | 500 | 148 |
| Other professional services | 14,100 | 14,100 | 15,713 |
| Utilities | 7,000 | 7,000 | 555 |
| Testing beach water | 2,593 | 2,593 | 2,200 |
| Fish management | 3,000 | 3,000 | 3,753 |
| Grant expenses | 213,802 | 213,802 | 46,400 |
| Lake and weed maintenance | 50,000 | 50,000 | 28,918 |
| Signs & Poles | 900 | 900 | 227 |
| Training | 2,000 | 2,000 | 2,160 |
| Program expenses | 1,000 | 1,000 | - |
| Miscellaneous expense | 600 | 600 | - |
| Total Contractual Services | 300,458 | 300,458 | 106,244 |
| Commodities | | | |
| Operating supplies | 1,200 | 1,200 | 60 |
| Total Commodities | 1,200 | 1,200 | 60 |

continued

VILLAGE OF ISLAND LAKE

General Fund - Statement of Revenues, Expenditures - Appropriations and Actual
For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|--|------------------|------------------|------------------|
| | Original | Final | Accrual Basis |
| Lake Management Committee (Continued) | | | |
| Capital Outlay | | | |
| Equipment | \$ 8,000 | \$ 8,000 | \$ 682 |
| Improvements | 21,818 | 21,818 | 1,280 |
| Total Capital Outlay | 29,818 | 29,818 | 1,962 |
| Total Lake Management Committee | 331,476 | 331,476 | 108,266 |
| Tort Immunity (Liability) | | | |
| Unemployment/liability insurance | 491,789 | 491,789 | 229,593 |
| Total Tort Immunity (Liability) | 491,789 | 491,789 | 229,593 |
| Audit | | | |
| Accounting services | 22,000 | 22,000 | 22,500 |
| Total Audit | 22,000 | 22,000 | 22,500 |
| Police Protection | | | |
| Personnel Services | | | |
| Employee salaries | 1,609,734 | 1,609,734 | 1,518,315 |
| Overtime | 158,515 | 158,515 | 221,557 |
| FTO and OIC pay | 14,000 | 14,000 | 20,180 |
| Sick-time, vacation buy back | 4,000 | 4,000 | 7,895 |
| Part-time salary | 29,700 | 29,700 | 26,315 |
| Health and life insurance | 198,918 | 198,918 | 193,278 |
| Retirement contribution | 130,400 | 130,400 | 143,622 |
| Total Personnel Services | 2,145,267 | 2,145,267 | 2,131,162 |
| Contractual Services | | | |
| Maintenance - equipment | 10,000 | 10,000 | 4,860 |
| Maintenance - vehicles | 2,500 | 2,500 | 12,260 |
| Maintenance - other | 5,000 | 5,000 | - |
| Legal services | 70,200 | 70,200 | 59,446 |
| Medical services | 250 | 250 | - |
| Data processing services | 2,000 | 2,000 | 1,189 |
| Other professional services | 161,105 | 161,105 | 161,589 |
| Postage | 1,250 | 1,250 | - |
| Telephone | 13,298 | 13,298 | 11,775 |
| Other communications | 100 | 100 | - |
| Dues and subscriptions | 12,500 | 12,500 | 29,623 |
| Travel expenses | 500 | 500 | - |
| Training | 40,000 | 40,000 | 19,978 |
| Publications | 250 | 250 | 302 |

continued

VILLAGE OF ISLAND LAKE

General Fund - Statement of Revenues, Expenditures - Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|---|------------------|------------------|------------------|
| | Original | Final | Accrual |
| | | | Basis |
| Police Protection | | | |
| Contractual Services (Continued) | | | |
| Forms and printing | \$ 500 | \$ 500 | \$ 1,267 |
| Employer contributions | - | - | 543,929 |
| Armory | 15,000 | 15,000 | 557 |
| Evidence files | 2,500 | 2,500 | 1,086 |
| Total Contractual Services | 336,953 | 336,953 | 847,861 |
| Commodities | | | |
| Vehicle maintenance supplies | 6,000 | 6,000 | 3,421 |
| Office supplies | 5,000 | 5,000 | 3,084 |
| Operating supplies | 5,000 | 5,000 | 6,319 |
| Gasoline and oil | 45,000 | 45,000 | 37,072 |
| Uniforms | 16,000 | 16,000 | 18,174 |
| Animal control | 500 | 500 | 350 |
| Miscellaneous expense | 500 | 500 | 2,468 |
| Total Commodities | 78,000 | 78,000 | 70,888 |
| Capital Outlay | | | |
| Equipment | 43,000 | 43,000 | 7,965 |
| Vehicle lease | 122,200 | 122,200 | 108,874 |
| Total Capital Outlay | 165,200 | 165,200 | 116,839 |
| Total Police Protection | 2,725,420 | 2,725,420 | 3,166,750 |
| Street and Bridge | | | |
| Personnel Services | | | |
| Employee salaries | 353,743 | 353,743 | 387,566 |
| Overtime | 14,900 | 14,900 | 19,035 |
| Part-time salary | 47,300 | 47,300 | 84,760 |
| Health and life insurance | 151,287 | 151,287 | 82,395 |
| Retirement contribution | 77,622 | 77,622 | 81,502 |
| Total Personnel Services | 644,852 | 644,852 | 655,258 |
| Contractual Services | | | |
| Maintenance - equipment | 14,000 | 14,000 | 19,250 |
| Maintenance - vehicles | 10,000 | 10,000 | 3,471 |
| Maintenance - streets | 10,000 | 10,000 | 12,320 |
| Storm tracking | 1,000 | 1,000 | 1,000 |
| Telephone | 9,380 | 9,380 | 5,969 |
| Publishing | 1,500 | 1,500 | - |
| Other communications | - | - | 1,390 |

continued

VILLAGE OF ISLAND LAKE

General Fund - Statement of Revenues, Expenditures - Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|---|----------------|----------------|----------------|
| | Original | Final | Accrual |
| | | | Basis |
| Street and Bridge | | | |
| Contractual Services (Continued) | | | |
| Dues and subscriptions | \$ 500 | \$ 500 | \$ 200 |
| Training | 2,500 | 2,500 | 324 |
| Utilities | 100 | 100 | - |
| Other professional services | 28,000 | 28,000 | 1,976 |
| Rental | 8,500 | 8,500 | 2,805 |
| Total Contractual Services | 85,480 | 85,480 | 48,705 |
| Commodities | | | |
| Street lighting | 10,000 | 10,000 | 7,088 |
| Refuse disposal | 35,000 | 35,000 | 16,784 |
| Vehicle maintenance supplies | 25,000 | 25,000 | 14,228 |
| Street maintenance supplies | 10,000 | 10,000 | 6,152 |
| Storm sewer supplies | 2,500 | 2,500 | 1,575 |
| Office supplies | 750 | 750 | 626 |
| Operating supplies | 11,000 | 11,000 | 6,045 |
| Small tools | 4,000 | 4,000 | 3,892 |
| Gasoline and oil | 25,000 | 25,000 | 27,447 |
| Signs and poles | 4,000 | 4,000 | 1,298 |
| Uniforms | 5,600 | 5,600 | 3,018 |
| Miscellaneous | 600 | 600 | 40 |
| | 133,450 | 133,450 | 88,193 |
| Capital Outlay | | | |
| Equipment | 70,000 | 70,000 | 69,020 |
| Vehicles | - | - | 9,798 |
| Total Capital Outlay | 70,000 | 70,000 | 78,818 |
| Total Street and Bridge | 933,782 | 933,782 | 870,974 |
| Parks | | | |
| Contractual Services | | | |
| Maintenance - building | 130,000 | 130,000 | 115 |
| Maintenance - equipment | 40,000 | 40,000 | 12,899 |
| Maintenance - grounds | 176,000 | 176,000 | 9,280 |
| Maintenance - other | - | - | 15 |
| Total Contractual Services | 346,000 | 346,000 | 22,309 |
| Commodities | | | |
| Maintenance - supplies | 35,000 | 35,000 | 182 |
| Operating supplies | 500 | 500 | 383 |
| Signs and poles | - | - | 54 |
| Total Commodities | 35,500 | 35,500 | 619 |
| Total Parks | 381,500 | 381,500 | 22,928 |

continued

VILLAGE OF ISLAND LAKE

General Fund - Statement of Revenues, Expenditures - Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|---------------------------------|----------------|--------------|------------------|
| | Original | Final | Accrual |
| | | | Basis |
| Total General Fund (Concluded) | \$ 5,823,576 | \$ 5,823,576 | \$ 5,216,034 |
| Net Change in Fund Balance | \$ (140,323) | \$ (140,323) | 184,368 |
| Fund Balance | | | |
| Balance, Beginning of Year | | | 1,917,338 |
| Total Fund Balance, End of Year | | | \$ 2,101,706 |
| | | | <i>concluded</i> |

VILLAGE OF ISLAND LAKE

Recreation Fund - Statement of Revenues, Expenditures and Changes in Fund Balance -

Appropriations and Actual

For the Year Ended April 30, 2024

| Revenue | Appropriations | | Modified |
|-----------------------------------|----------------|----------------|----------------|
| | Original | Final | Accrual Basis |
| Facility rentals | \$ 2,900 | \$ 2,900 | \$ - |
| Summer camp | 40,000 | 40,000 | 17,057 |
| Club fees | 95,000 | 95,000 | 67,671 |
| Camp fees | 1,200 | 1,200 | 1,491 |
| Grants, donations and fundraisers | 17,500 | 17,500 | 5,345 |
| Miscellaneous and other income | 90,050 | 90,050 | 97,905 |
| Total Revenue | 246,650 | 246,650 | 189,469 |
| Expenditures | | | |
| Personnel Services | | | |
| General administrative salaries | 121,536 | 121,536 | 82,985 |
| IMRF | 4,349 | 4,349 | 256 |
| Social security tax | 6,990 | 6,990 | 5,078 |
| Medicare tax | 1,635 | 1,635 | 1,188 |
| Total Personnel Services | 134,510 | 134,510 | 89,507 |
| Contractual Services | | | |
| Telephone | 1,250 | 1,250 | 766 |
| Maintenance - equipment | 750 | 750 | 54 |
| Maintenance - vehicles | 1,000 | 1,000 | - |
| Maintenance-field | 2,000 | 2,000 | - |
| Instructor fees | 1,500 | 1,500 | - |
| Field trips | 5,000 | 5,000 | 3,411 |
| Oktoberfest | 20,000 | 20,000 | 26,266 |
| Lakefest | 42,000 | 42,000 | 57,819 |
| Fireworks | 22,500 | 22,500 | 21,735 |
| Concerts in the park | 2,000 | 2,000 | 2,000 |

continued

VILLAGE OF ISLAND LAKE

Recreation Fund - Statement of Revenues, Expenditures and Changes in Fund Balance -

Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|--|-----------------|-----------------|---------------------|
| | Original | Final | Accrual |
| Contractual Services (concluded) | | | Basis |
| Training | \$ 200 | \$ 200 | \$ - |
| Total Contractual Services | 98,200 | 98,200 | 112,051 |
| Commodities | | | |
| Recreation supplies | 50 | 50 | - |
| Office supplies | 200 | 200 | 24 |
| Operating supplies | 5,000 | 5,000 | 2,854 |
| Gas & oil | 200 | 200 | - |
| Miscellaneous expenditures | 4,900 | 4,900 | 5,656 |
| Total Commodities | 10,350 | 10,350 | 8,534 |
| Total Expenditures | 243,060 | 243,060 | 210,092 |
| Net Change in Fund Balance | \$ 3,590 | \$ 3,590 | (20,623) |
| Fund Balance | | | |
| Balance, Beginning of Year | | | (155,657) |
| Total Fund Balance, End of Year | | | \$ (176,280) |
| | | | <i>concluded</i> |

VILLAGE OF ISLAND LAKE

Motor Fuel Tax Fund - Statement of Revenues, Expenditures and Changes in Fund Balance - Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Modified |
|--|----------------|----------------|---------------------|
| | Original | Final | Accrual Basis |
| Revenue | | | |
| Allotments | \$ 500,000 | \$ 500,000 | \$ 353,246 |
| Interest income | 250 | 250 | 441 |
| Total Revenue | 500,250 | 500,250 | 353,687 |
| Expenditures | | | |
| Maintenance streets | 350,000 | 350,000 | 436,745 |
| Street lighting | 100,000 | 100,000 | 70,297 |
| Materials and supplies | 50,000 | 50,000 | 39,494 |
| Total Expenditures | 500,000 | 500,000 | 546,536 |
| Net Change in Fund Balance | \$ 250 | \$ 250 | (192,849) |
| Fund Balance | | | |
| Balance, Beginning of Year | | | (95,809) |
| Total Fund Balance, End of Year | | | \$ (288,658) |

NOTES TO REQUIRED
SUPPLEMENTARY INFORMATION

VILLAGE OF ISLAND LAKE, ILLINOIS

Notes to Required Supplementary Information *Year Ended April 30, 2024*

The accounting policies of the Village include the preparation of financial statements on the modified accrual basis of accounting. The Village also prepares its budget on the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from general long-term debt and acquisitions under leases are reported as other financing sources. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures relating to compensated absences, debt service expenditures, and claims and judgments are recognized only when payment is due.

- Budgets are adopted at the function level in the General Fund and total General Fund expenditures disbursed may not legally exceed the budgeted amount. Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year.
- The Village procedures in establishing the budgetary data reflected in the General Fund Financial Statements are presented below:
- A public hearing is conducted at a public meeting to obtain taxpayers comments.
- The Village Treasurer, in consultation with the Board, is authorized to expense the un-expensed balance of any item or items of any general appropriation in making up any deficiency in any item or items of the same general appropriation.
- Formal budgetary integration is not employed as a management control device during the year for any fund.
- Budgetary comparisons presented in the accompanying financial statements are prepared on the modified accrual basis of accounting. All funds utilize the same basis of accounting for both budgetary purposes and actual results.
- Expenditures cannot legally exceed appropriations at the fund level. The appropriation was passed on July 13, 2023.
- All appropriations lapse at year-end.

OTHER INFORMATION

VILLAGE OF ISLAND LAKE

Proprietary Fund - Waterworks Fund - Statement of Expenses - Appropriations and Actual

For the Year Ended April 30, 2024

| | Appropriations | | Accrual |
|---|----------------|----------------|----------------|
| | Original | Final | Basis |
| Personnel Services | | | |
| Salaries | \$ 292,469 | \$ 292,469 | \$ 283,581 |
| Overtime | 16,551 | 16,551 | 16,115 |
| Sick-time | 750 | 750 | 3,628 |
| Health and life insurance | 63,986 | 63,986 | 107,458 |
| Social security | 18,133 | 18,133 | 19,226 |
| Medicare | 4,241 | 4,241 | 4,496 |
| IMRF | 36,171 | 36,171 | 53,465 |
| Total Personnel Services | 432,301 | 432,301 | 487,969 |
| Contractual Services | | | |
| Maintenance - building | 10,000 | 10,000 | 1,825 |
| Maintenance - equipment | 275,000 | 275,000 | 247,819 |
| Maintenance - vehicles | 45,000 | 45,000 | 5,032 |
| Maintenance - water distribution system | 80,000 | 80,000 | 65,450 |
| Maintenance - grounds | 6,000 | 6,000 | - |
| Engineering services | 75,000 | 75,000 | 25,214 |
| Data processing | 18,450 | 18,450 | 1,950 |
| Other professional services | 65,000 | 65,000 | 61,724 |
| Postage | 6,500 | 6,500 | 3,157 |
| Telephone | 5,166 | 5,166 | 5,617 |
| Dues and subscriptions | 2,850 | 2,850 | 383 |
| Training | 3,000 | 3,000 | 4,570 |
| Publishing | 400 | 400 | - |
| Utilities | 120,000 | 120,000 | 124,450 |
| Forms and printing | 4,350 | 4,350 | 6,842 |
| Bank charges | 500 | 500 | 412 |
| Liability insurance | 107,500 | 107,500 | 107,500 |
| Rentals | 2,000 | 2,000 | - |
| Total Contractual Services | 826,716 | 826,716 | 661,945 |

continued

VILLAGE OF ISLAND LAKE

Proprietary Fund - Waterworks Fund - Statement of Expenses - Appropriations and Actual

For the Year Ended April 30, 2024

| Expenditures (concluded) | Appropriations | | Accrual |
|---|----------------|--------------|--------------|
| | Original | Final | Basis |
| Commodities | | | |
| Vehicle maintenance supplies | \$ 2,500 | \$ 2,500 | \$ 831 |
| Water distribution supplies | 20,000 | 20,000 | 17,260 |
| Water meters | 50,000 | 50,000 | 66,777 |
| Building and grounds maintenance supplies | 20,000 | 20,000 | 947 |
| Office supplies | 250 | 250 | 789 |
| Operating supplies | 2,000 | 2,000 | 3,910 |
| Small tools and minor equipment | 6,000 | 6,000 | 3,018 |
| Gasoline and oil | 7,500 | 7,500 | 6,644 |
| Uniforms | 4,000 | 4,000 | 1,397 |
| Chemicals | 80,000 | 80,000 | 92,574 |
| Miscellaneous | 250 | 250 | 364 |
| Total Commodities | 192,500 | 100,000 | 194,511 |
| Capital Outlay | | | |
| Equipment | 25,000 | 25,000 | - |
| Vehicles | 20,000 | 20,000 | - |
| Depreciation | - | - | 385,860 |
| Total Capital Outlay | 45,000 | 45,000 | 385,860 |
| Operational transfers in/(out) | (25,000) | (25,000) | - |
| Total Waterworks Operating Fund | \$ 1,471,517 | \$ 1,379,017 | \$ 1,730,285 |
| | | | concluded |

VILLAGE OF ISLAND LAKE

Property Tax Extensions

For the Year Ended April 30, 2024

| Levy Year County | 2023 | | | Property Tax Rates (per \$100 of assessed valuation) | | | 2021 | | |
|---------------------|---------------|----------------|----------------|--|----------------|----------------|---------------|----------------|----------------|
| | 2022 | | | 2021 | | | 2020 | | |
| | Lake | McHenry | Total | Lake | McHenry | Total | Lake | McHenry | Total |
| Assessed Valuation | \$ 95,787,130 | \$ 119,083,749 | \$ 214,870,879 | \$ 95,787,130 | \$ 119,083,749 | \$ 214,870,879 | \$ 90,690,453 | \$ 110,987,572 | \$ 201,678,025 |
| Fund Extension | | | | | | | | | |
| General | \$ 314,056 | \$ 391,034 | \$ 705,090 | \$ 303,799 | \$ 372,165 | \$ 675,965 | \$ 290,402 | \$ 373,849 | \$ 664,251 |
| Social Security | 72,473 | 94,790 | 167,263 | 69,677 | 89,636 | 159,313 | 66,854 | 80,987 | 147,841 |
| Police Protection | 74,890 | 97,951 | 172,841 | 72,001 | 92,625 | 164,626 | 69,083 | 83,687 | 152,770 |
| Audit | 8,457 | 11,061 | 19,518 | 8,130 | 10,459 | 18,590 | 7,800 | 9,449 | 17,249 |
| Tort Immunity | 53,150 | 69,515 | 122,665 | 51,099 | 65,735 | 116,834 | 49,027 | 59,392 | 108,419 |
| IMRF | 43,138 | 56,422 | 99,560 | 41,474 | 53,353 | 94,827 | 39,792 | 48,204 | 87,996 |
| Street & Bridge | - | 25,202 | 25,202 | - | 25,100 | 25,100 | - | - | - |
| Police Pension | 99,048 | 129,547 | 228,595 | 95,227 | 122,504 | 217,731 | 91,366 | 110,680 | 202,046 |
| Total Funds | \$ 665,212 | \$ 875,522 | \$ 1,540,734 | \$ 641,408 | \$ 831,577 | \$ 1,472,985 | \$ 614,324 | \$ 766,248 | \$ 1,380,572 |