



VILLAGE OF METTAWA, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2022



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VILLAGE OF METTAWA, ILLINOIS
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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Mettawa, Illinois

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Mettawa, Illinois (the Village), as of and for the year ended April 30, 2022, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Village of Mettawa, Illinois, as of April 30, 2022, and the and the respective changes in financial position, and the respective budgetary comparison information for the General Fund and the Special Service Area #3 Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under these standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Village's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The combining and individual fund financial statements and schedules as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.

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

Sikich LLP

Naperville, Illinois
November 4, 2022

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF METTAWA, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2022

As management of the Village of Mettawa ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2022. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

Financial Highlights

- The assets of the Village of Mettawa exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$32,072,810 (net position). Of this amount, \$14,089,317 is unrestricted and thus available to meet future operations, while \$17,563,381 is the depreciated value of capital assets, net of outstanding debt incurred to acquire those assets.
- The Village of Mettawa's total net position (reported solely as governmental activities) increased by \$2,018,192 or 6.7%. Sales Taxes ending April 30, 2022, posted a \$497,224 increase compared to prior year showing a healthy rebound since the COVID-19 pandemic. Program Revenues, Other General Revenues and Investment Income accounted for \$119,454 increase as well.
- As of the close of the current fiscal year, the Village of Mettawa's Cash and investments were \$13,671,492.
- The Village of Mettawa has remained debt free.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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, liabilities and deferred inflows of resources, 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.

VILLAGE OF METTAWA, ILLINOIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2022

The Governmental Activities reflect the Village's basic services including administration, building standards, public works and public safety. Sales taxes, shared state taxes and property taxes finance the majority of these services. The Village reports only governmental activities.

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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village are reported as 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. 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 several 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, Special Service Area #3, and Special Service Area #15, all of which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information. Non-major fund information can be found immediately following the required supplementary information.

VILLAGE OF METTAWA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2022

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

The following table reflects the condensed Statement of Net Position:

		Governmental Activities	
		2022	2021
ASSETS			
Current assets		\$ 15,244,452	\$ 12,880,106
Capital assets		17,563,381	17,752,227
	Total assets	32,807,833	30,632,333
LIABILITIES			
Current liabilities		418,351	271,615
Long-term liabilities		-	-
	Total liabilities	418,351	271,615
DEFERRED INFLOWS OF RESOURCES			
Property taxes		316,672	306,100
	Total liabilities and deferred inflows of resources	735,023	577,715
NET POSITION			
Net investment in capital assets		17,563,381	17,752,227
Restricted		420,112	420,401
Unrestricted		14,089,317	11,881,990
	Total net position	\$ 32,072,810	\$ 30,054,618

The large portion of the Village of Mettawa's net position reflect its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), less any related outstanding debt used to acquire or construct those assets and accumulated depreciation which is the loss in value of those assets. The Village of Mettawa uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. The Village of Mettawa is reporting a positive balance of \$32,072,810 in net position in the current year and increase of \$2,018,192 from prior year, of which \$14,089,317 is unrestricted. In FY 2022, the Village of Mettawa's capital assets decreased to 17,563,381 net of annual depreciation due to annual depreciation of assets with only small increase-\$38,943- in new assets for Land Improvement and drainage.

VILLAGE OF METTAWA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2022

Statement of Activities

The following table reflects the condensed Statement of Activities:

		Governmental Activities	
		2022	2021
REVENUES			
Program revenues			
	Charges for services	\$ 106,467	\$ 243,740
	Operating grants	20,019	29,088
	Capital grants/contributions	6,008	18,025
General revenues			
	Property taxes	313,016	341,722
	Replacement	583	1,218
	Sales taxes	3,505,759	3,008,535
	Telecommunications	132,241	149,830
	Shared income tax	77,878	62,706
	Other taxes	567,903	273,468
	Investment income	7,803	15,358
	Miscellaneous income	16,971	6,297
	Total revenues	4,754,648	4,149,987
EXPENSES			
	General government	401,413	380,416
	Revenue sharing	1,067,600	771,210
	Public safety	190,948	146,591
	Public works	1,076,495	999,957
	Special service area contribution, net	-	-
	Interest on debt	-	-
	Total expenses	2,736,456	2,298,174
	Change in net position	\$ 2,018,192	\$ 1,851,813

Key Factors in the Change in Net Position in the Governmental Activities

Total government revenues increased \$604,661 from previous year. This increase was due to \$497,224 increase in Sales Taxes as the economy started to improve and the balance of \$309,607 from Other Taxes which off set the loss in revenue in Property Taxes, Telecommunications and Investment Income.

VILLAGE OF METTAWA, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

APRIL 30, 2022

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

Fund balance in the General Fund at the end of the 2021-22 fiscal year was \$14,900,831. It is an increase of \$2,126,429 and was due entirely to excess revenues and significantly lower expenditures in General Government and Revenue Sharing.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed Budgetary Comparison Schedule:

		Final	
		Budget	Actual
Revenues:			
	Property taxes	\$ 135,000	\$ 125,002
	Road and bridge tax	36,500	31,202
	Other taxes	3,432,900	4,284,364
	Fees, licenses and permits	16,500	106,467
	Investment income	15,000	7,788
	Other	2,045,000	16,971
	Total revenues	5,680,900	4,571,794
Expenditures:			
	General government	436,100	400,953
	Revenue sharing	950,000	1,067,600
	Public safety	170,000	190,948
	Public works	782,000	747,614
	Capital outlay	5,700,000	38,250
	Debt service	685,000	-
	Total expenditures	8,723,100	2,445,365
	Excess of revenues over expenditures	\$ (3,042,200)	\$ 2,126,429

VILLAGE OF METTAWA, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

APRIL 30, 2022

The primary differences in the budget and actual revenues and expenditures is the reporting of gross amounts of actual sales tax and hotel taxes, whereas for budget purposes, the rebates under incentive agreements were netted against revenue. This difference included \$5,661,750 delay in outlay for land purchase from W.W. Grainger due to delay in annexation as well as \$2,028,029 in Other Revenues which would be earmarked for the acquisition of the W.W. Grainger property.

CAPITAL ASSET AND DEBT ADMINISTRATION

	May 1, 2021	Additions/ Deletions	Transfers	April 30, 2022
Non-depreciable assets:				
Land	9,602,549			\$ 9,602,549
Land improvements	1,566,167			1,566,167
Construction in progress	40,513	38,943		79,456
Other capital assets:				
Landscaping	1,800,297			1,800,297
Paved streets and lighting	6,832,026			6,832,026
Sanitary and storm sewers	1,026,364			1,026,364
Accumulated depreciation	(3,115,689)	(227,789)		(3,343,478)
Total	\$ 17,752,227	\$ (188,846)	\$ -	\$ 17,563,381

The Village of Mettawa's investment in capital assets for its governmental activities as of April 30, 2022, was \$17,563,381 (net of accumulated depreciation). This investment in capital assets includes property and improvements, buildings, equipment, facilities, and infrastructure. There were only minor additions in Construction in Progress for drainage in the total amount of \$38,943.

Debt Administration

During the entire period of 2021-2022 Fiscal Year, the Village of Mettawa remained debt free.

State statutes limit the amount of general obligation debt a government entity may issue to 8.625% of its total equalized assessed valuation (EAV). The Village of Mettawa 2021 Tax Year equalized assessed valuation (EAV) is \$139,685,104. The current legal debt margin for the Village of Mettawa is \$12,047,840.

VILLAGE OF METTAWA, ILLINOIS

MANAGEMENT’S DISCUSSION AND ANALYSIS

APRIL 30, 2022

ECONOMIC FACTORS

The Village of Mettawa is located approximately 40 miles north of downtown Chicago. The EAV of the Village as of 2021 Tax Year is \$139,685,104. The decline is due to challenges of periodic county assessments on property that were successful.

As a Home Rule Unit of Government, the Village is not subject to the Property Tax Extension Limitation Law, popularly known as the “TAX CAP”, which states that the total of certain levies (not including bond levies) may not increase more than the lesser of 5% of the total prior year total or the prior year percentage increase in the Consumer Price Index. However, it has been the practice of the Village Board to hold its levy constant for well over a decade.

As the COVID-19 restrictions eased in the 2021-2022 Fiscal Year, Village of Mettawa increased its net position by \$2,018,192 providing additional reserve funds. Lastly, the increase in net position over the past few years has enabled the Village to adopt an ordinance providing for an annual tax rebate to its residents, maintaining its Fiscal Responsibility Act rebate level. To qualify for rebate, the resident must be the owner and occupant of a single-family home as evidenced by a homestead exemption granted by Lake County. Each eligible resident is qualified to receive a rebate in the amount proportionate to the amount of the taxes paid divided by the amount of surplus declared by the Village.

CONTACTING THE VILLAGE’S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village’s finances. Questions concerning this report or requests for additional financial information should be directed to Treasurer, Village of Mettawa, 26225 N. Riverwoods Blvd, Box M, Mettawa, Illinois 60045.

VILLAGE OF METTAWA, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2022

	Governmental Activities
ASSETS	
Cash and investments	\$ 13,671,492
Property tax receivable	316,672
State shared taxes receivable	875,768
Hotel tax receivable	35,409
Other receivables	1,836
Deposits	500
Sheriff initiation fee	180,000
Prepaid items	162,775
Capital assets	
Capital assets not being depreciated	11,248,172
Capital assets being depreciated, net	<u>6,315,209</u>
 Total assets	 <u>32,807,833</u>
LIABILITIES	
Accounts payable	281,950
Tax rebates payable	99,454
Unearned revenue	36,947
Noncurrent liabilities	
None	<u>-</u>
 Total liabilities	 418,351
DEFERRED INFLOWS OF RESOURCES	
Deferred property taxes	<u>316,672</u>
 Total liabilities and deferred inflows of resources	 <u>735,023</u>
NET POSITION	
Net investment in capital assets	17,563,381
Restricted for	
Maintenance of roadways	169,302
Special service area purposes	250,810
Unrestricted	<u>14,089,317</u>
 TOTAL NET POSITION	 <u><u>\$ 32,072,810</u></u>

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

STATEMENT OF ACTIVITIES

April 30, 2022

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		Governmental Activities	Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Grants and Contributions		
PRIMARY GOVERNMENT					
Governmental Activities					
General government	\$ 401,413	\$ 102,231	\$ -	\$ -	\$ (299,182)
Revenue sharing	1,067,600	-	-	-	(1,067,600)
Public safety	190,948	4,236	-	-	(186,712)
Public works	1,076,495	-	20,019	6,008	(1,050,468)
TOTAL PRIMARY GOVERNMENT	<u>\$ 2,736,456</u>	<u>\$ 106,467</u>	<u>\$ 20,019</u>	<u>\$ 6,008</u>	<u>(2,603,962)</u>
			General Revenues		
			Taxes		
			Property tax		313,016
			Replacement		583
			Sales		3,505,759
			Telecommunications		132,241
			Other		567,903
			Shared income tax		77,878
			Investment income		7,803
			Miscellaneous		16,971
			Total		<u>4,622,154</u>
			CHANGE IN NET POSITION		2,018,192
			NET POSITION, MAY 1		<u>30,054,618</u>
			NET POSITION, APRIL 30		<u><u>\$ 32,072,810</u></u>

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2022

	General	Special Revenue Special Service Area #3	Capital Projects Special Service Area #15	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 13,247,624	\$ -	\$ -	\$ 423,868	\$ 13,671,492
Property tax receivable	145,598	69,800	46,574	54,700	316,672
State shared taxes receivable	875,768	-	-	-	875,768
Hotel tax receivable	35,409	-	-	-	35,409
Other receivables	-	-	-	1,836	1,836
Deposits	500	-	-	-	500
Deposit - Sheriff initiation fee	180,000	-	-	-	180,000
Prepaid items	158,647	2,281	-	1,847	162,775
Advances to other funds	813,991	-	-	-	813,991
TOTAL ASSETS	\$ 15,457,537	\$ 72,081	\$ 46,574	\$ 482,251	\$ 16,058,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 274,707	\$ 1,651	\$ -	\$ 5,592	\$ 281,950
Tax rebates payable					
Hotel tax	31,580	-	-	-	31,580
Sales tax	67,874	-	-	-	67,874
Unearned revenue	36,947	-	-	-	36,947
Advances from other funds	-	320,025	493,966	-	813,991
Total liabilities	411,108	321,676	493,966	5,592	1,232,342
DEFERRED INFLOWS OF RESOURCES					
Deferred property taxes	145,598	69,800	46,574	54,700	316,672
Total liabilities and deferred inflows of resources	556,706	391,476	540,540	60,292	1,549,014
FUND BALANCES					
Nonspendable					
Prepaid items	158,647	2,281	-	1,847	162,775
Deposits	180,000	-	-	-	180,000
Advances	813,991	-	-	-	813,991
Restricted for					
Maintenance of roadways	-	-	-	169,302	169,302
Special service area purposes	-	-	-	250,810	250,810
Unrestricted					
Assigned for capital outlay	5,000,000	-	-	-	5,000,000
Unassigned (deficit)	8,748,193	(321,676)	(493,966)	-	7,932,551
Total fund balances (deficit)	14,900,831	(319,395)	(493,966)	421,959	14,509,429
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 15,457,537	\$ 72,081	\$ 46,574	\$ 482,251	\$ 16,058,443

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

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

April 30, 2022

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 14,509,429

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds 17,563,381

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 32,072,810

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

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

April 30, 2022

	<u>Special Revenue Capital Projects</u>				Total Governmental Funds
	General	Special Service Area #3	Special Service Area #15	Nonmajor Governmental Funds	
REVENUES					
Property taxes	\$ 125,002	\$ 55,050	\$ 46,579	\$ 55,183	\$ 281,814
Road and bridge tax	31,202	-	-	-	31,202
Other taxes	4,284,364	-	-	-	4,284,364
Intergovernmental revenue	-	-	-	26,027	26,027
Licenses, permits and fees	106,467	-	-	-	106,467
Investment income	7,788	-	-	15	7,803
Miscellaneous	16,971	-	-	-	16,971
Total revenues	4,571,794	55,050	46,579	81,225	4,754,648
EXPENDITURES					
Current					
General government	400,953	-	-	460	401,413
Revenue sharing	1,067,600	-	-	-	1,067,600
Public safety	190,948	-	-	-	190,948
Public works	747,614	20,983	-	80,802	849,399
Capital outlay	38,250	-	-	-	38,250
Total expenditures	2,445,365	20,983	-	81,262	2,547,610
NET CHANGE IN FUND BALANCES	2,126,429	34,067	46,579	(37)	2,207,038
FUND BALANCES (DEFICIT), MAY 1	12,774,402	(353,462)	(540,545)	421,996	12,302,391
FUND BALANCES (DEFICIT), APRIL 30	\$ 14,900,831	\$ (319,395)	\$ (493,966)	\$ 421,959	\$ 14,509,429

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

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

April 30, 2022

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,207,038
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	38,943
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation	<u>(227,789)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,018,192</u></u>

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

**STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 135,000	\$ 125,002	\$ (9,998)
Road and bridge tax	36,500	31,202	(5,298)
Other taxes	3,432,900	4,284,364	851,464
Licenses, permits and fees	16,500	106,467	89,967
Investment income	15,000	7,788	(7,212)
Miscellaneous	2,045,000	16,971	(2,028,029)
	<hr/>	<hr/>	<hr/>
Total revenues	5,680,900	4,571,794	(1,109,106)
EXPENDITURES			
Current			
General government	436,100	400,953	(35,147)
Revenue sharing	950,000	1,067,600	117,600
Public safety	170,000	190,948	20,948
Public works	782,000	747,614	(34,386)
Capital outlay	5,700,000	38,250	(5,661,750)
Debt service			
Principal and interest	685,000	-	(685,000)
	<hr/>	<hr/>	<hr/>
Total expenditures	8,723,100	2,445,365	(6,277,735)
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	\$ (3,042,200)	2,126,429	\$ 5,168,629
	<hr/>	<hr/>	<hr/>
FUND BALANCE, MAY 1		12,774,402	
		<hr/>	
FUND BALANCE, APRIL 30		\$ 14,900,831	
		<hr/>	

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #3 FUND

For the Year Ended April 30, 2022

	Original Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 69,800	\$ 55,050	\$ (14,750)
Total revenues	69,800	55,050	(14,750)
EXPENDITURES			
Current			
Public works			
Traffic control	-	11,226	11,226
Engineering services	-	(1,130)	(1,130)
Snow and ice control	25,000	10,688	(14,312)
Road and bridge maintenance	5,000	199	(4,801)
Total expenditures	30,000	20,983	(9,017)
NET CHANGE IN FUND BALANCE	\$ 39,800	34,067	\$ (5,733)
FUND BALANCE (DEFICIT), MAY 1		(353,462)	
FUND BALANCE (DEFICIT), APRIL 30		\$ (319,395)	

See accompanying notes to financial statements.

VILLAGE OF METTAWA, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2022

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village was incorporated in January of 1960 under the laws of the State of Illinois and operates under a Mayor-Trustee form of government. The Village provides the following services as authorized by its governing board: highways and streets, public improvements, planning and zoning and general administrative services. Police protection is provided as a contracted service. As required by GAAP, these financial statements present the Village (the primary government). In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was based upon the significance of its operational or financial relationship with the primary government. Component units are legally separate entities for which the Village is financially accountable. Financial accountability exists when the Village (1) appoints the voting majority of the board and there is a financial benefit/burden relationship or the Village can impose its will on the component unit; (2) the potential component unit meets the fiscal dependency and financial benefit/burden criteria; or (3) it would be misleading to exclude the potential component unit. The Village does not present any component units.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain village functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Funds are classified into the following category: governmental.

Governmental funds are used to account for all of the Village's general activities, including the collection and disbursement of restricted or committed monies (special revenue funds), the funds restricted, committed or assigned for the acquisition or construction of major capital assets (capital projects funds) and the funds restricted, committed or assigned for the servicing of general long-term debt (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Village does not report any business-type activities.

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

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund is the general operating fund of the Village. It is used to account for all financial resources not accounted for in another fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Special Service Area #3 (SSA) is a special service area to provide maintenance and repair of water transmission mains, sanitary sewer trunk lines and lift stations (including force mains), storm sewer mains, street, curb, gutter, traffic signal, street lights, stormwater management consisting of stormwater detention and/or retention basins and their appurtenances, bicycle and equestrian trails and public sidewalks (including carriage walks), all of the services to be beneficial to the service area

Special Service Area #15 (SSA) is a capital projects fund that is used to account for the activity associated with the construction of infrastructure within the service area.

In addition, the Village maintains nonmajor governmental funds to account for debt service activities and specific revenue sources used for road maintenance, capital outlay and other specific maintenance activities.

Special Service Areas

The Village created several special service areas to provide municipal services to these areas, which include construction of water transmission mains, sanitary sewer, storm sewer, street pavements, etc. Ordinances creating certain of these special service areas authorized the issuance of bonds or interfund advances to finance the construction of these projects. These bonds and interfund advances will be retired by the levy of a direct annual tax on all property located within the service area for the entire period that the bonds and interfund advances are outstanding.

Municipal services provided to the special service areas and the maintenance of the projects constructed will be financed with the imposition of taxes, generally at a minimum rate of 0.55% on all taxable property within the service areas for a period of 99 years.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period, generally 60 days except for certain revenues collected by the state (e.g., sales and telecom taxes) which use a 90-day period.

The Village recognizes property taxes when they become both measurable and available in the year intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Those revenues susceptible to accrual are property taxes, franchise fees, licenses, interest revenue and charges for services. Sales and telecommunication taxes owed to the state at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measurable until received in cash.

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

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

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Investments

Investments with maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

f. Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due to/from other funds” on the financial statements. Long-term interfund loans are classified as “advances to/from other funds.”

g. Prepaid Items

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

h. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure assets (e.g., roads, bridges, stormwater systems) and intangibles (easements and software), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of \$25,000 for building and improvements, landscaping, paved streets and traffic signals and lighting and \$50,000 for sanitary and storm sewer infrastructure and an estimated useful life in excess of one year. All land and land improvements are capitalized, regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

h. Capital Assets (Continued)

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

Assets	Years
Building and improvements	50
Landscaping	30
Paved streets	50
Sanitary sewers	40
Storm sewers	40
Traffic signals and lighting	20

i. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not in spendable form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose or externally imposed by outside entities. Committed fund balance is constrained by formal actions of the Village Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include resolutions and ordinances (equally binding) approved by the Board of Trustees.

Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. Intent can be expressed by the Village Board of Trustees or by an official or body to which the Village Board of Trustees delegates the authority. Any residual fund balance of the General Fund is reported as unassigned. Deficit fund balances in any other governmental funds are also shown as unassigned.

The Village's flow of funds assumption prescribes that the funds with the highest level of constraint are expended first. If restricted or unrestricted funds are available for spending, the restricted funds are spent first. Additionally, if different levels of unrestricted funds are available for spending, the Village considers committed funds to be expended first followed by assigned and then unassigned funds.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the governmental activities column. Bond premiums and discounts, as well as gains and losses on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premiums or discounts. Bond issuance costs are expensed as incurred.

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

k. Deferred Outflows/Inflows of Resources

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

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

l. Budgetary Data

The Board of Trustees follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Within or before the first quarter of each fiscal year, the Board of Trustees adopts the annual budget and appropriation ordinance.
2. The budget document is available for public inspection for at least ten days prior to the Board of Trustees' public hearing and the passage of the annual budget and appropriation ordinance. The Board of Trustees is also required to hold at least one public hearing on the appropriation ordinance.
3. Subsequent to the enactment of the annual budget and appropriation ordinance, the Board of Trustees has the authority to make any necessary adjustments to the budget.

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Budgetary Data (Continued)

For each fund, total fund expenditures may not legally exceed the budgeted amounts. All appropriations lapse at the fiscal year end.

The budget was prepared on the modified accrual basis of accounting; the same basis used in the preparation of the Village's basic financial statements. The Special Service Area #2 Debt Service Fund were not budgeted.

The following funds had an excess of actual expenditures over budget for the fiscal year April 30, 2022:

	<u>Amount</u>
SSA #4	\$ 34,201
SSA #7	2,248

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

n. Postponement of Implementation of Certain Authoritative Guidance

The Village has elected to implement GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which was issued to provide temporary relief to governments and other stakeholders due to the COVID-19 pandemic. This provides for the postponement of the implementation of GASB Statement No. 87, *Leases*, to April 30, 2023.

2. DEPOSITS AND INVESTMENTS

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

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

The Village will invest in accordance with the guidelines provided in the Illinois Compiled Statutes, Chapter 30, Section 235/2 and Chapter 5, Section 220/15. Appropriate investments include:

1. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits that are direct obligations of any bank that is insured by the Federal Deposit Insurance Corporation (FDIC).
2. Bonds, notes, certificates of indebtedness, treasury bills or other securities guaranteed by the full faith and credit of the United States of America.
3. Bonds, notes, debentures or other similar obligations of the United States of America or its agencies.
4. Short-term obligations of United States corporations (commercial paper) with assets over \$500,000,000 if (a) such obligations are rated in the three highest classifications established by at least two standard rating services and mature not later than 180 days from the purchase date, (b) such purchases do not exceed 10% of the corporation's outstanding obligations and (c) such purchases do not exceed more than one-third of the Village's portfolio.
5. Money market mutual funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations of the United States Government or its agencies.
6. Illinois Funds

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

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires the pledging of collateral for any deposits in excess of FDIC with the collateral valued at 105% of its uninsured deposits with the collateral held in safekeeping by a third party or in the trust department of the pledging institution in the Village's name.

Investments

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by matching its investments with anticipated cash flow requirements. The investment portfolio is required to consist of securities with active secondary or resale markets in order to protect the liquidity of the portfolio.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by limiting investments to the types of securities listed above and diversifying the investment portfolio to the best of its abilities based on the type of funds invested and the cash flow needs of those funds.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village's investment policy requires all investment securities to be held by a third party custodian or trust department. Securities transactions are to be on a delivery versus payment (DVP) basis.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk.

The Village categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Village does not have any investments reported at fair value at April 30, 2022.

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. UNAVAILABLE/DEFERRED REVENUE - PROPERTY TAXES

Property taxes for the 2020 levy year attach as an enforceable lien on January 1, 2020, on property value assessed as of the same date. Taxes are levied by December 31 of the subsequent fiscal year end by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued on or about May 1, 2021 and August 1, 2021 and are payable in two installments, on or about June 1, 2021 and September 1, 2021. The County collects such taxes and remits them periodically. The 2021 tax levy is intended to finance the 2023 fiscal year and are not considered available for current operations and are, therefore, shown as unavailable/deferred revenue. The 2022 tax levy has not been recorded as a receivable at April 30, 2022, as the tax attached as a lien on property as of January 1, 2022; however, the tax will not be levied until December 2022 and, accordingly, is not measurable at April 30, 2022.

4. CAPITAL ASSETS

a. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 9,602,549	\$ -	\$ -	\$ 9,602,549
Land improvements	1,566,167	-	-	1,566,167
Construction in progress	40,513	38,943	-	79,456
Total capital assets not being depreciated	11,209,229	38,943	-	11,248,172
Capital assets being depreciated				
Landscaping	1,800,297	-	-	1,800,297
Paved streets	6,832,026	-	-	6,832,026
Sanitary sewer	392,497	-	-	392,497
Storm sewer	633,867	-	-	633,867
Total capital assets being depreciated	9,658,687	-	-	9,658,687
Less accumulated depreciation				
Landscaping	758,929	65,488	-	824,417
Paved streets	1,996,511	136,641	-	2,133,152
Sanitary sewer	167,972	9,813	-	177,785
Storm sewer	192,277	15,847	-	208,124
Total accumulated depreciation	3,115,689	227,789	-	3,343,478
Total capital assets being depreciated, net	6,542,998	(227,789)	-	6,315,209
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 17,752,227	\$ (188,846)	\$ -	\$ 17,563,381

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

a. Capital Assets (Continued)

Certain beginning balances were reclassified to reflect adjustments between categories. All depreciation expense was charged to the public works function of the primary government.

5. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

6. INTERFUND ASSETS/LIABILITIES

a. Advance To/From Other Funds

The General Fund has advanced SSA #3 and SSA #15 amounts of \$320,025 and \$493,966, respectively, for the purpose of financing infrastructure improvements, to be repaid by property tax levies in future periods.

d. Deficit Fund Balances

The following funds had a deficit fund balance at April 30, 2022:

<u>Fund</u>	<u>Amount</u>
Special Service Area #3	\$ (319,395)
Special Service Area #15	(493,966)

7. CONTINGENT LIABILITIES

a. Litigation

From time to time, the Village is a defendant in various lawsuits. In the opinion of the Village's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the Village. No such lawsuits were noted as of April 30, 2022.

VILLAGE OF METTAWA, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. CONTINGENT LIABILITIES (Continued)

b. 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.

8. COMMITMENTS

The Village entered into an intergovernmental agreement with the City of Lake Forest on February 11, 1998, to annex the real estate owned by the Illinois State Toll Highway Authority, which is commonly known as the Lake Forest Oasis. Following the annexation, the Village received sales tax generated from retail sales at the Lake Forest Oasis. Under the agreement, the Village remits 50% of such tax receipts to the City of Lake Forest. During the year ended April 30, 2022, \$180,703 was shared with the City of Lake Forest, of which \$67,874 was payable at April 30, 2022.

9. TAX ABATEMENTS

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

During fiscal year 2017, the Village entered into an economic incentive agreement with a local business. The agreement was approved by the Board of Trustees, in accordance with Illinois Compiled Statutes. The Village is required to rebate 30% of any hotel/motel tax revenue generated. At April 30, 2022, the Village has accrued an estimated rebate liability of \$31,580 for amounts collected or accrued by the Village through April 30, 2022, but not yet paid to the business. During the year, the Village rebated approximately \$116,297 of hotel taxes to this business. The agreement has no stated maximum. The rebate is not subject to recapture, in whole or in part.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
Property taxes	\$ 135,000	\$ 125,002	\$ (9,998)
Road and bridge taxes	36,500	31,202	(5,298)
Other taxes			
Sales - Oasis	280,000	317,647	37,647
Sales - other	1,780,000	2,271,336	491,336
Sales - Grainger	910,000	916,777	6,777
Personal property replacement	1,150	583	(567)
Use	23,450	21,581	(1,869)
Telecommunications	140,000	132,241	(7,759)
State shared income taxes	57,800	77,878	20,078
Hotel	200,000	406,053	206,053
Real estate transfer	40,000	139,358	99,358
Charity gaming tax	500	910	410
Total other taxes	3,432,900	4,284,364	851,464
Licenses and fees			
Building permits and inspections	-	93,553	93,553
Cable franchise fees	9,000	2,578	(6,422)
Liquor license fees	6,000	6,100	100
Total licenses and fees	15,000	102,231	87,231
Circuit court fines and fees	1,500	4,236	2,736
Miscellaneous revenues			
Investment income	15,000	7,788	(7,212)
Loan funds	2,000,000	-	(2,000,000)
Miscellaneous	45,000	16,971	(28,029)
Total miscellaneous revenues	2,060,000	24,759	(2,035,241)
TOTAL REVENUES	\$ 5,680,900	\$ 4,571,794	\$ (1,109,106)

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
Current			
General government			
Auditing	\$ 28,500	\$ 36,645	\$ 8,145
Bank fees	3,000	4,517	1,517
Dues and subscriptions	1,100	1,021	(79)
Financial/accounting services	47,000	35,010	(11,990)
Insurance and bonds	12,500	13,028	528
Legal	168,000	152,751	(15,249)
Maps and surveys	500	8,575	8,075
Miscellaneous	7,000	777	(6,223)
Office supplies	4,000	3,226	(774)
Planning consultants	27,000	26,970	(30)
Postage and copying	500	720	220
Printing and publishing	3,500	5,659	2,159
Recording fees	300	250	(50)
Telephone	3,200	2,293	(907)
Village administrator	67,000	44,692	(22,308)
Village clerk	42,000	50,660	8,660
Village office and meeting space	21,000	14,159	(6,841)
	<hr/>	<hr/>	<hr/>
Total general government	436,100	400,953	(35,147)
Revenue sharing			
Hotel tax rebate	60,000	116,297	56,297
Property tax rebate	750,000	770,600	20,600
Sales tax rebates	140,000	180,703	40,703
	<hr/>	<hr/>	<hr/>
Total revenue sharing	950,000	1,067,600	117,600
Public safety			
Police protection	170,000	190,948	20,948
	<hr/>	<hr/>	<hr/>
Total public safety	170,000	190,948	20,948
Public works			
Building permit services	385,000	355,111	(29,889)
Disposal services	60,000	61,152	1,152
Engineering fees	152,500	186,515	34,015
Mosquito control	27,000	26,830	(170)
Road and bridge maintenance	122,000	73,068	(48,932)
Snow and ice control	29,500	37,055	7,555
Special events	6,000	7,883	1,883
	<hr/>	<hr/>	<hr/>
Total public works	782,000	747,614	(34,386)
Capital outlay			
	<hr/>	<hr/>	<hr/>
Capital outlay	5,700,000	38,250	(5,661,750)
Debt service			
Principal and interest	685,000	-	(685,000)
	<hr/>	<hr/>	<hr/>
Total debt service	685,000	-	(685,000)
	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	\$ 8,723,100	\$ 2,445,365	\$ (6,277,735)

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #15 CAPITAL PROJECTS FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 46,600	\$ 46,579	\$ (21)
Total revenues	<u>46,600</u>	<u>46,579</u>	<u>(21)</u>
EXPENDITURES			
None	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 46,600</u>	46,579	<u>\$ (21)</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(540,545)</u>	
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (493,966)</u>	

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Motor Fuel Tax

Rebuild Illinois

Special Service Area #4

Special Service Area #5

Special Service Area #7

Special Service Area #9

Special Service Area #11

Special Service Area #13

Special Service Area #14

Special Service Area #10

DEBT SERVICE FUNDS

Special Service Area #2

VILLAGE OF METTAWA, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2022

	Special Revenue			
	Motor Fuel Tax	Rebuild Illinois	Special Service Area #4	Special Service Area #5
ASSETS				
Pooled cash and investments	\$ 143,433	\$ 24,033	\$ 40,987	\$ 48,604
Property tax receivable	-	-	11,000	1,000
Intergovernmental	1,836	-	-	-
Prepaid items	-	-	-	-
TOTAL ASSETS	\$ 145,269	\$ 24,033	\$ 51,987	\$ 49,604
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 710	\$ -
Total liabilities	-	-	710	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable property taxes	-	-	11,000	1,000
Total deferred inflows of resources	-	-	11,000	1,000
Total liabilities and deferred inflows of resources	-	-	11,710	1,000
FUND BALANCES				
Nonspendable				
Prepaid items	-	-	-	-
Restricted for				
Maintenance of roadways	145,269	24,033	-	-
Special service area purposes	-	-	40,277	48,604
Total fund balances	145,269	24,033	40,277	48,604
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 145,269	\$ 24,033	\$ 51,987	\$ 49,604

Special Service Area #7	Special Service Area #9	Special Revenue				Special Service Area #10	Debt Service Area #2	Total
		Special Service Area #11	Special Service Area #13	Special Service Area #14	Special Service Area #10			
\$ 57,493	\$ 59,356	\$ 17,071	\$ 7,028.00	\$ 20,162	\$ 5,170	\$ 531	\$ 423,868	
4,000	29,000	4,000	-	2,200	3,500	-	54,700	
-	-	-	-	-	-	-	1,836	
1,847	-	-	-	-	-	-	1,847	
<u>\$ 63,340</u>	<u>\$ 88,356</u>	<u>\$ 21,071</u>	<u>\$ 7,028</u>	<u>\$ 22,362</u>	<u>\$ 8,670</u>	<u>\$ 531</u>	<u>\$ 482,251</u>	
\$ 4,882	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,592	
4,882	-	-	-	-	-	-	5,592	
4,000	29,000	4,000	-	2,200	3,500	-	54,700	
4,000	29,000	4,000	-	2,200	3,500	-	54,700	
8,882	29,000	4,000	-	2,200	3,500	-	60,292	
1,847	-	-	-	-	-	-	1,847	
-	-	-	-	-	-	-	169,302	
52,611	59,356	17,071	7,028	20,162	5,170	531	250,810	
54,458	59,356	17,071	7,028	20,162	5,170	531	421,959	
<u>\$ 63,340</u>	<u>\$ 88,356</u>	<u>\$ 21,071</u>	<u>\$ 7,028</u>	<u>\$ 22,362</u>	<u>\$ 8,670</u>	<u>\$ 531</u>	<u>\$ 482,251</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

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

For the Year Ended April 30, 2022

	Special Revenue			
	Motor Fuel Tax	Rebuild Illinois	Special Service Area #4	Special Service Area #5
REVENUES				
Property taxes	\$ -	\$ -	\$ 11,000	\$ 1,000
Intergovernmental revenue	20,019	6,008	-	-
Investment income	15	-	-	-
Total revenues	20,034	6,008	11,000	1,000
EXPENDITURES				
Current				
General government	-	-	-	-
Public works	-	-	41,201	-
Total expenditures	-	-	41,201	-
NET CHANGE IN FUND BALANCE	20,034	6,008	(30,201)	1,000
FUND BALANCES, MAY 1	125,235	18,025	70,478	47,604
FUND BALANCES, APRIL 30	\$ 145,269	\$ 24,033	\$ 40,277	\$ 48,604

Special Revenue							Debt Service	
Special Service Area #7	Special Service Area #9	Special Service Area #11	Special Service Area #13	Special Service Area #14	Special Service Area #10	Special Service Area #2	Total	
\$ 4,000	\$ 29,483	\$ 4,000	\$ -	\$ 2,200	\$ 3,500	\$ -	\$ 55,183	
-	-	-	-	-	-	-	26,027	
-	-	-	-	-	-	-	15	
4,000	29,483	4,000	-	2,200	3,500	-	81,225	
-	-	-	-	-	-	460	460	
13,687	25,414	-	-	500	-	-	80,802	
13,687	25,414	-	-	500	-	460	81,262	
(9,687)	4,069	4,000	-	1,700	3,500	(460)	(37)	
64,145	55,287	13,071	7,028	18,462	1,670	991	421,996	
\$ 54,458	\$ 59,356	\$ 17,071	\$ 7,028	\$ 20,162	\$ 5,170	\$ 531	\$ 421,959	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
MOTOR FUEL TAX FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental revenues			
Motor fuel taxes	\$ 19,500	\$ 20,019	\$ 519
Investment income	200	15	(185)
	<hr/>	<hr/>	<hr/>
Total revenues	19,700	20,034	334
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
None	-	-	-
	<hr/>	<hr/>	<hr/>
Total expenditures	-	-	-
	<hr/>	<hr/>	<hr/>
NET CHANGE IN FUND BALANCE	<u>\$ 19,700</u>	20,034	<u>\$ 334</u>
FUND BALANCE, MAY 1		<u>125,235</u>	
FUND BALANCE, APRIL 30		<u>\$ 145,269</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
REBUILD ILLINOIS FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental revenue	\$ 12,016	\$ 6,008	\$ (6,008)
Total revenues	12,016	6,008	(6,008)
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 12,016</u>	6,008	<u>\$ (6,008)</u>
FUND BALANCE, MAY 1		<u>18,025</u>	
FUND BALANCE, APRIL 30		<u>\$ 24,033</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #4 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 11,000	\$ 11,000	\$ -
Total revenues	11,000	11,000	-
EXPENDITURES			
Current			
Public works			
Snow and ice control	-	104	104
Building services	7,000	41,097	34,097
Total expenditures	7,000	41,201	34,201
NET CHANGE IN FUND BALANCE	<u>\$ 4,000</u>	(30,201)	<u>\$ (34,201)</u>
FUND BALANCE, MAY 1		<u>70,478</u>	
FUND BALANCE, APRIL 30		<u>\$ 40,277</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #5 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 1,000	\$ 1,000	\$ -
Total revenues	1,000	1,000	-
EXPENDITURES			
Current			
Public works			
Contract maintenance	1,000	-	(1,000)
Total expenditures	1,000	-	(1,000)
NET CHANGE IN FUND BALANCE	\$ -	1,000	\$ 1,000
FUND BALANCE, MAY 1		47,604	
FUND BALANCE, APRIL 30		\$ 48,604	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #7 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 4,000	\$ 4,000	\$ -
Total revenues	4,000	4,000	-
EXPENDITURES			
Current			
Public works			
Engineering services	-	1,454	-
Snow and ice control	10,000	7,752	(2,248)
Contractual services	-	4,481	-
Total expenditures	10,000	13,687	(2,248)
NET CHANGE IN FUND BALANCE	<u>\$ (6,000)</u>	<u>(9,687)</u>	<u>\$ 2,248</u>
FUND BALANCE, MAY 1		<u>64,145</u>	
FUND BALANCE, APRIL 30		<u>\$ 54,458</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #9 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 29,000	\$ 29,483	\$ 483
Total revenues	<u>29,000</u>	<u>29,483</u>	<u>483</u>
EXPENDITURES			
Current			
Public works			
Engineering services	-	1,361	1,361
Snow and ice control	7,000	7,232	232
Contractual services	20,000	16,821	(3,179)
Total expenditures	<u>27,000</u>	<u>25,414</u>	<u>(1,586)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 2,000</u>	4,069	<u>\$ 2,069</u>
FUND BALANCE, MAY 1		<u>55,287</u>	
FUND BALANCE, APRIL 30		<u>\$ 59,356</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #11 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 4,000	\$ 4,000	\$ -
Total revenues	4,000	4,000	-
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	\$ 4,000	4,000	\$ -
FUND BALANCE, MAY 1		13,071	
FUND BALANCE, APRIL 30		\$ 17,071	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #13 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
None	\$ -	\$ -	\$ -
Total revenues	-	-	-
EXPENDITURES			
Current			
Public works			
Contractual services	7,010	-	(7,010)
Total expenditures	7,010	-	(7,010)
NET CHANGE IN FUND BALANCE	<u>\$ (7,010)</u>	-	<u>\$ 7,010</u>
FUND BALANCE, MAY 1		<u>7,028</u>	
FUND BALANCE, APRIL 30		<u>\$ 7,028</u>	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #14 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 2,200	\$ 2,200	\$ -
Total revenues	2,200	2,200	-
EXPENDITURES			
Public works			
Landscaping services	500	500	-
Engineering services	2,000	-	(2,000)
Total expenditures	2,500	500	(2,000)
NET CHANGE IN FUND BALANCE	\$ (300)	1,700	\$ 2,000
FUND BALANCE, MAY 1		18,462	
FUND BALANCE, APRIL 30		\$ 20,162	

(See independent auditor's report.)

VILLAGE OF METTAWA, ILLINOIS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SPECIAL SERVICE AREA #10 FUND**

For the Year Ended April 30, 2022

	Original and Final Budget	Actual	Variance Over (Under)
REVENUES			
Property taxes	\$ 3,500	\$ 3,500	\$ -
Total revenues	3,500	3,500	-
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
NET CHANGE IN FUND BALANCE	<u>\$ 3,500</u>	3,500	<u>\$ -</u>
FUND BALANCE , MAY 1		<u>1,670</u>	
FUND BALANCE, APRIL 30		<u>\$ 5,170</u>	

(See independent auditor's report.)