

# **VILLAGE OF LONG GROVE**

Long Grove, Illinois

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2016

# VILLAGE OF LONG GROVE

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## INDEPENDENT AUDITORS' REPORT

To the Village Board  
Village of Long Grove  
Long Grove, Illinois

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Long Grove's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

To the Village Board  
Village of Long Grove

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of April 30, 2016 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.

### ***Emphasis of Matter***

As discussed in Note I, the Village of Long Grove adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective May 1, 2015. Net position has been restated as of April 30, 2015 as a result. Our opinions are not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.

To the Village Board  
Village of Long Grove

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Long Grove's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
October 14, 2016

# VILLAGE OF LONG GROVE

## STATEMENT OF NET POSITION As of April 30, 2016

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 6,904,118	\$ 366,819	\$ 7,270,937
Taxes receivable	1,401,225	-	1,401,225
Accounts receivable	125,178	7,952	133,130
Special assessments receivable	-	1,598,259	1,598,259
Other receivables (net)	36,805	1,866	38,671
Due from other governments	84,534	-	84,534
Restricted cash and investments	478,830	38,762	517,592
Capital Assets			
Land	15,507,583	116,801	15,624,384
Construction in progress	172,408	-	172,408
Other capital assets, net of accumulated depreciation	6,108,699	2,749,620	8,858,319
Total Assets	<u>30,819,380</u>	<u>4,880,079</u>	<u>35,699,459</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	107,026	-	107,026
Total Deferred Outflows of Resources	<u>107,026</u>	<u>-</u>	<u>107,026</u>
<b>LIABILITIES</b>			
Accounts payable	353,499	3,493	356,992
Accrued interest	102,875	11,173	114,048
Escrow account	30,000	-	30,000
Current maturities of long-term debt	120,000	40,000	160,000
Net pension liability	585,882	-	585,882
Noncurrent portion of long-term debt			
Due in more than one year	3,995,000	825,000	4,820,000
Total Liabilities	<u>5,187,256</u>	<u>879,666</u>	<u>6,066,922</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unearned revenue	592,115	-	592,115
Total Deferred inflows of Resources	<u>592,115</u>	<u>-</u>	<u>592,115</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,788,690	2,001,421	23,790,111
Restricted for:			
Road projects	100,326	-	100,326
Economic development	90,128	-	90,128
Open space	3,784,467	-	3,784,467
Unrestricted (deficit)	(616,576)	1,998,992	1,382,416
<b>TOTAL NET POSITION</b>	<b>\$ 25,147,035</b>	<b>\$ 4,000,413</b>	<b>\$ 29,147,448</b>

See accompanying notes to financial statements.

## VILLAGE OF LONG GROVE

### STATEMENT OF ACTIVITIES For the Year Ended April 30, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental Activities							
General government	\$ 1,209,441	\$ 786,568	\$ -	\$ -	\$ (422,873)	\$ -	\$ (422,873)
Public safety	578,343	76,026	-	-	(502,317)	-	(502,317)
Public works	802,800	-	-	298,909	(503,891)	-	(503,891)
Culture and recreation	3,488	16,250	-	43,750	56,512	-	56,512
Conservation and development	683,477	136,952	165,004	-	(381,521)	-	(381,521)
Interest and fiscal charges	316,125	-	-	-	(316,125)	-	(316,125)
Total Governmental Activities	<u>3,593,674</u>	<u>1,015,796</u>	<u>165,004</u>	<u>342,659</u>	<u>(2,070,215)</u>	<u>-</u>	<u>(2,070,215)</u>
Business-type Activities							
Special service area - water	184,352	-	-	123,772	-	(60,580)	(60,580)
Water management	52,159	65,680	-	-	-	13,521	13,521
Total Business-type Activities	<u>236,511</u>	<u>65,680</u>	<u>-</u>	<u>123,772</u>	<u>-</u>	<u>(47,059)</u>	<u>(47,059)</u>
Totals	<u>\$ 3,830,185</u>	<u>\$ 1,081,476</u>	<u>\$ 165,004</u>	<u>\$ 466,431</u>	<u>(2,070,215)</u>	<u>(47,059)</u>	<u>(2,117,274)</u>
General Revenues							
Taxes							
Income					816,220	-	816,220
Sales					2,155,618	-	2,155,618
TIF increment/property taxes					310,317	-	310,317
Telecommunications					404,567	-	404,567
Other taxes					52,488	-	52,488
Investment income					25,468	1,744	27,212
Miscellaneous					37,236	-	37,236
Total General Revenues					<u>3,801,914</u>	<u>1,744</u>	<u>3,803,658</u>
Change in Net Position					1,731,699	(45,315)	1,686,384
NET POSITION - Beginning of Year (as restated)					<u>23,415,336</u>	<u>4,045,728</u>	<u>27,461,064</u>
NET POSITION - END OF YEAR					<u>\$ 25,147,035</u>	<u>\$ 4,000,413</u>	<u>\$ 29,147,448</u>

See accompanying notes to financial statements.



**VILLAGE OF LONG GROVE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of April 30, 2016

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and investments	\$ 5,098,884	\$ 1,255,708	\$ 267,191	\$ 282,335	\$ 6,904,118
Receivables (net)					
Taxes	986,057	-	409,943	5,225	1,401,225
Accounts	68,164	38,710	-	18,304	125,178
Other	25,311	11,019	-	475	36,805
Due from other funds	56,150	-	8,771	-	64,921
Due from other governments	-	-	-	84,534	84,534
Advance to other funds	3,200,388	2,479,030	-	-	5,679,418
Restricted cash and investments	30,000	-	448,830	-	478,830
<b>TOTAL ASSETS</b>	<b><u>\$ 9,464,954</u></b>	<b><u>\$ 3,784,467</u></b>	<b><u>\$ 1,134,735</u></b>	<b><u>\$ 390,873</u></b>	<b><u>\$ 14,775,029</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 258,394	\$ -	\$ 69,255	\$ 25,850	\$ 353,499
Due to other funds	-	-	-	64,921	64,921
Advance from other funds	-	-	5,594,884	84,534	5,679,418
Escrow account	30,000	-	-	-	30,000
Total Liabilities	<u>288,394</u>	<u>-</u>	<u>5,664,139</u>	<u>175,305</u>	<u>6,127,838</u>
Deferred Inflows of Resources					
Unearned revenue	227,549	-	339,566	25,000	592,115
Unavailable revenue	246,408	-	24,631	86,353	357,392
Total Deferred Inflows of Resources	<u>473,957</u>	<u>-</u>	<u>364,197</u>	<u>111,353</u>	<u>949,507</u>
Fund Balances					
Nonspendable	3,225,699	-	-	-	3,225,699
Restricted	-	3,784,467	448,830	188,635	4,421,932
Committed	1,592,681	-	-	-	1,592,681
Assigned	367,107	-	-	-	367,107
Unassigned (deficit)	3,517,116	-	(5,342,431)	(84,420)	(1,909,735)
Total Fund Balances	<u>8,702,603</u>	<u>3,784,467</u>	<u>(4,893,601)</u>	<u>104,215</u>	<u>7,697,684</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 9,464,954</u></b>	<b><u>\$ 3,784,467</u></b>	<b><u>\$ 1,134,735</u></b>	<b><u>\$ 390,873</u></b>	

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

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A. 21,788,690

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV. B. 357,392

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds. 107,026

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A. (4,803,757)

**NET POSITION OF GOVERNMENTAL ACTIVITIES** **\$ 25,147,035**

## VILLAGE OF LONG GROVE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2016

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 3,414,727	\$ -	\$ 610,964	\$ 23,665	\$ 4,049,356
Intergovernmental	-	-	-	258,125	258,125
Fees, licenses and permits	764,448	22,120	-	-	786,568
Fines, forfeitures and penalties	61,026	-	-	-	61,026
Public charges for services	168,523	-	-	-	168,523
Investment income	145,358	120,902	6,104	1,187	273,551
Miscellaneous	17,236	-	-	-	17,236
Total Revenues	4,571,318	143,022	617,068	282,977	5,614,385
<b>EXPENDITURES</b>					
Current					
General government	1,158,615	-	-	-	1,158,615
Public safety	569,143	-	-	-	569,143
Public works	384,386	-	-	-	384,386
Conservation and development	202,583	2,124	251,117	317	456,141
Capital Outlay	1,495,224	-	228,321	528,594	2,252,139
Debt Service					
Principal on bonds	-	-	150,000	-	150,000
Interest on bonds	-	-	319,875	-	319,875
Interest on advance	-	-	248,083	-	248,083
Total Expenditures	3,809,951	2,124	1,197,396	528,911	5,538,382
Excess (deficiency) of revenues over (under) expenditures	761,367	140,898	(580,328)	(245,934)	76,003
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of village property	20,000	-	-	-	20,000
Transfer in	-	-	31,032	-	31,032
Transfer out	(31,032)	-	-	-	(31,032)
Total Other Financing Sources (Uses)	(11,032)	-	31,032	-	20,000
<b>Net Change in Fund Balance</b>	750,335	140,898	(549,296)	(245,934)	96,003
FUND BALANCES (DEFICIT) - Beginning of Year	7,952,268	3,643,569	(4,344,305)	350,149	7,601,681
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	\$ 8,702,603	\$ 3,784,467	\$ (4,893,601)	\$ 104,215	\$ 7,697,684

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2016

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Net change in fund balances - total governmental funds	\$ 96,003
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	2,252,139
Some items reported as capital outlay were not capitalized	(388,671)
Depreciation is reported in the government-wide statements	(248,612)
Net book value of assets retired	(11,304)
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	(60,929)
Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position	150,000
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund	
Net pension liability	(103,331)
Deferred outflows of resources - pension-related items	42,654
Accrued interest on debt	3,750
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,731,699</u></b>

See accompanying notes to financial statements.

# VILLAGE OF LONG GROVE

## STATEMENT OF NET POSITION - PROPRIETARY FUND As of April 30, 2016

	<u>Water Utility</u>
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 366,819
Accounts receivable	7,952
Special assessments receivable	200,623
Other receivables (net)	<u>1,866</u>
Total Current Assets	<u>577,260</u>
Noncurrent Assets	
Special assessments receivable	1,397,636
Restricted Assets	
Bond reserve account	38,762
Capital Assets	
Land	116,801
Plant in service	3,434,797
Accumulated depreciation	<u>(685,177)</u>
Total Noncurrent Assets	<u>4,302,819</u>
Total Assets	<u>4,880,079</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	3,493
Accrued interest	11,173
Current portion of special service area bonds	<u>40,000</u>
Total Current Liabilities	<u>54,666</u>
Noncurrent Liabilities	
Special service area bonds payable	<u>825,000</u>
Total Noncurrent Liabilities	<u>825,000</u>
Total Liabilities	<u>879,666</u>
<b>NET POSITION</b>	
Net investment in capital assets	2,001,421
Unrestricted	<u>1,998,992</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 4,000,413</u></u>

See accompanying notes to financial statements.

## VILLAGE OF LONG GROVE

### STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND For the Year Ended April 30, 2016

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	<u>Water Utility</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ <u>65,680</u>
<b>OPERATING EXPENSES</b>	
Utility operations	21,751
Administrative	30,173
Depreciation	<u>114,966</u>
Total Operating Expenses	<u>166,890</u>
Operating Income (Loss)	<u>(101,210)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	1,744
Interest expense	<u>(69,621)</u>
Total Nonoperating Revenues (Expenses)	<u>(67,877)</u>
Income (loss) Before Contributions	(169,087)
<b>CONTRIBUTIONS</b>	
Contributions	<u>123,772</u>
Change in Net Position	(45,315)
TOTAL NET POSITION - Beginning of Year	<u>4,045,728</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ <u>4,000,413</u></u>

See accompanying notes to financial statements.

# VILLAGE OF LONG GROVE

## STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2016

	<u>Water Utility</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 79,702
Paid to suppliers for good and services	<u>(52,845)</u>
Net Cash Flows From Operating Activities	<u>26,857</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Special assessments received	177,716
Interest paid	(70,139)
Debt retired	<u>(40,000)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>67,577</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	<u>1,744</u>
Net Cash Flows From Investing Activities	<u>1,744</u>
<b>Net Change in Cash and Cash Equivalents</b>	96,178
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>309,403</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 405,581</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (101,210)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities	
Depreciation expense	114,966
Changes in assets and liabilities	
Accounts receivable	13,820
Accounts payable	(860)
Due from other funds	<u>141</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ 26,857</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUND</b>	
Cash and investments - statement of net position-proprietary fund	\$ 366,819
Restricted cash and investments - statement of net position - proprietary fund	<u>38,762</u>
<b>TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 405,581</u>

**NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES: None**

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of April 30, 2016

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>917,471</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>917,471</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 741,915
Due to bond holders or homeowners	<u>175,556</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>917,471</u></b>

# VILLAGE OF LONG GROVE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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The accounting policies of the Village of Long Grove, Illinois conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

#### **A. REPORTING ENTITY**

This report includes all of the funds of the Village of Long Grove (the village). The reporting entity for the village consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The village has not identified any organizations that meet this criteria.

#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

In June 2012, the GASB issued statement No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27*. This statement established standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 – *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented May 1, 2015.

#### ***Government-Wide Financial Statements***

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. 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 included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

#### ***Fund Financial Statements***

Financial statements of the village are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditures/expenses.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental fund that the village believes is particularly important to financial statement users may be reported as a major fund.

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

The village reports the following major governmental funds:

- General Fund – Accounts for the village’s primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.
- Special Revenue – Open Spaces – Accounts for resources legally restricted to supporting expenditures for the open space program.
- Special Revenue – Downtown Tax Incremental Financing (TIF) – Accounts for resources legally restricted to supporting expenditures for the Downtown TIF fund.

The village reports the following major enterprise fund:

- Water Utility – Accounts for the operations of the water system.

The village reports the following nonmajor governmental funds:

- Special Revenue Funds – Used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).
  - Motor Fuel Tax – Accounts for specific revenue sources that are legally restricted to expenditures for local road and related improvements.
  - Business District – Accounts for resources legally restricted to supporting expenditures for the business district.
  - Pathway Grant – Accounts for specific revenue sources that are legally restricted to expenditures for a pedestrian/bike path.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)**

##### ***Fund Financial Statements (cont.)***

In addition, the village reports the following fund types:

Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Interagency Control Fees
- Builders' Refundable Bonds
- Fees Refundable to Others
- Heron's Landing SSA

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION**

##### ***Government-Wide Financial Statements***

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and 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. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments, if any, are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

##### ***Fund Financial Statements***

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)**

##### ***Fund Financial Statements (cont.)***

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Revenues susceptible to accrual include sales and income taxes, property tax increment, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* 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 enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary 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 nonoperating revenues and expenses.

##### ***All Financial Statements***

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources 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.

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

##### **1. Cash, Cash Equivalents and Investments**

For purposes of reporting cash flows, the village considers all cash on hand, demand deposits, and highly liquid investments with a maturity of three months or less when purchased to be cash and cash equivalents.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **1. Cash, Cash Equivalents and Investments (cont.)**

Illinois Statutes authorize the village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The village has deposits and investments subject to custodial credit risk. The village's investment policy requires all deposits and investments to be securitized by insurance or collateral.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note IV.A. for further information.

##### **2. Receivables**

Property taxes for levy year 2015 attach as an enforceable lien on January 1, 2015, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The tax levy, which attached as an enforceable lien on the property as of January 1, has been recorded as a receivable as of April 30, 2016.

Tax bills for levy years are prepared by Lake County and issued on or about March 1, and September 1, and are payable in two installments, on or about April 1, and October 1, or within 30 days of the tax bills being issued.

The county collects such taxes and remits them periodically. The 2015 property tax levy is recognized as a receivable and deferred inflow in fiscal 2016, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2016, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2015 levy.

Accounts receivable have been shown net of an allowance for uncollectible accounts. The amount recorded as accounts receivable and other receivables has been reduced by an allowance for uncollectible accounts of \$574,624.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **2. Receivables (cont.)**

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as “due to and from other funds.” Long-term interfund loans (noncurrent portion) are reported as “advances from and to other funds.” Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

##### **3. Restricted Assets**

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

##### **4. Capital Assets**

###### **Government-Wide Statements**

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Machinery and Equipment	5-10 Years
Infrastructure	10-50 Years
Land Improvements	25 Years

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

---

### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **4. Capital Assets (cont.)**

###### ***Fund Financial Statements***

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

##### **5. Deferred Outflows of Resources**

A deferred outflow of resources represents a consumption of net position/fund balance that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

##### **6. Compensated Absences**

Under terms of employment, employees are granted sick leave and vacations in varying amounts. The benefits are not material to the financial statements; therefore, there are no amounts accrued in these financial statements.

##### **7. Long-Term Obligations**

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist entirely of bonds payable and the net pension liability.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

##### **8. Basis for Existing Rates – Proprietary Fund**

###### ***Water Management Fund***

The village approved Ordinance No. 2009-O-19 "Water Service Charge Ordinance" on April 14, 2009 and amended it on January 25, 2011 and April 26, 2011.

Current water service charge rates were approved by the village board and took effect on April 26, 2011.

##### **9. Deferred Inflows of Resources**

A deferred inflow of resources represents an inquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***10. Equity Classifications***

###### ***Government-Wide Statements***

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their 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 legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

When both restricted and unrestricted resources are available for use, it is the village’s policy to use restricted resources first, then unrestricted resources as they are needed.

###### ***Fund Statements***

Governmental fund balances are displayed as follows:

- a. Nonspendable - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted - Consists of fund balances with constraints placed on their 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 legislation.
- c. Committed - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (ordinance) of the village. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the village that originally created the commitment.
- d. Assigned - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. Fund balance may be assigned through the following; 1) The village has adopted a financial policy authorizing the Village Board to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.



# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### **D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)**

##### **10. Equity Classifications (cont.)**

- e. Unassigned - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The village considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the village would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The village adopted a minimum fund reserve policy effective April 26, 2011. The recommended minimum reserve balance shall be equal to 100% of the projected and actual total annual revenues. Until such reserve levels are established, the village annual budget should be balanced or revenue positive. Non-budgeted expenditures reducing the reserve below the minimum established level shall be limited to emergency or crisis situations and shall only be approved after a two-reading process, unless such process is waived pursuant to a 2/3 vote by the Board of Trustees.

See Note IV.H. for further information.

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### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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#### **A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION**

The governmental funds balance sheet includes reconciliation between total fund balance and net position of governmental activities as reported in the government-wide statement of net position. The reconciliation explains that "capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds." The details of this difference are as follows:

Land	\$ 15,507,583
Land improvements	3,774,426
Buildings	160,179
Machinery and equipment	199,531
Infrastructure	3,505,233
Construction in progress	172,408
Less: Accumulated depreciation	<u>(1,530,670)</u>
Adjustment for Capital Assets	<u>\$ 21,788,690</u>

## VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

### NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET POSITION (cont.)**

Long-term liabilities applicable to the village's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities – both current and long-term – are reported in the statement of net position.

Bonds payable	\$ 4,115,000
Net pension liability	585,882
Accrued interest	<u>102,875</u>
 Combined Adjustment for Long-Term Liabilities	 <u>\$ 4,803,757</u>

### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

**A. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following activities and funds had an excess of expenditures over appropriations at the legal level of budgetary control for the year ended April 30, 2016.

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Fringe benefits	\$ 168,500	\$ 172,806	\$ 4,306
Supplies	18,300	21,690	3,390
Equipment leases and maint.	11,000	11,687	687
Other maintenance	4,530	10,230	5,700
Building and zoning plan review	113,000	132,752	19,752
Audit	27,000	31,199	4,199
Inspections	50,000	69,075	19,075
Internet home page	2,000	5,830	3,830
Administrative services	4,000	6,182	2,182
Bad debt expense (IMET)	-	927	927
Other	400	675	275
Bridge inspections	2,000	2,840	840
Parking lot improvements	-	1,939	1,939
SWALCO	3,300	5,241	1,941
Downtown SSA – business and community partners	165,000	165,004	4
Road paving, culvert and ditch	977,436	1,375,831	398,395
Open Spaces Fund	-	2,124	2,124
Downtown TIF	842,749	1,197,396	354,647
Business District	-	317	317
Motor Fuel Tax	400,000	400,310	310
Pathway Grant	-	128,284	128,284

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

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#### **A. EXCESS EXPENDITURES OVER APPROPRIATIONS (cont.)**

The village controls expenditures at the object level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

#### **B. DEFICIT BALANCES**

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2016, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Downtown TIF fund	\$ 4,893,601	Expenditures in excess of revenues
Pathway Grant fund	84,420	Expenditures in excess of revenues

The TIF district deficit is anticipated to be funded with future incremental taxes and other revenues collected over the life of the district. The Pathway grant fund is anticipated to be funded with future expense reimbursement payments currently due from the State of Illinois.

#### **C. WATER SYSTEM DISCLOSURES**

The village approved ordinance establishing the water service charge requires the following annual disclosures:

1. Total volume of water received at the water plant for fiscal year 2015-16: 3,341,251 gallons.
2. Total volume of water billed for fiscal year 2015-16: 3,058,000 gallons.
3. Debt service for fiscal year 2016-17: \$106,521.
4. Number of users connected to the system: 22.
5. Number of non-metered users: 2.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV – DETAILED NOTES ON ALL FUNDS

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#### A. DEPOSITS AND INVESTMENTS

The village's cash and investments at year end were comprised of the following:

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 5,160,000	\$ 5,197,415	Custodial credit risk
Money market	2,621,218	2,621,218	Custodial credit risk
Open-ended money market mutual fund	924,542	924,542	N/A
Petty cash	240	-	N/A
Total Cash and Investments	<u>\$ 8,706,000</u>	<u>\$ 8,743,175</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 7,270,937		
Restricted cash and investments	517,592		
Per statement of net position –			
Agency funds	<u>917,471</u>		
Total Cash and Investments	<u>\$ 8,706,000</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts. Deposits in the credit union are insured by the National Credit Union Administration in the amount of \$250,000 for all share draft accounts and \$250,000 for all share certificate and regular share accounts.

The village maintains a \$10 million letter of credit with Baxter Credit Union to securitize its deposits throughout the year. In addition, the village securitizes its investments with UBS through SIPC and additional insurance offered.

#### ***Custodial Credit Risk***

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

The village does not have any deposits exposed to custodial credit risk.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **B. RECEIVABLES**

Accounts receivable and other receivables are reported net of currently uncollectible amounts. Allowances for accounts receivable amounts related to capital costs to be reimbursed by a developer in the amount of \$527,086 and an allowance for other receivable amounts related to an investment in IMET totaled \$47,538. The village continues to pursue collection of the IMET amount. The receivable from the developer is contingent upon requirements within an agreement with the village. See Note V.C.

All receivables are expected to be collected within one year, with the exception of the special assessments reported in the water utility fund, the TIF advance, the pathway grant advance, and the receivables noted above. The special assessments are anticipated to be collected over the remaining life of the assessments levied upon benefitting property owners within the SSA. Amounts reported as receivable are at present value using the same interest rate as the special service area bonds used to finance the related deep water well that was constructed.

Governmental funds report *unavailable or unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Taxes levied or collectible for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Totals
Taxes receivable	\$ 261,130	\$ 567,115	\$ 828,245
Grants	84,534	25,000	109,534
Franchise fee	11,728	-	11,728
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 357,392	\$ 592,115	\$ 949,507

#### **C. RESTRICTED ASSETS**

The Downtown TIF special revenue fund reports restricted assets in the amount of \$448,830. This balance is to account for resources set aside in a reserved bank account called the Reserve Fund as required by the September 29, 2010 Tax Compliance Certificate and Agreement approved with the issuance of the Limited Obligation Tax Increment Revenue Bonds.

The General fund reports restricted assets in the amount of \$30,000. This balance is an escrow account related to the potential sale of the Archer lots owned by the village.

The water utility proprietary fund reports \$38,762 of restricted assets being held in a separate bond reserve account as required by the 2011 Special Service Area Bonds.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### **D. CAPITAL ASSETS**

Capital asset activity for the year ended April 30, 2016 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 15,518,887	\$ -	\$ 11,304	\$ 15,507,583
Construction in progress	-	172,408	-	172,408
Total Capital Assets Not Being Depreciated	15,518,887	172,408	11,304	15,679,991
Capital assets being depreciated				
Land improvements	3,626,154	148,272	-	3,774,426
Buildings	124,947	35,232	-	160,179
Machinery and equipment	163,153	36,378	-	199,531
Bridges	229,776	-	-	229,776
Roads	1,804,279	1,471,178	-	3,275,457
Total Capital Assets Being Depreciated	5,948,309	1,691,060	-	7,639,369
Less: Accumulated depreciation for				
Land improvements	(866,808)	(150,977)	-	(1,017,785)
Buildings	(53,002)	(5,126)	-	(58,128)
Machinery and equipment	(104,839)	(3,856)	-	(108,695)
Bridges	(180,735)	(23,851)	-	(204,586)
Roads	(76,674)	(64,802)	-	(141,476)
Total Accumulated Depreciation	(1,282,058)	(248,612)	-	(1,530,670)
Governmental Activities Capital Assets, Net of Depreciation	\$ 20,185,138	\$ 1,614,856	\$ 11,304	\$ 21,788,690

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

Depreciation expense was charged to functions as follows:

**Governmental Activities**

General government	\$	15,600
Public works		88,653
Culture and recreation		18,476
Conservation and development		<u>125,883</u>

Total Governmental Activities Depreciation Expense	\$	<u>248,612</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 116,801	\$ -	\$ -	\$ 116,801
Capital assets being depreciated				
Public water system infrastructure	3,422,116	-	-	3,422,116
Equipment	<u>12,681</u>	<u>-</u>	<u>-</u>	<u>12,681</u>
Total Capital Assets Being Depreciated	<u>3,434,797</u>	<u>-</u>	<u>-</u>	<u>3,434,797</u>
Less: Accumulated depreciation	<u>(570,211)</u>	<u>(114,966)</u>	<u>-</u>	<u>(685,177)</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 2,981,387</u>	<u>\$ (114,966)</u>	<u>\$ -</u>	<u>\$ 2,866,421</u>

Depreciation expense was charged to functions as follows:

Water utility	\$	<u>114,966</u>
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**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Downtown TIF	Business district	\$ 8,771
General fund	Motor fuel tax	<u>56,150</u>
Total – Fund Financial Statements		64,921
Less: Fund eliminations		<u>(64,921)</u>
Total Internal Balances – Government-Wide Statement of Net Position		<u><u>\$ -</u></u>

The principal purpose of the \$56,150 in General fund receivable is to account for MFT related expenditures initially paid for out of the General fund. The principal purpose of the \$8,771 in the Downtown TIF fund is to account for sales tax amounts owed by the BID.

All amounts are expected to be repaid within one year.

***Advances***

The General Fund is advancing funds to the Downtown TIF special revenue fund. The amount advanced at April 30, 2016 was \$3,115,854. The advance is the combination of four amounts: 1) \$2,545,141 from funds advanced since the TIF's inception as authorized on December 8, 2009, the date upon which Ordinance No. 2009-O-44 was approved by the village board. This ordinance provided for the borrowing of up to \$3,000,000 between the General Fund and TIF at a rate of 4% with scheduled principal payments of \$250,000 every December 1, commencing on December 1, 2010 and continuing through December 1, 2021; 2) \$399,676 of interest due on the advance; 3) \$94,621 of arrearage charges applied to the unpaid, scheduled principal and interest payments; and 4) \$76,416 of interest being charged on the portion of the advance prior to December 8, 2009. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception.

The Open Spaces fund is advancing funds to the downtown TIF fund. The advance has been authorized by two Ordinances. Ordinance No. 2009-O-43 provides for the borrowing of up to \$1,500,000 between Open Spaces and the TIF fund, and 2011-O-07 provides for the borrowing of up to \$950,000 between Open Spaces and the TIF fund. The rate being charged according to these ordinances is 4%. Scheduled principal payments are required every December 1, commencing December 1, 2010 and continuing through December 1, 2019. The balance between open spaces and the Downtown TIF fund consists of: 1) \$2,038,125 from funds advanced since the TIF's inception; 2) \$326,100 of interest due on the advance; and 3) \$114,805 of arrearage charges applied to the unpaid, scheduled principal and interest payments.

The General Fund has advanced funds to the Pathway Grant fund to provide funding for capital costs incurred until the State of Illinois reimburses according to the grant agreement. No repayment schedule has been established and interest is not being charged.



**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Advances (cont.)**

The following is a schedule of the interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Downtown TIF	\$ 3,115,854
Open spaces fund	Downtown TIF	2,479,030
General fund	Pathway grant fund	<u>84,534</u>
Total – Fund Financial Statements		5,679,418
Less: Fund eliminations		<u>(5,679,418)</u>
Total Interfund Advances		<u><u>\$ -</u></u>

**Transfers**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Downtown TIF	General fund	<u>\$ 31,032</u>	To account for amounts owed to the TIF as required by Illinois State Statute 651LCS 5/11-74.4-8.
Total – Fund Financial Statements		31,032	
Less: Fund eliminations		<u>(31,032)</u>	
Total Transfers – Government-wide Statement of Activities		<u><u>\$ -</u></u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) moves receipts restricted to debt service from the funds collecting the receipts to the debt service fund, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended April 30, 2016, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds Payable					
Limited obligation tax increment revenue bonds	\$ 4,265,000	\$ -	\$ 150,000	\$ 4,115,000	\$ 120,000
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Special service area bonds (tax-exempt obligations)	\$ 905,000	\$ -	\$ 40,000	\$ 865,000	\$ 40,000

The village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the village. As of April 30, 2016, the statutory debt limit for the village was \$48,492,228, providing a debt margin of \$47,627,228.

**Revenue Debt**

The village has pledged future tax increment and other tax revenues, net of specified operating expenses, to repay limited obligation tax increment revenue bonds issued in September of 2010. Proceeds from the bonds provided financing for the Sunset Grove project. The bonds are payable solely from incremental taxes, business district taxes, and certain sales tax revenues from property described as the Sunset Grove Property pursuant to the Indenture and by other pledged revenues and are payable through January 1, 2030. Annual principal and interest payments on the bonds are expected to require 35.74% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$6,987,125. Principal and interest paid for the current year and total gross revenues were \$469,875 and \$610,964, respectively.

Revenue debt payable at April 30, 2016, consists of the following:

**Governmental Activities Revenue Debt**

<u>Revenue Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rate</u>	<u>Original Indebted- ness</u>	<u>Balance April 30, 2016</u>
Limited obligation tax increment revenue bonds, Series 2010	9/29/2010	01/01/2030	7.50%	\$ 4,450,000	\$ <u>4,115,000</u>

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

**Governmental Activities Revenue Debt (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Revenue Debt	
	Principal	Interest
2017	\$ 120,000	\$ 308,625
2018	130,000	299,625
2019	150,000	289,875
2020	175,000	278,625
2021	200,000	265,500
2022 – 2026	1,465,000	1,059,000
2027 – 2030	1,875,000	370,875
Totals	\$ 4,115,000	\$ 2,872,125

**Special Service Area Bonds**

The special service area bonds are payable from special taxes levied by the county, on behalf of the village, upon benefitting properties.

Special service area bonds payable at April 30, 2016, consists of the following:

**Business-type Activities**

Special Service Area Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance April 30, 2016
2011 Special service area bonds	2/01/2011	3/01/2029	7.75%	\$ 1,000,000	\$ 865,000

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

**NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Special Service Area Bonds (cont.)**

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Special Service Area Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 40,000	\$ 67,037
2018	45,000	63,938
2019	45,000	60,450
2020	50,000	56,962
2021	55,000	53,088
2022 – 2026	350,000	193,750
2027 – 2029	280,000	44,563
Totals	<u>\$ 865,000</u>	<u>\$ 539,788</u>

**No Commitment Debt**

**Heron’s Landing Special Service Area**

The village has issued \$1,365,000 of tax-exempt special tax bonds and \$435,000 of taxable special tax bonds. Series 2011A was issued in the amount of \$1,365,000 and Series 2011B was issued in the amount of \$435,000. The bonds are dated December 8, 2011 with interest rates ranging from 4.5% to 6.0%. Amounts are payable on June 15 and December 15 each year with a maturity date of December 15, 2041 for Series A and December 15, 2024 for Series B. These bonds are payable from specific user fees or a tax levy from the Heron’s Landing Special Service Area (SSA) only and are obligations of the SSA only, and are not village obligations. Proceeds from the bonds are being used to finance water mains and associated water distribution and storage facilities and equipment, and connections to single family homes in the Heron’s Landing subdivision. The village has entered into an Intergovernmental Agreement with Lake County. The county is responsible for overseeing and bidding the construction of the project and will accept conveyance of the water project from the village, as well as operate and maintain the water system. Lake County is reporting the construction activity in its financial statements.

These SSA bonds are treated as special assessment debt without village obligation. The village acts only as an agent for the property owners in collecting the assessments and forwarding them to the bond paying agent. Transactions for this activity are being recorded in the Heron’s Landing agency fund.

**G. LEASE DISCLOSURES**

The village has no material leases as lessee or lessor.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES**

Net position reported on the government wide statement of net position at April 30, 2016 includes the following:

##### **Governmental Activities**

Invested in capital assets	
Land	\$ 15,507,583
Construction in progress	172,408
Other capital assets, net of accumulated depreciation	<u>6,108,699</u>
Total Net Investment in Capital Assets	<u>21,788,690</u>
Restricted	
Road projects	100,326
Economic development	90,128
Open spaces	<u>3,784,467</u>
Total Restricted	<u>3,974,921</u>
Unrestricted (deficit)	<u>(616,576)</u>
Total Governmental Activities Net Position	<u>\$ 25,147,035</u>

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

#### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

#### H. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at April 30, 2016 include the following:

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Advances to other funds	\$ 3,200,388	\$ -	\$ -	\$ -	\$ 3,200,388
Long-term receivables	25,311	-	-	-	25,311
<b>Restricted for:</b>					
Land purchases	-	3,784,467	-	-	3,784,467
Economic development	-	-	-	88,309	88,309
Debt service – reserve fund	-	-	448,830	-	448,830
Road projects	-	-	-	100,326	100,326
<b>Committed for:</b>					
Open space maintenance	15,000	-	-	-	15,000
Pathway funds	152,744	-	-	-	152,744
Street sign fund	6,148	-	-	-	6,148
Covered bridge account	475,446	-	-	-	475,446
Office improvement funds	9,685	-	-	-	9,685
LM water connection	600,000	-	-	-	600,000
Village Hall sign fund	10,000	-	-	-	10,000
Shenandoah water	213,000	-	-	-	213,000
RT22 traffic signal	110,658	-	-	-	110,658
<b>Assigned subsequent year's budget:</b>					
	367,107	-	-	-	367,107
<b>Unassigned (deficit):</b>					
	3,517,116	-	(5,342,431)	(84,420)	(1,909,735)
Totals	\$ 8,702,603	\$ 3,784,467	\$ (4,893,601)	\$ 104,215	\$ 7,697,684

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

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#### **H. NET POSITION/FUND BALANCES (cont.)**

##### ***Business-type Activities***

Net investment in capital assets	
Land	\$ 116,801
Other capital assets, net of accumulated depreciation	2,749,620
Less: Related long-term debt outstanding	<u>(865,000)</u>
Total Net Investment in Capital Assets	2,001,421
Unrestricted	<u>1,998,992</u>
Total Business-type Activities Net Position	<u>\$ 4,000,413</u>

#### **I. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension liability and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>
Net Position - April 30, 2015 (as reported)	\$ 23,833,515
Add: Deferred outflows related to pensions	64,372
Less: Net pension liability	<u>(482,551)</u>
Net Position - April 30, 2015 (as restated)	<u>\$ 23,415,336</u>

# VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

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## NOTE V – OTHER INFORMATION

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### A. EMPLOYEES' RETIREMENT SYSTEM

#### Illinois Municipal Retirement Fund

**Plan description.** All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF has a two tier plan. Members who first participated in IMRF or an Illinois Reciprocal System prior to January 1, 2011 participate in Tier 1. All other members participate in Tier 2. For Tier 1 participants, pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) for credited service up to 15 years and 2% for each year thereafter.

For Tier 2 participants, pension benefits vest after 10 years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1 2/3% of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years, capped at \$106,800) for credited service up to 15 years and 2% for each year thereafter. However, an employee's total pension cannot exceed 75% of their final rate of earnings. If an employee retires after 10 years of service between the ages of 62 and 67, and has less than 30 years of service credit, the pension will be reduced by 1/2% for each month that the employee is under the age of 67. If an employee retires after 10 years of service between the ages of 62 and 67, and has between 30 and 35 years of service credit, the pension will be reduced by the lesser of 1/2% for each month that the employee is under the age of 67 or 1/2% for each month of service credit less than 35 years. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by Illinois Compiled Statutes.

**Plan membership.** At December 31, 2015, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	1
Inactive, non-retired members	2
Active members	<u>5</u>
Total	<u>8</u>

**Contributions.** As set by statute, Village employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's actuarially determined contribution rate for calendar year 2015 was 14.74% percent of annual covered payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.



# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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### NOTE V – OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Net Pension Liability/(Asset).** The net pension liability was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

**Summary of Significant Accounting Policies.** For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Actuarial Assumptions.** The assumptions used to measure the total pension liability in the December 31, 2015 annual actuarial valuation included a 7.34% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.34%
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Price inflation	2.75%

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

#### NOTE V – OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Long-Term Expected Real Rate of Return.** The long-term expected rate of return on pension plan investments was determined using an asset allocation study in which best-estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major asset class. These ranges were combined to produce long-term expected rate of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risks	
		One Year Arithmetic	Ten Year Geometric
Equities	38%	8.85%	7.39%
International Equities	17%	9.55%	7.59%
Fixed income	27%	3.05%	3.00%
Real estate	8%	7.20%	6.00%
Alternatives	9%		
Private equity		13.15%	8.15%
Hedge funds		5.55%	5.25%
Commodities		4.40%	2.75%
Cash equivalents	1%	2.25%	2.25%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.34%. The discount rate calculated using the December 31, 2015 measurement date was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.37% was blended with the index rate of 3.57% for tax exempt 20-year general obligation municipal bonds with an average AA credit rating at December 31, 2014 to arrive at a discount rate of 7.34% used to determine the total pension liability. The year ending December 31, 2062 is the last year in the 2016 to 2115 projection period for which projected benefit payments are fully funded.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the village calculated using the discount rate of 7.34% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.34%) or 1 percentage point higher (8.34%) than the current rate:

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

#### NOTE V – OTHER INFORMATION (cont.)

##### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Village:			
Total pension liability	\$ 2,068,916	\$ 1,803,444	\$ 1,583,004
Less: Plan fiduciary net pension	<u>(1,217,562)</u>	<u>(1,217,562)</u>	<u>(1,217,562)</u>
Net Pension Liability	<u>\$ 851,354</u>	<u>\$ 585,882</u>	<u>\$ 365,442</u>

Changes in net pension liability. The village's changes in net pension liability for the calendar year ended December 31, 2015 was as follows:

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a) - (b)</u>
Balances at December 31, 2014	\$ 1,652,767	\$ 1,170,216	\$ 482,551
Changes for the year:			
Service cost	51,972	-	51,972
Interest	122,041	-	122,041
Differences between expected and actual experience	15,160	-	15,160
Changes of assumptions	7,187	-	7,187
Contributions – village	-	64,372	(64,372)
Contributions – employees	-	19,652	(19,652)
Net investment income	-	5,947	(5,947)
Benefit payments, including refunds of employee contributions	(45,683)	(45,683)	-
Other changes	<u>-</u>	<u>3,058</u>	<u>(3,058)</u>
Net changes	<u>150,677</u>	<u>47,346</u>	<u>103,331</u>
Balances at December 31, 2015	<u>\$ 1,803,444</u>	<u>\$ 1,217,562</u>	<u>\$ 585,882</u>

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2015, the village recognized pension expense of \$82,950. The village reported deferred outflows of resources related to pension from the following sources:

	<u>Deferred Outflows of Resources</u>
Differences between expected and actual experience	\$ 12,248
Change of assumptions	5,807
Net difference between projected and actual investment earnings	66,698
Contributions subsequent to the measurement date	<u>22,273</u>
Total	<u>\$ 107,026</u>

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

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**NOTE V – OTHER INFORMATION (cont.)**

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**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending April 30, 2017. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>Total</u>
FY2017	\$ 20,966
FY2018	20,966
FY2019	20,966
FY2020	20,968
Thereafter	<u>887</u>
	<u>\$ 84,753</u>

**B. RISK MANAGEMENT**

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

**C. COMMITMENTS AND CONTINGENCIES**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is of the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The village has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for the expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

The Downtown TIF fund has incurred cumulative costs of \$527,086 through April 30, 2016 for the initial development costs of a project within the TIF district. The village has entered into a Redevelopment Agreement with the developer that requires the developer to reimburse the village for these costs if certain conditions within the agreement are not met.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2016

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#### NOTE V – OTHER INFORMATION (cont.)

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##### **C. COMMITMENTS AND CONTINGENCIES (cont.)**

On December 8, 2015, the village developer entered into a purchase and sale agreement for properties known as the “Archer lots.” Within this agreement, the \$527,086 is deferred until January 1, 2020, and provides for the potential of a waiver for all or a part of this amount based on the status of the sale of the Archer lots. The village currently has an allowance setup for 100% of these costs.

##### **D. JOINT VENTURE**

###### ***Description of Joint Venture***

The village is a member of the Solid Waste Agency of Lake County (“SWALCO”). SWALCO is a municipal corporation formed by Lake County and 43 municipalities within Lake County for the purpose of implementing the Lake County Solid Waste Management Plan. SWALCO has a Board of Directors made up from these members, an Executive Committee, a Legislative Committee and five staff members. SWALCO is established pursuant to the Intergovernmental Cooperation Act of the State of Illinois, the Illinois Local Solid Waste Disposal Act, the Illinois Planning and Recycling Act and Lake County Board Resolution #38 of September 12, 1989. Operations began on February 21, 1991.

SWALCO is funded from a surcharge imposed at sanitary landfills. The surcharge also funds the Lake County Health Department’s enforcement program. SWALCO also receives a yearly operations and maintenance fee from its members based on the number of households in each member community.

SWALCO generates revenue from user charges. The village paid \$5,241 to SWALCO during the year as accounted for in the general fund. The village does not have an equity interest in SWALCO.

Complete financial statements for SWALCO can be obtained from SWALCO’s website at [www.swalco.org](http://www.swalco.org).

##### **E. SUBSEQUENT EVENT**

On March 3, 2016 the Village Board approved an ordinance reducing water rates and minimum quarterly bills by 25% effective May 1, 2016.

## VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2016

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### NOTE V – OTHER INFORMATION (cont.)

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#### **F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

The Governmental Accounting Standards Board (GASB) has approved the following:

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14.*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82, *Pension Issues-an Amendment of GASB Statement No. 67, No. 68, and No. 73*

When they become effective, application of these standards may restate portions of these financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF LONG GROVE

### SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,244,400	\$ 3,194,400	\$ 3,414,727	\$ 220,327
Fees, licenses and permits	930,000	930,000	764,448	(165,552)
Fines, forfeitures and penalties	61,000	50,000	61,026	11,026
Public charges for services	216,000	151,571	168,523	16,952
Investment income	45,000	25,000	145,358	120,358
Miscellaneous revenues	<u>300,000</u>	<u>74,176</u>	<u>17,236</u>	<u>(56,940)</u>
Total Revenues	<u>4,796,400</u>	<u>4,425,147</u>	<u>4,571,318</u>	<u>146,171</u>
<b>EXPENDITURES</b>				
Current				
General government	1,192,205	1,156,844	1,158,615	(1,771)
Public safety	570,895	577,395	569,143	8,252
Public works	582,500	539,725	384,386	155,339
Conservation and development	255,100	218,375	202,583	15,792
Capital Outlay	<u>1,814,086</u>	<u>1,900,321</u>	<u>1,495,224</u>	<u>405,097</u>
Total Expenditures	<u>4,414,786</u>	<u>4,392,660</u>	<u>3,809,951</u>	<u>582,709</u>
Excess of revenues over expenditures	<u>381,614</u>	<u>32,487</u>	<u>761,367</u>	<u>728,880</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of village property	1,000,000	20,000	20,000	-
Transfer out	<u>-</u>	<u>-</u>	<u>(31,032)</u>	<u>(31,032)</u>
Total Other Financing Sources (Uses)	<u>1,000,000</u>	<u>20,000</u>	<u>(11,032)</u>	<u>(31,032)</u>
Net Change in Fund Balance	1,381,614	52,487	750,335	697,848
FUND BALANCE - Beginning of Year	<u>7,952,268</u>	<u>7,952,268</u>	<u>7,952,268</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 9,333,882</u>	<u>\$ 8,004,755</u>	<u>\$ 8,702,603</u>	<u>\$ 697,848</u>

See independent auditors' report and accompanying notes to required supplementary information.



## VILLAGE OF LONG GROVE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - OPEN SPACES For the Year Ended April 30, 2016

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	Original and Final Budget	Actual	Variance with Final Budget
<b>REVENUES</b>			
Fees, licenses and permits	\$ 42,850	\$ 22,120	\$ (20,730)
Investment income	-	5,426	5,426
Interest and arrearages on advance to TIF fund	-	115,476	115,476
Total Revenues	<u>42,850</u>	<u>143,022</u>	<u>100,172</u>
<b>EXPENDITURES</b>			
Current			
Conservation and development	-	2,124	(2,124)
Total Expenditures	<u>-</u>	<u>2,124</u>	<u>(2,124)</u>
Net Change in Fund Balance	42,850	140,898	98,048
FUND BALANCE - Beginning of Year	<u>3,643,569</u>	<u>3,643,569</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,686,419</u>	<u>\$ 3,784,467</u>	<u>\$ 98,048</u>

See independent auditors' report and accompanying notes to required supplementary information.

## VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DOWNTOWN TIF  
For the Year Ended April 30, 2016

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>			
Taxes	\$ 506,992	\$ 610,964	\$ 103,972
Investment income	180	6,104	5,924
Total Revenues	<u>507,172</u>	<u>617,068</u>	<u>109,896</u>
<b>EXPENDITURES</b>			
Conservation and development	30,000	251,117	(221,117)
Capital outlay	-	228,321	(228,321)
Debt service			
Principal on bonds	150,000	150,000	-
Interest on bonds	462,749	319,875	142,874
Interest on advances	200,000	248,083	(48,083)
Total Expenditures	<u>842,749</u>	<u>1,197,396</u>	<u>(354,647)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(335,577)</u>	<u>(580,328)</u>	<u>(244,751)</u>
<b>OTHER FINANCING SOURCES</b>			
Transfer in	-	31,032	31,032
Total Other Financing Sources	<u>-</u>	<u>31,032</u>	<u>31,032</u>
Net Change in Fund Balance	(335,577)	(549,296)	(213,719)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(4,344,305)</u>	<u>(4,344,305)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (4,679,882)</u>	<u>\$ (4,893,601)</u>	<u>\$ (213,719)</u>

See independent auditors' report and accompanying notes to required supplementary information.

# VILLAGE OF LONG GROVE

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

Most Recent Fiscal Year

	<b>2015</b>
<b>Total pension liability</b>	
Service cost	\$ 51,972
Interest	122,041
Differences between expected and actual experience	15,160
Changes of assumptions	7,187
Benefit payments, including refunds of member contributions	<u>(45,683)</u>
<b>Net change in total pension liability</b>	150,677
<b>Total pension liability - beginning</b>	<u>1,652,767</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 1,803,444</u>
 <b>Plan fiduciary net position</b>	
Employer contributions	\$ 64,372
Employee contributions	19,652
Net investment income	5,947
Benefit payments, including refunds of member contributions	(45,683)
Other (net transfer)	<u>3,058</u>
<b>Net change in plan fiduciary net position</b>	47,346
<b>Plan fiduciary net position - beginning</b>	<u>1,170,216</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 1,217,562</u>
 <b>Employer's net pension liability - ending (a) - (b)</b>	<u>\$ 585,882</u>
 <b>Plan fiduciary net position as a percentage of the total pension liability</b>	67.51%
 <b>Covered-employee payroll</b>	\$ 436,715
 <b>Employer's net pension liability as a percentage of covered-employee payroll</b>	134.16%

See independent auditors' report and accompanying notes to required supplementary information

**VILLAGE OF LONG GROVE**  
**ILLINOIS MUNICIPAL RETIREMENT FUND**  
**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Most Recent Fiscal Year

	<b>2015</b>
Actuarially determined contribution	\$ 64,372
Contributions in relation to the actuarially determined contribution	(64,372)
Contribution deficiency (excess)	\$ -
 Covered-employee payroll	\$ 436,715
 Contributions as a percentage of covered-employee payroll	14.74%

# VILLAGE OF LONG GROVE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2016

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### ***BUDGETARY INFORMATION***

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

The budgeted amounts presented include any amendments made. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the object level of expenditure.

### ***ILLINOIS MUNICIPAL RETIREMENT FUND:***

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 4 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	28 years
Asset valuation method	5-Year Smoothed Market
Inflation	3.00%
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2000 CHBCA

Other information:

There were no benefit changes during the year.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
Sales tax	\$ 1,630,000	\$ 1,580,000	\$ 1,819,560	\$ 239,560
Income tax	920,000	920,000	966,868	46,868
Road and bridge tax	45,000	45,000	43,164	(1,836)
Telecommunications tax	470,000	470,000	404,567	(65,433)
Downtown SSA - Business and community partners	165,000	165,000	165,004	4
Other taxes	14,400	14,400	15,564	1,164
Total Taxes	<u>3,244,400</u>	<u>3,194,400</u>	<u>3,414,727</u>	<u>220,327</u>
<b>FEES, PERMITS AND LICENSES</b>				
Franchise fees	135,000	145,000	152,433	7,433
Permits	750,000	745,000	566,443	(178,557)
Licenses	45,000	40,000	45,572	5,572
Total Fees, Permits and Licenses	<u>930,000</u>	<u>930,000</u>	<u>764,448</u>	<u>(165,552)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Citations	60,000	50,000	61,026	11,026
Fines	1,000	-	-	-
Total Fines, Forfeitures and Penalties	<u>61,000</u>	<u>50,000</u>	<u>61,026</u>	<u>11,026</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Long Grove Commons	16,000	16,571	16,571	-
Reimbursement - special detail	-	-	15,000	15,000
Tree Replacement	100,000	100,000	87,600	(12,400)
Stormwater review fees	100,000	35,000	49,352	14,352
Total Public Charges for Services	<u>216,000</u>	<u>151,571</u>	<u>168,523</u>	<u>16,952</u>
<b>INVESTMENT INCOME</b>				
Investment income	45,000	25,000	12,751	(12,249)
Interest and arrearages on advance to TIF fund	-	-	132,607	132,607
Total Investment Income	<u>45,000</u>	<u>25,000</u>	<u>145,358</u>	<u>120,358</u>
<b>MISCELLANEOUS REVENUES</b>				
SWALCO capacity agreement	-	-	416	416
Forfeited escrow	25,000	20,000	16,190	(3,810)
Other	275,000	54,176	630	(53,546)
Total Miscellaneous Revenues	<u>300,000</u>	<u>74,176</u>	<u>17,236</u>	<u>(56,940)</u>
<b>TOTAL GENERAL FUND REVENUES</b>	<u>\$ 4,796,400</u>	<u>\$ 4,425,147</u>	<u>\$ 4,571,318</u>	<u>\$ 146,171</u>

## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Employee Compensation				
Salaries and wages	\$ 435,500	\$ 438,500	\$ 436,003	\$ 2,497
Fringe benefits	170,300	168,500	172,806	(4,306)
Total Employee Compensation	<u>605,800</u>	<u>607,000</u>	<u>608,809</u>	<u>(1,809)</u>
Office				
Utilities	11,000	8,600	8,279	321
Supplies	17,500	18,300	21,690	(3,390)
Equipment leases and maintenance	11,300	11,000	11,687	(687)
Other maintenance	14,530	4,530	10,230	(5,700)
Total Office	<u>54,330</u>	<u>42,430</u>	<u>51,886</u>	<u>(9,456)</u>
Administrative and Professional				
Insurance	38,000	39,712	35,403	4,309
Dues, memberships and travel	5,390	5,390	4,699	691
Professional development and training	12,485	13,112	10,384	2,728
Legal	184,300	150,500	115,465	35,035
Building and zoning plan reviews	108,000	113,000	132,752	(19,752)
Bookkeeping	40,000	32,000	27,666	4,334
Audit	27,000	27,000	31,199	(4,199)
Inspections	50,000	50,000	69,075	(19,075)
Finance and grant consultant	30,000	10,000	-	10,000
Bridge supplement	500	500	480	20
Computer consultant	12,000	24,000	22,693	1,307
Internet home page	2,000	2,000	5,830	(3,830)
Administrative services	5,000	4,000	6,182	(2,182)
Legal notices and subscriptions	1,000	800	290	510
Total Administrative and Professional	<u>515,675</u>	<u>472,014</u>	<u>462,118</u>	<u>9,896</u>
Miscellaneous				
Mosquito abatement	16,000	35,000	34,200	800
Bad debt expense (IMET)	-	-	927	(927)
Other	400	400	675	(275)
Total Miscellaneous	<u>16,400</u>	<u>35,400</u>	<u>35,802</u>	<u>(402)</u>
Total General Government	<u>1,192,205</u>	<u>1,156,844</u>	<u>1,158,615</u>	<u>(1,771)</u>
<b>PUBLIC SAFETY</b>				
Village security	565,000	571,500	563,544	7,956
Emergency communication system	5,200	5,200	5,002	198
Other public safety	695	695	597	98
Total Public Safety	<u>570,895</u>	<u>577,395</u>	<u>569,143</u>	<u>8,252</u>



## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2016

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PUBLIC WORKS</b>				
Snow removal and salting	\$ 280,000	\$ 280,000	\$ 243,145	\$ 36,855
Emergency operations	50,000	50,000	-	50,000
Subtotal - snow removal and emergency operations	330,000	330,000	243,145	86,855
Mowing	45,000	25,000	20,050	4,950
Road signs and traffic calming	10,000	18,000	11,852	6,148
Utilities	19,000	19,000	16,937	2,063
Engineering	152,000	120,879	80,836	40,043
Public Water Supply	20,000	20,000	-	20,000
Bridge inspections	2,000	2,000	2,840	(840)
Parking lot improvements	-	-	1,939	(1,939)
SWALCO	3,000	3,300	5,241	(1,941)
Planting/Trees	1,500	1,546	1,546	-
Total Public Works	<u>582,500</u>	<u>539,725</u>	<u>384,386</u>	<u>155,339</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Community development grant	15,000	15,000	13,155	1,845
Downtown SSA - Business and community partners	165,000	165,000	165,004	(4)
CERT	100	100	-	100
Residents survey	35,000	18,275	18,275	-
Economic development	40,000	20,000	6,149	13,851
Total Conservation and Development	<u>255,100</u>	<u>218,375</u>	<u>202,583</u>	<u>15,792</u>
<b>CAPITAL OUTLAY</b>				
Office building improvements	55,000	79,600	76,035	3,565
Road paving, culvert and ditch	257,086	977,436	1,375,831	(398,395)
Bridge repair	-	23,604	16,141	7,463
Open space maintenance	20,000	20,000	5,000	15,000
Sewer matters	407,000	665,500	2,229	663,271
Downtown public water system	1,000,000	-	-	-
Downtown improvement and matching grant	25,000	25,000	-	25,000
Sidewalk and pathway installation	50,000	109,181	19,988	89,193
Total Capital Outlay	<u>1,814,086</u>	<u>1,900,321</u>	<u>1,495,224</u>	<u>405,097</u>
<b>TOTAL GENERAL FUND EXPENDITURES</b>	<u>\$ 4,414,786</u>	<u>\$ 4,392,660</u>	<u>\$ 3,809,951</u>	<u>\$ 582,709</u>

## VILLAGE OF LONG GROVE

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2016

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 164,022	\$ 93,199	\$ 25,114	\$ 282,335
Receivables				
Taxes	-	5,225	-	5,225
Accounts	18,304	-	-	18,304
Other	-	475	-	475
Due from State	-	-	84,534	84,534
 TOTAL ASSETS	 \$ 182,326	 \$ 98,899	 \$ 109,648	 \$ 390,873
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 25,850	\$ -	\$ -	\$ 25,850
Due to other funds	56,150	8,771	-	64,921
Advance from other funds	-	-	84,534	84,534
Total Liabilities	82,000	8,771	84,534	175,305
Deferred Inflows of Resources				
Unearned revenue	-	-	25,000	25,000
Unavailable revenue	-	1,819	84,534	86,353
Total Deferred Inflows of Resources	-	1,819	109,534	111,353
Fund Balances				
Restricted	100,326	88,309	-	188,635
Unassigned (deficit)	-	-	(84,420)	(84,420)
Total Fund Balances	100,326	88,309	(84,420)	104,215
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 \$ 182,326	 \$ 98,899	 \$ 109,648	 \$ 390,873

## VILLAGE OF LONG GROVE

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2016

	<u>Motor Fuel Tax</u>	<u>Business District</u>	<u>Pathway Grant</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ 23,665	\$ -	\$ 23,665
Intergovernmental	214,375	-	43,750	258,125
Investment income	775	389	23	1,187
Total Revenues	<u>215,150</u>	<u>24,054</u>	<u>43,773</u>	<u>282,977</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	317	-	317
Capital Outlay	400,310	-	128,284	528,594
Total Expenditures	<u>400,310</u>	<u>317</u>	<u>128,284</u>	<u>528,911</u>
Excess of revenues over expenditures	(185,160)	23,737	(84,511)	(245,934)
FUND BALANCES - Beginning of Year	<u>285,486</u>	<u>64,572</u>	<u>91</u>	<u>350,149</u>
FUND BALANCES - END OF YEAR	<u>\$ 100,326</u>	<u>\$ 88,309</u>	<u>\$ (84,420)</u>	<u>\$ 104,215</u>

## VILLAGE OF LONG GROVE

### COMBINING SUBFUNDS BALANCE SHEET PROPRIETARY FUND As of April 30, 2016

	Special Service Area - Water	Water Management	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 283,246	\$ 83,573	\$ 366,819
Accounts receivable	-	7,952	7,952
Special assessments receivable	200,623	-	200,623
Other receivables (net)	1,629	237	1,866
Total Current Assets	485,498	91,762	577,260
Noncurrent Assets			
Special assessments receivable	1,397,636	-	1,397,636
Restricted Assets			
Bond reserve account	38,762	-	38,762
Capital Assets			
Land	116,801	-	116,801
Plant in service	3,422,116	12,681	3,434,797
Accumulated depreciation	(681,364)	(3,813)	(685,177)
Total Noncurrent Assets	4,293,951	8,868	4,302,819
Total Assets	4,779,449	100,630	4,880,079
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	-	3,493	3,493
Accrued interest	11,173	-	11,173
Current portion of special service area bonds	40,000	-	40,000
Total Current Liabilities	51,173	3,493	54,666
Noncurrent Liabilities			
Special service area bonds payable	825,000	-	825,000
Total noncurrent liabilities	825,000	-	825,000
Total Liabilities	876,173	3,493	879,666
<b>NET POSITION</b>			
Net investment in capital assets	1,992,553	8,868	2,001,421
Unrestricted	1,910,723	88,269	1,998,992
TOTAL NET POSITION	\$ 3,903,276	\$ 97,137	\$ 4,000,413

## VILLAGE OF LONG GROVE

### COMBINING SUBFUNDS STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION - PROPRIETARY FUND

For the Year Ended April 30, 2016

	Special Service Area - Water	Water Management	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 65,680	\$ 65,680
<b>OPERATING EXPENSES</b>			
Utility operations	-	21,751	21,751
Administrative	660	29,513	30,173
Depreciation	114,071	895	114,966
Total Operating Expenses	114,731	52,159	166,890
Operating Income (Loss)	(114,731)	13,521	(101,210)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,377	367	1,744
Interest expense	(69,621)	-	(69,621)
Total Nonoperating Revenues (Expenses)	(68,244)	367	(67,877)
Income (loss) Before Contributions	(182,975)	13,888	(169,087)
<b>CONTRIBUTIONS</b>			
Contributions	123,772	-	123,772
Change in Net Position	(59,203)	13,888	(45,315)
TOTAL NET POSITION - Beginning of Year	3,962,479	83,249	4,045,728
TOTAL NET POSITION - END OF YEAR	\$ 3,903,276	\$ 97,137	\$ 4,000,413

## VILLAGE OF LONG GROVE

### COMBINING SUBFUNDS CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2016

	Special Service Area - Water	Water Management	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 184	\$ 79,518	\$ 79,702
Paid to suppliers for good and services	(660)	(52,185)	(52,845)
Net Cash Flows From Operating Activities	<u>(476)</u>	<u>27,333</u>	<u>26,857</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Special assessments received	177,716	-	177,716
Interest paid	(70,139)	-	(70,139)
Debt retired	(40,000)	-	(40,000)
Net Cash Flows From Capital and Related Financing Activities	<u>67,577</u>	<u>-</u>	<u>67,577</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	<u>1,377</u>	<u>367</u>	<u>1,744</u>
Net Cash Flows From Investing Activities	<u>1,377</u>	<u>367</u>	<u>1,744</u>
<b>Net Change in Cash and Cash Equivalents</b>	68,478	27,700	96,178
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>253,530</u>	<u>55,873</u>	<u>309,403</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 322,008</u>	<u>\$ 83,573</u>	<u>\$ 405,581</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (114,731)	\$ 13,521	\$ (101,210)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities			
Depreciation expense	114,071	895	114,966
Changes in assets and liabilities			
Accounts receivable	-	13,820	13,820
Accounts payable	61	(921)	(860)
Due from other funds	123	18	141
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (476)</u>	<u>\$ 27,333</u>	<u>\$ 26,857</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING SUBFUNDS BALANCE SHEET- PROPRIETARY FUND</b>			
Cash and investments - combining subfunds balance sheet-proprietary fund	\$ 283,246	\$ 83,573	\$ 366,819
Restricted cash and investments - combining subfunds balance sheet-proprietary fund	<u>38,762</u>	<u>-</u>	<u>38,762</u>
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 322,008</u>	<u>\$ 83,573</u>	<u>\$ 405,581</u>

**VILLAGE OF LONG GROVE**

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 As of April 30, 2016

	Agency				Totals
	Interagency Control Fees	Builders' Refundable Bonds	Fees Refundable to Others	Heron's Landing SSA	
<b>ASSETS</b>					
Cash and investments	\$ 55,349	\$ 630,997	\$ 55,569	\$ 175,556	\$ 917,471
TOTAL ASSETS	<u>\$ 55,349</u>	<u>\$ 630,997</u>	<u>\$ 55,569</u>	<u>\$ 175,556</u>	<u>\$ 917,471</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 55,349	\$ 630,997	\$ 55,569	\$ -	\$ 741,915
Due to bond holders or homeowners	-	-	-	175,556	175,556
TOTAL LIABILITIES	<u>\$ 55,349</u>	<u>\$ 630,997</u>	<u>\$ 55,569</u>	<u>\$ 175,556</u>	<u>\$ 917,471</u>