

VILLAGE OF LONG GROVE

Long Grove, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2019

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, 2019, 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.

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, 2019 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.

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 is not affected by this missing information.

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
December 4, 2019

VILLAGE OF LONG GROVE

STATEMENT OF NET POSITION

As of April 30, 2019

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 6,412,838	\$ 552,732	\$ 6,965,570
Taxes receivable	1,335,158	-	1,335,158
Accounts receivable	62,724	11,135	73,859
Special assessments receivable	-	1,365,893	1,365,893
Internal balances	700	(700)	-
Other receivables (net)	36,440	1,847	38,287
Due from agency fund	4,216	-	4,216
Due from other governments	33,484	-	33,484
Restricted cash and investments	448,688	39,732	488,420
Capital Assets			
Land	15,807,146	116,801	15,923,947
Construction in progress	623,188	-	623,188
Other capital assets, net of accumulated depreciation/amortization	8,862,493	4,819,467	13,681,960
Total Assets	<u>33,627,075</u>	<u>6,906,907</u>	<u>40,533,982</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related amounts	180,081	-	180,081
Total Deferred Outflows of Resources	<u>180,081</u>	<u>-</u>	<u>180,081</u>
LIABILITIES			
Accounts payable	664,936	8,605	673,541
Accrued interest	92,875	9,494	102,369
Noncurrent Liabilities			
Due within one year	175,000	50,000	225,000
Due in more than one year	4,106,451	685,000	4,791,451
Total Liabilities	<u>5,039,262</u>	<u>753,099</u>	<u>5,792,361</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related amounts	74,404	-	74,404
Unearned revenue	622,846	26,636	649,482
Total Deferred inflows of Resources	<u>697,250</u>	<u>26,636</u>	<u>723,886</u>
NET POSITION			
Net investment in capital assets	25,292,827	4,201,268	29,494,095
Restricted for:			
Pathways	73	-	73
Road projects	39,866	-	39,866
Economic development	172,294	-	172,294
Open space	4,021,517	-	4,021,517
Unrestricted (deficit)	<u>(1,455,933)</u>	<u>1,925,904</u>	<u>469,971</u>
TOTAL NET POSITION	<u><u>\$ 28,070,644</u></u>	<u><u>\$ 6,127,172</u></u>	<u><u>\$ 34,197,816</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2019

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	\$ 1,384,758	\$ 467,250	\$ -	\$ -	\$ (917,508)	\$ -	\$ (917,508)
Public safety	639,167	30,297	-	-	(608,870)	-	(608,870)
Public works	601,181	-	-	289,593	(311,588)	-	(311,588)
Culture and recreation	18,476	23,822	-	-	5,346	-	5,346
Conservation and development	526,166	123,300	165,185	-	(237,681)	-	(237,681)
Interest and fiscal charges	286,125	-	-	-	(286,125)	-	(286,125)
Total Governmental Activities	3,455,873	644,669	165,185	289,593	(2,356,426)	-	(2,356,426)
Business-type Activities							
Special service area - water	213,639	-	-	92,555	-	(121,084)	(121,084)
Water management	137,524	63,703	-	-	-	(73,821)	(73,821)
Special service area - downtown	-	-	-	-	-	-	-
Total Business-type Activities	351,163	63,703	-	92,555	-	(194,905)	(194,905)
Totals	\$ 3,807,036	\$ 708,372	\$ 165,185	\$ 382,148	(2,356,426)	(194,905)	(2,551,331)
General Revenues							
Taxes							
Income					880,788	-	880,788
Sales					2,008,391	-	2,008,391
TIF increment/property taxes					358,099	-	358,099
Telecommunications					238,245	-	238,245
Other taxes					64,643	-	64,643
Investment income					104,459	3,749	108,208
Miscellaneous					18,800	-	18,800
Transfers					(738,961)	738,961	-
Total General Revenues and Transfers					2,934,464	742,710	3,677,174
Change in Net Position					578,038	547,805	1,125,843
NET POSITION - Beginning of Year					27,492,606	5,579,367	33,071,973
NET POSITION - END OF YEAR					\$ 28,070,644	\$ 6,127,172	\$ 34,197,816

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2019

	General Fund	Open Spaces	Downtown TIF	Capital Improvement Fund	Nonmajor Governmental Funds	Totals
ASSETS						
Cash and investments	\$ 4,714,864	\$ 459,705	\$ 243,515	\$ 680,659	\$ 314,095	\$ 6,412,838
Receivables (net)						
Taxes	738,801	-	444,569	144,558	7,230	1,335,158
Accounts	15,317	22,120	7,484	-	17,803	62,724
Other	25,061	10,910	-	-	469	36,440
Due from other funds	3,239	-	14,878	147,266	-	165,383
Due from agency fund	4,216	-	-	-	-	4,216
Due from other governments	33,484	-	-	-	-	33,484
Advance to other funds	5,214,913	3,529,370	-	-	-	8,744,283
Restricted cash and investments	-	-	448,688	-	-	448,688
TOTAL ASSETS	\$ 10,749,895	\$ 4,022,105	\$ 1,159,134	\$ 972,483	\$ 339,597	\$ 17,243,214
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 199,854	\$ 588	\$ 380,699	\$ 41,660	\$ 20,943	\$ 643,744
Due to other funds	58,209	-	-	10,053	96,421	164,683
Advance from other funds	-	-	8,744,283	-	-	8,744,283
Other current liabilities	21,192	-	-	-	-	21,192
Total Liabilities	<u>279,255</u>	<u>588</u>	<u>9,124,982</u>	<u>51,713</u>	<u>117,364</u>	<u>9,573,902</u>
Deferred Inflows of Resources						
Unearned revenue	229,586	-	383,260	-	10,000	622,846
Unavailable revenue	113,786	-	21,777	54,200	2,572	192,335
Total Deferred Inflows of Resources	<u>343,372</u>	<u>-</u>	<u>405,037</u>	<u>54,200</u>	<u>12,572</u>	<u>815,181</u>
Fund Balances						
Nonspendable	5,239,974	-	-	-	-	5,239,974
Restricted	-	4,021,517	448,688	110,658	209,661	4,790,524
Assigned	-	-	-	755,912	-	755,912
Unassigned (deficit)	4,887,294	-	(8,819,573)	-	-	(3,932,279)
Total Fund Balances	<u>10,127,268</u>	<u>4,021,517</u>	<u>(8,370,885)</u>	<u>866,570</u>	<u>209,661</u>	<u>6,854,131</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 10,749,895	\$ 4,022,105	\$ 1,159,134	\$ 972,483	\$ 339,597	
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.						25,292,827
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.						192,335
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.						180,081
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.						(74,404)
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.						(4,374,326)
NET POSITION OF GOVERNMENTAL ACTIVITIES						\$ 28,070,644

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2019

	General Fund	Open Spaces	Downtown TIF	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 2,384,723	\$ -	\$ 608,762	\$ 685,237	\$ 29,950	\$ 3,708,672
Intergovernmental	-	-	-	-	212,593	212,593
Fees, licenses and permits	528,367	5,530	-	-	-	533,897
Fines, forfeitures and penalties	24,767	-	-	-	-	24,767
Public charges for services	85,695	-	77,000	-	-	162,695
Investment income	284,847	163,858	14,567	4,657	1,185	469,114
Miscellaneous	18,800	-	-	-	-	18,800
Total Revenues	<u>3,327,199</u>	<u>169,388</u>	<u>700,329</u>	<u>689,894</u>	<u>243,728</u>	<u>5,130,538</u>
EXPENDITURES						
Current						
General government	1,340,992	-	-	8,163	-	1,349,155
Public safety	639,167	-	-	-	-	639,167
Public works	244,204	-	-	-	-	244,204
Conservation and development	264,723	655	138,172	-	311	403,861
Capital Outlay	-	3,320	915,255	1,013,264	220,300	2,152,139
Debt Service						
Principal on bonds	-	-	150,000	-	-	150,000
Interest on bonds	-	-	289,875	-	-	289,875
Interest on advance	-	-	364,655	-	-	364,655
Total Expenditures	<u>2,489,086</u>	<u>3,975</u>	<u>1,857,957</u>	<u>1,021,427</u>	<u>220,611</u>	<u>5,593,056</u>
Excess (deficiency) of revenues over (under) expenditures	<u>838,113</u>	<u>165,413</u>	<u>(1,157,628)</u>	<u>(331,533)</u>	<u>23,117</u>	<u>(462,518)</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	35,810	933,082	-	968,892
Transfer out	(968,892)	-	-	-	-	(968,892)
Total Other Financing Sources (Uses)	<u>(968,892)</u>	<u>-</u>	<u>35,810</u>	<u>933,082</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(130,779)	165,413	(1,121,818)	601,549	23,117	(462,518)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>10,258,047</u>	<u>3,856,104</u>	<u>(7,249,067)</u>	<u>265,021</u>	<u>186,544</u>	<u>7,316,649</u>
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 10,127,268	\$ 4,021,517	\$ (8,370,885)	\$ 866,570	\$ 209,661	\$ 6,854,131

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, 2019

Net change in fund balances - total governmental funds	\$ (462,518)
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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	2,152,139
Some items reported as capital outlay were not capitalized	(207,671)
Depreciation is reported in the government-wide statements	(347,985)
Capital financed by Downtown TIF but capitalized by water utility fund	(738,961)

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	6,989
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Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position	150,000
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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	(209,937)
Deferred outflows of resources - pension-related items	110,233
Deferred inflows of resources - pension-related items	121,999
Accrued interest on debt	<u>3,750</u>

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 578,038</u>
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VILLAGE OF LONG GROVE

STATEMENT OF NET POSITION - PROPRIETARY FUND As of April 30, 2019

	Water Utility
ASSETS	
Current Assets	
Cash and investments	\$ 552,732
Accounts receivable	11,135
Special assessments receivable	204,580
Other receivables (net)	1,847
Total Current Assets	<u>770,294</u>
Noncurrent Assets	
Special assessments receivable	1,161,313
Restricted Assets	
Bond reserve account	39,732
Capital Assets	
Land	116,801
Plant in service	5,974,524
Accumulated depreciation	<u>(1,155,057)</u>
Total Noncurrent Assets	<u>6,137,313</u>
Total Assets	<u>6,907,607</u>
LIABILITIES	
Current Liabilities	
Accounts payable	8,605
Due to other funds	700
Accrued interest	9,494
Current portion of special service area bonds	<u>50,000</u>
Total Current Liabilities	<u>68,799</u>
Noncurrent Liabilities	
Special service area bonds payable	<u>685,000</u>
Total Noncurrent Liabilities	<u>685,000</u>
Total Liabilities	<u>753,799</u>
DEFERRED INFLOWS OF RESOURCES	
Unearned revenues	<u>26,636</u>
Total Deferred Inflows of Resources	<u>26,636</u>
NET POSITION	
Net investment in capital assets	4,201,268
Unrestricted	<u>1,925,904</u>
TOTAL NET POSITION	<u><u>\$ 6,127,172</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, 2019

	Water Utility
OPERATING REVENUES	
Charges for services	\$ 63,703
OPERATING EXPENSES	
Utility operations	64,118
Administrative	34,620
Depreciation	192,557
Total Operating Expenses	291,295
Operating Loss	(227,592)
NONOPERATING REVENUES (EXPENSES)	
Investment income	3,749
Interest expense	(59,868)
Total Nonoperating Revenues (Expenses)	(56,119)
Loss Before Contributions	(283,711)
CONTRIBUTIONS	
Contributions	92,555
Capital contributions - village	738,961
Change in Net Position	547,805
TOTAL NET POSITION - Beginning of Year	5,579,367
TOTAL NET POSITION - END OF YEAR	<u>\$ 6,127,172</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2019

	Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 60,121
Paid to suppliers for good and services	(97,652)
Net Cash Flows From Operating Activities	<u>(37,531)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments received	178,029
Interest paid	(60,449)
Debt retired	(45,000)
Net Cash Flows From Capital and Related Financing Activities	<u>72,580</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>3,749</u>
Net Cash Flows From Investing Activities	<u>3,749</u>
Net Change in Cash and Cash Equivalents	38,798
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>553,666</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 592,464</u></u>
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES	
Operating loss	\$ (227,592)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities	
Depreciation expense	192,557
Changes in assets and liabilities	
Accounts receivable	(4,390)
Accounts payable	(372)
Due from other funds	1,566
Due to other funds	<u>700</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ (37,531)</u></u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUND	
Cash and investments - statement of net position-proprietary fund	\$ 552,732
Restricted cash and investments - statement of net position - proprietary fund	<u>39,732</u>
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 592,464</u></u>
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital contributions from village	<u><u>\$ 738,961</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of April 30, 2019

	<u>Agency</u>
ASSETS	
Cash and investments	\$ 831,386
Accounts receivable	<u>65,997</u>
TOTAL ASSETS	<u>\$ 897,383</u>
LIABILITIES	
Accounts payable	\$ 702,785
Due to bond holders or homeowners	190,382
Due to village fund	<u>4,216</u>
TOTAL LIABILITIES	<u>\$ 897,383</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

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As of and for the Year Ended April 30, 2019

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VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Long Grove, Illinois (the “village”) 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. 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

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, 2019

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

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.
- Capital Projects – Downtown Tax Incremental Financing (TIF) – Accounts for resources legally restricted to supporting expenditures for the Downtown TIF fund.
- Capital Projects – Capital Improvement Fund – Used to account for and report financial resources that are restricted, committed, or assigned to expenditures to be used for capital improvement projects.

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, 2019

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

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, 2019

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, DEFERRED OUTFLOWS OF RESOURCES, 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, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, 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.

The village has investments subject to interest rate risk and credit risk. The village's investment policy does not address these risks.

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 methods and inputs as outlined in Note IV.A. 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 2018 attach as an enforceable lien on January 1, 2018, 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, 2019.

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 2018 property tax levy is recognized as a receivable and deferred inflow in fiscal 2018, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2019, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2018 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 \$566,913.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, 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 and intangibles, 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 acquisition 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
Intangibles	10 Years

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, 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, April 26, 2011, and June 28, 2016.

Current water service charge rates were approved by the village board and took effect on January 1, 2017.

9. Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition 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, 2019

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

D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, 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, and 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, 2019

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

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

10. Equity Classifications (cont.)

Fund Statements (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 December 12, 2018. The recommended minimum General Fund reserve balance shall be equal to 100% of the General Fund operating expenses as budgeted. 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. The village was in compliance with their policy at April 30, 2019.

See Note IV.G. for further information.

11. Pension

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 the Illinois Municipal Retirement Fund (IMRF) and additions to/deductions from IMRF's 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.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

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	\$ 15,807,146
Land improvements	4,416,262
Buildings	185,523
Machinery and equipment	232,303
Intangible	68,045
Infrastructure	6,467,338
Construction in progress	623,188
Less: Accumulated depreciation/amortization	<u>(2,506,978)</u>
Adjustment for Capital Assets	<u>\$ 25,292,827</u>

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	\$ 3,715,000
Net pension liability	566,451
Accrued interest	<u>92,875</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 4,374,326</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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, 2019.

<u>Fund</u>	<u>Budgeted Expenditures</u>	<u>Actual Expenditures</u>	<u>Excess Expenditures Over Budget</u>
General Fund			
Utilities	\$ 10,500	\$ 10,666	\$ 166
Legal	225,500	256,220	30,720
Building and zoning plan reviews	20,000	59,694	39,694
Resident communications	40,000	42,308	2,308
Bridge supplement	4,000	4,257	257
Legal notices and subscriptions	800	828	28
Other public safety	-	713	713
Public works utilities	19,000	23,437	4,437
Bridge repair	-	1,000	1,000
Sewer matters	1,000	2,390	1,390
Planting/trees	1,600	1,799	199
Downtown SSA – business and community partners	165,000	165,185	185
Open Spaces Fund	-	3,975	3,975
Business District	-	311	311
Downtown TIF Fund	1,536,084	1,857,957	321,873
Motor Tax Fuel Fund	200,000	220,300	20,300

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, 2019, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Downtown TIF fund	\$ 8,370,885	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, including transfers from the village's general fund, if necessary.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

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 2018-19: 5,145,000 gallons.
2. Total volume of water billed for fiscal year 2018-19: 5,113,000 gallons.
3. Debt service for fiscal year 2019-20: \$106,316.
4. Number of users connected to the system: 30.
5. Number of non-metered users: 2.

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 5,543,123	\$ 5,545,329	Custodial credit
Mutual funds – bond funds	1,825,412	1,825,412	Credit, interest rate
Open-ended money market mutual fund	916,601	916,601	N/A
Petty cash	240	-	N/A
Total Cash and Investments	<u>\$ 8,285,376</u>	<u>\$ 8,287,342</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 6,965,570		
Restricted cash and investments	488,420		
Per statement of net position –			
Agency funds	<u>831,386</u>		
Total Cash and Investments	<u>\$ 8,285,376</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.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

The village maintains a \$6 million letter of credit with Baxter Credit Union to securitize its deposits throughout the year. The village securitizes its investments with UBS through SIPC and additional insurance offered. In addition, collateral is maintained with BMO.

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

The valuation methods for recurring fair value measurements are as follows:

- > Market approach – prices or other information from market transactions involving identical or similar assets

Investment Type	April 30, 2018			
	Level 1	Level 2	Level 3	Total
Mutual funds – bond funds	\$ 1,825,412	\$ -	\$ -	\$ 1,825,412
Totals	<u>\$ 1,825,412</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,825,412</u>

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.

As of April 30, 2019, none of village deposits were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment.

As of April 30, 2019, the village's investments were as follows:

Investment Type	Maturity (In Years)	
	Fair Value	Less than One Year
Mutual funds – bond funds	\$ 1,825,412	\$ 1,825,412
Totals	<u>\$ 1,825,412</u>	<u>\$ 1,825,412</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

A. DEPOSITS AND INVESTMENTS (cont.)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of April 30, 2019, the village's investments were rated as follows:

<u>Investment Type</u>	<u>Standard & Poor's</u>
Mutual funds – bond funds	AAA

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 have been recorded in the amount of \$527,086. In addition, an allowance for other receivable amounts related to an investment in IMET totaled \$39,827. 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 \$1,161,313 of the special assessments reported in the water utility fund, the TIF 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 (7.75%) 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:

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Taxes receivable	\$ 179,822	\$ 612,846	\$ 792,668
Grants	-	10,000	10,000
Franchise fee	<u>12,513</u>	<u>-</u>	<u>12,513</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 192,335</u>	<u>\$ 622,846</u>	<u>\$ 815,181</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

C. RESTRICTED ASSETS

The Downtown TIF special revenue fund reports restricted assets in the amount of \$448,688. 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 water utility proprietary fund reports \$39,732 of restricted assets being held in a separate bond reserve account as required by the 2011 Special Service Area Bonds.

D. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2019 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 15,807,146	\$ -	\$ -	\$ 15,807,146
Construction in progress	369,069	621,428	367,309	623,188
Total Capital Assets Not Being Depreciated	16,176,215	621,428	367,309	16,430,334
Capital assets being depreciated				
Land improvements	4,095,465	320,797	-	4,416,262
Buildings	185,523	-	-	185,523
Machinery and equipment	224,845	7,458	-	232,303
Intangible	68,045	-	-	68,045
Bridges	991,525	-	-	991,525
Roads	4,852,680	623,133	-	5,475,813
Total Capital Assets Being Depreciated/Amortized	10,418,083	951,388	-	11,369,471

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

D. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Less: Accumulated depreciation/amortization for				
Land improvements	\$ (1,342,229)	\$ (170,235)	\$ -	\$ (1,512,464)
Buildings	(70,524)	(6,198)	-	(76,722)
Machinery and equipment	(118,095)	(5,446)	-	(123,541)
Intangible	(11,666)	(6,804)	-	(18,470)
Bridges	(256,027)	(22,407)	-	(278,434)
Roads	(360,452)	(136,895)	-	(497,347)
Total Accumulated Depreciation/Amortization	(2,158,993)	(347,985)	-	(2,506,978)
Governmental Activities Capital Assets, Net of Depreciation/Amortization	<u>\$ 24,435,305</u>	<u>\$ 1,224,831</u>	<u>\$ 367,309</u>	<u>\$ 25,292,827</u>

Depreciation/Amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 44,324
Public works	159,302
Culture and recreation	18,476
Conservation and development	<u>125,883</u>
Total Governmental Activities Depreciation/Amortization Expense	<u>\$ 347,985</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 116,801	\$ -	\$ -	\$ 116,801
Capital assets being depreciated				
Public water system infrastructure	5,222,882	738,961	-	5,961,843
Equipment	12,681	-	-	12,681
Total Capital Assets Being Depreciated	5,235,563	738,961	-	5,974,524
Less: Accumulated depreciation	(962,500)	(192,557)	-	(1,155,057)
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 4,389,864</u>	<u>\$ 546,404</u>	<u>\$ -</u>	<u>\$ 4,936,268</u>

Depreciation expense was charged to functions as follows:

Water utility	<u>\$ 192,557</u>
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VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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>
Capital Improvement Fund	Motor Fuel Tax Fund	\$ 89,057
Capital Improvement Fund	General Fund	58,209
Downtown TIF	Capital Improvement Fund	7,514
Downtown TIF	Business District	7,364
General Fund	Capital Improvement Fund	2,539
General Fund	Water Utility	700
Total – Fund Financial Statements		165,383
Less: Fund eliminations		(164,683)
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ 700</u>

The principal purpose of the \$7,364 in the Downtown TIF fund is to account for sales tax amounts owed by the BID. All remaining balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

All amounts are expected to be repaid within one year.

See page 52 for the elimination of interfunds related to the Water Utility subfunds.

Advances

The village has financed a significant amount of the costs incurred in the Downtown TIF capital projects fund since its inception through the authorization and use of funds advanced (borrowed) from the General Fund and the Open Spaces special revenue fund. The following details the amounts advanced.

General Fund advances to the Downtown TIF at April 30, 2019 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-44	12/08/2009	\$3,000,000	Principal	N/A	\$ 3,000,000
2016-O-30	12/13/2016	\$400,000	Principal	N/A	400,000
2018-O-06	02/12/2018	\$1,500,000	Principal	N/A	718,018
Ordinances noted above	As noted above	N/A	Interest	4%	796,424
Ordinances noted above	As noted above	N/A	Arrearages	2%	224,055
None	Prior to 12/08/2009	N/A	Principal	N/A	76,416
Total					<u>\$ 5,214,913</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

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

Advances (cont.)

Open Spaces advances to the Downtown TIF at April 30, 2019 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-43	12/08/2009	\$1,500,000	Principal	N/A	\$ 1,500,000
2011-O-07	1/25/2011	\$950,000	Principal	N/A	950,000
2016-O-29	12/13/2016	\$400,000	Principal	N/A	175,215
Ordinances noted above	As noted above	N/A	Interest	4%	647,205
Ordinances noted above	As noted above	N/A	Arrearages	2%	256,950
Total					<u>\$ 3,529,370</u>

The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. Principal and interest payments are specified within the ordinances but due to the negative financial position of the Downtown TIF, payments have not yet begun according to those scheduled.

The following is a schedule of the interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Downtown TIF	\$ 5,214,913
Open spaces fund	Downtown TIF	<u>3,529,370</u>
Total – Fund Financial Statements		8,744,283
Less: Fund eliminations		<u>(8,744,283)</u>
Total Interfund Balance for Advances – Government-wide Statement of Net Position		<u>\$ -</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

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

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>
Capital Improvement Fund	General Fund	\$ 933,082	To transfer funds as budgeted for snow removal expensed in the Capital Improvement Fund. Snow removal and salt will be budgeted for and expensed in the General Fund for fiscal 2019-20.
			To account for amounts owed to the TIF as required by Illinois State Statute 651LCS 5/11-74.4-8
Downtown TIF	General Fund	<u>35,810</u>	
Total – Fund Financial Statements		968,892	
Less: Fund eliminations		(968,892)	
Less: Capital contributions from governmental activities to business-type activities		<u>(738,961)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ (738,961)</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.

Since the inception of the Water Utility Fund, the Downtown TIF Fund has contributed capital resources to both the Special Service Area - Water and Water Management funds. In the future, if either of these Water Utility subfunds has the resources available, it is the village's intent to reimburse the Downtown TIF Fund. During the current fiscal year under audit, the amount contributed was \$738,961. To date, the Downtown TIF Fund has contributed resources of \$1,667,295 and \$1,959,518 to the Special Service Area - Water and Water Management funds, respectively, for a total of \$3,626,813.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2019, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
Limited obligation tax increment revenue bonds	\$ 3,865,000	\$ --	\$ 150,000	\$ 3,715,000	\$ 175,000
Other Liability					
Net pension liability (see Note V.A.)	356,514	209,937	-	566,451	-
Total Governmental Activities Long-Term Obligations	<u>\$ 4,221,514</u>	<u>\$ 209,937</u>	<u>\$ 150,000</u>	<u>\$ 4,281,451</u>	<u>\$ 175,000</u>
Business-type Activities					
Bonds and Notes Payable					
Special service area bonds (tax-exempt obligations)	<u>\$ 780,000</u>	<u>\$ -</u>	<u>\$ 45,000</u>	<u>\$ 735,000</u>	<u>\$ 50,000</u>

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, 2019, the statutory debt limit for the village was \$52,604,673, providing a debt margin of \$51,869,673.

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 32% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$5,689,000. Principal and interest paid for the current year and total gross revenues were \$439,875 and \$608,762, respectively.

Revenue debt payable at April 30, 2019, consists of the following:

Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rate	Original Indebted- ness	Balance April 30, 2019
Limited obligation tax increment revenue bonds, Series 2010	9/29/2010	01/01/2030	7.50%	\$ 4,450,000	<u>\$ 3,715,000</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

Governmental Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2020	\$ 175,000	\$ 278,625
2021	200,000	265,500
2022	230,000	250,500
2023	255,000	233,250
2024	285,000	214,125
2025 – 2029	2,015,000	690,375
2030	<u>555,000</u>	<u>41,625</u>
Totals	<u>\$ 3,715,000</u>	<u>\$ 1,974,000</u>

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, 2019, consists of the following:

Business-type Activities

<u>Special Service Area Bonds</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebted- ness</u>	<u>Balance April 30, 2019</u>
2011 Special service area bonds	2/01/2011	3/01/2029	7.75%	\$ 1,000,000	<u>\$ 735,000</u>

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>
2020	\$ 50,000	\$ 56,962
2021	55,000	53,088
2022	60,000	48,825
2023	65,000	44,175
2024	70,000	39,137
2025 – 2029	<u>435,000</u>	<u>106,176</u>
Totals	<u>\$ 735,000</u>	<u>\$ 348,363</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

F. LONG-TERM OBLIGATIONS (cont.)

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 oversaw the bidding and 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 reported the 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. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at April 30, 2019 includes the following:

Governmental Activities

Invested in capital assets	
Land	\$ 15,807,146
Construction in progress	623,188
Other capital assets, net of accumulated depreciation/amortization	8,862,493
Total Net Investment in Capital Assets	<u>25,292,827</u>
Restricted	
Pathways	73
Road projects	39,866
Economic development	172,294
Open spaces	4,021,517
Total Restricted	<u>4,233,750</u>
Unrestricted (deficit)	<u>(1,455,933)</u>
Total Governmental Activities Net Position	<u>\$ 28,070,644</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

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

G. NET POSITION/FUND BALANCES (cont.)

Governmental fund balances reported on the fund financial statements at April 30, 2019 include the following:

	General Fund	Open Spaces	Downtown TIF	Capital Improvement Fund	Nonmajor Governmental Funds	Totals
FUND BALANCES						
Nonspendable:						
Advances to other funds	\$ 5,214,913	\$ -	\$ -	\$ -	\$ -	\$ 5,214,913
Long-term receivables	25,061	-	-	-	-	25,061
Restricted:						
Land purchases	-	4,021,517	-	-	-	4,021,517
Economic development	-	-	-	-	169,722	169,722
Debt service – reserve fund	-	-	448,688	-	-	448,688
Road projects	-	-	-	-	39,866	39,866
Pathway projects	-	-	-	-	73	73
Route 22	-	-	-	110,658	-	110,658
Assigned:						
Open space maintenance	-	-	-	15,000	-	15,000
Pathway projects	-	-	-	252,744	-	252,744
Covered bridge account	-	-	-	339,231	-	339,231
Office improvement funds	-	-	-	59,685	-	59,685
Stormwater project	-	-	-	61,828	-	61,828
Capital projects	-	-	-	27,424	-	27,424
Unassigned (deficit):	<u>4,887,294</u>	<u>-</u>	<u>(8,819,573)</u>	<u>-</u>	<u>-</u>	<u>(3,932,279)</u>
Totals	<u>\$ 10,127,268</u>	<u>\$ 4,021,517</u>	<u>\$ (8,370,885)</u>	<u>\$ 866,570</u>	<u>\$ 209,661</u>	<u>\$ 6,854,131</u>

Business-type Activities

Net investment in capital assets	
Land	\$ 116,801
Other capital assets, net of accumulated depreciation	4,819,467
Less: Related long-term debt outstanding	<u>(735,000)</u>
Total Net Investment in Capital Assets	4,201,268
Unrestricted	<u>1,925,904</u>
Total Business-type Activities Net Position	<u>\$ 6,127,172</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE V – OTHER INFORMATION

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 \$114,952) 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, 2018, the measurement date, membership in the plan was as follows:

Retirees and beneficiaries	2
Inactive, non-retired members	1
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 2018 was 15.00% 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, 2019

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Net Pension Liability. The net pension liability was measured as of December 31, 2018, 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, 2018 annual actuarial valuation included a 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.5%, including inflation, and (c) 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 2017 valuation pursuant to an experience study of the period 2014-2016.

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.50%
Salary increases	3.75% to 14.5%, including inflation
Price inflation	2.75%

Mortality. For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). 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-2017 (base year 2015). 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-2017 (base year 2015). 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, 2019

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	Long-Term Expected Rate of Return
Equities	37%	7.15%
International Equities	18%	7.25%
Fixed income	28%	3.75%
Real estate	9%	6.25%
Alternatives	7%	3.20-8.50%
Cash equivalents	1%	2.50%

Discount rate. The discount rate used to measure the total pension liability for IMRF was 7.25%. The discount rate calculated using the December 31, 2017 measurement date was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that 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 7.25% was blended with the index rate of 3.71% for tax exempt 20-year general obligation municipal bonds to arrive at a discount rate of 7.25% used to determine the total pension liability. The year ending December 31, 2118 is the first year in the 2019 to 2118 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 7.50% 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 (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village:			
Total pension liability	\$ 2,448,957	\$ 2,159,897	\$ 1,917,651
Less: Plan fiduciary net pension	(1,593,446)	(1,593,446)	(1,593,446)
Net Pension Liability	\$ 855,511	\$ 566,451	\$ 324,205

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Changes in net pension liability. The village's changes in net pension liability for the calendar year ended December 31, 2018 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2017	\$ 1,958,650	\$ 1,602,136	\$ 356,514
Changes for the year:			
Service cost	50,086	-	50,086
Interest	146,903	-	146,903
Differences between expected and actual experience	(10,220)	-	(10,220)
Changes of assumptions	64,463	-	64,463
Contributions – village	-	69,736	(69,736)
Contributions – employees	-	20,921	(20,921)
Net investment income	-	(71,017)	71,017
Benefit payments, including refunds of employee contributions	(49,985)	(49,985)	-
Other changes	-	21,655	(20,655)
Net changes	201,247	(8,690)	209,937
Balances at December 31, 2018	\$ 2,159,897	\$ 1,593,446	\$ 566,451

Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions. For the year ended December 31, 2018, the village recognized pension expense of \$74,592. The village reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,519	\$ 25,226
Change of assumptions	55,678	49,178
Net difference between projected and actual investment earnings	97,950	-
Contributions subsequent to the measurement date	20,934	-
Total	\$ 180,081	\$ 74,404

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE V – OTHER INFORMATION (cont.)

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 for the year ending April 30, 2019. The remaining amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

	Total
FY2019	\$ 28,342
FY2020	1,081
FY2021	14,963
FY2022	40,357
Thereafter	-
Total	<u>\$ 84,743</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.

On December 8, 2015, a village developer entered into a purchase and sale agreement ("PSA") for properties known as the "Archer lots." Within this agreement, a \$527,086 receivable 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, and the timing and extent of development, of the Archer lots. The village currently has an allowance setup for 100% of these costs. The extent of the discount, if any, is set forth in the PSA. This receivable and the offsetting allowance are recorded in the Downtown TIF fund. The Archer lots were sold to the developer on September 12, 2017. See note V.F.

The village has \$2,347,193 of encumbrances outstanding at year-end related to the Capital Improvement Fund.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE V – OTHER INFORMATION (cont.)

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 \$3,241 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 at www.swalco.org.

E. TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The Village, in conjunction with its Downtown TIF capital project fund, has entered into a municipal sales tax rebate agreement with a developer in the form of municipal sales tax incentive payments to stimulate economic development. The rebates affect only the Village's share of the State sales taxes and are authorized through the TIF project plan as well as an agreement between the Village and Sunset Foods. The first \$1,000,000 collected in municipal sales taxes as generated by the Sunset Foods development remained with the Village and that threshold was reached during fiscal 2016-17. Subsequent to the \$1,000,000 being collected and retained by the Village, 40% of future municipal sales tax revenues from the Sunset Foods development are to be paid to Sunset Foods up to a maximum of \$1,000,000, and 60% is retained by the Village to be committed, along with the first \$1,000,000, to the payment of the TIF-backed bonds. Thus far, \$869,649 has been incurred for this rebate, including \$149,135 in the current fiscal year. Once the developer has been paid the full \$1,000,000 incentive payment, 100% of all subsequent municipal sales taxes generated by the Sunset Grove development will be retained by the Village.

In addition, the village has redevelopment sales tax incentive agreements with local businesses within the downtown tax increment financing district. The determined goal of these agreements is to stimulate private investment by offering incentives to property and business owners within the Historic Business District relating to improvements of their properties and places of business. Financial incentives in the form of partial reimbursement of verifiable capital improvement costs are subject to the terms and conditions within each agreement. As of April 30, 2019, several agreements were in place and \$2,734 has been paid, all in the current fiscal year.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2019

NOTE V – OTHER INFORMATION (cont.)

F. SUBSEQUENT EVENT

The village is pursuing a final agreement with a developer that would result in the payment to the village of a receivable in the amount of \$527,086 recorded in the Downtown TIF fund. Anticipated payment is January 1, 2020.

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 83, *Certain Asset Retirement Obligations*
- > Statement No. 84, *Fiduciary Activities*
- > Statement No. 87, *Leases*
- > Statement No. 88, *Certain Disclosures Related to Debt, including Debt Borrowings and Direct Placements*
- > Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*
- > Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*
- > Statement No. 91, *Conduit Debt Obligations*

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, 2019

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Taxes	\$ 2,440,000	\$ 2,458,100	\$ 2,384,723	\$ (73,377)
Fees, licenses and permits	780,000	670,000	528,367	(141,633)
Fines, forfeitures and penalties	41,000	31,000	24,767	(6,233)
Public charges for services	23,000	74,000	85,695	11,695
Investment income	190,000	225,000	284,847	59,847
Miscellaneous revenues	26,000	16,000	18,800	2,800
Total Revenues	<u>3,500,000</u>	<u>3,474,100</u>	<u>3,327,199</u>	<u>(146,901)</u>
EXPENDITURES				
Current				
General government	1,410,700	1,445,200	1,340,992	104,208
Public safety	638,700	638,700	639,167	(467)
Public works	308,600	333,600	244,204	89,396
Conservation and development	227,500	327,500	264,723	62,777
Total Expenditures	<u>2,585,500</u>	<u>2,745,000</u>	<u>2,489,086</u>	<u>255,914</u>
Excess of revenues over expenditures	<u>914,500</u>	<u>729,100</u>	<u>838,113</u>	<u>109,013</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	124,000	-	(124,000)
Transfer out	(889,873)	(948,082)	(968,892)	(20,810)
Total Other Financing Sources (Uses)	<u>(889,873)</u>	<u>(824,082)</u>	<u>(968,892)</u>	<u>(144,810)</u>
Net Change in Fund Balance	24,627	(94,982)	(130,779)	(35,797)
FUND BALANCE - Beginning of Year	<u>10,258,047</u>	<u>10,258,047</u>	<u>10,258,047</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 10,282,674</u>	<u>\$ 10,163,065</u>	<u>\$ 10,127,268</u>	<u>\$ (35,797)</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, 2019

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES				
Fees, licenses and permits	\$ 21,425	\$ 21,425	\$ 5,530	\$ (15,895)
Investment income	-	-	9,024	9,024
Interest and arrearages on advance to TIF fund	-	-	154,834	154,834
Total Revenues	<u>21,425</u>	<u>21,425</u>	<u>169,388</u>	<u>147,963</u>
EXPENDITURES				
Current				
Conservation and development	-	-	655	(655)
Capital Outlay	-	-	3,320	(3,320)
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,975</u>	<u>(3,975)</u>
Net Change in Fund Balance	21,425	21,425	165,413	143,988
FUND BALANCE - Beginning of Year	<u>3,856,104</u>	<u>3,856,104</u>	<u>3,856,104</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,877,529</u>	<u>\$ 3,877,529</u>	<u>\$ 4,021,517</u>	<u>\$ 143,988</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 For the Year Ended April 30, 2019

	Calendar Year 2018	Calendar Year 2017	Calendar Year 2016	Calendar Year 2015
Total Pension Liability				
Service cost	\$ 50,086	\$ 53,408	\$ 54,240	\$ 51,972
Interest	146,903	142,048	132,645	122,041
Differences between expected and actual experience	(10,220)	(22,202)	(12,020)	15,160
Changes of assumptions	64,463	(57,906)	(40,230)	7,187
Benefit payments, including refunds of member contributions	(49,985)	(47,944)	(46,833)	(45,683)
Net Change in Total Pension Liability	201,247	67,404	87,802	150,677
Total Pension Liability - Beginning	1,958,650	1,891,246	1,803,444	1,652,767
Total Pension Liability - Ending (a)	<u>\$ 2,159,897</u>	<u>\$ 1,958,650</u>	<u>\$ 1,891,246</u>	<u>\$ 1,803,444</u>
Plan Fiduciary Net Position				
Employer contributions	\$ 69,736	\$ 68,515	\$ 68,454	\$ 64,372
Employee contributions	20,921	20,486	20,147	19,652
Net investment income	(71,017)	229,665	85,450	5,947
Benefit payments, including refunds of member contributions	(49,985)	(47,944)	(46,833)	(45,683)
Other (net transfer)	21,655	(17,381)	4,015	3,058
Net Change in Plan Fiduciary Net Position	(8,690)	253,341	131,233	47,346
Plan Fiduciary Net Position - Beginning	1,602,136	1,348,795	1,217,562	1,170,216
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,593,446</u>	<u>\$ 1,602,136</u>	<u>\$ 1,348,795</u>	<u>\$ 1,217,562</u>
Employer's Net Pension Liability - Ending (a) - (b)	<u>\$ 566,451</u>	<u>\$ 356,514</u>	<u>\$ 542,451</u>	<u>\$ 585,882</u>
Plan fiduciary net position as a percentage of the total pension liability	73.77%	81.80%	71.32%	67.51%
Covered-employee payroll	\$ 464,916	\$ 455,243	\$ 447,700	\$ 436,715
Employer's net pension liability as a percentage of covered-employee payroll	121.84%	78.31%	121.16%	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 For the Year Ended April 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Fiscal Year Ending				
Contractually determined contributions	\$ 69,737	\$ 68,839	\$ 68,332	\$ 64,372
Contributions in relation to the contractually required contributions	<u>(69,736)</u>	<u>(68,839)</u>	<u>(68,332)</u>	<u>(64,372)</u>
Contribution Deficiency (Excess)	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 464,916	\$ 457,907	\$ 449,209	\$ 436,715
Contributions as a percentage of covered-employee payroll	15.00%	15.03%	15.21%	14.74%

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

VILLAGE OF LONG GROVE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2019

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	25-year closed period
Asset valuation method	5-Year Smoothed Market
Inflation	2.75%
Salary increases	3.75% to 14.5% 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	MP-2014

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, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
Sales tax	\$ 1,015,000	\$ 1,000,100	\$ 1,082,126	\$ 82,026
Income tax	890,000	953,000	831,572	(121,428)
Road and bridge tax	44,000	44,000	40,574	(3,426)
Telecommunications tax	300,000	267,000	238,245	(28,755)
Downtown SSA - Business and community partners	165,000	165,000	165,185	185
Other taxes	26,000	29,000	27,021	(1,979)
Total Taxes	<u>2,440,000</u>	<u>2,458,100</u>	<u>2,384,723</u>	<u>(73,377)</u>
FEES, PERMITS AND LICENSES				
Franchise fees	160,000	170,000	161,775	(8,225)
Permits	575,000	455,000	305,165	(149,835)
Licenses	45,000	45,000	61,427	16,427
Total Fees, Permits and Licenses	<u>780,000</u>	<u>670,000</u>	<u>528,367</u>	<u>(141,633)</u>
FINES, FORFEITURES AND PENALTIES				
Citations	40,000	30,000	24,767	(5,233)
Fines	1,000	1,000	-	(1,000)
Total Fines, Forfeitures and Penalties	<u>41,000</u>	<u>31,000</u>	<u>24,767</u>	<u>(6,233)</u>
PUBLIC CHARGES FOR SERVICES				
Long Grove Commons	23,000	24,000	23,822	(178)
Tree replacement	-	30,000	41,410	11,410
Stormwater review fees	-	20,000	20,463	463
Total Public Charges for Services	<u>23,000</u>	<u>74,000</u>	<u>85,695</u>	<u>11,695</u>
INVESTMENT INCOME				
Investment income	40,000	75,000	75,026	26
Interest and arrearages on advance to TIF fund	150,000	150,000	209,821	59,821
Total Investment Income	<u>190,000</u>	<u>225,000</u>	<u>284,847</u>	<u>59,847</u>
MISCELLANEOUS REVENUES				
Forfeited escrow	25,000	10,000	13,465	3,465
Other	1,000	6,000	5,335	(665)
Total Miscellaneous Revenues	<u>26,000</u>	<u>16,000</u>	<u>18,800</u>	<u>2,800</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 3,500,000</u>	<u>\$ 3,474,100</u>	<u>\$ 3,327,199</u>	<u>\$ (146,901)</u>

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND For the Year Ended April 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
GENERAL GOVERNMENT				
Employee Compensation				
Salaries and wages	\$ 465,500	\$ 471,000	\$ 461,104	\$ 9,896
Fringe benefits	206,700	206,700	188,771	17,929
Total Employee Compensation	<u>672,200</u>	<u>677,700</u>	<u>649,875</u>	<u>27,825</u>
Office				
Utilities	10,500	10,500	10,666	(166)
Supplies	23,000	23,000	19,339	3,661
Equipment leases and maintenance	13,000	13,000	10,852	2,148
Other maintenance	10,000	10,000	8,926	1,074
Total Office	<u>56,500</u>	<u>56,500</u>	<u>49,783</u>	<u>6,717</u>
Administrative and Professional				
Insurance	45,000	45,000	37,099	7,901
Dues, memberships and travel	3,000	3,000	1,814	1,186
Professional development and training	13,500	8,500	4,626	3,874
Legal	189,500	225,500	256,220	(30,720)
Building and zoning plan reviews	20,000	20,000	59,694	(39,694)
Route 53	50,000	50,000	14,617	35,383
Resident communications	40,000	40,000	42,308	(2,308)
Bookkeeping	50,000	50,000	41,270	8,730
Audit	35,000	42,000	41,504	496
Inspections	130,000	130,000	60,059	69,941
Newsletter - postage	4,000	4,000	4,257	(257)
Computer consultant	25,000	25,000	24,797	203
Internet home page	12,000	12,000	7,994	4,006
Administrative services	7,500	7,500	7,078	422
Legal notices and subscriptions	800	800	828	(28)
Total Administrative and Professional	<u>625,300</u>	<u>663,300</u>	<u>604,165</u>	<u>59,135</u>
Miscellaneous				
Mosquito abatement	36,000	36,000	36,000	-
Other	20,700	11,700	1,169	10,531
Total Miscellaneous	<u>56,700</u>	<u>47,700</u>	<u>37,169</u>	<u>10,531</u>
Total General Government	<u>1,410,700</u>	<u>1,445,200</u>	<u>1,340,992</u>	<u>104,208</u>
PUBLIC SAFETY				
Village security	633,500	633,500	633,452	48
Emergency communication system	5,200	5,200	5,002	198
Other public safety	-	-	713	(713)
Total Public Safety	<u>638,700</u>	<u>638,700</u>	<u>639,167</u>	<u>(467)</u>

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND (cont.) For the Year Ended April 30, 2019

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
PUBLIC WORKS				
Mowing	\$ 30,000	\$ 30,000	\$ 28,747	\$ 1,253
Road signs and traffic calming	23,000	23,000	14,343	8,657
Utilities	19,000	19,000	23,437	(4,437)
Engineering	92,000	117,000	96,753	20,247
Bridge inspections	1,500	1,500	69	1,431
SWALCO	5,500	5,500	3,241	2,259
Road paving, culvert and ditch	125,000	125,000	72,425	52,575
Bridge repair	-	-	1,000	(1,000)
Sewer matters	1,000	1,000	2,390	(1,390)
Infrastructure planning	10,000	10,000	-	10,000
Planting/Trees	1,600	1,600	1,799	(199)
Total Public Works	<u>308,600</u>	<u>333,600</u>	<u>244,204</u>	<u>89,396</u>
CONSERVATION AND DEVELOPMENT				
Community development grant	30,000	30,000	24,253	5,747
Downtown SSA - Business and community partners	165,000	165,000	165,185	(185)
CERT	2,500	2,500	-	2,500
Sunset Food incentive rebate	-	105,000	66,529	38,471
Economic development	30,000	25,000	8,756	16,244
Total Conservation and Development	<u>227,500</u>	<u>327,500</u>	<u>264,723</u>	<u>62,777</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 2,585,500</u>	<u>\$ 2,745,000</u>	<u>\$ 2,489,086</u>	<u>\$ 255,914</u>

VILLAGE OF LONG GROVE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

As of April 30, 2019

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 132,063	\$ 171,959	\$ 10,073	\$ 314,095
Receivables (net)				
Taxes	-	7,230	-	7,230
Accounts	17,803	-	-	17,803
Other	-	469	-	469
	<u>-</u>	<u>469</u>	<u>-</u>	<u>469</u>
 TOTAL ASSETS	 <u>\$ 149,866</u>	 <u>\$ 179,658</u>	 <u>\$ 10,073</u>	 <u>\$ 339,597</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 20,943	\$ -	\$ -	\$ 20,943
Due to other funds	89,057	7,364	-	96,421
	<u>110,000</u>	<u>7,364</u>	<u>-</u>	<u>117,364</u>
Total Liabilities				
Deferred Inflows of Resources				
Unearned revenue	-	-	10,000	10,000
Unavailable revenue	-	2,572	-	2,572
	<u>-</u>	<u>2,572</u>	<u>10,000</u>	<u>12,572</u>
Total Deferred Inflows of Resources				
Fund Balances				
Restricted	39,866	169,722	73	209,661
	<u>39,866</u>	<u>169,722</u>	<u>73</u>	<u>209,661</u>
Total Fund Balances				
	<u>39,866</u>	<u>169,722</u>	<u>73</u>	<u>209,661</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 149,866</u>	 <u>\$ 179,658</u>	 <u>\$ 10,073</u>	 <u>\$ 339,597</u>

VILLAGE OF LONG GROVE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2019

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 29,950	\$ -	\$ 29,950
Intergovernmental	212,593	-	-	212,593
Investment income	368	811	6	1,185
Total Revenues	<u>212,961</u>	<u>30,761</u>	<u>6</u>	<u>243,728</u>
EXPENDITURES				
Current				
Conservation and development	-	311	-	311
Capital Outlay	<u>220,300</u>	<u>-</u>	<u>-</u>	<u>220,300</u>
Total Expenditures	<u>220,300</u>	<u>311</u>	<u>-</u>	<u>220,611</u>
Excess (deficiency) of revenues over (under) expenditures	(7,339)	30,450	6	23,117
FUND BALANCES - Beginning of Year	<u>47,205</u>	<u>139,272</u>	<u>67</u>	<u>186,544</u>
FUND BALANCES - END OF YEAR	<u>\$ 39,866</u>	<u>\$ 169,722</u>	<u>\$ 73</u>	<u>\$ 209,661</u>

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - CAPITAL IMPROVEMENT FUND For the Year Ended April 30, 2019

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
TAXES				
Sales tax	\$ 729,769	\$ 729,769	\$ 685,237	\$ (44,532)
INTERGOVERNMENTAL				
SMC grant reimbursement	116,159	116,159	-	(116,159)
INVESTMENT INCOME	-	-	4,657	4,657
Total Revenues	845,928	845,928	689,894	(156,034)
EXPENDITURES				
CURRENT				
General Government				
Bank charges	-	-	300	(300)
Emergency operations	50,000	50,000	7,863	42,137
Total General Government	50,000	50,000	8,163	41,837
Capital Outlay				
Snow and ice control	290,000	290,000	465,763	(175,763)
Stormwater maintenance	61,828	61,828	7,477	54,351
Office equipment	26,000	26,000	7,457	18,543
Village properties	95,000	95,000	-	95,000
Bridges	76,800	76,800	-	76,800
Streets	1,477,882	1,477,882	530,028	947,854
Pathways	50,000	50,000	-	50,000
Demolition	-	-	2,539	(2,539)
Total Capital Outlay	2,077,510	2,077,510	1,013,264	1,064,246
Total Expenditures	2,127,510	2,127,510	1,021,427	1,106,083
Excess (deficiency) of revenues over expenditures	(1,281,582)	(1,281,582)	(331,533)	950,049
OTHER FINANCING SOURCES				
Transfers in	593,082	593,082	933,082	340,000
Total Other Financing Sources	593,082	593,082	933,082	340,000
Net Change in Fund Balance	(688,500)	(688,500)	601,549	1,290,049
FUND BALANCE - Beginning of Year	265,021	265,021	265,021	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (423,479)	\$ (423,479)	\$ 866,570	\$ 1,290,049

VILLAGE OF LONG GROVE

SCHEDULE OF BALANCE SHEET PROPRIETARY FUND As of April 30, 2019

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Elimination*	Totals
ASSETS					
Current Assets					
Cash and investments	\$ 529,569	\$ 23,163	\$ -	\$ -	\$ 552,732
Accounts receivable	-	11,135	-	-	11,135
Special assessments receivable	177,944	-	26,636	-	204,580
Other receivables (net)	1,613	234	-	-	1,847
Due from other funds	-	15,530	16,380	(31,910)	-
Total Current Assets	<u>709,126</u>	<u>50,062</u>	<u>43,016</u>	<u>(31,910)</u>	<u>770,294</u>
Noncurrent Assets					
Special assessments receivable	1,161,313	-	-	-	1,161,313
Restricted Assets					
Bond reserve account	39,732	-	-	-	39,732
Capital Assets					
Land	116,801	-	-	-	116,801
Plant in service	4,002,325	1,972,199	-	-	5,974,524
Accumulated depreciation	<u>(1,081,598)</u>	<u>(73,459)</u>	<u>-</u>	<u>-</u>	<u>(1,155,057)</u>
Total Noncurrent Assets	<u>4,238,573</u>	<u>1,898,740</u>	<u>-</u>	<u>-</u>	<u>6,137,313</u>
Total Assets	<u>4,947,699</u>	<u>1,948,802</u>	<u>43,016</u>	<u>(31,910)</u>	<u>6,907,607</u>
LIABILITIES					
Current Liabilities					
Accounts payable	-	8,455	150	-	8,605
Due to other funds	-	16,380	16,230	(31,910)	700
Accrued interest	9,494	-	-	-	9,494
Current portion of special service area bonds	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total Current Liabilities	<u>59,494</u>	<u>24,835</u>	<u>16,380</u>	<u>(31,910)</u>	<u>68,799</u>
Noncurrent Liabilities					
Special service area bonds payable	<u>685,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685,000</u>
Total Noncurrent Liabilities	<u>685,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>685,000</u>
Total Liabilities	<u>744,494</u>	<u>24,835</u>	<u>16,380</u>	<u>(31,910)</u>	<u>753,799</u>
DEFERRED INFLOWS OF RESOURCES					
Unearned revenues	-	-	26,636	-	26,636
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>26,636</u>	<u>-</u>	<u>26,636</u>
NET POSITION					
Net investment in capital assets	2,302,528	1,898,740	-	-	4,201,268
Unrestricted	<u>1,900,677</u>	<u>25,227</u>	<u>-</u>	<u>-</u>	<u>1,925,904</u>
TOTAL NET POSITION	<u>\$ 4,203,205</u>	<u>\$ 1,923,967</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,127,172</u>

* Elimination column created to remove the interfund activity of the Water Utility subfunds.

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - PROPRIETARY FUND For the Year Ended April 30, 2019

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Totals
OPERATING REVENUES				
Charges for services	\$ -	\$ 63,703	\$ -	\$ 63,703
OPERATING EXPENSES				
Utility operations	-	64,118	-	64,118
Administrative	639	33,981	-	34,620
Depreciation	153,132	39,425	-	192,557
Total Operating Expenses	153,771	137,524	-	291,295
Operating Loss	(153,771)	(73,821)	-	(227,592)
NONOPERATING REVENUES (EXPENSES)				
Investment income	3,516	233	-	3,749
Interest expense	(59,868)	-	-	(59,868)
Total Nonoperating Revenues (Expenses)	(56,352)	233	-	(56,119)
Loss Before Contributions	(210,123)	(73,588)	-	(283,711)
CONTRIBUTIONS				
Contributions	92,555	-	-	92,555
Capital contributions - village	201,016	537,945	-	738,961
Change in Net Position	83,448	464,357	-	547,805
TOTAL NET POSITION - Beginning of Year	4,119,757	1,459,610	-	5,579,367
TOTAL NET POSITION - END OF YEAR	\$ 4,203,205	\$ 1,923,967	\$ -	\$ 6,127,172

VILLAGE OF LONG GROVE

SCHEDULE OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2019

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Elimination*	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ -	\$ 45,311	\$ (16,380)	\$ 31,190	\$ 60,121
Paid to suppliers for good and services	(901)	(81,941)	16,380	(31,190)	(97,652)
Net Cash Flows From Operating Activities	(901)	(36,630)	-	-	(37,531)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Special assessments received	\$ 178,029	\$ -	\$ -	\$ -	\$ 178,029
Interest paid	(60,449)	-	-	-	(60,449)
Debt retired	(45,000)	-	-	-	(45,000)
Net Cash Flows From Capital and Related Financing Activities	72,580	-	-	-	72,580
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	3,516	233	-	-	3,749
Net Cash Flows From Investing Activities	3,516	233	-	-	3,749
Net Change in Cash and Cash Equivalents	75,195	(36,397)	-	-	38,798
CASH AND CASH EQUIVALENTS - Beginning of Year	494,106	59,560	-	-	553,666
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 569,301	\$ 23,163	\$ -	\$ -	\$ 592,464
RECONCILIATION OF OPERATING LOSS TO NET CASH FROM OPERATING ACTIVITIES					
Operating loss	\$ (153,771)	\$ (73,821)	\$ -	\$ -	\$ (227,592)
Adjustments to Reconcile Operating Loss to Net Cash Provided From Operating Activities					
Depreciation expense	153,132	39,425	-	-	192,557
Changes in assets and liabilities					
Accounts receivable	38	(4,428)	-	-	(4,390)
Accounts payable	(300)	(222)	150	-	(372)
Due from other funds	-	(13,964)	(16,380)	31,910	1,566
Due to other funds	-	16,380	16,230	(31,910)	700
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (901)	\$ (36,630)	\$ -	\$ -	\$ (37,531)
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING SUBFUNDS BALANCE SHEET- PROPRIETARY FUND					
Cash and investments - combining subfunds balance sheet-proprietary fund	\$ 529,569	\$ 23,163	\$ -	\$ -	\$ 552,732
Restricted cash and investments - combining subfunds balance sheet- proprietary fund	39,732	-	-	-	39,732
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 569,301	\$ 23,163	\$ -	\$ -	\$ 592,464
NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions from village	\$ 201,016	\$ 537,945	\$ -	\$ -	\$ 738,961

* Elimination column created to remove the interfund activity of the Water Utility subfunds.

VILLAGE OF LONG GROVE

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of April 30, 2019

	Agency				Totals
	Interagency Control Fees	Builders' Refundable Bonds	Fees Refundable to Others	Heron's Landing SSA	
ASSETS					
Cash and investments	\$ 31,600	\$ 578,940	\$ 30,464	\$ 190,382	\$ 831,386
Accounts receivable	-	-	65,997	-	65,997
TOTAL ASSETS	<u>\$ 31,600</u>	<u>\$ 578,940</u>	<u>\$ 96,461</u>	<u>\$ 190,382</u>	<u>\$ 897,383</u>
LIABILITIES					
Accounts payable	\$ 31,600	\$ 578,940	\$ 92,245	\$ -	\$ 702,785
Due to bond holders or homeowners	-	-	-	190,382	190,382
Due to village fund	-	-	4,216	-	4,216
TOTAL LIABILITIES	<u>\$ 31,600</u>	<u>\$ 578,940</u>	<u>\$ 96,461</u>	<u>\$ 190,382</u>	<u>\$ 897,383</u>