

VILLAGE OF LONG GROVE

Long Grove, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2015

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, 2015, and the related notes to the financial statements, which collectively comprise the Village of Long Grove's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

To the Village Board
Village of Long Grove

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of April 30, 2015 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 budgetary comparison schedules and schedule of funding progress 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 opinion 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 detailed schedules of revenues and expenditures - budget and actual for the general fund and the combining fund financial statements as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the detailed schedules of revenues and expenditures - budget and actual for the general fund and the combining fund financial statements as listed in the table of contents are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Madison, Wisconsin
November 5, 2015

VILLAGE OF LONG GROVE

STATEMENT OF NET POSITION

As of April 30, 2015

	Governmental	Business-type	
	<u>Activities</u>	<u>Activities</u>	<u>Totals</u>
ASSETS			
Cash and investments	\$ 6,803,967	\$ 270,644	\$ 7,074,611
Taxes receivable	1,414,036	-	1,414,036
Accounts receivable	175,554	21,764	197,318
Special assessments receivable	-	1,652,203	1,652,203
Other receivables	38,154	1,935	40,089
Internal balances	(141)	141	-
Restricted cash and investments	498,727	38,759	537,486
Capital Assets			
Land	15,518,887	116,801	15,635,688
Other capital assets, net of accumulated depreciation	4,666,251	2,864,585	7,530,836
Total Assets	<u>29,115,435</u>	<u>4,966,832</u>	<u>34,082,267</u>
LIABILITIES			
Accounts payable	256,366	4,414	260,780
Accrued interest	106,625	11,690	118,315
Escrow account	50,000	-	50,000
Current maturities of long-term debt	150,000	40,000	190,000
Noncurrent Liabilities			
Due in more than one year	4,115,000	865,000	4,980,000
Total Liabilities	<u>4,677,991</u>	<u>921,104</u>	<u>5,599,095</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	603,929	-	603,929
NET POSITION			
Net investment in capital assets	20,185,138	2,076,386	22,261,524
Restricted for:			
Road projects	285,486	-	285,486
Economic development	64,572	-	64,572
Pathways	91	-	91
Open space	3,643,569	-	3,643,569
Unrestricted (deficit)	<u>(345,341)</u>	<u>1,969,342</u>	<u>1,624,001</u>
TOTAL NET POSITION	<u><u>\$ 23,833,515</u></u>	<u><u>\$ 4,045,728</u></u>	<u><u>\$ 27,879,243</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF ACTIVITIES For the Year Ended April 30, 2015

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	\$ 1,059,052	\$ 822,914	\$ -	\$ -	\$ (236,138)	\$ -	\$ (236,138)
Public safety	591,163	75,707	-	-	(515,456)	-	(515,456)
Public works	1,183,738	-	-	893,955	(289,783)	-	(289,783)
Culture and recreation	18,476	16,401	-	-	(2,075)	-	(2,075)
Conservation and development	1,190,774	109,485	165,004	-	(916,285)	-	(916,285)
Interest and fiscal charges	325,375	-	-	-	(325,375)	-	(325,375)
Total Governmental Activities	4,368,578	1,024,507	165,004	893,955	(2,285,112)	-	(2,285,112)
Business-type Activities							
Special service area - water	189,351	-	-	118,842	-	(70,509)	(70,509)
Water management	56,108	86,651	-	-	-	30,543	30,543
Total Business-type Activities	245,459	86,651	-	118,842	-	(39,966)	(39,966)
Totals	\$ 4,614,037	\$ 1,111,158	\$ 165,004	\$ 1,012,797	(2,285,112)	(39,966)	(2,325,078)
General Revenues							
Taxes							
Income					828,276	-	828,276
Sales					1,920,473	-	1,920,473
TIF increment/property taxes					229,416	-	229,416
Telecommunications					445,758	-	445,758
Other taxes					52,393	-	52,393
Investment income					40,133	1,260	41,393
Miscellaneous					51,496	-	51,496
Total General Revenues					3,567,945	1,260	3,569,205
Change in Net Position					1,282,833	(38,706)	1,244,127
NET POSITION - Beginning of Year					22,550,682	4,084,434	26,635,116
NET POSITION - END OF YEAR					\$ 23,833,515	\$ 4,045,728	\$ 27,879,243

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

BALANCE SHEET GOVERNMENTAL FUNDS As of April 30, 2015

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
ASSETS					
Cash and investments	\$ 4,801,022	\$ 1,195,866	\$ 408,417	\$ 398,662	\$ 6,803,967
Receivables					
Taxes	1,022,445	-	385,953	5,638	1,414,036
Accounts	74,958	71,890	10,000	18,706	175,554
Other	26,238	11,424	-	492	38,154
Due from other funds	-	836	48,098	36	48,970
Advance to other funds	2,939,627	2,363,553	-	-	5,303,180
Restricted cash and investments	50,000	-	448,727	-	498,727
TOTAL ASSETS	\$ 8,914,290	\$ 3,643,569	\$ 1,301,195	\$ 423,534	\$ 14,282,588
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 253,194	\$ -	\$ 3,172	\$ -	\$ 256,366
Due to other funds	46,475	-	-	2,636	49,111
Advance from other funds	-	-	5,303,180	-	5,303,180
Escrow account	50,000	-	-	-	50,000
Total Liabilities	349,669	-	5,306,352	2,636	5,658,657
Deferred Inflows of Resources					
Unearned revenue	224,870	-	310,309	68,750	603,929
Unavailable revenue	387,483	-	28,839	1,999	418,321
Total Deferred Inflows of Resources	612,353	-	339,148	70,749	1,022,250
Fund Balances					
Nonspendable	2,965,865	-	-	-	2,965,865
Restricted	-	3,643,569	448,727	350,149	4,442,445
Committed	2,163,985	-	-	-	2,163,985
Unassigned (deficit)	2,822,418	-	(4,793,032)	-	(1,970,614)
Total Fund Balances	7,952,268	3,643,569	(4,344,305)	350,149	7,601,681
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 8,914,290	\$ 3,643,569	\$ 1,301,195	\$ 423,534	

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. 20,185,138

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. 418,321

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. (4,371,625)

NET POSITION OF GOVERNMENTAL ACTIVITIES **\$ 23,833,515**

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, 2015

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 3,051,955	\$ -	\$ 525,590	\$ 20,237	\$ 3,597,782
Intergovernmental	10,441	-	-	309,941	320,382
Fees, licenses and permits	739,964	82,950	-	-	822,914
Fines, forfeitures and penalties	75,707	-	-	-	75,707
Public charges for services	125,105	-	-	-	125,105
Investment income	155,526	120,842	4,708	1,172	282,248
Miscellaneous	51,496	-	-	-	51,496
Total Revenues	<u>4,210,194</u>	<u>203,792</u>	<u>530,298</u>	<u>331,350</u>	<u>5,275,634</u>
EXPENDITURES					
Current					
General government	1,053,648	-	-	-	1,053,648
Public safety	547,464	-	-	-	547,464
Public works	849,268	-	-	-	849,268
Conservation and development	226,727	14,019	551,921	866	793,533
Capital Outlay	480,744	-	303,580	32,717	817,041
Debt Service					
Principal on bonds	-	-	110,000	-	110,000
Interest on bonds	-	-	328,125	-	328,125
Interest on advance	-	-	242,115	-	242,115
Total Expenditures	<u>3,157,851</u>	<u>14,019</u>	<u>1,535,741</u>	<u>33,583</u>	<u>4,741,194</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,052,343</u>	<u>189,773</u>	<u>(1,005,443)</u>	<u>297,767</u>	<u>534,440</u>
OTHER FINANCING SOURCES (USES)					
Transfer in	45,701	-	22,942	-	68,643
Transfer out	(22,942)	-	-	(45,701)	(68,643)
Total Other Financing Sources (Uses)	<u>22,759</u>	<u>-</u>	<u>22,942</u>	<u>(45,701)</u>	<u>-</u>
Net Change in Fund Balance	1,075,102	189,773	(982,501)	252,066	534,440
FUND BALANCES (DEFICIT) - Beginning of Year	<u>6,877,166</u>	<u>3,453,796</u>	<u>(3,361,804)</u>	<u>98,083</u>	<u>7,067,241</u>
FUND BALANCES (DEFICIT) - END OF YEAR	\$ <u>7,952,268</u>	\$ <u>3,643,569</u>	\$ <u>(4,344,305)</u>	\$ <u>350,149</u>	\$ <u>7,601,681</u>

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, 2015

Net change in fund balances - total governmental funds	\$ 534,440
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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	817,041
Some items reported as capital outlay were not capitalized	(540,258)
Depreciation is reported in the government-wide statements	(210,198)
Capital contributions reported in the government-wide statements (infrastructure from State of IL)	535,181

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	33,877
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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	110,000
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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 Accrued interest on debt	<u>2,750</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,282,833</u>
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VILLAGE OF LONG GROVE

STATEMENT OF NET POSITION - PROPRIETARY FUND As of April 30, 2015

	Water Utility
ASSETS	
Current Assets	
Cash and investments	\$ 270,644
Accounts receivable	21,764
Due from other funds	141
Special assessments receivable	177,712
Other receivables	1,935
Total Current Assets	<u>472,196</u>
Noncurrent Assets	
Special assessments receivable	1,474,491
Restricted Assets	
Bond reserve account	38,759
Capital Assets	
Land	116,801
Plant in service	3,434,797
Accumulated depreciation	<u>(570,212)</u>
Total Noncurrent Assets	<u>4,494,636</u>
Total Assets	<u>4,966,832</u>
LIABILITIES	
Current Liabilities	
Accounts payable	4,414
Accrued interest	11,690
Current portion of special service area bonds	<u>40,000</u>
Total Current Liabilities	<u>56,104</u>
Noncurrent Liabilities	
Special service area bonds payable	<u>865,000</u>
Total Noncurrent Liabilities	<u>865,000</u>
Total Liabilities	<u>921,104</u>
NET POSITION	
Net investment in capital assets	2,076,386
Unrestricted	<u>1,969,342</u>
TOTAL NET POSITION	<u>\$ 4,045,728</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, 2015

	Water Utility
OPERATING REVENUES	
Charges for services	<u>\$ 86,651</u>
OPERATING EXPENSES	
Utility operations	32,533
Administrative	25,563
Depreciation	<u>114,965</u>
Total Operating Expenses	<u>173,061</u>
Operating Income (Loss)	<u>(86,410)</u>
NONOPERATING REVENUES (EXPENSES)	
Investment income	1,260
Interest expense	<u>(72,398)</u>
Total Nonoperating Revenues (Expenses)	<u>(71,138)</u>
Income (loss) Before Contributions	(157,548)
CONTRIBUTIONS	
Contributions	<u>118,842</u>
Change in Net Position	(38,706)
TOTAL NET POSITION - Beginning of Year	<u>4,084,434</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 4,045,728</u></u>

VILLAGE OF LONG GROVE

STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2015

	Water Utility
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 73,969
Paid to suppliers for good and services	(58,156)
Net Cash Flows From Operating Activities	<u>15,813</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments received	177,717
Interest paid	(72,850)
Debt retired	(35,000)
Net Cash Flows From Capital and Related Financing Activities	<u>69,867</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income (loss)	(553)
Net Cash Flows From Investing Activities	<u>(553)</u>
Net Change in Cash and Cash Equivalents	85,127
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>224,276</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 309,403</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (86,410)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities	
Depreciation expense	114,965
Changes in assets and liabilities	
Accounts receivable	(12,664)
Accounts payable	(60)
Due from other funds	(18)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u><u>\$ 15,813</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	\$ 270,644
Restricted cash and investments - statement of net position - proprietary fund	<u>38,759</u>
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 309,403</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of April 30, 2015

	<u>Agency</u>
ASSETS	
Cash and investments	\$ 1,025,236
Accounts receivable	<u>15</u>
TOTAL ASSETS	<u>\$ 1,025,251</u>
LIABILITIES	
Accounts payable	\$ 851,888
Due to bond holders or homeowners	<u>173,363</u>
TOTAL LIABILITIES	<u>\$ 1,025,251</u>

VILLAGE OF LONG GROVE

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VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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, 2015

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.
- Special Revenue – Downtown Tax Incremental Financing (TIF) – Accounts for resources legally restricted to supporting expenditures for the Downtown TIF fund.

The village reports the following major enterprise fund:

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

The village reports the following nonmajor governmental funds:

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

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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, 2015

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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

1. Cash, Cash Equivalents and Investments

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

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

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

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

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

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

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

See Note IV.A. for further information.

2. Receivables

Property taxes for levy year 2014 attach as an enforceable lien on January 1, 2014, 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, 2015.

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 2014 property tax levy is recognized as a receivable and deferred inflow in fiscal 2015, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2015, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2014 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 \$569,412.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

2. Receivables (cont.)

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

3. Restricted Assets

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

4. Capital Assets

Government-Wide Statements

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

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

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

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

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

4. Capital Assets (cont.)

Fund Financial Statements

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

5. 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.

6. 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.

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.

7. Basis for Existing Rates – Proprietary Fund

Water Management Fund

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

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

8. Deferred Inflows of Resources

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

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

9. 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 are not considered restricted or committed. Fund balance may be assigned through the following; 1) The village has adopted a financial policy authorizing the Village Board to assign amounts for a specific purpose. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. Assignments may take place after the end of the reporting period.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

9. Equity Classifications (cont.)

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

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

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

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

See Note IV.H. for further information.

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	\$ 15,518,887
Land improvements	3,626,154
Buildings	124,947
Machinery and equipment	163,153
Infrastructure	2,034,055
Less: Accumulated depreciation	<u>(1,282,058)</u>
Adjustment for Capital Assets	<u>\$ 20,185,138</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

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

Bonds payable	\$ 4,265,000
Accrued interest	<u>106,625</u>
Combined Adjustment for Long-Term Liabilities	<u><u>\$ 4,731,625</u></u>

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Insurance	\$ 35,000	\$ 36,777	\$ 1,777
Finances	-	4,838	4,838
Inspections	95,000	96,829	1,829
Internet home page	2,000	2,127	127
Administrative services	3,500	5,962	2,462
Legal notices and subscriptions	600	1,512	912
Bad debt expense (IMET)	-	30,188	30,188
Other	1,900	3,904	2,004
Road signs and traffic calming	7,000	58,770	51,770
Parking lot improvements	-	2,875	2,875
Planting/trees	1,700	3,339	1,639
Downtown SSA – business and community partners	165,000	165,004	4
Consulting	-	7,092	7,092
Economic development	11,000	11,100	100
Strategic plan	11,000	17,031	6,031
Bridge repair	52,000	197,846	145,846
Open Spaces Fund	-	14,019	14,019
Downtown TIF	824,125	1,535,741	711,616
Business District	-	866	866

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.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

B. DEFICIT BALANCES

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

As of April 30, 2015, the following individual fund held a deficit balance:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
Downtown TIF fund	\$ 4,344,305	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.

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 2014-15: 4,225,771 gallons.
2. Total volume of water billed for fiscal year 2014-15: 4,046,000 gallons.
3. Debt service for fiscal year 2015-16: \$109,621.
4. Number of users connected to the system: 22.
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 were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 4,964,796	\$ 4,958,706	Custodial credit risk
Money market	2,621,723	2,621,723	Custodial credit risk
Open-ended money market mutual fund	1,050,574	1,050,574	N/A
Petty cash	240	-	N/A
Total Cash and Investments	<u>\$ 8,637,333</u>	<u>\$ 8,631,003</u>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 7,074,611		
Restricted cash and investments	537,486		
Per statement of net position –			
Agency funds	<u>1,025,236</u>		
Total Cash and Investments	<u>\$ 8,637,333</u>		

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

A. DEPOSITS AND INVESTMENTS (cont.)

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

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

Custodial Credit Risk

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

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

B. RECEIVABLES

Accounts receivable and other receivables are reported net of uncollectible amounts. Uncollectible accounts receivable amounts related to capital costs to be reimbursed by a developer in the amount of \$523,291 and uncollectible other receivable amounts related to an investment in IMET totaled \$46,121. The village continues to pursue collection of the IMET amount.

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

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

	<u>Unavailable</u>	<u>Unearned</u>	<u>Totals</u>
Taxes receivable	\$ 406,272	\$ 535,179	\$ 941,451
Grants	-	68,750	68,750
Franchise fee	<u>12,049</u>	<u>-</u>	<u>12,049</u>
Total Unavailable/Unearned Revenue for Governmental Funds	<u>\$ 418,321</u>	<u>\$ 603,929</u>	<u>\$ 1,022,250</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

C. RESTRICTED ASSETS

The Downtown TIF special revenue fund reports restricted assets in the amount of \$448,727. This balance is to account for resources set aside in a reserved bank account called the Reserve Fund as required by the September 29, 2010 Tax Compliance Certificate and Agreement approved with the issuance of the Limited Obligation Tax Increment Revenue Bonds.

The General fund reports restricted assets in the amount of \$50,000. This balance is an escrow account related to the potential sale of the Archer lots owned by the village.

The water utility proprietary fund reports \$38,759 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, 2015 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 15,518,887	\$ -	\$ -	\$ 15,518,887
Total Capital Assets				
Not Being Depreciated	15,518,887	-	-	15,518,887
Capital assets being depreciated				
Land improvements	3,626,154	-	-	3,626,154
Buildings	105,630	19,317	-	124,947
Machinery and equipment	151,533	11,620	-	163,153
Bridges	180,943	48,833	-	229,776
Roads	1,072,085	732,194	-	1,804,279
Total Capital Assets				
Being Depreciated	5,136,345	811,964	-	5,948,309
Less: Accumulated depreciation for				
Land improvements	(721,762)	(145,046)	-	(866,808)
Buildings	(49,285)	(3,717)	-	(53,002)
Machinery and equipment	(102,910)	(1,929)	-	(104,839)
Bridges	(149,252)	(31,483)	-	(180,735)
Roads	(48,651)	(28,023)	-	(76,674)
Total Accumulated Depreciation	(1,071,860)	(210,198)	-	(1,282,058)
Governmental Activities Capital Assets, Net of Depreciation	\$ 19,583,372	\$ 601,766	\$ -	\$ 20,185,138

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

Governmental Activities

General government	\$	6,333
Public works		59,506
Culture and recreation		18,476
Conservation and development		<u>125,883</u>

Total Governmental Activities Depreciation Expense	\$	<u>210,198</u>
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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type Activities				
Capital assets not being depreciated				
Land	\$ 116,801	\$ -	\$ -	\$ 116,801
Capital assets being depreciated				
Public water system infrastructure	3,422,116	-	-	3,422,116
Equipment	<u>12,681</u>	<u>-</u>	<u>-</u>	<u>12,681</u>
Total Capital Assets Being Depreciated	<u>3,434,797</u>	<u>-</u>	<u>-</u>	<u>3,434,797</u>
Less: Accumulated depreciation	<u>(455,247)</u>	<u>(114,965)</u>	<u>-</u>	<u>(570,212)</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 3,096,351</u>	<u>\$ (114,965)</u>	<u>\$ -</u>	<u>\$ 2,981,386</u>

Depreciation expense was charged to functions as follows:

Water utility	\$	<u>114,965</u>
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VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Downtown TIF	Business district	\$ 2,636
Downtown TIF	General fund	45,462
Open spaces	General fund	836
Water utility	General fund	141
Business district	General fund	36
		<hr/>
Total – Fund Financial Statements		49,111
Less: Fund eliminations		<hr/> (48,970)
		<hr/>
Total Internal Balances – Government-Wide Statement of Net Position		\$ 141

The principal purpose of the \$48,098 in total Downtown TIF fund receivable is to account for timing issues for sales taxes collected. The principal purpose of the \$836 Open spaces fund, the \$141 water utility fund, and the \$36 business district receivable is to account for timing issues related to the IMET distributions.

All amounts are expected to be repaid within one year.

Advances

The general fund is advancing funds to the Downtown TIF special revenue fund. The amount advanced at April 30, 2015 was \$2,939,627. The advance is the combination of four amounts: 1) \$2,501,521 from funds advanced since the TIF's inception as authorized on December 8, 2009, the date upon which Ordinance No. 2009-O-44 was approved by the village board. This ordinance provided for the borrowing of up to \$3,000,000 between the general fund and TIF at a rate of 4% with scheduled principal payments of \$250,000 every December 1, commencing on December 1, 2010 and continuing through December 1, 2021; 2) \$298,242 of interest due on the advance; 3) \$63,448 of arrearage charges applied to the unpaid, scheduled principal and interest payments; and 4) \$76,416 of interest being charged on the portion of the advance prior to December 8, 2009. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception.

The open spaces fund is advancing funds to the downtown TIF fund. The advance has been authorized by two Ordinances. Ordinance No. 2009-O-43 provides for the borrowing of up to \$1,500,000 between open spaces and the TIF fund, and 2011-O-07 provides for the borrowing of up to \$950,000 between Open Spaces and the TIF fund. The rate being charged according to these ordinances is 4%. Scheduled principal payments are required every December 1, commencing December 1, 2010 and continuing through December 1, 2019. The balance between open spaces and the downtown TIF fund consists of: 1) \$2,038,125 from funds advanced since the TIF's inception; 2) \$244,575 of interest due on the advance; and 3) \$80,853 of arrearage charges applied to the unpaid, scheduled principal and interest payments.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

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

Advances (cont.)

The following is a schedule of the interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Downtown TIF	\$ 2,939,627
Open spaces fund	Downtown TIF	<u>2,363,553</u>
Total – Fund Financial Statements		5,303,180
Less: Fund eliminations		<u>(5,303,180)</u>
Total Interfund Advances		<u>\$ -</u>

Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Downtown TIF	General fund	\$ 22,942	To account for amounts owed to the TIF as required by Illinois State Statute 651LCS 5/11-74.4-8.
General fund	Pathway grant	<u>45,701</u>	To account for grant reimbursement funds related to the pathway grant but expensed in the general fund.
Total – Fund Financial Statements		68,643	
Less: Fund eliminations		<u>(68,643)</u>	
Total Transfers – Government-wide Statement of Activities		<u>\$ -</u>	

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

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2015, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable					
Limited obligation tax increment revenue bonds	\$ 4,375,000	\$ -	\$ 110,000	\$ 4,265,000	\$ 150,000
Business-type Activities					
Bonds and Notes Payable					
Special service area bonds (tax-exempt obligations)	\$ 940,000	\$ -	\$ 35,000	\$ 905,000	\$ 40,000

The village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the village. As of April 30, 2015, the statutory debt limit for the village was \$46,033,513, providing a debt margin of \$45,128,513.

Revenue Debt

The village has pledged future tax increment and other tax revenues, net of specified operating expenses, to repay limited obligation tax increment revenue bonds issued in September of 2010. Proceeds from the bonds provided financing for the Sunset Grove project. The bonds are payable solely from incremental taxes, business district taxes, and certain sales tax revenues from property described as the Sunset Grove Property pursuant to the Indenture and by other pledged revenues and are payable through January 1, 2030. Annual principal and interest payments on the bonds are expected to require 35.15% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$7,457,000. Principal and interest paid for the current year and total gross revenues were \$438,125 and \$525,590, respectively.

Revenue debt payable at April 30, 2015, consists of the following:

Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rate	Original Indebted- ness	Balance April 30, 2015
Limited obligation tax increment revenue bonds, Series 2010	9/29/2010	01/01/2030	7.50%	\$ 4,450,000	\$ 4,265,000

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt (cont.)

Governmental Activities Revenue Debt (cont.)

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Governmental Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 150,000	\$ 319,875
2017	120,000	308,625
2018	130,000	299,625
2019	150,000	289,875
2020	175,000	278,625
2021 – 2025	1,295,000	1,156,125
2026 – 2030	<u>2,245,000</u>	<u>539,250</u>
Totals	<u>\$ 4,265,000</u>	<u>\$ 3,192,000</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, 2015, 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, 2015</u>
2011 Special service area bonds	2/01/2011	3/01/2029	7.75%	\$ 1,000,000	<u>\$ 905,000</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

F. LONG-TERM OBLIGATIONS (cont.)

Special Service Area Bonds (cont.)

Debt service requirements to maturity are as follows:

Years	Business-type Activities Special Service Area Bonds	
	Principal	Interest
2016	\$ 40,000	\$ 70,138
2017	40,000	67,037
2018	45,000	63,938
2019	45,000	60,450
2020	50,000	56,962
2021 – 2025	325,000	218,938
2026 – 2029	360,000	72,463
Totals	<u>\$ 905,000</u>	<u>\$ 609,926</u>

No Commitment Debt

Heron's Landing Special Service Area

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

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

G. LEASE DISCLOSURES

The village has no material leases as lessee or lessor.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at April 30, 2015 includes the following:

Governmental Activities

Invested in capital assets	
Land	\$ 15,518,887
Other capital assets, net of accumulated depreciation	4,666,251
Total Net Investment in Capital Assets	<u>20,185,138</u>
Restricted	
Road projects	285,486
Economic development	64,572
Pathways	91
Open spaces	3,643,569
Total Restricted	<u>3,993,718</u>
Unrestricted (deficit)	<u>(345,341)</u>
Total Governmental Activities Net Position	<u>\$ 23,833,515</u>

Governmental fund balances reported on the fund financial statements at April 30, 2015 include the following:

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
FUND BALANCES					
Nonspendable:					
Advances to other funds	\$ 2,939,627	\$ -	\$ -	\$ -	\$ 2,939,627
Long-term receivables	26,238	-	-	-	26,238
Restricted for:					
Land purchases	-	3,643,569	-	-	3,643,569
Economic development	-	-	-	64,572	64,572
Debt service – reserve fund	-	-	448,727	-	448,727
Road projects	-	-	-	285,486	285,486
Pathway	-	-	-	91	91
Committed for:					
Infrastructure	1,417,229	-	-	-	1,417,229
Pathway funds	63,551	-	-	-	63,551
Covered bridge account	473,205	-	-	-	473,205
LM water connection	200,000	-	-	-	200,000
Village Hall sign fund	10,000	-	-	-	10,000
Unassigned (deficit):	<u>2,822,418</u>	<u>-</u>	<u>(4,793,032)</u>	<u>-</u>	<u>(1,970,614)</u>
Totals	<u>\$ 7,952,268</u>	<u>\$ 3,643,569</u>	<u>\$ (4,344,305)</u>	<u>\$ 350,149</u>	<u>\$ 7,601,681</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

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

H. NET POSITION/FUND BALANCES (cont.)

Business-type Activities

Net investment in capital assets	
Land	\$ 116,801
Other capital assets, net of accumulated depreciation	2,864,585
Less: Related long-term debt outstanding	<u>(905,000)</u>
 Total Net Investment in Capital Assets	 2,076,386
 Unrestricted	 <u>1,969,342</u>
 Total Business-type Activities Net Position	 <u><u>\$ 4,045,728</u></u>

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2014 was 14.69%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

For December 31, 2014, the employer's annual pension cost of \$61,438 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% per year attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor.

TREND INFORMATION

The village began participating in the plan in January, 2003.

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/14	\$ 61,438	100%	\$ -
12/31/13	59,695	100%	-
12/31/12	57,130	100%	-

On a market value basis, the actuarial value of assets as of December 31, 2014 is \$616,481. On a market basis, the funded ratio would be 59.82%. This funded ratio only represents the funded status for village employees not yet retired. Retirees are always 100% funded, and if retirees and active employees were combined, the funded status would be 67.70% in the aggregate.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) - Entry Age	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/14	\$ 509,960	\$ 1,030,587	49.48%	\$ 520,627	\$ 418,233	124.48%

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.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE V – OTHER INFORMATION (cont.)

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 Downtown TIF fund has incurred cumulative costs of \$523,291 through April 30, 2015 for the initial development costs of a project within the TIF district. The village has entered into a Redevelopment Agreement with the developer that requires the developer to reimburse the village for these costs if certain conditions within the agreement are not met. If conditions are met, the village is required to waive specified maximum amounts as stipulated in the agreement. See the subsequent event note at V.E. for additional information regarding this receivable

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 from SWALCO's website at www.swalco.org.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2015

NOTE V – OTHER INFORMATION (cont.)

E. SUBSEQUENT EVENT

On September 8, 2015, the village entered into a purchase and sale agreement with a developer for the sale of village property (Archer Lots). One of the development conditions stipulates that upon the closing of parcel one (of four parcels), the village and the developer agree to transfer amounts previously owed by the developer to the village's TIF district such that this original developer will no longer be obligated to the village. Upon satisfaction of conditions within the "Transferee Assumption Agreement", this obligation to the village's TIF district will transfer to a new developer. The village will also agree to defer further payment of the deferred amount until January 1, 2020. In addition, the village agrees to waive portions of the deferred amounts subject to additional terms within the agreement. Accordingly, an allowance in the amount of \$523,291, and an expenditure in the same amount, have been recorded in the TIF fund.

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

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension – Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*
- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*
- > Statement No. 77, *Tax Abatement Disclosures*

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, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	\$ 2,735,400	\$ 2,895,400	\$ 3,051,955	\$ 156,555
Intergovernmental	-	-	10,441	10,441
Fees, licenses and permits	500,000	780,000	739,964	(40,036)
Fines, forfeitures and penalties	61,000	61,000	75,707	14,707
Public charges for services	155,600	155,600	125,105	(30,495)
Investment income	15,000	45,000	155,526	110,526
Miscellaneous revenues	8,000	31,000	51,496	20,496
Total Revenues	<u>3,475,000</u>	<u>3,968,000</u>	<u>4,210,194</u>	<u>242,194</u>
EXPENDITURES				
Current				
General government	1,018,875	1,063,875	1,053,648	10,227
Public safety	547,825	547,825	547,464	361
Public works	728,700	912,200	849,268	62,932
Conservation and development	224,100	224,100	226,727	(2,627)
Capital Outlay	<u>747,200</u>	<u>1,009,200</u>	<u>480,744</u>	<u>528,456</u>
Total Expenditures	<u>3,266,700</u>	<u>3,757,200</u>	<u>3,157,851</u>	<u>599,349</u>
Excess of revenues over expenditures	<u>208,300</u>	<u>210,800</u>	<u>1,052,343</u>	<u>841,543</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	45,701	45,701
Transfer out	-	-	(22,942)	(22,942)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>22,759</u>	<u>22,759</u>
Net Change in Fund Balance	208,300	210,800	1,075,102	864,302
FUND BALANCE - Beginning of Year	<u>6,877,166</u>	<u>6,877,166</u>	<u>6,877,166</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 7,085,466</u>	<u>\$ 7,087,966</u>	<u>\$ 7,952,268</u>	<u>\$ 864,302</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, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Fees, licenses and permits	\$ 25,710	\$ 82,950	\$ 57,240
Investment income	-	5,366	5,366
Interest and arrearages on advance to TIF fund	-	115,476	115,476
Total Revenues	<u>25,710</u>	<u>203,792</u>	<u>178,082</u>
EXPENDITURES			
Current			
Conservation and development	-	14,019	(14,019)
Total Expenditures	<u>-</u>	<u>14,019</u>	<u>(14,019)</u>
Net Change in Fund Balance	25,710	189,773	164,063
FUND BALANCE - Beginning of Year	<u>3,453,796</u>	<u>3,453,796</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,479,506</u>	<u>\$ 3,643,569</u>	<u>\$ 164,063</u>

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

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DOWNTOWN TIF For the Year Ended April 30, 2015

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 214,000	\$ 525,590	\$ 311,590
Investment income	170	4,708	4,538
Total Revenues	<u>214,170</u>	<u>530,298</u>	<u>316,128</u>
EXPENDITURES			
Conservation and development	38,500	551,921	(513,421)
Capital outlay	147,500	303,580	(156,080)
Debt service			
Principal on bonds	110,000	110,000	-
Interest on bonds	328,125	328,125	-
Interest on advances	200,000	242,115	(42,115)
Total Expenditures	<u>824,125</u>	<u>1,535,741</u>	<u>(711,616)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(609,955)</u>	<u>(1,005,443)</u>	<u>(395,488)</u>
OTHER FINANCING SOURCES			
Transfer in	-	22,942	22,942
Total Other Financing Sources	<u>-</u>	<u>22,942</u>	<u>22,942</u>
Net Change in Fund Balance	(609,955)	(982,501)	(372,546)
FUND BALANCE (DEFICIT) - Beginning of Year	<u>(3,361,804)</u>	<u>(3,361,804)</u>	<u>-</u>
FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (3,971,759)</u>	<u>\$ (4,344,305)</u>	<u>\$ (372,546)</u>

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

VILLAGE OF LONG GROVE

SCHEDULE OF FUNDING PROGRESS ILLINOIS MUNICIPAL RETIREMENT PLAN For the Year Ended April 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) – Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/14	\$ 509,960	\$ 1,030,587	\$ 520,627	49.48%	\$ 418,233	124.48%
12/31/13	403,488	853,367	449,879	47.28%	392,728	114.55%
12/31/12	282,075	721,139	439,064	39.12%	376,349	116.66%

See independent auditors' report.

VILLAGE OF LONG GROVE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2015

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.

SUPPLEMENTARY INFORMATION

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
TAXES				
Sales tax	\$ 1,350,000	\$ 1,470,000	\$ 1,598,630	\$ 128,630
Income tax	710,000	750,000	787,688	37,688
Road and bridge tax	45,000	45,000	43,463	(1,537)
Telecommunications tax	465,000	465,000	445,758	(19,242)
Downtown SSA - Business and community partners	165,000	165,000	165,004	4
Other taxes	400	400	11,412	11,012
Total Taxes	<u>\$ 2,735,400</u>	<u>\$ 2,895,400</u>	<u>\$ 3,051,955</u>	<u>\$ 156,555</u>
INTERGOVERNMENTAL				
State of Illinois - Oakwood Bridge	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,441</u>	<u>\$ 10,441</u>
FEES, PERMITS AND LICENSES				
Franchise fees	\$ 145,000	\$ 135,000	\$ 150,301	\$ 15,301
Permits	310,000	600,000	548,996	(51,004)
Licenses	45,000	45,000	40,667	(4,333)
Total Fees, Permits and Licenses	<u>\$ 500,000</u>	<u>\$ 780,000</u>	<u>\$ 739,964</u>	<u>\$ (40,036)</u>
FINES, FORFEITURES AND PENALTIES				
Citations	\$ 60,000	\$ 60,000	\$ 75,707	\$ 15,707
Fines	1,000	1,000	-	(1,000)
Total Fines, Forfeitures and Penalties	<u>\$ 61,000</u>	<u>\$ 61,000</u>	<u>\$ 75,707</u>	<u>\$ 14,707</u>
PUBLIC CHARGES FOR SERVICES				
Long Grove Commons	\$ 15,600	\$ 15,600	\$ 15,620	\$ 20
Tree Replacement	-	-	30,375	30,375
Stormwater review fees	140,000	140,000	79,110	(60,890)
Total Public Charges for Services	<u>\$ 155,600</u>	<u>\$ 155,600</u>	<u>\$ 125,105</u>	<u>\$ (30,495)</u>
INVESTMENT INCOME				
Investment income	\$ 15,000	\$ 45,000	\$ 28,887	\$ (16,113)
Interest and arrearages on advance to TIF fund	-	-	126,639	126,639
Total Investment Income	<u>\$ 15,000</u>	<u>\$ 45,000</u>	<u>\$ 155,526</u>	<u>\$ 110,526</u>
MISCELLANEOUS REVENUES				
SWALCO capacity agreement	\$ 6,000	\$ 6,000	\$ 8,014	\$ 2,014
Forfeited escrow	2,000	25,000	22,830	(2,170)
Other	-	-	20,652	20,652
Total Miscellaneous Revenues	<u>\$ 8,000</u>	<u>\$ 31,000</u>	<u>\$ 51,496</u>	<u>\$ 20,496</u>
TOTAL GENERAL FUND REVENUES	<u>\$ 3,475,000</u>	<u>\$ 3,968,000</u>	<u>\$ 4,210,194</u>	<u>\$ 242,194</u>

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
GENERAL GOVERNMENT				
Employee Compensation				
Salaries and wages	\$ 418,000	\$ 423,000	\$ 423,517	\$ (517)
Fringe benefits	170,500	166,500	165,573	927
Total Employee Compensation	<u>588,500</u>	<u>589,500</u>	<u>589,090</u>	<u>410</u>
Office				
Utilities	9,500	9,500	6,874	2,626
Supplies	10,800	16,800	16,018	782
Equipment leases and maintenance	11,000	11,000	10,932	68
Other maintenance	1,800	1,800	1,680	120
Total Office	<u>33,100</u>	<u>39,100</u>	<u>35,504</u>	<u>3,596</u>
Administrative and Professional				
Insurance	33,000	35,000	36,777	(1,777)
Dues, memberships and travel	5,390	5,390	4,774	616
Professional development and training	5,085	5,085	2,906	2,179
Legal	129,300	132,300	123,013	9,287
Building and zoning plan reviews	51,000	51,000	32,211	18,789
Finances	-	-	4,838	(4,838)
Bookkeeping	40,000	40,000	26,313	13,687
Audit	27,000	35,000	32,183	2,817
Inspections	70,000	95,000	96,829	(1,829)
Bridge supplement	500	500	460	40
Computer consultant	12,000	12,000	9,058	2,942
Internet home page	2,000	2,000	2,127	(127)
Administrative services	3,500	3,500	5,962	(2,462)
Legal notices and subscriptions	600	600	1,512	(912)
Total Administrative and Professional	<u>379,375</u>	<u>417,375</u>	<u>378,963</u>	<u>38,412</u>
Miscellaneous				
Mosquito abatement	16,000	16,000	15,999	1
Bad debt expense (IMET)	-	-	30,188	(30,188)
Other	1,900	1,900	3,904	(2,004)
Total Miscellaneous	<u>17,900</u>	<u>17,900</u>	<u>50,091</u>	<u>(32,191)</u>
Total General Government	<u>\$ 1,018,875</u>	<u>\$ 1,063,875</u>	<u>\$ 1,053,648</u>	<u>\$ 10,227</u>
PUBLIC SAFETY				
Village security	\$ 541,000	\$ 541,000	\$ 540,816	\$ 184
Emergency communication system	5,100	5,100	5,002	98
Other public safety	1,725	1,725	1,646	79
Total Public Safety	<u>\$ 547,825</u>	<u>\$ 547,825</u>	<u>\$ 547,464</u>	<u>\$ 361</u>

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2015

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
PUBLIC WORKS				
Snow removal and salting	\$ 310,000	\$ 470,000	\$ 493,117	\$ (23,117)
Emergency operations	50,000	50,000	-	50,000
Subtotal - snow removal and emergency operations	360,000	520,000	493,117	26,883
Mowing	35,000	35,000	22,021	12,979
Road signs and traffic calming	2,500	7,000	58,770	(51,770)
Utilities	19,000	19,000	16,859	2,141
Engineering	302,000	321,000	247,304	73,696
Bridge inspections	4,500	4,500	1,742	2,758
Parking lot improvements	-	-	2,875	(2,875)
SWALCO	4,000	4,000	3,241	759
Planting/Trees	1,700	1,700	3,339	(1,639)
Total Public Works	<u>\$ 728,700</u>	<u>\$ 912,200</u>	<u>\$ 849,268</u>	<u>\$ 62,932</u>
CONSERVATION AND DEVELOPMENT				
Community development grant	\$ 17,000	\$ 17,000	\$ 11,000	\$ 6,000
Downtown SSA - Business and community partners	165,000	165,000	165,004	(4)
CERT	100	100	-	100
Consulting	-	-	7,092	(7,092)
Residents survey	20,000	20,000	15,500	4,500
Economic development	11,000	11,000	11,100	(100)
Strategic plan	11,000	11,000	17,031	(6,031)
Total Conservation and Development	<u>\$ 224,100</u>	<u>\$ 224,100</u>	<u>\$ 226,727</u>	<u>\$ (2,627)</u>
CAPITAL OUTLAY				
Office building improvements	\$ 60,700	\$ 60,700	\$ 40,073	\$ 20,627
Road paving, culvert and ditch	520,000	820,000	240,663	579,337
Bridge repair	90,000	52,000	197,846	(145,846)
Open space maintenance	20,000	20,000	-	20,000
Sewer matters	6,500	6,500	-	6,500
Sidewalk and pathway installation	50,000	50,000	2,162	47,838
Total Capital Outlay	<u>\$ 747,200</u>	<u>\$ 1,009,200</u>	<u>\$ 480,744</u>	<u>\$ 528,456</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 3,266,700</u>	<u>\$ 3,757,200</u>	<u>\$ 3,157,851</u>	<u>\$ 599,349</u>

VILLAGE OF LONG GROVE

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

As of April 30, 2015

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
ASSETS				
Cash and investments	\$ 266,780	\$ 63,041	\$ 68,841	\$ 398,662
Receivables				
Taxes	-	5,638	-	5,638
Accounts	18,706	-	-	18,706
Other	-	492	-	492
Due from other funds	-	36	-	36
 TOTAL ASSETS	 <u>\$ 285,486</u>	 <u>\$ 69,207</u>	 <u>\$ 68,841</u>	 <u>\$ 423,534</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities				
Due to other funds	\$ -	\$ 2,636	\$ -	\$ 2,636
Total Liabilities	-	2,636	-	2,636
Deferred Inflows of Resources				
Unearned revenue	-	-	68,750	68,750
Unavailable revenue	-	1,999	-	1,999
Total Deferred Inflows of Resources	-	1,999	68,750	70,749
Fund Balances				
Restricted	285,486	64,572	91	350,149
Total Fund Balances	<u>285,486</u>	<u>64,572</u>	<u>91</u>	<u>350,149</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	 <u>\$ 285,486</u>	 <u>\$ 69,207</u>	 <u>\$ 68,841</u>	 <u>\$ 423,534</u>

VILLAGE OF LONG GROVE

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2015

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ -	\$ 20,237	\$ -	\$ 20,237
Intergovernmental	264,240	-	45,701	309,941
Investment income	878	259	35	1,172
Total Revenues	<u>265,118</u>	<u>20,496</u>	<u>45,736</u>	<u>331,350</u>
EXPENDITURES				
Current				
Conservation and development	-	866	-	866
Capital Outlay	<u>32,717</u>	<u>-</u>	<u>-</u>	<u>32,717</u>
Total Expenditures	<u>32,717</u>	<u>866</u>	<u>-</u>	<u>33,583</u>
Excess of revenues over expenditures	<u>232,401</u>	<u>19,630</u>	<u>45,736</u>	<u>297,767</u>
OTHER FINANCING SOURCES (USES)				
Transfer out	<u>-</u>	<u>-</u>	<u>(45,701)</u>	<u>(45,701)</u>
Net Change in Fund Balance	232,401	19,630	35	252,066
FUND BALANCES - Beginning of Year	<u>53,085</u>	<u>44,942</u>	<u>56</u>	<u>98,083</u>
FUND BALANCES - END OF YEAR	<u>\$ 285,486</u>	<u>\$ 64,572</u>	<u>\$ 91</u>	<u>\$ 350,149</u>

VILLAGE OF LONG GROVE

COMBINING SUBFUNDS BALANCE SHEET PROPRIETARY FUND As of April 30, 2015

	Special Service Area - Water	Water Management	Totals
ASSETS			
Current Assets			
Cash and investments	\$ 214,771	\$ 55,873	\$ 270,644
Accounts receivable	-	21,764	21,764
Due from other funds	123	18	141
Special assessments receivable	177,712	-	177,712
Other receivables	1,690	245	1,935
Total Current Assets	<u>394,296</u>	<u>77,900</u>	<u>472,196</u>
Noncurrent Assets			
Special assessments receivable	1,474,491	-	1,474,491
Restricted Assets			
Bond reserve account	38,759	-	38,759
Capital Assets			
Land	116,801	-	116,801
Plant in service	3,422,116	12,681	3,434,797
Accumulated depreciation	<u>(567,294)</u>	<u>(2,918)</u>	<u>(570,212)</u>
Total Noncurrent Assets	<u>4,484,873</u>	<u>9,763</u>	<u>4,494,636</u>
Total Assets	<u>4,879,169</u>	<u>87,663</u>	<u>4,966,832</u>
LIABILITIES			
Current Liabilities			
Accounts payable	-	4,414	4,414
Accrued interest	11,690	-	11,690
Current portion of special service area bonds	<u>40,000</u>	<u>-</u>	<u>40,000</u>
Total Current Liabilities	<u>51,690</u>	<u>4,414</u>	<u>56,104</u>
Noncurrent Liabilities			
Special service area bonds payable	<u>865,000</u>	<u>-</u>	<u>865,000</u>
Total noncurrent liabilities	<u>865,000</u>	<u>-</u>	<u>865,000</u>
Total Liabilities	<u>916,690</u>	<u>4,414</u>	<u>921,104</u>
NET POSITION			
Net investment in capital assets	2,066,623	9,763	2,076,386
Unrestricted	<u>1,895,856</u>	<u>73,486</u>	<u>1,969,342</u>
TOTAL NET POSITION	<u>\$ 3,962,479</u>	<u>\$ 83,249</u>	<u>\$ 4,045,728</u>

VILLAGE OF LONG GROVE

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

For the Year Ended April 30, 2015

	Special Service Area - Water	Water Management	Totals
OPERATING REVENUES			
Charges for services	\$ -	\$ 86,651	\$ 86,651
OPERATING EXPENSES			
Utility operations	-	32,533	32,533
Administrative	2,882	22,681	25,563
Depreciation	114,071	894	114,965
Total Operating Expenses	116,953	56,108	173,061
Operating Income (Loss)	(116,953)	30,543	(86,410)
NONOPERATING REVENUES (EXPENSES)			
Investment income	1,075	185	1,260
Interest expense	(72,398)	-	(72,398)
Total Nonoperating Revenues (Expenses)	(71,323)	185	(71,138)
Income (loss) Before Contributions	(188,276)	30,728	(157,548)
CONTRIBUTIONS			
Contributions	118,842	-	118,842
Change in Net Position	(69,434)	30,728	(38,706)
TOTAL NET POSITION - Beginning of Year	4,031,913	52,521	4,084,434
TOTAL NET POSITION - END OF YEAR	\$ 3,962,479	\$ 83,249	\$ 4,045,728

VILLAGE OF LONG GROVE

COMBINING SUBFUNDS CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2015

	Special Service Area - Water	Water Management	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Received from customers	\$ -	\$ 73,969	\$ 73,969
Paid to suppliers for good and services	(2,882)	(55,274)	(58,156)
Net Cash Flows From Operating Activities	(2,882)	18,695	15,813
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Special assessments received	177,717	-	177,717
Interest paid	(72,850)	-	(72,850)
Debt retired	(35,000)	-	(35,000)
Net Cash Flows From Capital and Related Financing Activities	69,867	-	69,867
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income (loss)	(738)	185	(553)
Net Cash Flows From Investing Activities	(738)	185	(553)
Net Change in Cash and Cash Equivalents	66,247	18,880	85,127
CASH AND CASH EQUIVALENTS - Beginning of Year	187,283	36,993	224,276
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 253,530</u>	<u>\$ 55,873</u>	<u>\$ 309,403</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES			
Operating income (loss)	\$ (116,953)	\$ 30,543	\$ (86,410)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities			
Depreciation expense	114,071	894	114,965
Changes in assets and liabilities			
Accounts receivable	-	(12,664)	(12,664)
Accounts payable	-	(60)	(60)
Due from other funds	-	(18)	(18)
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ (2,882)</u>	<u>\$ 18,695</u>	<u>\$ 15,813</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING SUBFUNDS BALANCE SHEET- PROPRIETARY FUND			
Cash and investments - combining subfunds balance sheet-proprietary fund	\$ 214,771	\$ 55,873	\$ 270,644
Restricted cash and investments - combining subfunds balance sheet- proprietary fund	38,759	-	38,759
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 253,530</u>	<u>\$ 55,873</u>	<u>\$ 309,403</u>

VILLAGE OF LONG GROVE

COMBINING STATEMENT OF ASSETS AND LIABILITIES AGENCY FUNDS As of April 30, 2015

	Agency				Totals
	Interagency Control Fees	Builders' Refundable Bonds	Fees Refundable to Others	Heron's Landing SSA	
ASSETS					
Cash and investments	\$ 102,685	\$ 695,641	\$ 53,547	\$ 173,363	\$ 1,025,236
Accounts receivable	15	-	-	-	15
TOTAL ASSETS	<u>\$ 102,700</u>	<u>\$ 695,641</u>	<u>\$ 53,547</u>	<u>\$ 173,363</u>	<u>\$ 1,025,251</u>
LIABILITIES					
Accounts payable	\$ 102,700	\$ 695,641	\$ 53,547	\$ -	\$ 851,888
Due to bond holders or homeowners	-	-	-	173,363	173,363
TOTAL LIABILITIES	<u>\$ 102,700</u>	<u>\$ 695,641</u>	<u>\$ 53,547</u>	<u>\$ 173,363</u>	<u>\$ 1,025,251</u>