



VILLAGE OF LONG GROVE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended April 30, 2023



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VILLAGE OF LONG GROVE, ILLINOIS
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1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

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INDEPENDENT AUDITOR'S REPORT

The Honorable President
Members of the Village Board
Village of Long Grove, Illinois

Report on the Audit of the Financial Statements

Opinions

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 (the Village) as of and for the year ended April 30, 2023 and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of April 30, 2023, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information 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.

Supplementary Information

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

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Sikich LLP

Naperville, Illinois
November 21, 2023

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS

April 30, 2023

The Village of Long Grove’s (the “Village”) Management’s Discussion and Analysis report (MDA) is designed to:

- (1) Assist the reader in focusing on significant financial issues,
- (2) Provide an overview of the Village’s financial activity,
- (3) Identify changes in the Village’s financial position (its ability to address the next and subsequent year challenges),
- (4) Identify any material deviations from the financial plan (the approved budget), and
- (5) Identify individual fund issues or concerns.

Since the Management’s Discussion and Analysis (MD&A) is designed to focus on the current year’s activities, resulting changes and currently known facts, please read it in conjunction with the Village’s 2023 audited financial statements. As this is the first year a MDA has been included as part of the annual Audit, fine-tuning is expected in the coming years.

Note that the 2023 Fiscal Year runs from May 1, 2022 – April 30, 2023.

USING THE FINANCIAL SECTION OF THIS ANNUAL FINANCIAL REPORT

In accordance with Generally Accepted Accounting Principles (GAAP), the Village’s financial statements present two kinds of statements, each with a different view of the Village’s finances. One view covers the Village as a whole (government-wide) while the other complementary view focuses on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village’s accountability.

Government-Wide Financial Statements

The government-wide financial statements are presented similar to corporate financial statements in that all governmental and business-type activities are consolidated into columns which add to a total for the Primary Government.

The *Statement of Net Position* (Table 1) presents information for all the Village’s assets, deferred outflows, liabilities and deferred inflows with the aggregate difference reported as net position. This statement is somewhat similar to a corporate balance sheet and is designed to help users understand bottom line net results for the Village and its governmental and business-type activities. The total net position categories are listed from least flexible / least liquid (“Net investment in capital assets”, which includes land and buildings) to the most flexible assets that can be deployed for any village purpose. (“Unrestricted net position”). This statement combines and consolidates governmental funds with capital assets and long-term obligations. Over time, increases and decreases in net position may serve as a useful indicator of whether the Village’s financial position is improving or deteriorating.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The *Statement of Activities* (Table 2) shows what drove changes in the Village’s net position during the fiscal year. The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type) which are supported by the government’s general taxes and other resources. This is intended to summarize and simplify the user’s analysis of the cost of various government services and/or subsidies to various business-type activities.

Both statements distinguish Village functions that are primarily supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). Governmental Activities reflect the Village’s basic services, including public safety, public works (roads, bridges, roadway maintenance, etc.), culture and recreation, conservation and development, finance and administration. Shared state income, property taxes, local sales tax, local utility tax, and local use taxes finance the majority of these services. The Business-type Activities reflect private sector type operations (Water fund), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

A fund is a group of related accounts, used to maintain transparency and/or control over resources that have been segregated for specific activities or objectives. The Village of Long Grove, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All Village funds fall into one of three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds focus on sources and uses of spendable resources, as well as the balances of spendable resources available at the end of the fiscal year. We prepare Village budgets to forecast and manage revenues and reserves for various purposes. Our major governmental funds are the General Fund, the Capital Improvement Fund, and funds to separately present and control resources for the Downtown Tax Increment Financing (TIF) District, Open Space purposes, and Motor Fuel Taxes received from the State. In many ways, the General Fund is the Village’s “Keep the lights on” fund, while the other governmental funds are more narrowly focused with budgets that may vary more from year to year.

Proprietary funds provide the same type of information shown in the government-wide business-type financial statements, only in more detail. Proprietary fund statements provide separate information for the Village’s Water operations, which should be and are eventually intended to be self-supporting (“break even”) and generate reserves when more users are added to spread its costs among. If the Village had any internal service areas (such as a separate purchasing department serving all other Village departments), they would be shown here also, but the Village does not report any internal service funds.

The fund financial statements also allow the Village to address its *fiduciary funds*. Fiduciary funds account for fiduciary activities, in which assets are held on behalf of outside parties, including other governments. The Village utilizes custodial funds to account for refundable building permit deposits, for example, as well as funds received and reserved for certain debt service and for escrow fees collected from developers. Because these are not assets the Village can use for its own purposes, these assets are not presented as part of the government-wide financial statements.

Governmental Activities vs. Governmental Funds

The Governmental Funds Total column on the governmental fund balance sheet and governmental funds income statement won’t exactly match the Governmental Activities column in the Government-Wide Financial Statements on the statement of net position and statement of activities because of:

- 1) Different measurement focus - current financial resources used in the governmental funds versus total economic resources used in the governmental activities; and
- 2) Different basis of accounting – modified accrual used in the governmental funds versus full accrual used in the governmental activities.

To reconcile the Fund Balances of the Governmental Funds with the Net Position of Governmental Activities as of April 30, 2023, a reconciliation statement is included on page 9 and 12 of this report.

The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources, and capital expenditures and bond principal payments as expenditures in the governmental funds. The reconciliation to governmental activities eliminates these transactions. It also incorporates the Village’s net pension liability, capital assets and long-term obligations (bonds and others) into the Governmental Activities column (in the Government-Wide Statements).

Proprietary fund financial statements include the same information as the business-type activities column in the government-wide financial statement, utilizing the economic resources measurement focus and full accrual accounting.

Other Information

The notes to the financial statements provide additional information that is essential to fully understanding the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s progress in funding its obligation to provide pension benefits to employees.

GOVERNMENT-WIDE STATEMENTS

As mentioned earlier, the Statement of Net Position may serve as a useful indicator of the Village’s financial position.

The following table reflects the condensed Statement of Net Position at the ends of the current (2023) and previous (2022) fiscal years.

Table 1
Statement of Net Position
As of April 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$15,376,593	\$12,205,297	\$1,768,706	\$1,797,825	\$17,145,299	\$14,003,122
Capital Assets	29,413,042	28,667,222	4,616,384	4,818,730	34,029,426	33,485,952
Total Assets	44,789,635	40,872,519	6,385,090	6,616,555	51,174,725	47,489,074
Deferred Outflows	322,773	265,003	121,920	123,190	444,693	388,193
Total Assets and Deferred Outflows	45,112,408	41,137,522	6,507,010	6,739,745	51,619,418	47,877,267
Long Term Liabilities	3,600,814	3,328,247	632,000	697,000	4,232,814	4,025,247
Other Liabilities	2,817,126	1,933,302	28,080	28,964	2,845,206	1,962,266
Total Liabilities	6,417,940	5,261,549	660,080	725,964	7,078,020	5,987,513
Deferred Inflows	973,381	1,146,829	26,636	26,636	1,000,017	1,173,465
Total Liabilities and Deferred Inflows	7,391,321	6,408,378	686,716	752,600	8,078,037	7,160,978
Net Position:						
Net Investment in Capital Assets	29,318,189	28,667,222	4,111,384	4,248,730	33,429,573	39,915,952
Restricted	7,557,335	7,254,153	41,336	40,362	7,598,671	7,294,515
Unrestricted	845,563	(1,192,231)	1,667,574	1,698,053	2,513,137	505,822
Total Net Position	\$37,721,087	\$34,729,144	\$5,820,294	\$5,987,145	\$43,541,381	\$40,716,289

The Village’s Total Net Position increased from \$40,716,289 in 2022 to \$43,541,381 in 2023, an increase of \$2,825,092. Changes in Governmental and Business-Type Activities are noted below.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The increase in Total Assets for Governmental Activities is primarily due to revenues exceeding expenditures in the General, Open Spaces, Downtown TIF and Capital Improvement Funds. Some of the factors contributing to this positive outcome are:

- Favorably higher tax revenues, both locally (local sales and use taxes) and from tax revenues distributed back from the state (income taxes and others). Reserves have also increased due to serendipitous business mix during COVID shutdowns, as home improvement and grocery stores did much better than anticipated.
- Rising property values within the TIF District.
- Restructuring the TIF district bonds which are owned by the General and Open Spaces Funds so that the TIF district, benefitting from rising property values, can make payments to both the General and Open Spaces Funds.
- Substantially higher investment income than budgeted, due to both a very conservative budget and increases in market interest rates and thus the income the Village earns on its reserves and some restricted assets.
- Lower costs to service debt because the Village was able to prudently refinance the Sunset Grove bonds from 7.50% to 3.10% during previous periods when market interest rates were lower and allowed for more sales tax (which is pledged to bond payments if needed) coming back to the General Fund.

Assets and Capital Assets also increased as the Village utilized the Capital Improvements Fund and Motor Fuel Tax revenues for road construction and improvement projects on Port Clinton Road, Chickamauga Lane, Oak Grove Drive, and Oak Grove Circle, as well as improvements to Stemple Parking Lot

Total Liabilities for Governmental Activities includes receipt of the second installment of federal funding approximating \$538,000 from the American Rescue Plan Act (ARPA). This has been deferred to be expended in future years. In total, the Village was awarded and has received federal ARPA funds in the amount of approximately \$1.08 million which will be allocated for various projects within the Village. Total Liabilities also reflect an increase in the Village's net pension liability because actual investment earnings for IMRF (Illinois Municipal Retirement Fund, a statewide pooled pension fund for eligible retired municipal employees) funds were below their respective actuarial assumptions at the end of calendar year 2022. Annual debt service payments for bonds issued by the Downtown TIF District and the Village water system reduced the overall outstanding debt liability and partially offset the overall increase in Total Liabilities.

Deferred Outflows and Deferred Inflows primarily reflect the difference between pension plan positions:

- 1) Expected and actual participant experience,
- 2) Changes in plan assumptions, and
- 3) Projected and actual earnings on investments.

In addition, Deferred Inflows include property taxes expected to flow to the TIF districts. These amounts are deferred as revenue until the beginning of the next fiscal year to ensure proper revenue recognition, as they are intended to finance the following fiscal year. Additional information on the Village's property tax calendar can be found in the Notes to the Financial Statements, note #3.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

A significant portion of the Village's Net Position reflects its net investment in capital assets (such as land, buildings, machinery and equipment including the water system, and infrastructure such as roads, bridges, and the deep well) less any related outstanding debt used to acquire those assets. The Village uses these capital assets to provide services to residents; consequently, these assets are not available for future spending. Although the Village's net investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must come from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Investment in capital assets, net of debt also provides useful information that can be used for trend analysis to determine if the Village is properly replacing aging infrastructure, including streets and water system components.

The Village's Restricted Net Position for Governmental Activities (Table 1) reflects funds that have limitations on how they may be used. These funds primarily address Open Spaces, Capital Improvements and State Motor Fuel Tax revenues, which may only be used for future road capital and maintenance projects. The Village maintains a 15-year Road Plan and regular pavement condition studies to maintain or replace all Village-owned roads over that 15-year cycle, funded by current and accumulated reserves in the Capital Improvements and Motor Fuel Tax funds. Restricted Net Position increased as funds accumulated for infrastructure improvement exceeded funds utilized for road and capital projects during the fiscal year. Restricted Net Position also includes Sunset Grove Business District and ARPA funds.

The Village's positive Governmental Unrestricted Net Position of approximately \$2.5 million includes the funds available to maintain the Village's future stability.

Total Net Position for Business-Type Activities decreased by \$166,851. This was due to the Water Fund's expenses exceeding its revenues. The Water Fund also had negative operating activities cash flows of (\$10,240). These both were primarily due to the smaller number of customers currently connected to the Village water system. Broader cash flow was a positive \$116,309 due to favorable capital financing activities and timing. Overall, however, the Total Net Position decrease was mainly driven by depreciation expense of \$203,617.

The decrease in Business-Type Total Liabilities primarily reflects annual debt service payments which reduce outstanding bonded debt from Special Service Area bonds issued in 2011. These bond revenues were utilized to fund the initial water system projects.

The Business Type Unrestricted Net Position of \$5.8 million includes \$1.67 million which can be utilized to finance Water Fund day-to-day operations.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The following table reflects the change in net position resulting from revenues and expenses of the Village’s Governmental and Business-Type activities.

Table 2
Statement of Activities
For the Fiscal Year Ended April 30, 2023

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program Revenues						
Charges for Services	\$665,185	\$816,447	\$131,088	\$123,213	\$796,273	\$939,660
Operating Grants/Contr.	496,262	493,870	-	-	496,262	493,870
Capital Grants/Contr.	103,452	567,325	42,844	67,936	146,296	635,261
General Revenues						
SSA Property Taxes	-	-	26,636	-	26,636	-
Other Taxes	5,213,277	4,934,160	-	-	5,213,277	4,934,160
Other	627,016	722,502	27,787	1,832	654,803	724,334
Total Revenues	\$7,105,192	\$7,534,304	\$228,355	\$192,981	\$7,333,547	\$7,727,285
EXPENSES						
General Government	1,548,110	1,373,539	-	-	1,548,110	1,373,539
Public Safety	709,646	760,502	-	-	709,646	760,502
Public Works	1,038,477	860,298	-	-	1,038,477	860,298
Culture & Recreation	23,047	20,015	-	-	23,047	20,015
Conservation & Dev	347,767	322,458	-	-	347,767	322,458
Interest	446,202	580,113	-	-	446,202	580,113
Water & Sewer	-	-	395,206	404,124	395,206	404,124
Total Expenses	4,113,249	3,916,925	395,206	404,124	4,508,455	4,321,049
Change in Net Position	\$2,991,943	\$3,617,379	\$(166,851)	\$(211,143)	\$2,825,092	\$3,406,236
Beginning Net Position	34,729,144	31,111,765	\$5,987,145	6,198,288	40,716,289	37,310,053
Ending Net Position	\$37,721,087	\$34,729,144	\$5,820,294	\$5,987,145	\$43,541,381	\$40,716,289

Governmental Activities

Charges for Services reflect annual revenues derived from Village Fines/Licenses/Permits, which primarily include building permits and franchise fees. It is important to note that building permits are activity-based and are, as such, subject to economic conditions.

Operating Grants and Contributions primarily reflect annual Motor Fuel Tax (MFT) and Transportation Renewal Tax (TRT) receipts. The Village began receiving TRT revenue, effective July 1, 2019, under the Rebuild Illinois Capital Plan which included an increase in the MFT rate from 19 cents per gallon of regular gasoline fuel to 38 cents per gallon.

Capital Grants and Contributions include grant funds also received under the Rebuild Illinois Capital Plan which funded a statewide \$1.5 billion municipal bond program funded by proceeds from the Transportation Renewal Tax. In other words, the Village received monies from the TRT for both operating and capital project purposes. The Village received two of the six bi-annual grant distributions in 2022, totaling \$176,688; and three grant distributions in 2021 totaling \$265,033. The final grant distribution of \$88,344 was received in 2023. The Rebuild Illinois grant distributions were issued to municipalities to fund local street reconstruction projects.

Other Taxes include sales tax revenues (local, non-home rule infrastructure, and Sunset Grove Business District) combined with State shared revenues (income tax, local use tax and replacement tax), local utility taxes, and franchise fees. Other Tax revenue totaled \$5.2 million which represents approximately 73.4% of governmental activity revenue. Sales tax revenue increased due to growing demand for goods and services in the Village, as well as sales tax revenues distributed back from the State. Income tax receipts also increased due to increases in all components of individual and corporate income taxes and the Illinois labor market rebounding with unemployment decreasing to 4.1% in May 2023.

General Government expenses are those “Keep the Lights On Expenses” and reflect all Village administrative functions including Village staff, Finance, Community Development Planning, Zoning, and Building Code review and advice), Engineering, Legal, and President & Board. The Village President receives a very small monthly stipend, while the Village Trustees and Village Clerk do not. Public Safety expenses reflect annual dedicated police services contracted with Lake County Sheriff’s Department. These vary annually and are fully expensed the year they are completed. Public Works also includes services contracted with the Ela Township Highway Department to primarily perform the projects and maintenance, while private firms are contracted to provide landscaping, garbage removal, and snow plowing services. Conservation and Development includes projects supporting the open space program.

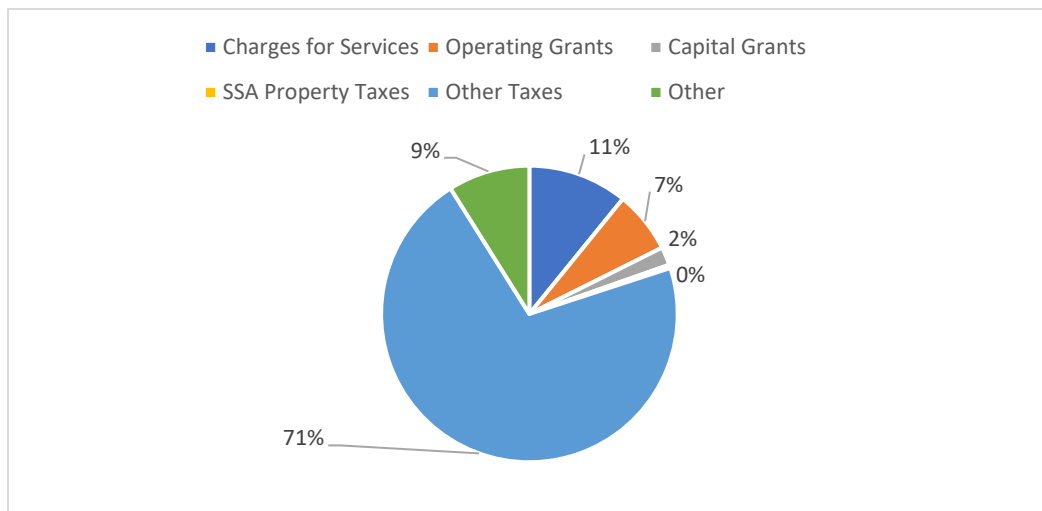
Interest Expense within General Government reflects annual debt service payments related to the Village’s current outstanding Tax Increment Financing bond issues, Series 2020.

Business-Type Activities

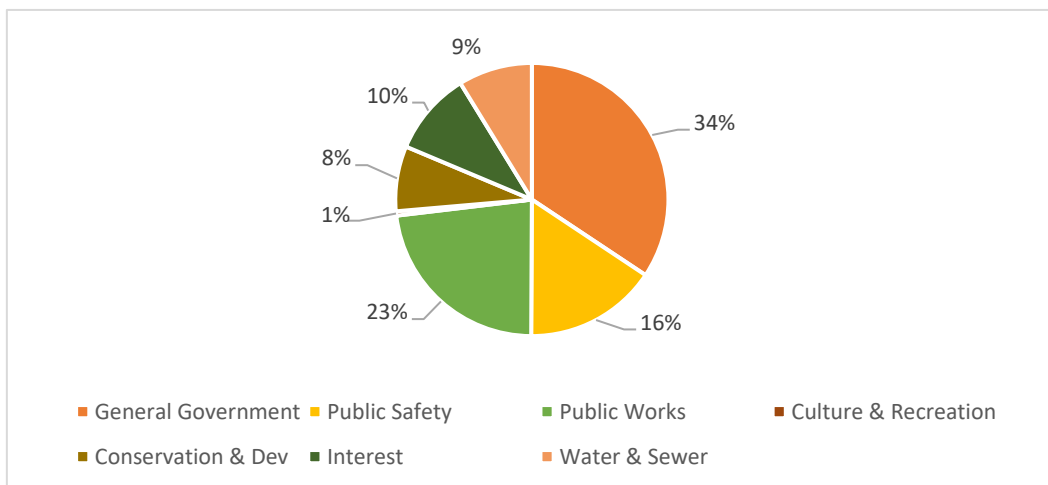
Charges for Services include revenues from water consumed by businesses and residences served by the Village water system (Sunset Grove, Harbor Chase, and most of the historic downtown). These charges increased modestly from 2022 to 2023 (an increase of \$7,875 or 6%).

The following charts reflect revenues by source and expenses by function for governmental and business-type activities for the fiscal year ended April 30, 2023:

Governmental and Business-Type Activities
 Revenues by Source
 Fiscal Year Ended April 30, 2023



Governmental and Business-Type Activities
 Expenses by Function
 Fiscal Year Ended April 30, 2023



FUND FINANCIAL ANALYSIS

As noted earlier, the Village of Long Grove uses fund accounting to ensure and demonstrate compliance with finance related legal requirements as well as enable improved transparency and management. Noted below are several revenue sources that are allocated by the State on a per capita basis. Thus, the Village's population increase of approximately 5% has driven increases in those revenues as well.

Governmental Funds

The **General Fund** is the main operating fund of the Village of Long Grove. During the past few years, the Village has continued to maintain financial stability with an increase in fund balance of \$1,610,612 in 2023.

Because the Village of Long Grove does not levy a property tax, overall revenues are relatively small and more sensitive to overall economic variations. Consequently, the Village has a policy to maintain a reserve fund in an amount equal to that year's full year General Fund expense budget. Municipalities that do rely on property tax revenues often carry a reserve that is much smaller than 12 months' expenses.

Also, in preparing the budget for Fiscal Year 2023-2024, the Village identified several capital projects that would be beneficial in future years. These include Village Hall expansion, the potential to connect the Village water system to Lake Michigan water, expanded Village pathways, technology investments, and other public amenities such as downtown public restrooms and electronic vehicle charging services. The project list also incorporated the public road maintenance plan mentioned earlier. This exercise was for planning purposes, and each project would be discussed in public meetings or budget hearings before becoming a committed project. However, this 5-year capital improvement project list is another key driver of the Village's decision to increase its General Fund reserves. Such actions enable opportunities to pursue one or more of the identified projects with sufficient funds already in hand.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

The following table reflects General Fund budgetary highlights for Revenues, Expenditures and Transfers In/Out:

Table 3
General Fund Budgetary Highlights
Fiscal Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
Revenues and Transfers In			
Taxes	\$ 2,654,856	\$ 2,654,856	\$ 3,260,118
Fees, Licenses & Permits	468,000	468,000	556,158
Other	61,156	61,156	453,450
Transfers In	204,000	204,000	190,225
Total	\$ 3,388,012	\$ 3,388,012	\$ 4,459,951
Expenditures and Transfers Out			
General Government	(1,420,020)	(1,491,305)	(1,280,930)
Public Safety	(709,440)	(709,440)	(709,345)
Public Works	(678,847)	(714,372)	(595,159)
Conservation & Development	(200,106)	(200,106)	(184,835)
Transfers Out	(84,000)	(84,000)	(79,070)
Total	\$ (3,092,413)	\$ (3,199,223)	\$ (2,849,339)
Changes in Fund Balance	\$ 295,599	\$ (188,789)	\$ 1,610,612

Tax revenues include non-home rule sales tax receipts, which increased due to the favorable mix of retail sales in the Village, led by Menard’s and the businesses in the Sunset Grove shopping center.

Sales tax totaled \$1.56 million and was \$209,500 over budget. Income taxes totaled \$1.35 million and were \$414,766 over budget. These are the largest sources of revenue that funds the Village’s General Fund and its primary operations.

Intergovernmental revenues also include local sales and Use taxes which were both impacted by the Leveling the Playing Field for Illinois Retail Act. Beginning January 2021 remote retailers were required to collect state and locally-imposed sales taxes, instead of the 6.25% Use Tax, for online purchases from sellers based on where the product is delivered.

Similar to non-home rule, local sales tax increased over last year and receipts were over budget at fiscal year-end. Initially, the Village was unsure how the change in sales tax collection would affect Use Tax revenues,. The impact on each local municipality was difficult to determine as the Use Tax is distributed on a per capita basis (population) while actual local sales taxes depend on tax rates and consumer spending in each jurisdiction. Importantly, if products are shipped from an Illinois municipality and delivered to Long Grove, this Local Use Tax is remitted to the originating municipality, not Long Grove. Products that are shipped to Long Grove from outside the state must remit sales tax to Long Grove. So, the Village is monitoring these amounts to try to improve its forecasting accuracy. Use tax receipts did end the year over budget, in addition to all other sales tax receipts.

Other Revenue includes interest income; interest charged on advances previously made from the General Fund to the TIF fund and forfeited escrows. This was significantly over budget as rising interest rates resulted in much higher revenues earned during the year than anticipated.

General Government expenditures were under budget due to several administrative and professional expenditure line items coming in under budget, such as legal, building and zoning plan reviews and resident communications.

Public Safety personnel expenditures were on budget because they are driven solely by a contract with the County to provide dedicated patrol and other public safety services.

Public works expenditures were also under budget primarily due to below average snow fall requiring less than average plowing, snow removal, and salt expenses.

Conservation and Development expenditures came in just slightly under budget, however, was mostly in line with Village expectations.

Open Spaces Fund

The Open Spaces Fund received interest \$144,942 from the advances made in the past to the Downtown TIF, as well as required permit allocations to the Open Space Fund. The fund had only \$5,000 in expenditures for future land acquisition, so the fund balance increased by \$164,372.

Downtown TIF Fund

The Downtown TIF Fund reduced (made a payment on) the amount of interfund advances owed to the General Fund by \$392,189 during the year. This also reduced the amount of interfund interest paid on previous advances. The TIF fund also continues to benefit from increasing property values in the TIF district as property taxes from other taxing districts are applied to an ever-increasing incremental increase in property values, and from lower interest payments on the outstanding debt that was refinanced in 2020.

Motor Fuel Tax Fund

The Motor Fuel Tax (MFT) Fund provides for the construction or resurfacing of public rights-of-way within the Village. MFT funds are distributed by the State on a per capita basis and are derived from a tax on the privilege of operating motor vehicles upon highways, based on the consumption of motor fuel.

The State of Illinois recently enacted the REBUILD ILLINOIS capital plan, which is intended to fund statewide transportation projects. Funding for the capital plan is derived from an increase in the Motor Fuel Tax rate from 19 cents per gallon to 38 cents per gallon for regular gasoline fuel, effective July 1, 2019. The increase in the Motor Fuel Tax also provides additional funding to municipalities of approximately 50% of the current allocation.

The Rebuild Illinois Capital Plan also funded a \$1.5 billion municipal grant program using proceeds from the Transportation Renewal Tax. The Village has received all six bi-annual distributions over the last three years totaling approximately \$530,065, which can be utilized to fund street reconstruction projects.

In total MFT receipts were over budget during the fiscal year as fuel consumption has started to recover from pandemic lows but remains well below historical funding levels. Motor Fuel Tax reserves decreased by approximately \$295,000 in 2023 to provide funding for the Port Clinton Road, Chickamauga Lane, Oak Grove Drive, and Oak Grove Circle projects.

Motor Fuel Tax Fund reserves of \$301,451 primarily reflect the accumulation of funds for street renovation and resurfacing projects. Future years' reserves will be used to fund additional capital projects.

Capital Improvement Fund

The Capital Improvement Fund was established to ensure that the Village infrastructure is maintained and/or replaced to an acceptable level and to account for the acquisition, construction, or replacement of fixed assets of government funds with fund revenues derived primarily from transfers from the General and Motor Fuel Tax Funds, as well as from bond proceeds.

The Capital Improvement Fund typically includes reserve funds to replace aging infrastructure throughout the Village and for unforeseen contingency costs associated with the aggressive neighborhood street renovations projects and complex street reconstruction projects to be undertaken in the near future. Due to the nature of the Capital Projects Fund, which is to build reserves for future infrastructure projects, in years with significant construction this fund may incur large deficits with small reserve balances.

The Capital Improvement Fund has a large reserve balance of \$1,858,830 at fiscal year-end due to the timing of several road projects and accumulating funds for the Village's portion of the potential capital improvement projects identified for 2023 - 2028.

The Capital Improvement Fund was also used for funding of the Oakwood Bridge project, finishing the Stemple Parking Lot, and continued various road construction and improvement projects throughout the Village.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Proprietary Funds

Net position of the **Water Fund** at year end totaled \$5,820,294. Net Position decreased during the year by \$166,851 due to operating expenses exceeding operating revenues, including a depreciation expense of \$203,617. The Village intends to maintain this higher net position as it evaluates and pursues the potential for connecting to Lake Michigan water. Such a connection will still require Village water infrastructure to be maintained and replaced, as it will still be necessary to distribute water to existing and future customers.

CAPITAL ASSETS

The Village of Long Grove’s investment in capital assets for its governmental and business-type activities as of April 30, 2023 is \$34,029,426. This investment in capital assets includes land, buildings, improvements, equipment, and street infrastructure as reflected in Table 4.

The Village depreciates assets over their useful life. If a road project is considered maintenance – a recurring cost that does not extend the road’s original useful life or expand its capacity – the cost of the project will be expensed. An “overlay” or resurfacing of a road may be considered maintenance whereas a “rebuild” or reconstruction of a road will be capitalized.

Construction in Progress, a non-depreciable asset, represents the cost of initial stages of a multi-year construction project which has been started but not yet competed. When the project is finished, the cost of the project is reclassified and recorded as a depreciable capital asset.

Table 4
Capital Assets
Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Non-Depreciable Assets						
Construction in Progress	\$59,146	\$489,888	\$ -	\$ -	\$59,046	\$489,888
Land & Right of Way	15,812,146	15,807,146	116,801	116,801	15,928,947	15,923,947
Intangible	34,000	34,000	-	-	34,000	34,000
Other Capital Assets						
Land Improvements	3,710,037	3,311,491	-	-	3,710,037	3,311,491
Buildings	103,414	110,250	-	-	103,414	110,250
Machinery & Equipment	49,317	52,485	-	-	49,317	52,485
Intangible	37,730	47,096	-	-	37,730	47,096
Bridges	1,707,586	1,759,469	-	-	1,707,586	1,759,469
Roads	7,899,666	7,055,397	-	-	7,899,666	7,055,397
Water System	-	-	4,489,717	4,691,829	4,489,717	4,691,829
Equipment	-	-	9,866	10,100	9,866	10,100
Total	\$29,413,042	\$28,667,222	\$4,616,384	\$4,818,730	\$34,029,426	\$33,485,952

Other Governmental and Business-Type assets decreased as depreciation expenses exceeded infrastructure improvements and equipment purchased during the fiscal year.

VILLAGE OF LONG GROVE, ILLINOIS
MANAGEMENT’S DISCUSSION AND ANALYSIS (Continued)

Additional information on the Village’s capital assets can be found in the Notes to the Financial Statements, note #5.

LONG-TERM DEBT

At the end of the current fiscal year, the Village of Long Grove has total bonded debt and notes outstanding of \$2,885,000 all of which is backed by specific revenues and is not a general obligation of the Village.

The Tax Increment Finance district refunding bonds from 2020 were issued to refinance bonds originally issued at 7.50% interest. Those proceeds helped develop the Sunset Grove shopping center in 2009-2011 and were refinanced in 2020 at a blended interest rate of approximately 3.1%. The current bond principal and interest payments are funded from a combination of property tax increases in the Sunset Grove area, a dedicated business district tax, and a portion of the sales tax revenues generated in that shopping center. During the fiscal year, these revenues were more than 3 times the amount needed to make timely principal and interest payments.

The remaining bond debt at April 30, 2023 is \$505,000 (initially \$1,000,000), issued at 7.75%, to fund parts of the initial Village water system – deep well and pumping station. Principal and interest for this debt is covered by taxes collected in a Special Service Area (SSA) each year from the businesses in the Sunset Grove area initially served by the water system. This debt was eligible for refinancing in 2021 but the small amount did not justify the legal and underwriting expense required to affect a refinancing.

**Table 5
Outstanding Bonds**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Tax Increment Refunding Bonds Series 2020	\$ 2,885,000	\$3,130,000	\$ -	\$ -	\$2,885,000	\$3,130,000
Gov-Type Only Totals	2,885,000	3,130,000	-	-	2,885,000	3,130,000
Special Service Area Special Tax Bonds, Series 2011	-	-	505,000	570,000	505,000	570,000
Business-Type Only Totals	-	-	505,000	570,000	505,000	570,000
Village Totals	\$2,885,000	\$3,130,000	\$505,000	\$570,000	\$3,390,000	\$3,700,000

Additional information on the Village’s long-term debt can be found in the Notes to the Financial Statements, note # 6.

ECONOMIC FACTORS

The Village's composition is primarily large-lot residential with aesthetically pleasing retail and commercial components. The Village's commitment to strong open space preservation, low-density development, and a historic downtown known for its many small shops, eateries, and festivals has proven a winning combination which utilizes Tax Increment Financing (TIF) to encourage business development but does not require a general property tax to fund municipal operations.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT TEAM

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Note that this report was prepared with the substantial assistance of the Village Accountant, Seidler & Associates, Village Auditor, Sikich LLP, and the historical familiarity with Village finances provided by Trustee Anne Kritzmire. Questions concerning this report or requests for additional financial information should be directed to Art Osten, Jr., Interim Village Manager, Village of Long Grove, 3110 Old McHenry Rd, Long Grove, Illinois 60047.

BASIC FINANCIAL STATEMENTS

VILLAGE OF LONG GROVE, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 12,905,576	\$ 946,898	\$ 13,852,474
Restricted cash and investments	364,736	41,336	406,072
Receivables (net, where applicable, of allowances for uncollectibles)			
Taxes	1,650,059	26,636	1,676,695
Accounts	416,208	205,634	621,842
Internal balances	59	(59)	-
Due from other governments	29,723	-	29,723
Due from fiduciary funds	10,232	-	10,232
Special assessments receivable	-	548,261	548,261
Capital assets, not being depreciated	15,905,292	116,801	16,022,093
Capital assets being depreciated (net of accumulated depreciation)	13,507,750	4,499,583	18,007,333
Total assets	44,789,635	6,385,090	51,174,725
DEFERRED OUTFLOWS OF RESOURCES			
Asset retirement obligation	-	121,920	121,920
Pension related amounts	322,773	-	322,773
Total deferred outflows of resources	322,773	121,920	444,693
Total assets and deferred outflows of resources	45,112,408	6,507,010	51,619,418
LIABILITIES			
Accounts payable	1,465,095	21,556	1,486,651
Other liabilities	8,213	-	8,213
Accrued interest payable	35,565	-	35,565
Deposits	-	6,524	6,524
Unearned revenues	1,308,253	-	1,308,253
Noncurrent liabilities			
Due within one year	255,000	70,000	325,000
Due in more than one year	3,345,814	562,000	3,907,814
Total liabilities	6,417,940	660,080	7,078,020
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	926,417	26,636	953,053
Pension related amounts	46,964	-	46,964
Total deferred inflows of resources	973,381	26,636	1,000,017
Total liabilities and deferred inflows of resources	7,391,321	686,716	8,078,037
NET POSITION			
Net investment in capital assets	29,318,189	4,111,384	33,429,573
Restricted for debt service	364,736	41,336	406,072
Restricted for highways and streets	301,451	-	301,451
Restricted for conservation and development	5,002,416	-	5,002,416
Restricted for capital projects	1,858,830	-	1,858,830
Restricted for special purposes	29,902	-	29,902
Unrestricted	845,563	1,667,574	2,513,137
TOTAL NET POSITION	\$ 37,721,087	\$ 5,820,294	\$ 43,541,381

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2023

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 1,548,110	\$ 522,607	\$ -	\$ -
Public safety	709,646	37,469	-	-
Public works	1,038,477	-	337,116	103,452
Culture and recreation	23,047	25,412	-	-
Conservation and development	347,767	79,697	159,146	-
Interest	446,202	-	-	-
Total governmental activities	4,113,249	665,185	496,262	103,452
Business-Type Activities				
Water	395,206	131,088	-	42,844
Total business-type activities	395,206	131,088	-	42,844
TOTAL PRIMARY GOVERNMENT	\$ 4,508,455	\$ 796,273	\$ 496,262	\$ 146,296

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (1,025,503)	\$ -	\$ (1,025,503)
	(672,177)	-	(672,177)
	(597,909)	-	(597,909)
	2,365	-	2,365
	(108,924)	-	(108,924)
	(446,202)	-	(446,202)
	(2,848,350)	-	(2,848,350)
	-	(221,274)	(221,274)
	-	(221,274)	(221,274)
	(2,848,350)	(221,274)	(3,069,624)
General Revenues			
Taxes			
Special Service Area property taxes	-	26,636	26,636
Income	1,436,602	-	1,436,602
Sales	2,449,863	-	2,449,863
TIF increment/property taxes	791,339	-	791,339
Telecommunications	119,506	-	119,506
Other taxes	415,967	-	415,967
American Rescue Plan Act	14,119	-	14,119
Investment income	612,098	27,787	639,885
Miscellaneous	799	-	799
Total	5,840,293	54,423	5,894,716
CHANGE IN NET POSITION	2,991,943	(166,851)	2,825,092
NET POSITION, MAY 1	34,729,144	5,987,145	40,716,289
NET POSITION, APRIL 30	\$ 37,721,087	\$ 5,820,294	\$ 43,541,381

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET

April 30, 2023

	General	Open Spaces	Downtown TIF	Capital Improvement Fund	Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 7,583,424	\$ 793,994	\$ 1,271,336	\$ 1,688,345	\$ 271,728	\$ 1,296,749	\$ 12,905,576
Restricted cash and investments	-	-	364,736	-	-	-	364,736
Receivables (net, where applicable, of allowances for uncollectibles)							
Taxes	432,793	-	1,004,287	212,979	-	-	1,650,059
Accounts	290,195	38,711	-	87,302	-	-	416,208
Due from other governments	-	-	-	-	29,723	-	29,723
Due from other funds	59	-	-	-	-	-	59
Due from fiduciary funds	10,232	-	-	-	-	-	10,232
Advances to other funds	5,773,468	3,977,184	-	-	-	-	9,750,652
TOTAL ASSETS	\$ 14,090,171	\$ 4,809,889	\$ 2,640,359	\$ 1,988,626	\$ 301,451	\$ 1,296,749	\$ 25,127,245

	General	Open Spaces	Downtown TIF	Capital Improvement Fund	Motor Fuel Tax	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 1,303,569	\$ -	\$ 19,477	\$ 129,796	\$ -	\$ 12,253	\$ 1,465,095
Other liabilities	8,213	-	-	-	-	-	8,213
Unearned revenue	246,623	-	-	-	-	1,061,630	1,308,253
Advances from other funds	86,808	-	9,601,909	-	-	61,935	9,750,652
Total liabilities	1,645,213	-	9,621,386	129,796	-	1,135,818	12,532,213
DEFERRED INFLOWS OF RESOURCES							
Unavailable property tax revenues	-	-	926,417	-	-	-	926,417
Total deferred inflows of resources	-	-	926,417	-	-	-	926,417
Total liabilities and deferred inflows of resources	1,645,213	-	10,547,803	129,796	-	1,135,818	13,458,630
FUND BALANCES							
Nonspendable - advance to other funds	5,773,468	-	-	-	-	-	5,773,468
Restricted for debt service	-	-	364,736	-	-	-	364,736
Restricted for highways and streets	-	-	-	-	301,451	-	301,451
Restricted for conservation and development	-	4,809,889	-	-	-	192,527	5,002,416
Restricted for capital projects	-	-	-	1,858,830	-	-	1,858,830
Restricted for special purposes	-	-	-	-	-	29,902	29,902
Unassigned (deficit)	6,671,490	-	(8,272,180)	-	-	(61,498)	(1,662,188)
Total fund balances (deficit)	12,444,958	4,809,889	(7,907,444)	1,858,830	301,451	160,931	11,668,615
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 14,090,171	\$ 4,809,889	\$ 2,640,359	\$ 1,988,626	\$ 301,451	\$ 1,296,749	\$ 25,127,245

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

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

April 30, 2023

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 11,668,615
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the government funds	29,413,042
Deferred outflows of resources related to pensions are not a current financial resource and, therefore, are not reported in the governmental funds	
Illinois Municipal Retirement Fund	322,773
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Limited obligation tax increment revenue bonds	(2,885,000)
Unamortized bond premium	(2,683)
Net pension liability - Illinois Municipal Retirement Fund	(713,131)
Deferred inflows of resources related to pensions are not a current financial resource and, therefore, are not reported in the governmental funds	
Illinois Municipal Retirement Fund	(46,964)
Interest payable is not reported in the governmental funds	<u>(35,565)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 37,721,087</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

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

For the Year Ended April 30, 2023

	General	Open Spaces	Downtown TIF	Capital Improvement Fund	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 3,260,118	\$ -	\$ 1,115,452	\$ 996,212	\$ -	\$ 641	\$ 5,372,423
Intergovernmental	-	-	-	15,108	425,461	14,119	454,688
Fees, licenses and permits	556,158	16,590	-	-	-	-	572,748
Fines, forfeitures and penalties	20,879	-	-	-	-	-	20,879
Public charges for services	53,317	-	-	-	-	-	53,317
Investment income	364,332	152,782	23,761	35,267	299	35,657	612,098
Miscellaneous	14,922	-	-	4,117	-	-	19,039
Total revenues	4,269,726	169,372	1,139,213	1,050,704	425,760	50,417	7,105,192
EXPENDITURES							
Current							
General government	1,280,930	-	22,341	956	-	-	1,304,227
Public safety	709,345	-	-	-	-	301	709,646
Public works	595,159	-	-	-	-	-	595,159
Conservation and development	184,835	-	5,961	-	-	-	190,796
Capital outlay	-	5,000	-	703,988	720,650	14,119	1,443,757
Debt service							
Principal retirement	-	-	245,000	-	-	-	245,000
Interest and fiscal charges	-	-	451,052	-	-	-	451,052
Total expenditures	2,770,269	5,000	724,354	704,944	720,650	14,420	4,939,637
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,499,457	164,372	414,859	345,760	(294,890)	35,997	2,165,555

	General	Open Spaces	Downtown TIF	Capital Improvement Fund	Motor Fuel Tax	Other Governmental Funds	Total Governmental Funds
OTHER FINANCING SOURCES (USES)							
Transfers in	\$ 190,225	\$ -	\$ 79,070	\$ 47,556	\$ -	\$ -	\$ 316,851
Transfers (out)	(79,070)	-	(237,781)	-	-	-	(316,851)
Total other financing sources (uses)	111,155	-	(158,711)	47,556	-	-	-
NET CHANGE IN FUND BALANCES	1,610,612	164,372	256,148	393,316	(294,890)	35,997	2,165,555
FUND BALANCES (DEFICIT), MAY 1	10,834,346	4,645,517	(8,163,592)	1,465,514	596,341	124,934	9,503,060
FUND BALANCES (DEFICIT), APRIL 30	<u>\$ 12,444,958</u>	<u>\$ 4,809,889</u>	<u>\$ (7,907,444)</u>	<u>\$ 1,858,830</u>	<u>\$ 301,451</u>	<u>\$ 160,931</u>	<u>\$ 11,668,615</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

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

For the Year Ended April 30, 2023

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ 2,165,555
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities	1,270,808
Capital assets are depreciated on the statement of activities	(524,988)
The change in interest payable and repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Repayment of long term debt	245,000
Change in unamortized premium	298
Change in interest payable	4,552
The change in the net pension liability and deferred inflows and outflows is shown as an expense on the statement of activities	<u>(169,282)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 2,991,943</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

PROPRIETARY FUND
STATEMENT OF NET POSITION

April 30, 2023

	<u>Enterprise</u>
CURRENT ASSETS	
Cash and investments	\$ 946,898
Receivables	
Taxes	26,636
Accounts	205,634
Restricted assets	
Cash and investments	<u>41,336</u>
Total current assets	<u>1,220,504</u>
NONCURRENT ASSETS	
Special assessments receivable	548,261
Capital assets	
Not being depreciated	116,801
Being depreciated, at cost	6,464,027
Less accumulated depreciation	<u>(1,964,444)</u>
Total noncurrent assets	<u>5,164,645</u>
Total assets	<u>6,385,149</u>
DEFERRED OUTFLOWS OF RESOURCES	
Asset retirement obligation	<u>121,920</u>
Total deferred outflows of resources	<u>121,920</u>
Total assets and deferred outflows of resources	<u>6,507,069</u>
CURRENT LIABILITIES	
Accounts payable	21,556
Accrued interest	6,524
Due to other funds	59
Current portion of special service area bonds	<u>70,000</u>
Total current liabilities	<u>98,139</u>
NONCURRENT LIABILITIES	
Asset retirement obligation	127,000
Special service area bonds payable	<u>435,000</u>
Total noncurrent liabilities	<u>562,000</u>
Total liabilities	660,139
DEFERRED INFLOWS OF RESOURCES	
Deferred property tax revenues	<u>26,636</u>
Total liabilities and deferred inflows of resources	<u>686,775</u>
NET POSITION	
Net investment in capital assets	4,111,384
Restricted for debt service	41,336
Unrestricted	<u>1,667,574</u>
TOTAL NET POSITION	<u><u>\$ 5,820,294</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

**PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

For the Year Ended April 30, 2023

	<u>Enterprise</u>
OPERATING REVENUES	
Charges for services	\$ 131,088
Total operating revenues	<u>131,088</u>
OPERATING EXPENSES	
Administrative and utility operations	148,254
Depreciation and amortization	<u>203,617</u>
Total operating expenses	<u>351,871</u>
OPERATING INCOME (LOSS)	<u>(220,783)</u>
NON-OPERATING REVENUES (EXPENSES)	
Special Service Area property taxes	26,636
Investment income	27,787
Interest expense	<u>(43,335)</u>
Total non-operating revenues (expenses)	<u>11,088</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(209,695)
CONTRIBUTIONS	
Contributions	<u>42,844</u>
Total contributions	<u>42,844</u>
CHANGE IN NET POSITION	(166,851)
NET POSITION, MAY 1	<u>5,987,145</u>
NET POSITION, APRIL 30	<u><u>\$ 5,820,294</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

PROPRIETARY FUND
STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2023

	<u>Enterprise</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Received from customers	\$ 138,059
Receipts from other funds	4
Paid to suppliers for good and services	<u>(148,303)</u>
Net cash from operating activities	<u>(10,240)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
None	<u>-</u>
Net cash from noncapital financing activities	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special service area property taxes received	26,636
Special assessments received	181,297
Interest paid	(44,171)
Debt retired	<u>(65,000)</u>
Net cash from capital and related financing activities	<u>98,762</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment Income	<u>27,787</u>
Net cash from investing activities	<u>27,787</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	116,309
CASH AND CASH EQUIVALENTS, MAY 1	<u>871,925</u>
CASH AND CASH EQUIVALENTS, APRIL 30	<u><u>\$ 988,234</u></u>

(This statement is continued on the following page.)

VILLAGE OF LONG GROVE, ILLINOIS

PROPRIETARY FUND
STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2023

	<u>Enterprise</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ (220,783)
Adjustments to reconcile operating income (loss) to net cash from operating activities	
Depreciation and amortization	203,617
Changes in assets and liabilities	
Accounts receivable	6,971
Accounts payable	(49)
Due to other funds	4
	<hr/>
NET CASH FROM OPERATING ACTIVITIES	<u><u>\$ (10,240)</u></u>
CASH AND CASH EQUIVALENTS	
Cash and investments	\$ 946,898
Restricted cash and investments	41,336
	<hr/>
TOTAL CASH AND CASH EQUIVALENTS	<u><u>\$ 988,234</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

**FIDUCIARY FUND
STATEMENT OF NET POSITION**

April 30, 2023

	<u>Custodial</u>
ASSETS	
Cash and cash equivalents	\$ 67,150
Restricted cash and investments	134,423
Receivables	
Property taxes	<u>97,845</u>
 Total assets	 <u>299,418</u>
LIABILITIES	
Due to primary government	<u>10,232</u>
 Total liabilities	 <u>10,232</u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable property tax revenue	<u>97,845</u>
 Total deferred inflows of resources	 <u>97,845</u>
 Total liabilities and deferred inflows of resources	 <u>108,077</u>
NET POSITION	
Restricted for other governments	67,150
Restricted for debt service	<u>124,191</u>
 TOTAL NET POSITION	 <u><u>\$ 191,341</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

**FIDUCIARY FUND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended April 30, 2023

	<u>Custodial</u>
ADDITIONS	
Contributions	
Property owner	\$ 97,845
Impact fees	23,700
Investment income	<u>3,516</u>
 Total additions	 <u>125,061</u>
 DEDUCTIONS	
Contractual services	
Accounting and financial services	30,150
Debt service	
Principal	50,000
Interest	<u>34,610</u>
 Total deductions	 <u>114,760</u>
 CHANGE IN NET POSITION	 <u>10,301</u>
 NET POSITION, MAY 1	 <u>181,040</u>
 NET POSITION, APRIL 30	 <u><u>\$ 191,341</u></u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2023

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

The Village is a municipal corporation governed by an elected seven-member board. The Village operates under a Board-Manager form of government as required by GAAP, these financial statements present the Village (the primary government) and its component units.

Based on the criteria of GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an Amendment of GASB Statements No. 14 and No. 34*, there are no component units for which the Village is considered to be financially accountable.

b. Fund Accounting

The Village uses funds to report on its financial position and the changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. The minimum number of funds are maintained consistent with legal and managerial requirements. Funds are classified into the following categories: governmental, proprietary and fiduciary.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or the other departments or agencies primarily within the Village (internal service funds). The Village does not have any internal service funds.

Fiduciary funds are used to account for fiduciary activities (e.g., assets held on behalf of outside parties, including other governments). The Village utilizes custodial funds to account for funds received and reserved for debt service on the noncommitment debt and collection of impact fees for developers.

c. Government-Wide and Fund Financial Statements

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

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

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

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports the following major governmental funds:

The General Fund is the Village's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The Open Spaces Fund accounts for the resources legally restricted to supporting expenditures for the open space program.

The Downtown Tax Incremental Financing (TIF) Fund accounts for the resources legally restricted to supporting expenditures for the Downtown TIF Fund.

The Capital Improvement Fund accounts for the costs of various infrastructure improvements to Village property. These costs are financed by transfers from the General and Motor Fuel Tax Funds, grants, bond proceeds, and sales tax.

The Motor Fuel Tax Fund accounts for state allotments approved by the Illinois Department of Transportation and is restricted to fund street maintenance and various road improvement projects.

The Village reports the following major proprietary funds:

The Water Fund accounts for the water billings and expenses incurred for providing those services to residents and businesses.

Additionally, the Village reports two custodial funds (Interagency Control Fees and Heron's Landing SSA). Custodial funds are used to account for special service area collection of taxes and impact fees from benefited property owners for payment to bondholders where the Village is acting in only an agent capacity.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. The economic resources measurement focus measures all assets that are available to the entity, not only cash or soon to be cash assets. Both long-term assets and long-term liabilities are measured when using the economic resources measurement focus, including depreciation. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance. A 60-day availability period is used for revenue recognition for all other governmental fund revenues except for sales taxes and telecommunications taxes which use a 90-day availability period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales and income taxes owed to and fines collected by the State of Illinois at year end on behalf of the Village also are recognized as revenue. Permit revenues are not susceptible to accrual because generally they are not measurable until received in cash.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund’s principal ongoing operations. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Cash and Investments

Investments

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

f. Restricted Assets

Certain cash and investments in the Downtown TIF Fund and the Special Service Area Water Fund are restricted in accordance with the ordinances authorizing the issuance of the Limited Obligation Tax Increment Revenue Bonds and 2011 Special Service Area Bonds. These assets are reflected as restricted cash and investments and restrictions of net position.

g. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the general fund, are offset by a fund balance nonspendable account to indicate that they are not available for appropriation and are not expendable available financial resources.

h. Prepaid Items/Expenses

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

i. Capital Assets

Capital assets which include property, plant, equipment, intangible assets and infrastructure assets (e.g., roads, bridges and storm sewers) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial,

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

individual cost of more than \$1,000 for general capital assets and \$15,000 for building, building improvements and infrastructure plus an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

In the case of the initial capitalization of general infrastructure assets (i.e., those reported by governmental activities) the Village chose to include all such items regardless of their acquisition date. The Village was able to estimate the historical cost for the initial reporting of these assets through back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

As the Village constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or extend its useful life beyond the original estimate.

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

Assets	Years
Buildings	40
Machinery and equipment	5-10
Infrastructure	10-50
Land improvements	25
Intangible assets	10

j. Compensated Absences

Vested or accumulated vacation and sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees. These benefits are not material to the financial statements and, therefore, there are no amounts accrued in these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium. In the fund financial statements, governmental funds recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing source. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures and expenses.

l. Fund Balance/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, externally imposed by outside entities, or by the Village's own enabling legislation. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The authority to assign fund balance when deemed necessary or desirable has been delegated to the Village Manager by the Village Board of Trustees. Any residual fund balance of the General Fund or any deficit fund balances are reported as unassigned.

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

Effective December 12, 2018, the Village amended its existing minimum fund balance reserve policy. The recommended minimum General Fund reserve balances shall be equal to 100% of the General Fund operating expenses as budgeted. Until such reserve levels are established, the Village annual budget should be balanced or revenue positive. Non-budgeted expenditures reducing the reserve below the minimum established level shall be limited to emergency or crisis situations and shall only be approved after a two-reading process, unless such process is waived pursuant to a 2/3 vote by the Board of Trustees. The Village was in compliance with their policy at April 30, 2023.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Fund Balance/Net Position (Continued)

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets.

m. Deferred Outflows/Inflows of Resources

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

n. Accounting Estimates

The preparation of financial statements in conformity with GAAP 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.

2. CASH AND INVESTMENTS

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

The Village's investment policy authorizes the Village to make deposits/invest 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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. CASH AND INVESTMENTS (Continued)

The Illinois Funds is an investment pool which was created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value.

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

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statues governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is safety (preservation of capital and protection of investment principal), liquidity and yield.

a. Village Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral held by the Village's agent with a fair value of at least 100% of all bank balances in excess of federal depository insurance.

b. Village Investments

The following table presents the investments and maturities of the Village's securities as of April 30, 2023:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
Fixed income mutual funds	\$ 1,880,909	\$ -	\$ 1,880,909	\$ -	\$ -
TOTAL	\$ 1,880,909	\$ -	\$ 1,880,909	\$ -	\$ -

The Village has the following recurring fair value measurements as of April 30, 2023: The fixed income mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs).

2. CASH AND INVESTMENTS (Continued)

b. Village Investments (Continued)

In accordance with its investment policy, the Village limits its exposure to interest rate risk, the risk that changes in interest rates will adversely affect fair value of an investment, by structuring the portfolio to provide liquidity and maximizing yields within a one-year period. In addition, the policy requires the Village to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in fully collateralized time deposits in financial institutions and money market funds rated AAA by Standard and Poor's. The Illinois Funds and fixed income mutual funds are rated AAA by Standard and Poor's.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village's investment policy does not address custodial credit risk. The Illinois Funds and the fixed income mutual funds are not subject to custodial credit risk.

Concentration of credit risk - The Village's investment policy limits investments to the amount of the portfolio that can be invested in any one investment vehicle as follows:

- With the exception of cash equivalents, treasury securities and time deposits no more than 35% of the portfolio shall be invested in other investment categories;
- No more than 33% of the investment portfolio shall be invested in short term obligations of corporations (i.e., commercial paper);
- As much as 40% of the portfolio may be invested in time deposits when required by the cash flow of the village

3. RECEIVABLES

Property taxes for 2022 attach as an enforceable lien on January 1, 2022, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2023 and are payable in two installments, on or about June 1, 2023 and September 1, 2023. The County collects such taxes and remits them periodically.

The 2022 taxes are intended to finance the 2024 fiscal year and are not considered available for current operations and, therefore, are shown as unavailable/deferred revenue. The 2023 tax levy has not been recorded as a receivable at April 30, 2023, as the tax attached as a lien on property as of January 1, 2023; however, the tax will not be levied until December 2023 and, accordingly, is not measurable at April 30, 2023.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. DEFICIT FUND BALANCES

The following funds had a deficit in fund balance as of the date of this report:

Fund	Deficit Balances
Downtown TIF Fund	\$ (7,907,444)
South Gateway TIF	(61,498)

The Downtown TIF Fund and South Gateway TIF deficit is anticipated to be funded with future incremental taxes and other revenues collected over the life of the District.

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2023, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Construction in progress	\$ 489,888	\$ 143,960	\$ 574,702	\$ 59,146
Land	15,807,146	5,000	-	15,812,146
Intangible	34,000	-	-	34,000
Total capital assets not being depreciated	<u>16,331,034</u>	<u>148,960</u>	<u>574,702</u>	<u>15,905,292</u>
Capital assets being depreciated				
Land improvements	5,390,484	622,991	-	6,013,475
Buildings	200,980	-	-	200,980
Machinery and equipment	81,631	-	-	81,631
Intangible	93,664	-	-	93,664
Bridges	2,129,864	-	-	2,129,864
Roads	8,098,035	1,073,559	-	9,171,594
Total capital assets being depreciated	<u>15,994,658</u>	<u>1,696,550</u>	<u>-</u>	<u>17,691,208</u>
Less accumulated depreciation for				
Land improvements	2,078,993	224,445	-	2,303,438
Buildings	90,730	6,836	-	97,566
Machinery and equipment	29,146	3,168	-	32,314
Intangible	46,568	9,366	-	55,934
Bridges	370,395	51,883	-	422,278
Roads	1,042,638	229,290	-	1,271,928
Total accumulated depreciation	<u>3,658,470</u>	<u>524,988</u>	<u>-</u>	<u>4,183,458</u>
Total capital assets being depreciated, net	<u>12,336,188</u>	<u>1,171,562</u>	<u>-</u>	<u>13,507,750</u>
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 28,667,222</u>	<u>\$ 1,320,522</u>	<u>\$ 574,702</u>	<u>\$ 29,413,042</u>

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 116,801	\$ -	\$ -	\$ 116,801
Total capital assets not being depreciated	<u>116,801</u>	<u>-</u>	<u>-</u>	<u>116,801</u>
Capital assets being depreciated				
Public water system infrastructure	6,451,346	-	-	6,451,346
Equipment	12,681	-	-	12,681
Total capital assets being depreciated	<u>6,464,027</u>	<u>-</u>	<u>-</u>	<u>6,464,027</u>
Less accumulated depreciation for				
Public water system infrastructure	1,759,517	202,112	-	1,961,629
Equipment	2,581	234	-	2,815
Total accumulated depreciation	<u>1,762,098</u>	<u>202,346</u>	<u>-</u>	<u>1,964,444</u>
Total capital assets being depreciated, net	<u>4,701,929</u>	<u>(202,346)</u>	<u>-</u>	<u>4,499,583</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 4,818,730</u>	<u>\$ (202,346)</u>	<u>\$ -</u>	<u>\$ 4,616,384</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 99,588
Public works	281,173
Culture and recreation	18,476
Conservation and development	<u>125,751</u>

**TOTAL DEPRECIATION EXPENSE -
GOVERNMENT ACTIVITIES**

\$ 524,988

6. LONG-TERM DEBT

a. Changes in General Long-Term 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. 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. The remaining pledge as of April 30, 2023, was \$3,425,825 through January 1, 2032. During the current fiscal year, there was pledged revenue of \$1,115,452 and principal and interest payments of \$345,955; the principal and interest paid was approximately 31% of the total pledged revenues.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. Changes in General Long-Term Debt (Continued)

Limited obligation bonds payable at April 30, 2023, consist of the following:

	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$3,600,000 Limited Obligation Tax Increment Revenue Refunding Bonds, Series 2020 dated January 22, 2020, due in annual installments from \$230,000 to \$490,000 plus interest from 2.35% to 3.70% through January 1, 2032.	\$ 3,130,000	\$ -	\$ 245,000	\$ 2,885,000	\$ 255,000
TOTAL GOVERNMENTAL ACTIVITIES	\$ 3,130,000	\$ -	\$ 245,000	\$ 2,885,000	\$ 255,000

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, 2023, consist of the following:

Business-Type Activities

	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$1,000,000 Special Service Area Special Tax Bonds, Series 2011, dated February 1, 2011, due in annual installments from \$30,000 to \$100,000 plus interest at 7.75% through March 1, 2029.	\$ 570,000	\$ -	\$ 65,000	\$ 505,000	\$ 70,000
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 570,000	\$ -	\$ 65,000	\$ 505,000	\$ 70,000

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Type		Business-Type	
	TIF Refunding Bonds		Special Service Area Bonds	
	Principal	Interest	Principal	Interest
2024	\$ 255,000	\$ 94,830	\$ 70,000	\$ 39,138
2025	270,000	87,818	75,000	33,713
2026	280,000	80,123	80,000	27,900
2027	290,000	71,723	85,000	21,700
2028	305,000	62,733	95,000	15,113
2029	320,000	52,820	100,000	7,750
2030	330,000	42,100	-	-
2031	345,000	30,550	-	-
2032	490,000	18,128	-	-
TOTAL	\$ 2,885,000	\$ 540,825	\$ 505,000	\$ 145,314

c. Other Changes in Long-Term Debt

Governmental Activities

During the fiscal year, the following changes occurred in liabilities reported in the governmental long-term liabilities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
2020 TIF Refunding Bonds	\$ 3,130,000	\$ -	\$ 245,000	\$ 2,885,000	\$ 255,000
Bond premium	2,981	-	298	2,683	-
Net pension liability	195,266	517,865	-	713,131	-
TOTAL GOVERNMENTAL LONG-TERM LIABILITIES	\$ 3,328,247	\$ 517,865	\$ 245,298	\$ 3,600,814	\$ 255,000

The General Fund has typically been used in prior years to liquidate the liability for the net pension liability.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

c. Other Changes in Long-Term Debt (Continued)

During the fiscal year, the following changes occurred in long-term liabilities reported in the business-type activities:

	Balances May 1	Issuances	Retirements	Balances April 30	Current Portion
2011 Special Service Area Bonds	\$ 570,000	\$ -	\$ 65,000	\$ 505,000	\$ 70,000
Asset retirement obligation	127,000	-	-	127,000	-
TOTAL BUSINESS-TYPE LONG-TERM LIABILITIES	\$ 697,000	\$ -	\$ 65,000	\$ 632,000	\$ 70,000

The Village has recognized an asset retirement obligation (ARO) and related deferred outflow of resources in connection with its obligation to seal and abandon its water wells at the end of its estimated useful life in accordance with federal, state and/or local requirements. The ARO was measured using actual historical costs for similar abandonments, adjusted for inflation through the end of the year. The estimated useful life of the water wells is 100 years.

d. Noncommitment Debt

Special Service Area Bonds outstanding as of the date of this report totaled \$1,325,000. These bonds are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the special service areas. The Village is in no way liable for repayment but is only acting as agent for the property owners in levying and collecting the assessments and forwarding the collections to bondholders.

7. INDIVIDUAL FUND DISCLOSURES

a. Due From/To Other Funds

Due from/to other funds at April 30, 2023, consisted of the following:

	Due From	Due To
General Fund		
Water Fund	\$ 59	\$ -
Water Fund		
General Fund	-	59
TOTAL	\$ 59	\$ 59

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

a. Due From/To Other Funds (Continued)

All balances from the prior page resulted from the time lag between dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All amounts are expected to be repaid within one year.

b. Advances To/From

Advances to/from other funds at April 30, 2023, consisted of the following:

	Advance To	Advance From
General Fund	\$ 5,773,468	\$ 86,808
Open Spaces	3,977,184	-
Downtown TIF	-	9,601,909
Nonmajor Governmental	-	61,935
TOTAL	\$ 9,750,652	\$ 9,750,652

\$9,601,909 was advanced to the Downtown TIF Fund from the General Fund and Open Spaces Fund to fund the costs incurred in the Downtown TIF capital projects since its inception. These amounts will not be repaid within one year.

c. Interfund Transfers

Interfund transfers during the year ended April 30, 2023, consisted of the following:

	Transfers In	Transfers Out
General	\$ 190,225	\$ 79,070
Downtown TIF	79,070	237,781
Capital Improvement	47,556	-
TOTAL ALL FUNDS	\$ 316,851	\$ 316,851

- \$47,556 transferred to the Capital Improvement Fund from the Downtown TIF Fund for overpayments made in prior years. This transfer will not be repaid.
- \$79,070 transferred to the Downtown TIF Fund from the General Fund to reimburse the TIF for amounts owed to the TIF as required by Illinois Compiled Statutes (ILCS). This transfer will not be repaid.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

c. Interfund Transfers (Continued)

- \$190,225 transferred to the General Fund from the Downtown TIF Fund to reimburse the General Fund for principal and interest repayment on debt issued. This transfer will not be repaid.

d. Due From/To Fiduciary Funds

Due from/to fiduciary funds at April 30, 2023, consisted of the following:

	<u>Due From</u>	<u>Due To</u>
General Fund		
Heron's Landing SSA	\$ 10,232	\$ -
Heron's Landing SSA		
General Fund	-	<u>10,232</u>
TOTAL	<u>\$ 10,232</u>	<u>\$ 10,232</u>

All balances above resulted from the time lag between dates for payments between funds are made. All amounts are expected to be repaid within one year.

8. RISK MANAGEMENT

The Village is exposed to various risks of loss including, but not limited to, employee health, general liability, property casualty, workers' compensation and public official liability. To limit exposure to these risks, the Village has purchased third party insurance. Settlement claims have not exceeded insurance coverage for the current or the three prior years.

9. CONTINGENT LIABILITIES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. CONTINGENT LIABILITIES (Continued)

b. Grants (Continued)

applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Village expects such amounts, if any, to be immaterial.

10. TAX ABATEMENTS

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

In addition, the Village has redevelopment sales tax incentive agreements with local businesses within the downtown tax increment financing district. The determined goal of these agreements is to stimulate private investment by offering incentives to property and business owners within the Historic Business District relating to improvements of their properties and places of business. Financial incentives in the form of partial reimbursement of verifiable capital improvement costs are subject to the terms and conditions within each agreement. As of April 30, 2023, several agreements were in place and \$5,961 was paid in the current year.

11. DEFINED BENEFIT PENSION PLAN

The Village contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement plan. The benefits, benefit levels, employee contributions and employer contributions for all plans are governed by ILCS and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2022, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	5
Inactive employees entitled to but not yet receiving benefits	2
Active employees	5
 TOTAL	 12

Benefits Provided

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the year ended April 30, 2023, was 14.26% of covered payroll for IMRF.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2022 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2022
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.25%
Salary increases	2.85% to 13.75%
Interest rate	7.25%
Price inflation	2.50%
Asset valuation method	Fair value

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

Discount Rate

The discount rate used to measure the total pension liability was 7.25% for IMRF. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2022	\$ 2,771,501	\$ 2,576,235	\$ 195,266
Changes for the period			
Service cost	45,266	-	45,266
Interest	197,096	-	197,096
Difference between expected and actual experience	(2,594)	-	(2,594)
Changes in assumptions	-	-	-
Employer contributions	-	58,148	(58,148)
Employee contributions	-	19,763	(19,763)
Net investment income	-	(361,397)	361,397
Benefit payments and refunds	(151,145)	(151,145)	-
Other (net transfer)	-	5,389	(5,389)
Net changes	88,623	(429,242)	517,865
BALANCES AT DECEMBER 31, 2022	\$ 2,860,124	\$ 2,146,993	\$ 713,131

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended April 30, 2023, the Village recognized pension expense of \$233,191.

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
(Continued)

At April 30, 2023, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Difference between expected and actual experience	\$ 47,329	\$ 46,151
Changes in assumption	-	813
Net difference between projected and actual earnings on pension plan investments	250,276	-
Employer contributions after the measurement date	<u>25,168</u>	<u>-</u>
 TOTAL	 <u>\$ 322,773</u>	 <u>\$ 46,964</u>

\$25,168 reported as deferred outflows of resources related to pensions resulting from Village contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending April 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to IMRF will be recognized in pension expense as follows:

Year Ending <u>April 30,</u>	
2024	\$ 17,585
2025	49,535
2026	74,378
2027	109,143
Thereafter	<u>-</u>
 TOTAL	 <u>\$ 250,641</u>

VILLAGE OF LONG GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

11. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 7.25% as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.25%) or 1 percentage point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 1,029,181	\$ 713,131	\$ 448,556

12. OTHER POSTEMPLOYMENT BENEFITS

The Village has evaluated its potential other postemployment benefits liability. The Village provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with ILCS, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Village are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Village’s health insurance plan. Additionally, the Village had no former employees for which the Village was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. As a result, the Village has determined that no material liability is required to be reported under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Therefore, the Village has not recorded any postemployment benefit liability as of April 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LONG GROVE, ILLINOIS

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

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 2,654,856	\$ 2,654,856	\$ 3,260,118
Fees, licenses and permits	468,000	468,000	556,158
Fines, forfeitures and penalties	21,000	21,000	20,879
Public charges for services	36,956	36,956	53,317
Investment income	1,200	1,200	364,332
Miscellaneous	2,000	2,000	14,922
Total revenues	3,184,012	3,184,012	4,269,726
EXPENDITURES			
Current			
General government	1,420,020	1,491,305	1,280,930
Public safety	709,440	709,440	709,345
Public works	678,847	714,372	595,159
Conservation and development	200,106	200,106	184,835
Total expenditures	3,008,413	3,115,223	2,770,269
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES			
	175,599	68,789	1,499,457
OTHER FINANCING SOURCES (USES)			
Transfers in	204,000	204,000	190,225
Transfers (out)	(84,000)	(84,000)	(79,070)
Total other financing sources (uses)	120,000	120,000	111,155
NET CHANGE IN FUND BALANCE			
	\$ 295,599	\$ 188,789	1,610,612
FUND BALANCE, MAY 1			10,834,346
FUND BALANCE, APRIL 30			\$ 12,444,958

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

**OPEN SPACES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Fees, licenses and permits	\$ 4,150	\$ 23,500	\$ 16,590
Investment income	856	856	7,840
Interest and arrearages on advance to TIF fund	-	-	144,942
Total revenues	<u>5,006</u>	<u>24,356</u>	<u>169,372</u>
EXPENDITURES			
Capital outlay	<u>275</u>	<u>5,406</u>	<u>5,000</u>
Total expenditures	<u>275</u>	<u>5,406</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCE	<u>\$ 4,731</u>	<u>\$ 18,950</u>	164,372
FUND BALANCE, MAY 1			<u>4,645,517</u>
FUND BALANCE, APRIL 30			<u>\$ 4,809,889</u>

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

DOWNTOWN TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Tax increment	\$ 844,000	\$ 844,000	\$ 790,698
Business district sales tax	80,000	80,000	84,836
Non-home rule sales taxes	52,000	52,000	49,910
Sales taxes	204,000	204,000	190,008
Investment income	100	100	23,761
Total revenues	1,180,100	1,180,100	1,139,213
EXPENDITURES			
General government	17,380	19,950	22,341
Conservation and development	3,500	3,500	5,961
Debt service			
Principal on long-term debt	245,000	245,000	245,000
Interest on bonds	100,955	100,955	100,955
Interest on advances	-	-	350,097
Total expenditures	366,835	369,405	724,354
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	813,265	810,695	414,859
OTHER FINANCING SOURCES (USES)			
Payment to escrow agent	(100,955)	(100,955)	-
Transfers in	84,000	84,000	79,070
Transfers (out)	(445,590)	(445,590)	(237,781)
Total other financing sources (uses)	(462,545)	(462,545)	(158,711)
NET CHANGE IN FUND BALANCE	\$ 350,720	\$ 348,150	256,148
FUND BALANCE (DEFICIT), MAY 1			(8,163,592)
FUND BALANCE (DEFICIT), APRIL 30			\$ (7,907,444)

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

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

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Intergovernmental			
Motor fuel tax allotments	\$ 300,000	\$ 300,000	\$ 337,117
Rebuild Illinois	176,688	176,688	88,344
Investment income	-	-	299
	<hr/>		
Total revenues	476,688	476,688	425,760
	<hr/>		
EXPENDITURES			
Capital outlay	720,900	720,900	720,650
	<hr/>		
Total expenditures	720,900	720,900	720,650
	<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (244,212)</u>	<u>\$ (244,212)</u>	(294,890)
FUND BALANCE, MAY 1			<u>596,341</u>
FUND BALANCE, APRIL 30			<u><u>\$ 301,451</u></u>

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2023

BUDGETS

The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year. All funds are budgeted on a basis consistent with GAAP. Formal budgets are established for all funds except the Business District Fund and South Gateway TIF Fund.

Budget amounts used for comparison in this report are obtained from the Annual Budget and Appropriation Ordinance for the Village. Expenditures may not legally exceed budgeted appropriations at the fund level. The budget amounts included in the financial statements are the final adopted budgets, including all amendments. Appropriations lapse at year end. The Village adopted two budget amendments during the fiscal year.

Expenditures exceeded budget by \$354,949 in the Downtown TIF Fund.

VILLAGE OF LONG GROVE, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS

Last Eight Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
TOTAL PENSION LIABILITY								
Service cost	\$ 51,972	\$ 54,240	\$ 53,408	\$ 50,086	\$ 53,862	\$ 56,960	\$ 29,198	\$ 45,266
Interest	122,041	132,645	142,048	146,903	156,656	167,201	161,363	197,096
Differences between expected and actual experience	15,160	(12,020)	(22,202)	(10,220)	(12,976)	(189,669)	439,931	(2,594)
Changes of assumptions	7,187	(40,230)	(57,906)	64,463	-	(3,456)	-	-
Benefit payments, including refunds of member contributions	(45,683)	(46,833)	(47,944)	(49,985)	(52,107)	(55,195)	(140,164)	(151,145)
Net change in total pension liability	150,677	87,802	67,404	201,247	145,435	(24,159)	490,328	88,623
Total pension liability - beginning	1,652,767	1,803,444	1,891,246	1,958,650	2,159,897	2,305,332	2,281,173	2,771,501
TOTAL PENSION LIABILITY - ENDING	\$ 1,803,444	\$ 1,891,246	\$ 1,958,650	\$ 2,159,897	\$ 2,305,332	\$ 2,281,173	\$ 2,771,501	\$ 2,860,124
PLAN FIDUCIARY NET POSITION								
Contributions - employer	\$ 64,372	\$ 68,454	\$ 68,515	\$ 69,736	\$ 66,508	\$ 70,922	\$ 52,376	\$ 58,148
Contributions - member	19,652	20,147	20,486	20,921	22,791	21,696	16,775	19,763
Net investment income	5,947	85,450	229,665	(71,017)	284,717	261,914	335,921	(361,397)
Benefit payments, including refunds of member contributions	(45,683)	(46,833)	(47,944)	(49,985)	(52,107)	(55,195)	(140,164)	(151,145)
Other (net transfer)	3,058	4,015	(17,381)	21,655	324	16,276	80,035	5,389
Net change in plan fiduciary net position	47,346	131,233	253,341	(8,690)	322,233	315,613	344,943	(429,242)
Plan fiduciary net position - beginning	1,170,216	1,217,562	1,348,795	1,602,136	1,593,446	1,915,679	2,231,292	2,576,235
PLAN FIDUCIARY NET POSITION - ENDING	\$ 1,217,562	\$ 1,348,795	\$ 1,602,136	\$ 1,593,446	\$ 1,915,679	\$ 2,231,292	\$ 2,576,235	\$ 2,146,993
EMPLOYER'S NET PENSION LIABILITY	\$ 585,882	\$ 542,451	\$ 356,514	\$ 566,451	\$ 389,653	\$ 49,881	\$ 195,266	\$ 713,131

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019	2020	2021	2022
Plan fiduciary net position as a percentage of the total pension liability	67.51%	71.32%	81.80%	73.77%	83.10%	97.81%	92.95%	75.07%
Covered payroll	\$ 436,715	\$ 447,700	\$ 455,243	\$ 464,916	\$ 489,034	\$ 482,133	\$ 372,777	\$ 439,188
Employer's net pension liability as a percentage of covered payroll	134.16%	121.16%	78.31%	121.84%	79.68%	10.35%	52.38%	162.37%
Changes of assumptions								
2017 - Inflation, salary increases, retirement age and mortality rate								
2018 - Discount rate								
2020 - Inflation, salary increases and mortality rate								

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

**ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Last Eight Fiscal Years

FISCAL YEAR ENDED APRIL 30,	2016	2017	2018	2019	2020	2021	2022	2023
Actuarially determined contribution	\$ 64,372	\$ 68,332	\$ 68,839	\$ 69,737	\$ 69,406	\$ 60,103	\$ 58,769	\$ 63,909
Contributions in relation to the actuarially determined contribution	(64,372)	(68,332)	(68,839)	(69,736)	(69,406)	(60,103)	(58,769)	(63,909)
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 436,715	\$ 449,209	\$ 457,907	\$ 464,916	\$ 497,118	\$ 412,740	\$ 426,733	\$ 448,160
Contributions as a percentage of covered payroll	14.74%	15.21%	15.03%	15.00%	13.96%	14.56%	13.77%	14.26%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 21 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.25% annually, projected salary increases assumption of 2.85% to 13.75% compounded annually, wage growth of 3.25% compounded annually and price inflation of 2.50% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF LONG GROVE, ILLINOIS

GENERAL FUND
DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
TAXES			
Sales tax	\$ 1,350,000	\$ 1,350,000	\$ 1,559,500
Income tax	937,000	937,000	1,351,766
Road and bridge tax	44,000	44,000	33,552
Telecommunications tax	128,000	128,000	119,506
Downtown SSA - business and community partners	165,106	165,106	159,146
Other taxes	30,750	30,750	36,648
	<hr/>		
Total taxes	2,654,856	2,654,856	3,260,118
<hr/>			
FEES, PERMITS AND LICENSES			
Franchise fees	145,000	145,000	170,106
Permits	273,000	273,000	334,261
Licenses	50,000	50,000	51,791
	<hr/>		
Total fees, permits and licenses	468,000	468,000	556,158
<hr/>			
FINES, FORFEITURES AND PENALTIES			
Citations	20,000	20,000	20,879
Fines	1,000	1,000	-
	<hr/>		
Total fines, forfeitures and penalties	21,000	21,000	20,879
<hr/>			
PUBLIC CHARGES FOR SERVICES			
Long Grove Commons	26,956	26,956	25,412
Tree replacement	10,000	10,000	12,910
Stormwater review fees	-	-	14,995
	<hr/>		
Total public charges for services	36,956	36,956	53,317
<hr/>			
INVESTMENT INCOME			
Investment income	1,200	1,200	159,177
Interest and arrearages on advance to TIF fund	-	-	205,155
	<hr/>		
Total investment income	1,200	1,200	364,332
<hr/>			
MISCELLANEOUS REVENUES			
Forfeited escrow	-	-	13,740
Other	2,000	2,000	1,182
	<hr/>		
Total miscellaneous revenues	2,000	2,000	14,922
<hr/>			
TOTAL GENERAL FUND REVENUES	\$ 3,184,012	\$ 3,184,012	\$ 4,269,726

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Employee compensation			
Salaries and wages	\$ 451,200	\$ 451,200	\$ 431,860
Fringe benefits	143,465	143,465	122,290
	<hr/>	<hr/>	<hr/>
Total employee compensation	594,665	594,665	554,150
	<hr/>	<hr/>	<hr/>
Office			
Utilities	8,150	11,600	12,566
Supplies	21,820	26,820	19,699
Equipment leases and maintenance	8,000	9,000	11,169
Other maintenance	14,000	20,000	18,862
	<hr/>	<hr/>	<hr/>
Total office	51,970	67,420	62,296
	<hr/>	<hr/>	<hr/>
Administrative and professional			
Insurance	38,335	39,070	31,156
Dues, memberships and travel	3,000	3,000	485
Professional development and training	20,000	20,000	9,535
Legal	229,000	279,100	203,522
Code enforcement	20,000	20,000	20,816
Building and zoning plan reviews	75,000	75,000	28,144
Route 53	40,000	40,000	20,160
Resident communications	49,500	49,500	21,769
Accounting software	6,000	6,000	216
Bookkeeping	39,600	39,600	35,732
Audit	35,000	35,000	35,575
President salary	14,400	14,400	14,400
Other professional services	1,000	1,000	-
Inspections	75,000	75,000	71,480
Newsletter - postage	16,900	16,900	3,321
Computer consultant and software	51,000	51,000	48,900
Internet home page	15,500	15,500	2,804
Administrative services	5,150	5,150	6,571
Community development services	-	-	66,257
Legal notices and subscriptions	2,200	2,200	984
	<hr/>	<hr/>	<hr/>
Total administrative and professional	736,585	787,420	621,827
	<hr/>	<hr/>	<hr/>
Miscellaneous			
Mosquito abatement	36,000	36,000	36,300
Other	800	5,800	6,357
	<hr/>	<hr/>	<hr/>
Total miscellaneous	36,800	41,800	42,657
	<hr/>	<hr/>	<hr/>
Total general government	1,420,020	1,491,305	1,280,930
	<hr/>	<hr/>	<hr/>

(This schedule is continued on the following page.)

VILLAGE OF LONG GROVE, ILLINOIS

GENERAL FUND
 DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
PUBLIC SAFETY			
Village security	\$ 708,740	\$ 708,740	\$ 708,738
Other public safety	700	700	607
Total public safety	709,440	709,440	709,345
PUBLIC WORKS			
Plowing	200,000	200,000	172,102
Snow removal	120,000	120,000	63,402
Bulk salt purchase	99,000	99,000	74,672
Mowing	21,745	26,815	28,822
Road signs and traffic calming	10,745	30,650	41,620
Utilities	27,500	28,700	24,012
Engineering	105,257	114,607	121,642
Grant applications	2,500	2,500	-
NPDES EPA compliance unfunded mandate	2,000	2,000	-
SWALCO	3,300	3,300	3,496
Road paving, culvert and ditch	80,000	80,000	57,649
Sewer matters	2,500	2,500	-
Planting/trees	1,800	1,800	1,617
Parking lot maintenance	2,500	2,500	6,125
Total public works	678,847	714,372	595,159
CONSERVATION AND DEVELOPMENT			
Community development grant	30,000	30,000	25,689
Downtown SSA - tourism and development	165,106	165,106	159,146
Economic development	5,000	5,000	-
Total conservation and development	200,106	200,106	184,835
TOTAL GENERAL FUND EXPENDITURES	\$ 3,008,413	\$ 3,115,223	\$ 2,770,269

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

CAPITAL IMPROVEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For the Year Ended April 30, 2023

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Sales tax	\$ 850,000	\$ 850,000	\$ 996,212
Intergovernmental			
Road and bridge grant	-	-	15,108
Investment income	-	-	35,267
Miscellaneous revenue	40,000	40,000	4,117
Total revenues	890,000	890,000	1,050,704
EXPENDITURES			
General government			
Bank charges	300	300	-
Accident costs	20,000	20,000	956
Total general government	20,300	20,300	956
Capital outlay			
Village properties	20,000	25,350	5,350
Berm/creek planting	-	27,324	27,324
RPC bridge improvements	60,500	165,822	139,773
Parking lot	-	116,476	116,477
Road paving	454,200	454,200	415,064
Total capital outlay	534,700	789,172	703,988
Total expenditures	555,000	809,472	704,944
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	335,000	80,528	345,760
OTHER FINANCING SOURCES (USES)			
Transfers in	52,000	52,000	47,556
Total other financing sources (uses)	52,000	52,000	47,556
NET CHANGE IN FUND BALANCE	\$ 387,000	\$ 132,528	393,316
FUND BALANCE, MAY 1			1,465,514
FUND BALANCE, APRIL 30			\$ 1,858,830

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF LONG GROVE, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

April 30, 2023

	Business District	South Gateway TIF	ARPA	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 198,326	\$ 641	\$ 1,097,782	\$ 1,296,749
TOTAL ASSETS	\$ 198,326	\$ 641	\$ 1,097,782	\$ 1,296,749
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 5,799	\$ 204	\$ 6,250	\$ 12,253
Unearned revenue	-	-	1,061,630	1,061,630
Advance from other funds	-	61,935	-	61,935
Total liabilities	5,799	62,139	1,067,880	1,135,818
DEFERRED INFLOWS OF RESOURCES				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	5,799	62,139	1,067,880	1,135,818
FUND BALANCES				
Restricted for conservation and development	192,527	-	-	192,527
Restricted for special purposes	-	-	29,902	29,902
Unassigned (deficit)	-	(61,498)	-	(61,498)
Total fund balances (deficit)	192,527	(61,498)	29,902	160,931
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 198,326	\$ 641	\$ 1,097,782	\$ 1,296,749

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

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

For the Year Ended April 30, 2023

	Business District	South Gateway TIF	ARPA	Total Nonmajor Governmental Funds
REVENUES				
Taxes				
Tax increment	\$ -	\$ 641	\$ -	\$ 641
Intergovernmental	-	-	14,119	14,119
Investment income	5,755	-	29,902	35,657
Total revenues	5,755	641	44,021	50,417
EXPENDITURES				
General government	-	301	-	301
Capital outlay	-	-	14,119	14,119
Total expenditures	-	301	14,119	14,420
NET CHANGE IN FUND BALANCES	5,755	340	29,902	35,997
FUND BALANCES (DEFICIT), MAY 1	186,772	(61,838)	-	124,934
FUND BALANCES (DEFICIT), APRIL 30	\$ 192,527	\$ (61,498)	\$ 29,902	\$ 160,931

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF LONG GROVE, ILLINOIS

WATER FUND - BY SUBFUND
STATEMENT OF NET POSITION

April 30, 2023

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Total
CURRENT ASSETS				
Cash and investments	\$ 864,185	\$ 82,713	\$ -	\$ 946,898
Receivables				
Property Taxes	-	-	26,636	26,636
Accounts	181,875	23,759	-	205,634
Restricted assets				
Cash and investments	41,336	-	-	41,336
Total current assets	1,087,396	106,472	26,636	1,220,504
NONCURRENT ASSETS				
Special assessments receivable	548,261	-	-	548,261
Capital assets				
Not being depreciated	116,801	-	-	116,801
Being depreciated, at cost	4,002,325	2,461,702	-	6,464,027
Less accumulated depreciation	(1,694,126)	(270,318)	-	(1,964,444)
Total noncurrent assets	2,973,261	2,191,384	-	5,164,645
Total assets	4,060,657	2,297,856	26,636	6,385,149
DEFERRED OUTFLOWS OF RESOURCES				
Asset retirement obligation	-	121,920	-	121,920
Total deferred outflows of resources	-	121,920	-	121,920
Total assets and deferred outflows of resources	4,060,657	2,419,776	26,636	6,507,069
CURRENT LIABILITIES				
Accounts payable	297	21,259	-	21,556
Accrued interest	6,524	-	-	6,524
Due to other funds	-	59	-	59
Current portion of special service area bonds	70,000	-	-	70,000
Total current liabilities	76,821	21,318	-	98,139
NONCURRENT LIABILITIES				
Asset retirement obligation	-	127,000	-	127,000
Special service area bonds payable	435,000	-	-	435,000
Total noncurrent liabilities	435,000	127,000	-	562,000
Total liabilities	511,821	148,318	-	660,139
DEFERRED INFLOWS OF RESOURCES				
Deferred property tax revenues	-	-	26,636	26,636
Total liabilities and deferred inflows of resources	511,821	148,318	26,636	686,775
NET POSITION				
Net investment in capital assets	1,920,000	2,191,384	-	4,111,384
Restricted for debt service	41,336	-	-	41,336
Unrestricted	1,587,500	80,074	-	1,667,574
TOTAL NET POSITION	\$ 3,548,836	\$ 2,271,458	\$ -	\$ 5,820,294

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

WATER FUND - BY SUBFUND
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION

For the Year Ended April 30, 2023

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Eliminations	Total
OPERATING REVENUES					
Charges for services	\$ -	\$ 131,088	\$ -	\$ -	\$ 131,088
Total operating revenues	-	131,088	-	-	131,088
OPERATING EXPENSES					
Administrative and utility operations	1,325	146,929	-	-	148,254
Depreciation and amortization	153,132	50,485	-	-	203,617
Total operating expenses	154,457	197,414	-	-	351,871
OPERATING INCOME (LOSS)	(154,457)	(66,326)	-	-	(220,783)
NON-OPERATING REVENUES (EXPENSES)					
Special Service Area property taxes	-	-	26,636	-	26,636
Investment income	26,693	757	337	-	27,787
Interest expense	(43,335)	-	-	-	(43,335)
Total non-operating revenues (expenses)	(16,642)	757	26,973	-	11,088
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	(171,099)	(65,569)	26,973	-	(209,695)
CONTRIBUTIONS					
Contributions	42,844	-	-	-	42,844
Total contributions	42,844	-	-	-	42,844
TRANSFERS					
Transfers in	-	26,973	-	(26,973)	-
Transfers (out)	-	-	(26,973)	26,973	-
Total transfers	-	26,973	(26,973)	-	-
CHANGE IN NET POSITION	(128,255)	(38,596)	-	-	(166,851)
NET POSITION, MAY 1	3,677,091	2,310,054	-	-	5,987,145
NET POSITION, APRIL 30	\$ 3,548,836	\$ 2,271,458	\$ -	\$ -	\$ 5,820,294

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

WATER FUND - BY SUBFUND
STATEMENT OF CASH FLOWS

For the Year Ended April 30, 2023

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Received from customers	\$ -	\$ 138,059	\$ -	\$ -	\$ 138,059
Receipts from other funds	-	4	-	-	4
Paid to suppliers for good and services	(1,028)	(147,275)	-	-	(148,303)
Net cash from operating activities	(1,028)	(9,212)	-	-	(10,240)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in	-	26,973	-	(26,973)	-
Transfers (out)	-	-	(26,973)	26,973	-
Net cash from noncapital financing activities	-	26,973	(26,973)	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Property taxes received	-	-	26,636	-	26,636
Special assessments received	181,297	-	-	-	181,297
Interest paid	(44,171)	-	-	-	(44,171)
Debt retired	(65,000)	-	-	-	(65,000)
Net cash from capital and related financing activities	72,126	-	26,636	-	98,762
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	26,693	757	337	-	27,787
Net cash from investing activities	26,693	757	337	-	27,787
NET INCREASE IN CASH AND CASH EQUIVALENTS	97,791	18,518	-	-	116,309
CASH AND CASH EQUIVALENTS, MAY 1	807,730	64,195	-	-	871,925
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 905,521	\$ 82,713	\$ -	\$ -	\$ 988,234

(This schedule is continued on the following page.)

VILLAGE OF LONG GROVE, ILLINOIS

WATER FUND - BY SUBFUND
STATEMENT OF CASH FLOWS (Continued)

For the Year Ended April 30, 2023

	Special Service Area - Water	Water Management	Special Service Area - Downtown	Eliminations	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES					
Operating income (loss)	\$ (154,457)	\$ (66,326)	\$ -	\$ -	\$ (220,783)
Adjustments to reconcile operating income (loss) to net cash from operating activities					
Depreciation and amortization	153,132	50,485	-	-	203,617
Changes in assets and liabilities					
Accounts receivable	-	6,971	-	-	6,971
Accounts payable	297	(346)	-	-	(49)
Due to other funds	-	4	-	-	4
NET CASH FROM OPERATING ACTIVITIES	\$ (1,028)	\$ (9,212)	\$ -	\$ -	\$ (10,240)
CASH AND CASH EQUIVALENTS					
Cash and investments	\$ 864,185	\$ 82,713	\$ -	\$ -	\$ 946,898
Restricted cash and investments	41,336	-	-	-	41,336
TOTAL CASH AND CASH EQUIVALENTS	\$ 905,521	\$ 82,713	\$ -	\$ -	\$ 988,234
NONCASH CAPITAL AND RELATED FINANCING ACTIVITY					
None	\$ -	\$ -	\$ -	\$ -	\$ -

(See independent auditor's report.)

FIDUCIARY FUND

VILLAGE OF LONG GROVE, ILLINOIS

CUSTODIAL FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION

For the Year Ended April 30, 2023

	Interagency Control Fees	Heron's Landing SSA	Total Custodial Funds
ASSETS			
Cash and investments	\$ 67,150	\$ -	\$ 67,150
Restricted cash and investments	-	134,423	134,423
Receivables			
Accounts receivable	-	-	-
Property taxes receivable	-	97,845	97,845
Total assets	<u>67,150</u>	<u>232,268</u>	<u>299,418</u>
LIABILITIES			
Due to primary government	-	10,232	10,232
Total liabilities	<u>-</u>	<u>10,232</u>	<u>10,232</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	-	97,845	97,845
Total deferred inflows of resources	<u>-</u>	<u>97,845</u>	<u>97,845</u>
Total liabilities and deferred inflows of resources	<u>-</u>	<u>108,077</u>	<u>108,077</u>
NET POSITION			
Restricted for other governments	67,150	-	67,150
Restricted for debt service	-	124,191	124,191
TOTAL NET POSITION	<u>\$ 67,150</u>	<u>\$ 124,191</u>	<u>\$ 191,341</u>

(See independent auditor's report.)

VILLAGE OF LONG GROVE, ILLINOIS

**CUSTODIAL FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

For the Year Ended April 30, 2023

	Interagency Control Fees	Heron's Landing SSA	Total Custodial Funds
ADDITIONS			
Contributions			
Property owner	\$ -	\$ 97,845	\$ 97,845
Impact fees	23,700	-	23,700
Investment income	-	3,516	3,516
Total additions	<u>23,700</u>	<u>101,361</u>	<u>125,061</u>
DEDUCTIONS			
Contractual services			
Accounting and financial services	27,650	2,500	30,150
Debt service			
Principal	-	50,000	50,000
Interest	-	34,610	34,610
Total deductions	<u>27,650</u>	<u>87,110</u>	<u>114,760</u>
CHANGE IN NET POSITION	(3,950)	14,251	10,301
NET POSITION, MAY 1	<u>71,100</u>	<u>109,940</u>	<u>181,040</u>
NET POSITION, APRIL 30	<u>\$ 67,150</u>	<u>\$ 124,191</u>	<u>\$ 191,341</u>

(See independent auditor's report.)