

# **VILLAGE OF LONG GROVE**

Long Grove, Illinois

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended April 30, 2017

# VILLAGE OF LONG GROVE

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# VILLAGE OF LONG GROVE

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## INDEPENDENT AUDITORS' REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village of Long Grove's basic financial statements as listed in the table of contents.

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

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

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

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of April 30, 2017 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.

To the Village Board  
Village of Long Grove

***Other Matters***

*Required Supplementary Information*

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

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinions on the basic financial statements are not affected by this missing information.

*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Long Grove's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
November 20, 2017

# VILLAGE OF LONG GROVE

## STATEMENT OF NET POSITION

As of April 30, 2017

	Governmental Activities	Business-type Activities	Totals
<b>ASSETS</b>			
Cash and investments	\$ 5,990,898	\$ 448,043	\$ 6,438,941
Taxes receivable	1,357,914	-	1,357,914
Accounts receivable	96,950	5,662	102,612
Special assessments receivable	-	1,505,953	1,505,953
Other receivables (net)	37,064	1,877	38,941
Due from other governments	20,000	-	20,000
Restricted cash and investments	474,768	38,783	513,551
Capital Assets			
Land	15,807,146	116,801	15,923,947
Construction in progress	11,850	-	11,850
Other capital assets, net of accumulated depreciation/amortization	7,524,389	3,979,630	11,504,019
Total Assets	<u>31,320,979</u>	<u>6,096,749</u>	<u>37,417,728</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	92,004	-	92,004
Total Deferred Outflows of Resources	<u>92,004</u>	<u>-</u>	<u>92,004</u>
<b>LIABILITIES</b>			
Accounts payable	405,473	5,953	411,426
Accrued interest	99,875	10,656	110,531
Escrow account	30,000	-	30,000
Current maturities of long-term debt	130,000	45,000	175,000
Noncurrent portion of long-term debt			
Due in more than one year	4,407,451	780,000	5,187,451
Total Liabilities	<u>5,072,799</u>	<u>841,609</u>	<u>5,914,408</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related amounts	41,849	-	41,849
Unearned revenue	560,275	-	560,275
Total Deferred inflows of Resources	<u>602,124</u>	<u>-</u>	<u>602,124</u>
<b>NET POSITION</b>			
Net investment in capital assets	23,343,385	3,271,431	26,614,816
Restricted for:			
Pathways	126	-	126
Road projects	113,043	-	113,043
Economic development	113,643	-	113,643
Open space	3,679,453	-	3,679,453
Unrestricted (deficit)	(1,511,590)	1,983,709	472,119
<b>TOTAL NET POSITION</b>	<u>\$ 25,738,060</u>	<u>\$ 5,255,140</u>	<u>\$ 30,993,200</u>

See accompanying notes to financial statements.

## VILLAGE OF LONG GROVE

### STATEMENT OF ACTIVITIES For the Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		Totals	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities		Business-type Activities
<b>Governmental Activities</b>							
General government	\$ 1,166,588	\$ 956,377	\$ -	\$ -	\$ (210,211)	\$ -	\$ (210,211)
Public safety	603,184	39,997	-	-	(563,187)	-	(563,187)
Public works	652,288	-	-	438,983	(213,305)	-	(213,305)
Culture and recreation	18,476	17,795	-	84,534	83,853	-	83,853
Conservation and development	635,476	61,638	165,111	-	(408,727)	-	(408,727)
Interest and fiscal charges	305,625	-	-	-	(305,625)	-	(305,625)
Total Governmental Activities	<u>3,381,637</u>	<u>1,075,807</u>	<u>165,111</u>	<u>523,517</u>	<u>(1,617,202)</u>	<u>-</u>	<u>(1,617,202)</u>
<b>Business-type Activities</b>							
Special service area - water	181,181	-	-	108,324	-	(72,857)	(72,857)
Water management	64,838	45,493	-	-	-	(19,345)	(19,345)
Total Business-type Activities	<u>246,019</u>	<u>45,493</u>	<u>-</u>	<u>108,324</u>	<u>-</u>	<u>(92,202)</u>	<u>(92,202)</u>
Totals	<u>\$ 3,627,656</u>	<u>\$ 1,121,300</u>	<u>\$ 165,111</u>	<u>\$ 631,841</u>	<u>(1,617,202)</u>	<u>(92,202)</u>	<u>(1,709,404)</u>
<b>General Revenues</b>							
Taxes							
Income					761,316	-	761,316
Sales					1,995,002	-	1,995,002
TIF increment/property taxes					339,577	-	339,577
Telecommunications					298,817	-	298,817
Other taxes					64,553	-	64,553
Investment income					44,361	1,954	46,315
Miscellaneous					49,576	-	49,576
Transfers					(1,344,975)	1,344,975	-
Total General Revenues and Transfers					<u>2,208,227</u>	<u>1,346,929</u>	<u>3,555,156</u>
<b>Change in Net Position</b>					591,025	1,254,727	1,845,752
NET POSITION - Beginning of Year					<u>25,147,035</u>	<u>4,000,413</u>	<u>29,147,448</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 25,738,060</u>	<u>\$ 5,255,140</u>	<u>\$ 30,993,200</u>

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE**

BALANCE SHEET  
GOVERNMENTAL FUNDS  
As of April 30, 2017

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
<b>ASSETS</b>					
Cash and investments	\$ 5,058,927	\$ 425,905	\$ 283,212	\$ 222,854	\$ 5,990,898
Receivables (net)					
Taxes	981,137	-	371,776	5,001	1,357,914
Accounts	35,100	44,240	-	17,610	96,950
Other	25,489	11,097	-	478	37,064
Due from other funds	-	-	8,116	-	8,116
Due from other governments	20,000	-	-	-	20,000
Advance to other funds	3,658,107	3,205,503	-	-	6,863,610
Restricted cash and investments	30,000	-	444,768	-	474,768
<b>TOTAL ASSETS</b>	<b>\$ 9,808,760</b>	<b>\$ 3,686,745</b>	<b>\$ 1,107,872</b>	<b>\$ 245,943</b>	<b>\$ 14,849,320</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accounts payable	\$ 317,543	\$ 7,292	\$ 48,686	\$ -	\$ 373,521
Due to other funds	-	-	-	8,116	8,116
Advance from other funds	-	-	6,863,610	-	6,863,610
Other current liabilities	31,952	-	-	-	31,952
Escrow account	30,000	-	-	-	30,000
<b>Total Liabilities</b>	<b>379,495</b>	<b>7,292</b>	<b>6,912,296</b>	<b>8,116</b>	<b>7,307,199</b>
<b>Deferred Inflows of Resources</b>					
Unearned revenue	228,130	-	321,130	11,015	560,275
Unavailable revenue	335,606	-	18,798	1,928	356,332
<b>Total Deferred Inflows of Resources</b>	<b>563,736</b>	<b>-</b>	<b>339,928</b>	<b>12,943</b>	<b>916,607</b>
<b>Fund Balances</b>					
Nonspendable	3,683,596	-	-	-	3,683,596
Restricted	-	3,679,453	444,768	224,884	4,349,105
Committed	925,140	-	-	-	925,140
Unassigned (deficit)	4,256,793	-	(6,589,120)	-	(2,332,327)
<b>Total Fund Balances</b>	<b>8,865,529</b>	<b>3,679,453</b>	<b>(6,144,352)</b>	<b>224,884</b>	<b>6,625,514</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 9,808,760</b>	<b>\$ 3,686,745</b>	<b>\$ 1,107,872</b>	<b>\$ 245,943</b>	
Amounts reported for governmental activities in the statement of net position are different because:					
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A.					23,343,385
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements. See Note IV. B.					356,332
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.					92,004
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.					(41,849)
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds. See Note II. A.					(4,637,326)
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>					<b>\$ 25,738,060</b>

See accompanying notes to financial statements.



## VILLAGE OF LONG GROVE

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2017

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Taxes	\$ 2,901,804	\$ -	\$ 604,187	\$ 23,183	\$ 3,529,174
Intergovernmental	-	-	-	312,051	312,051
Fees, licenses and permits	934,925	33,180	-	-	968,105
Fines, forfeitures and penalties	39,997	-	-	-	39,997
Public charges for services	79,433	-	311,000	-	390,433
Investment income	189,692	161,616	2,615	1,032	354,955
Miscellaneous	48,976	-	-	-	48,976
<b>Total Revenues</b>	<u>4,194,827</u>	<u>194,796</u>	<u>917,802</u>	<u>336,266</u>	<u>5,643,691</u>
<b>EXPENDITURES</b>					
Current					
General government	1,134,447	-	-	-	1,134,447
Public safety	593,959	-	-	-	593,959
Public works	351,294	-	-	-	351,294
Conservation and development	214,856	247	148,281	297	363,681
Capital Outlay	1,703,987	299,563	1,315,011	215,300	3,533,861
Debt Service					
Principal on bonds	-	-	120,000	-	120,000
Interest on bonds	-	-	308,625	-	308,625
Interest on advance	-	-	310,594	-	310,594
<b>Total Expenditures</b>	<u>3,998,543</u>	<u>299,810</u>	<u>2,202,511</u>	<u>215,597</u>	<u>6,716,461</u>
Excess (deficiency) of revenues over (under) expenditures	<u>196,284</u>	<u>(105,014)</u>	<u>(1,284,709)</u>	<u>120,669</u>	<u>(1,072,770)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of village property	600	-	-	-	600
Transfer in	-	-	33,958	-	33,958
Transfer out	(33,958)	-	-	-	(33,958)
<b>Total Other Financing Sources (Uses)</b>	<u>(33,358)</u>	<u>-</u>	<u>33,958</u>	<u>-</u>	<u>600</u>
<b>Net Change in Fund Balance</b>	162,926	(105,014)	(1,250,751)	120,669	(1,072,170)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>8,702,603</u>	<u>3,784,467</u>	<u>(4,893,601)</u>	<u>104,215</u>	<u>7,697,684</u>
<b>FUND BALANCES (DEFICIT) - END OF YEAR</b>	<u>\$ 8,865,529</u>	<u>\$ 3,679,453</u>	<u>\$ (6,144,352)</u>	<u>\$ 224,884</u>	<u>\$ 6,625,514</u>

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE**

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2017

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Net change in fund balances - total governmental funds	\$ (1,072,170)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,533,861
Some items reported as capital outlay were not capitalized	(334,787)
Depreciation is reported in the government-wide statements	(299,404)
Capital financed by Downtown TIF but capitalized by water utility fund	(1,344,975)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	(1,060)
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Repayment of principal is an expenditure in the governmental funds, but reduces long-term liabilities in the statement of net position	120,000
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Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental fund	
Net pension liability	43,431
Deferred outflows of resources - pension-related items	(15,022)
Deferred inflows of resources - pension-related items	(41,849)
Accrued interest on debt	3,000

<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 591,025</u></b>
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# VILLAGE OF LONG GROVE

## STATEMENT OF NET POSITION - PROPRIETARY FUND As of April 30, 2017

	<u>Water Utility</u>
<b>ASSETS</b>	
Current Assets	
Cash and investments	\$ 448,043
Accounts receivable	5,662
Special assessments receivable	183,725
Other receivables (net)	<u>1,877</u>
Total Current Assets	<u>639,307</u>
Noncurrent Assets	
Special assessments receivable	1,322,228
Restricted Assets	
Bond reserve account	38,783
Capital Assets	
Land	116,801
Plant in service	4,779,772
Accumulated depreciation	<u>(800,142)</u>
Total Noncurrent Assets	<u>5,457,442</u>
Total Assets	<u>6,096,749</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts payable	5,953
Accrued interest	10,656
Current portion of special service area bonds	<u>45,000</u>
Total Current Liabilities	<u>61,609</u>
Noncurrent Liabilities	
Special service area bonds payable	<u>780,000</u>
Total Noncurrent Liabilities	<u>780,000</u>
Total Liabilities	<u>841,609</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,271,431
Unrestricted	<u>1,983,709</u>
<b>TOTAL NET POSITION</b>	<u><u>\$ 5,255,140</u></u>

See accompanying notes to financial statements.

## VILLAGE OF LONG GROVE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN  
NET POSITION - PROPRIETARY FUND  
For the Year Ended April 30, 2017

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	<u>Water Utility</u>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 45,493
<b>OPERATING EXPENSES</b>	
Utility operations	33,885
Administrative	30,647
Depreciation	114,966
Total Operating Expenses	<u>179,498</u>
Operating Income (Loss)	<u>(134,005)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment income	1,954
Interest expense	<u>(66,521)</u>
Total Nonoperating Revenues (Expenses)	<u>(64,567)</u>
Income (loss) Before Contributions	(198,572)
<b>CONTRIBUTIONS</b>	
Contributions	108,324
Capital contributions - village	<u>1,344,975</u>
Change in Net Position	1,254,727
TOTAL NET POSITION - Beginning of Year	<u>4,000,413</u>
<b>TOTAL NET POSITION - END OF YEAR</b>	<u>\$ 5,255,140</u>

See accompanying notes to financial statements.

# VILLAGE OF LONG GROVE

## STATEMENT OF CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2017

	Water Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from customers	\$ 47,782
Paid to suppliers for good and services	<u>(62,083)</u>
Net Cash Flows From Operating Activities	<u>(14,301)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Special assessments received	200,630
Interest paid	(67,038)
Debt retired	<u>(40,000)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>93,592</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Investment income	<u>1,954</u>
Net Cash Flows From Investing Activities	<u>1,954</u>
<b>Net Change in Cash and Cash Equivalents</b>	81,245
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>405,581</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 486,826</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>	
Operating income (loss)	\$ (134,005)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities	
Depreciation expense	114,966
Changes in assets and liabilities	
Accounts receivable	2,278
Accounts payable	<u>2,460</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u><u>\$ (14,301)</u></u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUND</b>	
Cash and investments - statement of net position-proprietary fund	\$ 448,043
Restricted cash and investments - statement of net position - proprietary fund	<u>38,783</u>
<b>TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 486,826</u></u>
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Capital contributions from Village	<u><u>\$ 1,344,975</u></u>

See accompanying notes to financial statements.

**VILLAGE OF LONG GROVE**

STATEMENT OF ASSETS AND LIABILITIES  
AGENCY FUNDS  
As of April 30, 2017

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	<u>Agency</u>
<b>ASSETS</b>	
Cash and investments	\$ <u>959,315</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>959,315</u></b>
<b>LIABILITIES</b>	
Accounts payable	\$ 780,134
Due to bond holders or homeowners	<u>179,181</u>
<b>TOTAL LIABILITIES</b>	<b>\$ <u>959,315</u></b>

See accompanying notes to financial statements.

# VILLAGE OF LONG GROVE

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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### NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

In February 2015, the GASB issued Statement No. 72 – *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. It defines fair value as 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. This standard was implemented May 1, 2016.

In August 2015, the GASB issued Statement No. 77 – *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. This standard was implemented May 1, 2016.

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

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

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



# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

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

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

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

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

The village reports the following major governmental funds:

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

The village reports the following major enterprise fund:

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

The village reports the following nonmajor governmental funds:

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

In addition, the village reports the following fund types:

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

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

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

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

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

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

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

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

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

---

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

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

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

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

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

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

---

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

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

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

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

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

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

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

See Note IV.A. for further information.

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

Property taxes for levy year 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The tax levy, which attached as an enforceable lien on the property as of January 1, has been recorded as a receivable as of April 30, 2017.

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

The county collects such taxes and remits them periodically. The 2016 property tax levy is recognized as a receivable and deferred inflow in fiscal 2016, net of amounts already collected. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2017, the property taxes receivable and deferred inflows consisted of the estimated amount collectible from the 2016 levy.

Accounts receivable have been shown net of an allowance for uncollectible accounts. The amount recorded as accounts receivable and other receivables has been reduced by an allowance for uncollectible accounts of \$574,354.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

---

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

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

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

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

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

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

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

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

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

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

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

---

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

---

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

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

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

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

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

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

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

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

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

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

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

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

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

The village approved Ordinance No. 2009-O-19 "Water Service Charge Ordinance" on April 14, 2009 and amended it on January 25, 2011, April 26, 2011, and June 28, 2016.

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

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

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

---

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

---

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

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

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

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

- a. Net investment in capital assets – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – All other net positions that do not meet the definition of “restricted” or “net investment in capital assets.”

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

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

Governmental fund balances are displayed as follows:

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

---

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

---

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

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

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

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

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

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

See Note IV.G. for further information.

##### **11. Pension**

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



# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

Land	\$ 15,807,146
Land improvements	4,015,613
Buildings	185,523
Machinery and equipment	224,845
Intangible	48,624
Infrastructure	4,879,858
Construction in progress	11,850
Less: Accumulated depreciation/amortization	<u>(1,830,074)</u>
Adjustment for Capital Assets	<u>\$ 23,343,385</u>

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

Bonds payable	\$ 3,995,000
Net pension liability	542,451
Accrued interest	<u>99,875</u>
Combined Adjustment for Long-Term Liabilities	<u>\$ 4,637,326</u>

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

##### **A. EXCESS EXPENDITURES OVER APPROPRIATIONS**

The following activities and funds had an excess of expenditures over appropriations at the legal level of budgetary control for the year ended April 30, 2017.

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund			
Fringe benefits	\$ 175,800	\$ 184,372	\$ 8,572
Utilities	9,400	10,036	636
Equipment leases and maint.	12,000	12,415	415
Other maintenance	6,000	7,888	1,888
Dues, memberships and training	5,090	5,363	273
Audit	30,000	36,660	6,660
Inspections	70,000	76,874	6,874
Other	1,200	4,110	2,910
Mowing	25,000	29,516	4,516
Utilities	17,000	18,237	1,237
Downtown SSA – business and community partners	165,000	165,111	111
CERT	2,500	2,793	293
Sunset Food incentive rebate	-	31,952	31,952
Bridge repair	-	599	599
Open Spaces Fund	266,785	299,810	33,025
Downtown TIF	1,520,023	2,202,511	682,488
Business District	-	297	297
Motor Fuel Tax	200,000	200,300	300
Pathway Grant	-	15,000	15,000

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

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

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

As of April 30, 2017, the following individual fund held a deficit balance:

Fund	Amount	Reason
Downtown TIF fund	\$ 6,144,352	Expenditures in excess of revenues

The TIF district deficit is anticipated to be funded with future incremental taxes and other revenues collected over the life of the district.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

1. Total volume of water received at the water plant for fiscal year 2016-17: 5,253,732 gallons.
2. Total volume of water billed for fiscal year 2016-17: 2,753,000 gallons.
3. Debt service for fiscal year 2017-18: \$108,357.
4. Number of users connected to the system: 23.
5. Number of non-metered users: 2.

#### **NOTE IV – DETAILED NOTES ON ALL FUNDS**

##### **A. DEPOSITS AND INVESTMENTS**

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

	Carrying Value	Bank Balance	Associated Risks
Demand deposits	\$ 5,227,995	\$ 5,281,109	Custodial credit
Money market	1,767,494	1,767,494	Custodial credit
Open-ended money market mutual fund	476,325	476,325	N/A
U.S. Treasury Notes	147,004	147,004	Custodial credit, interest rate
FNMA – U.S. agencies - explicitly	292,749	292,749	Custodial credit, interest rate
Petty cash	240	-	N/A
Total Cash and Investments	\$ 7,911,807	\$ 7,964,681	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 6,438,941		
Restricted cash and investments	513,551		
Per statement of net position –			
Agency funds	959,315		
Total Cash and Investments	\$ 7,911,807		

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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#### A. DEPOSITS AND INVESTMENTS (cont.)

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

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

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

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

Investment Type	April 30, 2017			
	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 147,004	\$ -	\$ -	\$ 147,004
FNMA – U.S. agencies - explicitly	292,749	-	-	292,749
Totals	<u>\$ 439,753</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 439,753</u>

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

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

As of April 30, 2017, \$1,374,413 of village deposits were exposed to custodial credit risk.

Investments – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the county will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

As of April 30, 2017, \$189,753 of village investments were exposed to custodial credit risk.

#### ***Interest Rate Risk***

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

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

##### A. DEPOSITS AND INVESTMENTS (cont.)

##### *Interest Rate Risk* (cont.)

As of April 30, 2017, the village's investments were as follows:

Investment Type	Maturity (In Years)		
	Fair Value	Less than One Year	1 – 5
U.S. Treasury Notes	\$ 147,004	\$ -	\$ 147,004
FNMA – U.S. agencies - explicitly	292,749	146,956	145,793
Totals	\$ 439,753	\$ 146,956	\$ 292,797

##### B. RECEIVABLES

Accounts receivable and other receivables are reported net of currently uncollectible amounts. Allowances for accounts receivable amounts related to capital costs to be reimbursed by a developer have been recorded in the amount of \$527,086. In addition, an allowance for other receivable amounts related to an investment in IMET totaled \$47,268. The village continues to pursue collection of the IMET amount. The receivable from the developer is contingent upon requirements within an agreement with the village. See Note V.C.

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

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

	Unavailable	Unearned	Totals
Taxes receivable	\$ 356,332	\$ 549,260	\$ 905,592
Grants	-	11,015	11,015
Total Unavailable/Unearned Revenue for Governmental Funds	\$ 356,332	\$ 560,275	\$ 916,607

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

#### C. RESTRICTED ASSETS

The Downtown TIF special revenue fund reports restricted assets in the amount of \$444,768. This balance is to account for resources set aside in a reserved bank account called the Reserve Fund as required by the September 29, 2010 Tax Compliance Certificate and Agreement approved with the issuance of the Limited Obligation Tax Increment Revenue Bonds.

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

The water utility proprietary fund reports \$38,783 of restricted assets being held in a separate bond reserve account as required by the 2011 Special Service Area Bonds.

#### D. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2017 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated				
Land	\$ 15,507,583	\$ 299,563	\$ -	\$ 15,807,146
Construction in progress	172,408	11,850	172,408	11,850
Total Capital Assets				
Not Being Depreciated	15,679,991	311,413	172,408	15,818,996
Capital assets being depreciated				
Land improvements	3,774,426	241,187	-	4,015,613
Buildings	160,179	25,344	-	185,523
Machinery and equipment	199,531	25,314	-	224,845
Intangible	-	48,624	-	48,624
Bridges	913,137	60,369	-	973,506
Roads	2,592,096	1,314,256	-	3,906,352
Total Capital Assets				
Being Depreciated/Amortized	7,639,369	1,715,094	-	9,354,463
Less: Accumulated				
depreciation/amortization for				
Land improvements	(1,017,785)	(160,625)	-	(1,178,410)
Buildings	(58,128)	(6,198)	-	(64,326)
Machinery and equipment	(108,695)	(4,700)	-	(113,395)
Intangible	-	(4,862)	-	(4,862)
Bridges	(204,586)	(25,360)	-	(229,946)
Roads	(141,476)	(97,659)	-	(239,135)
Total Accumulated Depreciation/ Amortization	(1,530,670)	(299,404)	-	(1,830,074)
Governmental Activities Capital Assets, Net of Depreciation/ Amortization	\$ 21,788,690	\$ 1,727,103	\$ 172,408	\$ 23,343,385

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

Depreciation/Amortization expense was charged to functions as follows:

**Governmental Activities**

General government	\$	32,026
Public works		123,019
Culture and recreation		18,476
Conservation and development		<u>125,883</u>

Total Governmental Activities Depreciation/Amortization Expense \$ 299,404

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type Activities</b>				
Capital assets not being depreciated				
Land	\$ 116,801	\$ -	\$ -	\$ 116,801
Capital assets being depreciated				
Public water system infrastructure	3,422,116	1,344,975	-	4,767,091
Equipment	<u>12,681</u>	<u>-</u>	<u>-</u>	<u>12,681</u>
Total Capital Assets Being Depreciated	<u>3,434,797</u>	<u>1,344,975</u>	<u>-</u>	<u>4,779,772</u>
Less: Accumulated depreciation	<u>(685,177)</u>	<u>(114,965)</u>	<u>-</u>	<u>(800,142)</u>
Business-type Activities Capital Assets, Net of Depreciation	<u>\$ 2,866,421</u>	<u>\$ 1,230,010</u>	<u>\$ -</u>	<u>\$ 4,096,431</u>

Depreciation expense was charged to functions as follows:

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

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

***Interfund Receivables/Payables***

The following is a schedule of interfund receivables and payables:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Downtown TIF	Business District	\$ 8,116
Total – Fund Financial Statements		8,116
Less: Fund eliminations		<u>(8,116)</u>
Total Internal Balances – Government-Wide Statement of Net Position		<u>\$ -</u>

The principal purpose of the \$8,116 in the Downtown TIF fund is to account for sales tax amounts owed by the BID.

All amounts are expected to be repaid within one year.

***Advances***

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

General Fund advances to the Downtown TIF at April 30, 2017 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-44	12/08/2009	\$3,000,000	Principal	N/A	\$2,934,184
2016-O-30	12/13/2016	\$400,000	Principal	N/A	-
Ordinances noted above	As noted above	N/A	Interest	4%	516,544
Ordinances noted above	As noted above	N/A	Arrearages	2%	130,963
None	Prior to 12/08/2009	N/A	Principal	N/A	<u>76,416</u>
Total					<u>\$3,658,107</u>

Open Spaces advances to the Downtown TIF at April 30, 2017 are comprised of:

<u>Authorizing Ordinance</u>	<u>Date</u>	<u>Limitation</u>	<u>Source</u>	<u>Rate</u>	<u>Balance</u>
2009-O-43	12/08/2009	\$1,500,000	Principal	N/A	\$1,500,000
2011-O-07	1/25/2011	\$950,000	Principal	N/A	950,000
2016-O-29	12/13/2016	\$400,000	Principal	N/A	157,215
Ordinances noted above	As noted above	N/A	Interest	4%	437,188
Ordinances noted above	As noted above	N/A	Arrearages	2%	<u>161,100</u>
Total					<u>\$3,205,503</u>



**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

**Advances (cont.)**

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

The following is a schedule of the interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Downtown TIF	\$ 3,658,107
Open spaces fund	Downtown TIF	<u>3,205,503</u>
Total – Fund Financial Statements		6,863,610
Less: Fund eliminations		<u>(6,863,610)</u>
Total Interfund Advances		<u><u>\$ -</u></u>

**Transfers**

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
Downtown TIF	General fund	<u>\$ 33,958</u>	To account for amounts owed to the TIF as required by Illinois State Statute 651LCS 5/11-74.4-8.
Total – Fund Financial Statements		33,958	
Less: Fund eliminations		(33,958)	
Less: Capital contributions from governmental activities to business-type activities		<u>(1,344,975)</u>	
Total Transfers – Government-wide Statement of Activities		<u><u>\$ (1,344,975)</u></u>	

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

#### F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended April 30, 2017, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds Payable					
Limited obligation tax increment revenue bonds	\$ 4,115,000	\$ -	\$ 120,000	\$ 3,995,000	\$ 130,000
Other Liability					
Net pension liability (see Note V.A.)	<u>585,882</u>	-	<u>43,431</u>	<u>542,451</u>	-
Total Governmental Activities Long-Term Obligations	<u>\$ 4,700,882</u>	<u>\$ -</u>	<u>\$ 163,431</u>	<u>\$ 4,537,451</u>	<u>\$ 130,000</u>
<b>Business-type Activities</b>					
Bonds and Notes Payable					
Special service area bonds (tax-exempt obligations)	<u>\$ 865,000</u>	<u>\$ -</u>	<u>\$ 40,000</u>	<u>\$ 825,000</u>	<u>\$ 45,000</u>

The village is subject to the Illinois Municipal Code, which limits the amount of certain indebtedness to 8.625% of the most recent available equalized assessed valuation of the village. As of April 30, 2017, the statutory debt limit for the village was \$51,087,872, providing a debt margin of \$50,262,872.

#### Revenue Debt

The village has pledged future tax increment and other tax revenues, net of specified operating expenses, to repay limited obligation tax increment revenue bonds issued in September of 2010. Proceeds from the bonds provided financing for the Sunset Grove project. The bonds are payable solely from incremental taxes, business district taxes, and certain sales tax revenues from property described as the Sunset Grove Property pursuant to the Indenture and by other pledged revenues and are payable through January 1, 2030. Annual principal and interest payments on the bonds are expected to require 34.62% of gross revenues. The total principal and interest remaining to be paid on the bonds is \$6,558,500. Principal and interest paid for the current year and total gross revenues were \$428,625 and \$604,187, respectively.

Revenue debt payable at April 30, 2017, consists of the following:

#### Governmental Activities Revenue Debt

Revenue Debt	Date of Issue	Final Maturity	Interest Rate	Original Indebted- ness	Balance April 30, 2017
Limited obligation tax increment revenue bonds, Series 2010	9/29/2010	01/01/2030	7.50%	\$ 4,450,000	<u>\$ 3,995,000</u>

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

**Revenue Debt (cont.)**

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

Debt service requirements to maturity are as follows:

<u>Years</u>	Governmental Activities Revenue Debt	
	Principal	Interest
2018	\$ 130,000	\$ 299,625
2019	150,000	289,875
2020	175,000	278,625
2021	200,000	265,500
2022	230,000	250,500
2023 – 2027	1,635,000	949,125
2028 – 2030	1,475,000	230,250
Totals	\$ 3,995,000	\$ 2,563,500

**Special Service Area Bonds**

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

Special service area bonds payable at April 30, 2017, consists of the following:

**Business-type Activities**

Special Service Area Bonds	Date of Issue	Final Maturity	Interest Rates	Original Indebted- ness	Balance April 30, 2017
2011 Special service area bonds	2/01/2011	3/01/2029	7.75%	\$ 1,000,000	\$ 825,000

**VILLAGE OF LONG GROVE**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

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

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Special Service Area Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 45,000	\$ 63,938
2019	45,000	60,450
2020	50,000	56,962
2021	55,000	53,088
2022	60,000	48,825
2023 – 2027	375,000	166,625
2028 – 2029	195,000	22,863
Totals	<u>\$ 825,000</u>	<u>\$ 472,751</u>

**No Commitment Debt**

**Heron’s Landing Special Service Area**

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

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

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

Net position reported on the government wide statement of net position at April 30, 2017 includes the following:

##### **Governmental Activities**

Invested in capital assets	
Land	\$ 15,807,146
Construction in progress	11,850
Other capital assets, net of accumulated depreciation/amortization	<u>7,524,389</u>
Total Net Investment in Capital Assets	<u>23,343,385</u>
Restricted	
Pathways	126
Road projects	113,043
Economic development	113,643
Open spaces	<u>3,679,453</u>
Total Restricted	<u>3,906,265</u>
Unrestricted (deficit)	<u>(1,511,590)</u>
Total Governmental Activities Net Position	<u>\$ 25,738,060</u>

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

Governmental fund balances reported on the fund financial statements at April 30, 2017 include the following:

	General Fund	Open Spaces	Downtown TIF	Nonmajor Governmental Funds	Totals
<b>FUND BALANCES</b>					
<b>Nonspendable:</b>					
Advances to other funds	\$ 3,658,107	\$ -	\$ -	\$ -	\$ 3,658,107
Long-term receivables	25,489	-	-	-	25,489
<b>Restricted for:</b>					
Land purchases	-	3,679,453	-	-	3,679,453
Economic development	-	-	-	113,043	113,043
Debt service – reserve fund	-	-	444,768	-	444,768
Road projects	-	-	-	111,715	111,715
Pathway projects	-	-	-	126	126
<b>Committed for:</b>					
Open space maintenance	15,000	-	-	-	15,000
Pathway projects	152,744	-	-	-	152,744
Accounting system	23,950	-	-	-	23,950
Covered bridge account	339,230	-	-	-	339,230
Office improvement funds	9,685	-	-	-	9,685
Three Lakes	73,039	-	-	-	73,039
Village Hall sign fund	4,212	-	-	-	4,212
Shenandoah water	213,000	-	-	-	213,000
RT22 traffic signal	110,658	-	-	-	110,658
<b>Unassigned (deficit):</b>	<b>4,240,415</b>	<b>-</b>	<b>(6,589,120)</b>	<b>-</b>	<b>(2,348,705)</b>
<b>Totals</b>	<b>\$ 8,865,529</b>	<b>\$ 3,679,453</b>	<b>\$ (6,144,352)</b>	<b>\$ 224,884</b>	<b>\$ 6,625,514</b>

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

Net investment in capital assets	
Land	\$ 116,801
Other capital assets, net of accumulated depreciation	3,979,630
Less: Related long-term debt outstanding	(825,000)
Total Net Investment in Capital Assets	3,271,431
Unrestricted	1,983,709
Total Business-type Activities Net Position	\$ 5,255,140

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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### NOTE V – OTHER INFORMATION

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#### A. EMPLOYEES' RETIREMENT SYSTEM

##### Illinois Municipal Retirement Fund

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

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

**Plan membership.** At December 31, 2016, the measurement date, membership in the plan was as follows:

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

**Contributions.** As set by statute, village employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The village's actuarially determined contribution rate for calendar year 2016 was 15.29% percent of annual covered payroll. The village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

**Net Pension Liability.** The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

**Actuarial Assumptions.** The assumptions used to measure the total pension liability in the December 31, 2016 annual actuarial valuation included a 7.50% investment rate of return, (b) projected salary increases from 3.75% to 14.50%, including inflation, and (c) inflation of 3.50% and price inflation of 2.75%. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.

Actuarial cost method	Entry Age Normal
Asset valuation method	Market Value
Actuarial assumptions	
Investment Rate of Return	7.50%
Inflation	3.50%
Salary increases	3.75% to 14.50%, including inflation
Price inflation	2.75%

**Mortality.** For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.



## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Equities	38%	6.85%
International Equities	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternatives	9%	2.65-7.35%
Cash equivalents	1%	2.25%

**Discount rate.** The discount rate used to measure the total pension liability for IMRF was 7.50%. The discount rate calculated using the December 31, 2016 measurement date was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected not to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on investments of 7.50% was blended with the index rate of 3.78% for tax exempt municipal bonds to arrive at a discount rate of 7.50% used to determine the total pension liability. The year ending December 31, 2016 is the last year in the 2017 to 2116 projection period for which projected benefit payments are fully funded.

**Discount rate sensitivity.** The following is a sensitivity analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the village calculated using the discount rate of 7.50% as well as what the net pension liability would be if it were to be calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Village:			
Total pension liability	\$ 2,161,309	\$ 1,891,246	\$ 1,666,433
Less: Plan fiduciary net pension	(1,348,795)	(1,348,795)	(1,348,795)
Net Pension Liability	\$ 812,514	\$ 542,451	\$ 317,638

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

Changes in net pension liability. The village's changes in net pension liability for the calendar year ended December 31, 2016 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at December 31, 2015	\$ 1,803,444	\$ 1,217,562	\$ 585,882
Changes for the year:			
Service cost	54,240	-	54,240
Interest	132,645	-	132,645
Differences between expected and actual experience	(12,020)	-	(12,020)
Changes of assumptions	(40,230)	-	(40,230)
Contributions – village	-	68,454	(68,454)
Contributions – employees	-	20,147	(20,147)
Net investment income	-	85,450	(85,450)
Benefit payments, including refunds of employee contributions	(46,833)	(46,833)	-
Other changes	-	4,015	(4,015)
Net changes	87,802	131,233	(43,431)
Balances at December 31, 2016	\$ 1,891,246	\$ 1,348,795	\$ 542,451

**Pension expense and deferred outflows of resources and deferred inflows of resources related to pensions.** For the year ended December 31, 2016, the village recognized pension expense of \$81,771. The village reported deferred outflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,336	\$ 9,627
Change of assumptions	4,427	32,222
Net difference between projected and actual investment earnings	56,091	-
Contributions subsequent to the measurement date	22,150	-
Total	\$ 92,004	\$ 41,849

# VILLAGE OF LONG GROVE

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

	<u>Total</u>
FY2017	\$ 12,082
FY2018	12,082
FY2019	12,082
FY2020	(7,998)
Thereafter	<u>(243)</u>
Total	<u>\$ 28,005</u>

#### B. RISK MANAGEMENT

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

#### C. COMMITMENTS AND CONTINGENCIES

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

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

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

On December 8, 2015, a village developer entered into a purchase and sale agreement ("PSA") for properties known as the "Archer lots." Within this agreement, \$527,086 receivable is deferred until January 1, 2020, and provides for the potential of a waiver for all or a part of this amount based on the status of the sale, and the timing and extent of development, of the Archer lots. The village currently has an allowance setup for 100% of these costs. The extent of the discount, if any, is set forth in the PSA. This receivable and the offsetting allowance are recorded in the Downtown TIF fund. The Archer lots were sold to the developer on September 12, 2017.

## VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended April 30, 2017

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

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

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

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

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

SWALCO generates revenue from user charges. The village paid \$3,241 to SWALCO during the year as accounted for in the general fund. The village does not have an equity interest in SWALCO.

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

#### ***E. TAX ABATEMENT***

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

The village, through its Downtown TIF capital project fund, has entered into a tax abatement agreement with a developer in the form of sales tax incentive payments to stimulate economic development. The abatements are authorized through the TIF project plan as well as an agreement between the Village of Long Grove and Sunset Foods. The amount of the sales tax rebate is anticipated to be \$1,000,000, of which \$421,903 has been paid thus far, \$101,418 in the current fiscal year. The first \$1,000,000 collected in sales taxes as generated by the Sunset Grove development remained with the village. The \$1,000,000 threshold was reached during fiscal 2016-17. Subsequent to the \$1,000,000 being collected over the life of the TIF district, 40% of future sales tax revenues from the Sunset Grove development are to be paid to Sunset Foods, and 60% is retained by the village. Once the developer has been paid the full \$1,000,000 incentive payment, all of the sales taxes will be retained by the village.

## VILLAGE OF LONG GROVE

### NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended April 30, 2017

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

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

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

- > *Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > *Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > *Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14*
- > *Statement No. 81, Irrevocable Split-Interest Agreements*
- > *Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73*
- > *Statement No. 83, Certain Asset Retirement Obligations*
- > *Statement No. 84, Fiduciary Activities*
- > *Statement No. 85, Omnibus 2017*
- > *Statement No. 86, Certain Debt Extinguishment Issues*
- > *Statement No. 87, Leases*

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## VILLAGE OF LONG GROVE

### SCHEDULE OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES), AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,350,500	\$ 3,226,000	\$ 2,901,804	\$ (324,196)
Fees, licenses and permits	720,000	945,000	934,925	(10,075)
Fines, forfeitures and penalties	71,000	41,000	39,997	(1,003)
Public charges for services	86,500	86,500	79,433	(7,067)
Investment income	30,000	29,400	189,692	160,292
Miscellaneous revenues	<u>372,359</u>	<u>374,859</u>	<u>48,976</u>	<u>(325,883)</u>
Total Revenues	<u>4,630,359</u>	<u>4,702,759</u>	<u>4,194,827</u>	<u>(507,932)</u>
<b>EXPENDITURES</b>				
Current				
General government	1,302,075	1,322,075	1,134,447	187,628
Public safety	603,925	603,925	593,959	9,966
Public works	679,500	614,600	351,294	263,306
Conservation and development	200,000	192,500	214,856	(22,356)
Capital Outlay	<u>1,787,604</u>	<u>2,073,000</u>	<u>1,703,987</u>	<u>369,013</u>
Total Expenditures	<u>4,573,104</u>	<u>4,806,100</u>	<u>3,998,543</u>	<u>807,557</u>
Excess of revenues over expenditures	<u>57,255</u>	<u>(103,341)</u>	<u>196,284</u>	<u>299,625</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of village property	-	-	600	600
Transfer out	<u>-</u>	<u>-</u>	<u>(33,958)</u>	<u>(33,958)</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(33,358)</u>	<u>(33,358)</u>
Net Change in Fund Balance	57,255	(103,341)	162,926	266,267
FUND BALANCE - Beginning of Year	<u>8,702,603</u>	<u>8,702,603</u>	<u>8,702,603</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 8,759,858</u>	<u>\$ 8,599,262</u>	<u>\$ 8,865,529</u>	<u>\$ 266,267</u>

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

## VILLAGE OF LONG GROVE

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - OPEN SPACES For the Year Ended April 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Fees, licenses and permits	\$ 21,425	\$ 21,425	\$ 33,180	\$ 11,755
Investment income	-	-	4,233	4,233
Interest and arrearages on advance to TIF fund	-	-	157,383	157,383
Total Revenues	<u>21,425</u>	<u>21,425</u>	<u>194,796</u>	<u>173,371</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	-	247	(247)
Capital Outlay	-	266,785	299,563	(32,778)
Total Expenditures	<u>-</u>	<u>266,785</u>	<u>299,810</u>	<u>(33,025)</u>
Net Change in Fund Balance	21,425	(245,360)	(105,014)	140,346
FUND BALANCE - Beginning of Year	<u>3,784,467</u>	<u>3,784,467</u>	<u>3,784,467</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 3,805,892</u>	<u>\$ 3,539,107</u>	<u>\$ 3,679,453</u>	<u>\$ 140,346</u>

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



## VILLAGE OF LONG GROVE

### ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS For the Year Ended April 30, 2017

	Calendar Year 2016	Calendar Year 2015
<b>Total Pension Liability</b>		
Service cost	\$ 54,240	\$ 51,972
Interest	132,645	122,041
Differences between expected and actual experience	(12,020)	15,160
Changes of assumptions	(40,230)	7,187
Benefit payments, including refunds of member contributions	(46,833)	(45,683)
<b>Net Change in Total Pension Liability</b>	87,802	150,677
<b>Total Pension Liability - Beginning</b>	1,803,444	1,652,767
<b>Total Pension Liability - Ending (a)</b>	\$ 1,891,246	\$ 1,803,444
<b>Plan Fiduciary Net Position</b>		
Employer contributions	\$ 68,454	\$ 64,372
Employee contributions	20,147	19,652
Net investment income	85,450	5,947
Benefit payments, including refunds of member contributions	(46,833)	(45,683)
Other (net transfer)	4,015	3,058
<b>Net Change in Plan Fiduciary Net Position</b>	131,233	47,346
<b>Plan Fiduciary Net Position - Beginning</b>	1,217,562	1,170,216
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 1,348,795	\$ 1,217,562
<b>Employer's Net Pension Liability - Ending (a) - (b)</b>	\$ 542,451	\$ 585,882
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	71.32%	67.51%
<b>Covered-employee payroll</b>	\$ 447,700	\$ 436,715
<b>Employer's net pension liability as a percentage of covered-employee payroll</b>	121.16%	134.16%

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

# VILLAGE OF LONG GROVE

## ILLINOIS MUNICIPAL RETIREMENT FUND SCHEDULE OF EMPLOYER CONTRIBUTIONS For the Year Ended April 30, 2017

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	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 68,454	\$ 64,372
Contributions in relation to the actuarially determined contribution	<u>(68,454)</u>	<u>(64,372)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 447,700	\$ 436,715
Contributions as a percentage of covered-employee payroll	15.29%	14.74%

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

# VILLAGE OF LONG GROVE

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended April 30, 2017

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### ***BUDGETARY INFORMATION***

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

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

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

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

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27-year closed period
Asset valuation method	5-Year Smoothed Market
Inflation	3.50%
Salary increases	3.75% to 14.50% including inflation
Investment rate of return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	RP-2014

Other information: There were no benefit changes during the year.

**SUPPLEMENTARY INFORMATION**

## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>TAXES</b>				
Sales tax	\$ 1,710,000	\$ 1,630,000	\$ 1,716,242	\$ 86,242
Income tax	965,000	965,000	650,557	(314,443)
Road and bridge tax	45,000	45,000	44,573	(427)
Telecommunications tax	450,000	400,000	298,817	(101,183)
Downtown SSA - Business and community partners	165,000	165,000	165,111	111
Other taxes	15,500	21,000	26,504	5,504
Total Taxes	<u>3,350,500</u>	<u>3,226,000</u>	<u>2,901,804</u>	<u>(324,196)</u>
<b>FEES, PERMITS AND LICENSES</b>				
Franchise fees	150,000	150,000	173,333	23,333
Permits	525,000	750,000	713,356	(36,644)
Licenses	45,000	45,000	48,236	3,236
Total Fees, Permits and Licenses	<u>720,000</u>	<u>945,000</u>	<u>934,925</u>	<u>(10,075)</u>
<b>FINES, FORFEITURES AND PENALTIES</b>				
Citations	70,000	40,000	39,997	(3)
Fines	1,000	1,000	-	(1,000)
Total Fines, Forfeitures and Penalties	<u>71,000</u>	<u>41,000</u>	<u>39,997</u>	<u>(1,003)</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Long Grove Commons	16,500	16,500	17,795	1,295
Tree replacement	-	-	15,381	15,381
Stormwater review fees	70,000	70,000	46,257	(23,743)
Total Public Charges for Services	<u>86,500</u>	<u>86,500</u>	<u>79,433</u>	<u>(7,067)</u>
<b>INVESTMENT INCOME</b>				
Investment income	30,000	29,400	36,481	7,081
Interest and arrearages on advance to TIF fund	-	-	153,211	153,211
Total Investment Income	<u>30,000</u>	<u>29,400</u>	<u>189,692</u>	<u>160,292</u>
<b>MISCELLANEOUS REVENUES</b>				
SWALCO capacity agreement	-	1,500	-	(1,500)
Forfeited escrow	10,000	20,000	29,840	9,840
Other	362,359	353,359	19,136	(334,223)
Total Miscellaneous Revenues	<u>372,359</u>	<u>374,859</u>	<u>48,976</u>	<u>(325,883)</u>
 TOTAL GENERAL FUND REVENUES	 <u>\$ 4,630,359</u>	 <u>\$ 4,702,759</u>	 <u>\$ 4,194,827</u>	 <u>\$ (507,932)</u>

## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>GENERAL GOVERNMENT</b>				
Employee Compensation				
Salaries and wages	\$ 443,000	\$ 443,000	\$ 440,485	\$ 2,515
Fringe benefits	181,800	175,800	184,372	(8,572)
Total Employee Compensation	<u>624,800</u>	<u>618,800</u>	<u>624,857</u>	<u>(6,057)</u>
Office				
Utilities	9,200	9,400	10,036	(636)
Supplies	19,200	25,500	21,631	3,869
Equipment leases and maintenance	11,500	12,000	12,415	(415)
Other maintenance	3,500	6,000	7,888	(1,888)
Total Office	<u>43,400</u>	<u>52,900</u>	<u>51,970</u>	<u>930</u>
Administrative and Professional				
Insurance	41,500	41,500	37,898	3,602
Dues, memberships and travel	5,590	5,090	5,363	(273)
Professional development and training	35,285	34,285	755	33,530
Legal	194,500	147,500	122,888	24,612
Building and zoning plan reviews	73,500	130,000	81,759	48,241
Route 53	50,000	50,000	-	50,000
Bookkeeping	35,000	35,000	23,509	11,491
Audit	30,000	30,000	36,660	(6,660)
Inspections	70,000	70,000	76,874	(6,874)
Finance and grant consultant	30,000	30,000	-	30,000
Bridge supplement	500	500	490	10
Computer consultant	24,000	24,000	19,375	4,625
Internet home page	2,000	8,000	5,337	2,663
Administrative services	5,000	7,500	7,256	244
Legal notices and subscriptions	800	800	462	338
Total Administrative and Professional	<u>597,675</u>	<u>614,175</u>	<u>418,626</u>	<u>195,549</u>
Miscellaneous				
Mosquito abatement	35,000	35,000	34,884	116
Other	1,200	1,200	4,110	(2,910)
Total Miscellaneous	<u>36,200</u>	<u>36,200</u>	<u>38,994</u>	<u>(2,794)</u>
Total General Government	<u>1,302,075</u>	<u>1,322,075</u>	<u>1,134,447</u>	<u>187,628</u>
<b>PUBLIC SAFETY</b>				
Village security	597,000	597,000	588,360	8,640
Emergency communication system	5,200	5,200	5,002	198
Other public safety	1,725	1,725	597	1,128
Total Public Safety	<u>603,925</u>	<u>603,925</u>	<u>593,959</u>	<u>9,966</u>

## VILLAGE OF LONG GROVE

### DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND (cont.) For the Year Ended April 30, 2017

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>PUBLIC WORKS</b>				
Snow removal and salting	\$ 355,000	\$ 285,000	\$ 154,795	\$ 130,205
Emergency operations	50,000	50,000	7,839	42,161
Subtotal - snow removal and emergency operations	405,000	335,000	162,634	172,366
Mowing	25,000	25,000	29,516	(4,516)
Road signs and traffic calming	15,000	23,000	21,401	1,599
Utilities	19,000	17,000	18,237	(1,237)
Engineering	188,500	188,000	114,686	73,314
Public Water Supply	20,000	20,000	-	20,000
Bridge inspections	2,000	1,500	-	1,500
SWALCO	3,500	3,500	3,241	259
Planting/Trees	1,500	1,600	1,579	21
Total Public Works	<u>679,500</u>	<u>614,600</u>	<u>351,294</u>	<u>263,306</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Community development grant	15,000	15,000	15,000	-
Downtown SSA - Business and community partners	165,000	165,000	165,111	(111)
CERT	-	2,500	2,793	(293)
Sunset Food Incentive Rebate	-	-	31,952	(31,952)
Economic development	20,000	10,000	-	10,000
Total Conservation and Development	<u>200,000</u>	<u>192,500</u>	<u>214,856</u>	<u>(22,356)</u>
<b>CAPITAL OUTLAY</b>				
Office building improvements	60,000	112,000	100,197	11,803
Road paving, culvert and ditch	1,660,604	1,570,000	1,349,482	220,518
Bridge repair	-	-	599	(599)
Open space maintenance	10,000	10,000	-	10,000
Sewer matters	7,000	331,000	249,028	81,972
Sidewalk and pathway installation	50,000	50,000	4,681	45,319
Total Capital Outlay	<u>1,787,604</u>	<u>2,073,000</u>	<u>1,703,987</u>	<u>369,013</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 4,573,104</u>	<u>\$ 4,806,100</u>	<u>\$ 3,998,543</u>	<u>\$ 807,557</u>

## VILLAGE OF LONG GROVE

### COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS As of April 30, 2017

	Motor Fuel Tax	Business District	Pathway Grant	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 95,433	\$ 116,280	\$ 11,141	\$ 222,854
Receivables				
Taxes	-	5,001	-	5,001
Accounts	17,610	-	-	17,610
Other	-	478	-	478
	-	478	-	478
 TOTAL ASSETS	<u>\$ 113,043</u>	<u>\$ 121,759</u>	<u>\$ 11,141</u>	<u>\$ 245,943</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Due to other funds	\$ -	\$ 8,116	\$ -	\$ 8,116
Total Liabilities	-	8,116	-	8,116
Deferred Inflows of Resources				
Unearned revenue	-	-	11,015	11,015
Unavailable revenue	-	1,928	-	1,928
Total Deferred Inflows of Resources	-	1,928	11,015	12,943
Fund Balances				
Restricted	113,043	111,715	126	224,884
Total Fund Balances	<u>113,043</u>	<u>111,715</u>	<u>126</u>	<u>224,884</u>
 TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 113,043</u>	<u>\$ 121,759</u>	<u>\$ 11,141</u>	<u>\$ 245,943</u>



## VILLAGE OF LONG GROVE

### COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS For the Year Ended April 30, 2017

	<u>Motor Fuel Tax</u>	<u>Business District</u>	<u>Pathway Grant</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>				
Taxes	\$ -	\$ 23,183	\$ -	\$ 23,183
Intergovernmental	212,517	-	99,534	312,051
Investment income	500	520	12	1,032
Total Revenues	<u>213,017</u>	<u>23,703</u>	<u>99,546</u>	<u>336,266</u>
<b>EXPENDITURES</b>				
Current				
Conservation and development	-	297	-	297
Capital Outlay	200,300	-	15,000	215,300
Total Expenditures	<u>200,300</u>	<u>297</u>	<u>15,000</u>	<u>215,597</u>
Excess of Revenues over Expenditures	12,717	23,406	84,546	120,669
FUND BALANCES (DEFICIT) - Beginning of Year	<u>100,326</u>	<u>88,309</u>	<u>(84,420)</u>	<u>104,215</u>
FUND BALANCES - END OF YEAR	<u>\$ 113,043</u>	<u>\$ 111,715</u>	<u>\$ 126</u>	<u>\$ 224,884</u>

# VILLAGE OF LONG GROVE

## COMBINING SUBFUNDS BALANCE SHEET PROPRIETARY FUND As of April 30, 2017

	Special Service Area - Water	Water Management	Totals
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 378,083	\$ 69,960	\$ 448,043
Accounts receivable	-	5,662	5,662
Special assessments receivable	183,725	-	183,725
Other receivables (net)	1,640	237	1,877
Total Current Assets	563,448	75,859	639,307
Noncurrent Assets			
Special assessments receivable	1,322,228	-	1,322,228
Restricted Assets			
Bond reserve account	38,783	-	38,783
Capital Assets			
Land	116,801	-	116,801
Plant in service	3,422,116	1,357,656	4,779,772
Accumulated depreciation	(795,435)	(4,707)	(800,142)
Total Noncurrent Assets	4,104,493	1,352,949	5,457,442
Total Assets	4,667,941	1,428,808	6,096,749
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	300	5,653	5,953
Accrued interest	10,656	-	10,656
Current portion of special service area bonds	45,000	-	45,000
Total Current Liabilities	55,956	5,653	61,609
Noncurrent Liabilities			
Special service area bonds payable	780,000	-	780,000
Total noncurrent liabilities	780,000	-	780,000
Total Liabilities	835,956	5,653	841,609
<b>NET POSITION</b>			
Net investment in capital assets	1,918,482	1,352,949	3,271,431
Unrestricted	1,913,503	70,206	1,983,709
TOTAL NET POSITION	\$ 3,831,985	\$ 1,423,155	\$ 5,255,140

## VILLAGE OF LONG GROVE

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

For the Year Ended April 30, 2017

	Special Service Area - Water	Water Management	Totals
<b>OPERATING REVENUES</b>			
Charges for services	\$ -	\$ 45,493	\$ 45,493
<b>OPERATING EXPENSES</b>			
Utility operations	-	33,885	33,885
Administrative	589	30,058	30,647
Depreciation	114,071	895	114,966
Total Operating Expenses	114,660	64,838	179,498
Operating Income (Loss)	(114,660)	(19,345)	(134,005)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Investment income	1,566	388	1,954
Interest expense	(66,521)	-	(66,521)
Total Nonoperating Revenues (Expenses)	(64,955)	388	(64,567)
Income (Loss) Before Contributions	(179,615)	(18,957)	(198,572)
<b>CONTRIBUTIONS</b>			
Contributions	108,324	-	108,324
Capital contributions - village	-	1,344,975	1,344,975
Change in Net Position	(71,291)	1,326,018	1,254,727
TOTAL NET POSITION - Beginning of Year	3,903,276	97,137	4,000,413
TOTAL NET POSITION - END OF YEAR	\$ 3,831,985	\$ 1,423,155	\$ 5,255,140

## VILLAGE OF LONG GROVE

### COMBINING SUBFUNDS CASH FLOWS PROPRIETARY FUND For the Year Ended April 30, 2017

	Special Service Area - Water	Water Management	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ -	\$ 47,782	\$ 47,782
Paid to suppliers for good and services	(300)	(61,783)	(62,083)
Net Cash Flows From Operating Activities	(300)	(14,001)	(14,301)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Special assessments received	200,630	-	200,630
Interest paid	(67,038)	-	(67,038)
Debt retired	(40,000)	-	(40,000)
Net Cash Flows From Capital and Related Financing Activities	93,592	-	93,592
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	1,566	388	1,954
Net Cash Flows From Investing Activities	1,566	388	1,954
<b>Net Change in Cash and Cash Equivalents</b>	94,858	(13,613)	81,245
CASH AND CASH EQUIVALENTS - Beginning of Year	322,008	83,573	405,581
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 416,866	\$ 69,960	\$ 486,826
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (114,660)	\$ (19,345)	\$ (134,005)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided From Operating Activities			
Depreciation expense	114,071	895	114,966
Changes in assets and liabilities			
Accounts receivable	(11)	2,289	2,278
Accounts payable	300	2,160	2,460
NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ (300)	\$ (14,001)	\$ (14,301)
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE COMBINING SUBFUNDS BALANCE SHEET- PROPRIETARY FUND</b>			
Cash and investments - combining subfunds balance sheet-proprietary fund	\$ 378,083	\$ 69,960	\$ 448,043
Restricted cash and investments - combining subfunds balance sheet-proprietary fund	38,783	-	38,783
TOTAL CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 416,866	\$ 69,960	\$ 486,826
<b>NONCASH INVESTING, CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions from Village	\$ -	\$ 1,344,975	

**VILLAGE OF LONG GROVE**

COMBINING STATEMENT OF ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 As of April 30, 2017

	Agency				Totals
	Interagency Control Fees	Builders' Refundable Bonds	Fees Refundable to Others	Heron's Landing SSA	
<b>ASSETS</b>					
Cash and investments	\$ 63,249	\$ 664,141	\$ 52,744	\$ 179,181	\$ 959,315
<b>TOTAL ASSETS</b>	<u>\$ 63,249</u>	<u>\$ 664,141</u>	<u>\$ 52,744</u>	<u>\$ 179,181</u>	<u>\$ 959,315</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 63,249	\$ 664,141	\$ 52,744	\$ -	\$ 780,134
Due to bond holders or homeowners	-	-	-	179,181	179,181
<b>TOTAL LIABILITIES</b>	<u>\$ 63,249</u>	<u>\$ 664,141</u>	<u>\$ 52,744</u>	<u>\$ 179,181</u>	<u>\$ 959,315</u>