



## **VILLAGE OF RIVER GROVE, ILLINOIS**

ANNUAL FINANCIAL REPORT

**For the Eight Months Ended December 31, 2017**

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VILLAGE OF RIVER GROVE, ILLINOIS  
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## INDEPENDENT AUDITOR'S REPORT

The Honorable President  
Members of the Board of Trustees  
Village of River Grove, Illinois

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 River Grove, Illinois (the Village), as of and for the eight months ended December 31, 2017, and the related notes to financial statements, which collectively comprise the Village'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.

### **Auditor's 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 of 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 auditor's 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'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'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 River Grove, Illinois, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the eight months then ended in accordance with accounting principles generally accepted in the United States of America.

### **Change in Accounting Principle**

The Village adopted GASB Statement No. 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses accounting and financial reporting issues related to OPEB plans. The statement modifies certain disclosures in the notes to financial statements. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements as a whole. The accompanying combining and individual fund financial statements and schedules, 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. The 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 information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Sikich LLP**

Naperville, Illinois

October 25, 2018

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

As management of the Village of River Grove ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2017. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

## **Financial Highlights**

In April 2017, the Village Board of Trustees adopted an ordinance that changed the Village's fiscal year to a calendar year from its previous reporting period of May through April. The major reason for this change was to allow for the annual budget and tax levy processes to occur simultaneously. This change however required the Village to adopt a separate budget and resulting audit period for an eight (8) month fiscal period of May 1, 2017 through December 31, 2017. This MD&A presents the financial results and activity for that period.

The Primary Governments' assets and deferred outflows of resources of the Village was less than its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,933,447 (total net position). This resulted in the net deficit being increased by \$2,622,019 on December 31, 2017 compared to the fiscal year ending April 30, 2017.

After taking into consideration the activities of the fiscal year, the governmental net position decreased by \$3,527,114 from the fiscal year ended April 30, 2017 and the business-type activities net position increased \$905,095 in that same period.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,460,685, an increase of \$2,255,846, including a May 1<sup>st</sup> restatement of \$184,965, in comparison with the prior period. Unassigned fund balance in the General Fund is \$3,884,590 and accounts for approximately 41.1% of total fund balance for all governmental funds and nonspendable fund balance in the General Fund totaled \$600,000 or 6.3% of total fund balance for all governmental funds.

## **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

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

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the Village's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The governmental activities reflect the Village's basic services, including general government, public safety, public works, and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The business-type activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

## **FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains five individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, motor fuel tax fund, tax increment financing fund, capital projects fund and bond and interest fund, all of which are considered to be major funds. Information from the Village's other governmental fund is combined into a single column presentation. Individual fund information for non-major governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations and commuter parking system. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide information for the water and sewer fund along with the commuter parking lot fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

### **Other Information**

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found following the required supplementary information.

## Condensed Statement of Net Position

The following chart reflects the condensed Statement of Net Position (in millions):

<b>Condensed Statements of Net Position (in thousands of dollars)</b>									
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total</b>		
	<i>April 30, 2017</i>	<i>Dec 31, 2017</i>	<i>Change</i>	<i>April 30, 2017</i>	<i>Dec 31, 2017</i>	<i>Change</i>	<i>April 30, 2017</i>	<i>Dec 31, 2017</i>	<i>Change</i>
<b>Assets and</b>	As Restated			As Restated			As Restated		
Current and other assets	\$ 10,632	\$ 15,868	33.0%	\$ 391	\$ 677	42.2%	\$ 11,023	\$ 16,545	33.4%
Capital assets	16,007	15,645	(2.3)%	3,952	3,873	(2.0)%	19,959	19,519	(2.3)%
Total assets	26,640	31,514	15.5%	4,343	4,550	4.5%	30,982	36,064	14.1%
<b>Deferred Outflows of Resources</b>									
Deferred outflows of resources	4,134	9,077	54.5%	133	75	(77.3)%	4,267	9,152	53.4%
<b>Liabilities</b>									
Long-term liabilities	32,050	39,727	19.3%	245	68	(260.3)%	32,295	39,795	18.8%
Other liabilities	2,205	2,524	12.6%	112	241	53.5%	2,317	2,765	16.2%
Total liabilities	34,256	42,251	18.9%	357	309	(15.5)%	34,612	42,560	18.7%
<b>Deferred Inflows of Resources</b>									
Deferred inflows of resources	4,634	8,427	45.0%	11	162	93.2%	4,645	8,589	45.9%
<b>Net position</b>									
Net investment in capital assets	4,182	4,182	0.0%	3,951	3,872	(2.0)%	8,133	8,054	(1.0)%
Restricted	5,040	4,744	(6.2)%	-	-	-%	5,040	4,744	(6.2)%
Unrestricted	(17,338)	(19,013)	8.8%	112	281	60.1%	(17,226)	(18,732)	8.0%
Total net position	\$ (8,116)	\$ (10,087)	19.5%	\$ 4,063	\$ 4,153	2.2%	\$ (4,053)	\$ (5,934)	31.7%

A portion of the Village's net position reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Village uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Village's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balance in total net position for the business-type activities while the governmental activities are reporting a negative total net position due to the liabilities associated with the Village's defined benefit pension plans.

The following chart reflects the condensed Statement of Activities (in millions):

Condensed Statements of Activities (in thousands of dollars)										
	Governmental Activities			Business-Type Activities			Total			Change
	April 30, 2017	Dec 31, 2017	Change	April 30, 2017	Dec 31, 2017	Change	April 30, 2017	Dec 31, 2017	Change	
<b>Revenues</b>										
<i>Program revenues</i>										
Charges for services	\$ 2,326	\$ 1,573	(47.9)%	\$ 2,376	\$ 1,617	(46.9)%	\$ 4,701	\$ 3,190	(47.4)%	
Operating grants and contributions	432	288	(50.0)%	-	-	-%	432	288	(50.0)%	
Capital grants and contributions	-	-	-	200	-	-%	200	-	-%	
<i>General revenues</i>										
Property taxes	3,908	2,573	(51.9)%	-	-	-%	3,908	2,573	(51.9)%	
Other taxes	3,426	2,467	(38.9)%	-	-	-%	3,426	2,467	(38.9)%	
Intergovernmental	1,131	658	(71.9)%	-	-	-%	1,131	658	(71.9)%	
Other general revenues	<u>289</u>	<u>284</u>	(1.8)%	<u>2</u>	<u>3</u>	33.3%	<u>291</u>	<u>287</u>	(1.4)%	
Total revenues	<u>11,512</u>	<u>7,843</u>	(46.8)%	<u>2,578</u>	<u>1,620</u>	(59.1)%	<u>14,090</u>	<u>9,463</u>	(48.9)%	
<b>Expenses</b>										
General government	2,478	2,389	(3.7)%	-	-	-%	2,478	2,389	(3.7)%	
Public safety	4,792	5,076	5.6%	-	-	-%	4,792	4,878	5.6%	
Public Works	2,662	1,612	(65.1)%	-	-	-%	2,662	1,612	(65.1)%	
Culture & Recreation	106	76	(39.5)%	-	-	-%	106	76	(39.5)%	
Interest on Debt	596	661	9.8%	-	-	-%	596	859	9.8%	
Water & Commuter	-	-	-%	<u>2,410</u>	<u>1,530</u>	(57.5)%	<u>2,410</u>	<u>1,530</u>	(57.5)%	
Total expenses	<u>10,634</u>	<u>9,814</u>	(8.4)%	<u>2,410</u>	<u>2,357</u>	(57.5)%	<u>13,044</u>	<u>11,344</u>	(15.0)%	
Excess of revenues over expenses	<u>878</u>	<u>(1,971)</u>	144.5%	<u>168</u>	<u>90</u>	(86.7)%	<u>1,046</u>	<u>(1,881)</u>	155.6%	
Transfers	<u>248</u>	-		<u>(248)</u>	-		-	-		
Change in net position										
Net position, beginning of year	(7,687)	(8,116)	5.3%	3,329	4,064	18.1%	(4,358)	(4,052)	(7.6)%	
Prior Period Adjustment	(1,556)			815			(741)			
Restated Net Position – Beginning of Year	<u>(9,243)</u>	<u>(8,116)</u>		4,144	4,064		<u>(5,099)</u>	<u>(4,052)</u>		
Net position end of year	<u>\$ (8,116)</u>	<u>\$(10,087)</u>	19.5%	<u>\$ 4,064</u>	<u>\$ 4,154</u>	2.2%	<u>\$ (4,052)</u>	<u>\$ (5,933)</u>	31.7%	

**Governmental Activities** – Comparisons of governmental activities from one reporting period to another in this financial report are hampered by the fact that the current reporting period is for only eight (8) months instead of twelve (12). Governmental activity revenues totaled \$7,842,755 while expenditures were \$9,814,112 greater resulting in a reduction in the net position for that activity of \$1,971,357. This revenue decrease was mainly due to the fact that only one installment of property taxes are reflected as well as a decreased proportional amount of the other major revenue categories such as sales, income and utility taxes. On the expense side, the Village expended \$820,659 less than the previous period mainly due to only reflecting 8 months of activity.

**Business-type Activities** Business-type activities increased the Village's net position by \$905,095. The major increase was due to a prior period adjustment of \$815,500 that was a result of an analysis of the water supply agreement with Oak Park Country Club and the determination of some of the financial activity was being reflected in other funds.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

**Governmental Funds** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,460,685, an increase of \$2,255,846, including a May 1<sup>st</sup> restatement of \$184,965, in comparison with the prior year. Unassigned fund balance in the General Fund has increased from \$1,016,656 to \$3,884,590 and accounts for approximately 41.1% of total fund balance for all governmental funds, and nonspendable fund balance in the General Fund totaled \$600,000 or 6.3%.

The General Fund is the chief operating fund of the Village. Total fund revenues were \$6,711,424. At the same time, expenditures totaled \$7,724,811, a difference of \$1,013,387. However, \$901,431 of these expenditures were related to the Village's issuance of taxable G.O. bonds in June 2017 that provided a \$3 million dollar cash infusion for the purpose of improving cash flow and for emergency purposes. This resulted in an increase in the General Fund's fund balance to \$4,716,566, a difference of \$2,752,333. The ratio of expenditures to fund balance improved to 61.1%.

The fund balance of the Village's Motor Fuel Tax Fund was decreased by \$183,550 to \$3,116,692. This decrease is due to decreased motor fuel tax expenditures as well as transfers to the Village's general fund for services provided by the public works department. The Village intends to continue to draw on these resources in future budgets for allowed operational costs and for capital costs including street resurfacing/construction and for a new salt storage facility at the new public works facility that will be constructed in the 2018 fiscal year.

The fund balance of the Village's Tax Increment Financing Funds decreased by \$486,604 during the fiscal year as TIF fund balance was used as planned to pay debt service on the Village's 2009 TIF bonds. Those remaining bonds are set to mature on December 15, 2019 and the current principal balance at December 31, 2017 was \$1,510,000.

The fund balance of the Village's Capital Projects Fund increased, before a prior period adjustment of (\$72,795), by \$32,057. The majority of the reported activity in this period was to record the issuance of the 2017A G.O. bonds that refunded the remaining 2006A and 2008 capital project bonds. Residual fund balance is intended to fund future capital improvement projects throughout the Village. The fund balance is shown as restricted.

**Proprietary Funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water and Sewer Fund at the end of the year amounted to \$3,255,710, an \$879,880 increase from April 30, 2017 that included an \$815,500 prior period adjustment. Operating revenues were \$1,583,249 and operating expenses were \$1,448,809. With depreciation, the fund's net operating income increased to \$61,342 compared to the April 30, 2017 reported net operating loss of \$73,344.

Net position of the Commuter Parking Lot Fund at the end of the year amounted to \$897,859. The Fund had an increase in net position of \$25,215 mainly due to minimal parking lot maintenance costs for the period.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The following is a comparison of actual revenues and expenditures for the last two fiscal years in the General Fund. Please note that the December 31, 2017 totals are for an eight (8) month fiscal period.

Category	April 30, 2017 Actual	December 31, 2017 Actual
<b>Revenues</b>		
Property Taxes	\$3,340,298	\$2,142,958
Sales Taxes	1,973,255	1,471,784
Income Taxes	966,705	593,800
Utility Taxes	733,555	439,876
Other Taxes	360,745	109,973
Licenses, Permits & Fees	510,331	433,930
Grant Revenue	122,738	113,621
Other Revenue	245,546	249,747
Fines & Forfeitures	445,651	371,305
Investment Income	4,260	16,942
Charges for Services	1,262,996	767,488
<b>Total Revenues</b>	<b>\$9,966,080</b>	<b>\$ 6,711,424</b>
<b>Expenditures</b>		
Current		
Administration	\$640,410	\$ 552,276
Police	2,880,505	2,652,330
Fire	1,091,119	794,621
Public Works	1,645,653	1,101,796
Culture & Recreation	94,596	67,784
Public Health	17,770	11,801
All Other Departments	1,721,797	1,517,175
Debt Service		
Principal	299,482	326,157
Interest	176,170	241,419
Issuance Costs	-	333,855
Capital Outlay	868,075	2,761,806
<b>Total Expenditures</b>	<b>\$9,435,577</b>	<b>\$ 7,724,811</b>

Revenues in the 8 month period ending December 31, 2017 decreased \$3,254,656 compared to the previous 12 month period while at the same time; expenditures for the reporting period were \$1,710,866 less. During this fiscal transitional period, operating departments were requested to maintain status quo while the administration reviewed operational efficiencies and programs. This request was in anticipation for the development of the Village going forward with aggressive planning efforts to address the future needs and projects of the Village. Additionally, significant financial events that occurred in the period included the refunding of the 2006A and 2008 bond issues and the issuance of \$3 million in taxable bonds issued for the specific use of working cash and contingency purposes. These are restricted funds reflected in the General Fund.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets by Type of Activity

#### Change in Capital Assets (in thousands)

#### Governmental Activities

	Balance April 30, 2017 (Restated)	Net Additions/ Deletions	Balance December 31, 2017
Non-Depreciable Assets	\$3,144	\$0	\$3,144
Depreciable Assets, Net	12,862	(362)	12,500
<b>Totals</b>	<b>\$16,007</b>	<b>(\$362)</b>	<b>\$15,645</b>

**Change in Capital Assets (in thousands)**  
**Business-Type Activities**

	<b>Balance April 30, 2017</b>	<b>Net Additions/ Deletions</b>	<b>Balance December 31, 2017</b>
Non-Depreciable Assets	\$256	\$-	\$256
Depreciable Assets	3,696	(79)	3,617
<b>Totals</b>	<b>\$3,952</b>	<b>(\$79)</b>	<b>\$3,873</b>

For more detailed information related to capital assets, see notes to financial statements.

**Debt Administration**

At December 31, 2017, the Village had outstanding debt as follows:

General Obligation Bonds Series 2009	\$1,510,000
General Obligation Bonds Series 2012A	4,720,000
General Obligation Bonds Series 2017A	3,255,000
General Obligation Bonds Series 2017B	6,230,000
Unamortized Premiums/Discounts	60,607
Installment Notes Payable	430,152
Net OPEB liability	1,962,559
Net Pension Liabilities (Police Pension & IMRF)	<u>23,336,962</u>
 Total	 <u>\$ 41,505,280</u>

During the fiscal period, the Village issued Series 2017A and Series 2017B general obligation bonds. Series 2017A was a taxable issue providing for approximately \$3 million of working cash for emergency/contingency issues. It is the intent of the Village that in any case these funds are to be drawn upon, a formalized repayment plan to the initial balance will be provided for in future budget appropriations. The 2017B series refunded 2006A and 2008 alternate revenue G.O bonds that maintained the existing amortization debt schedule but with present value savings in excess of 3½%. There have been no debt limitations that may affect the financing of planned facilities or services. For more detailed information related to long term debt, see notes to financial statements.

**ECONOMIC FACTORS**

Planned commercial redevelopment of specific areas of the Village in high-traffic locations are being discussed and will bring continued growth in sales and related tax revenue funding sources. The Village also continues to redevelop former industrial properties for potential residential and commercial use. With this in mind, the Village has continued to strive to provide the best services possible at reasonable costs and expended in a fiscally responsible manner.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the Village Comptroller, 2601 Thatcher Avenue, River Grove Illinois, 60171 or call (708) 453-8000.

## **BASIC FINANCIAL STATEMENTS**

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF NET POSITION**

December 31, 2017

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,026,948	\$ 303,244	\$ 5,330,192
Investments	2,933,363	-	2,933,363
Receivables (net, where applicable, of allowances for uncollectibles)	5,686,468	-	5,686,468
Property taxes	908,280	-	908,280
Other taxes	211,621	370,652	582,273
Accounts	1,436	-	1,436
Accrued interest	231,730	-	231,730
Other	13,242	(13,242)	-
Due from other funds	231,976	16,525	248,501
Prepaid items	17,866	-	17,866
Investment in joint venture	5,000	-	5,000
Deposits	600,000	-	600,000
Land held for resale	3,144,755	255,501	3,400,256
Capital assets not being depreciated	12,500,721	3,617,069	16,117,790
Capital assets (net of accumulated depreciation)	31,513,406	4,549,749	36,063,155
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	325,134	74,868	400,002
Pension items - OPEB	47,599	-	47,599
Pension items - Police Pension	8,704,445	-	8,704,445
Total deferred outflows of resources	9,077,178	74,868	9,152,046
<b>Total assets and deferred outflows of resources</b>	<b>40,590,584</b>	<b>4,624,617</b>	<b>45,215,201</b>
<b>LIABILITIES</b>			
Accounts payable	363,505	236,102	599,607
Accrued payroll	164,398	4,777	169,175
Deposits payable	140,380	-	140,380
Accrued interest payable	24,493	-	24,493
Due to police pension	2,494	-	2,494
Unearned revenue	50,000	-	50,000
Noncurrent liabilities			
Due within one year	1,777,769	-	1,777,769
Due in more than one year	39,727,511	68,360	39,795,871
Total liabilities	42,250,550	309,239	42,559,789

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2017

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<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	\$ 5,686,468	\$ -	\$ 5,686,468
Pension items - IMRF	707,941	161,809	869,750
Pension items - Police Pension	1,832,959	-	1,832,959
Unamortized gain on refunding	199,682	-	199,682
 Total deferred inflows of resources	 8,427,050	 161,809	 8,588,859
 Total liabilities and deferred inflows of resources	 50,677,600	 471,048	 51,148,648
<b>NET POSITION</b>			
Net investment in capital assets	4,182,251	3,872,570	8,054,821
Restricted for			
Highways and streets	3,116,692	-	3,116,692
TIF development	666,288	-	666,288
Capital projects	599,547	-	599,547
Debt service	361,592	-	361,592
Unrestricted (deficit)	(19,013,386)	280,999	(18,732,387)
 <b>TOTAL NET POSITION (DEFICIT)</b>	 \$ (10,087,016)	 \$ 4,153,569	 \$ (5,933,447)

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Eight Months Ended December 31, 2017

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<b>FUNCTIONS/PROGRAMS</b> <b>PRIMARY GOVERNMENT</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Operating</b>	<b>Capital</b>	
		<b>Charges for Services</b>	<b>Grants and Contributions</b>	<b>Grants and Contributions</b>
Governmental Activities				
General government	\$ 2,389,126	\$ 481,215	\$ 18,021	\$ -
Public safety	5,075,586	580,888	53,276	-
Public works	1,612,426	502,279	216,986	-
Culture and recreation	75,447	8,341	-	-
Interest on long-term debt	661,527	-	-	-
Total governmental activities	9,814,112	1,572,723	288,283	-
Business-Type Activities				
Water and sewer	1,521,907	1,583,249	-	-
Commuter parking lot	8,682	33,897	-	-
Total business-type activities	1,530,589	1,617,146	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,344,701</b>	<b>\$ 3,189,869</b>	<b>\$ 288,283</b>	<b>\$ -</b>

<b>Net (Expense) Revenue and Change in Net Position</b>			
<b>Primary Government</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	\$ (1,889,890)	\$ -	\$ (1,889,890)
	(4,441,422)	-	(4,441,422)
	(893,161)	-	(893,161)
	(67,106)	-	(67,106)
	<u>(661,527)</u>	-	<u>(661,527)</u>
	<u>(7,953,106)</u>	-	<u>(7,953,106)</u>
	-	61,342	61,342
	<u>-</u>	<u>25,215</u>	<u>25,215</u>
	-	86,557	86,557
	<u>(7,953,106)</u>	86,557	<u>(7,866,549)</u>
General Revenues			
Taxes			
Property	2,572,912	-	2,572,912
Sales	776,319	-	776,319
Local use	185,626	-	185,626
Utility	439,876	-	439,876
Other taxes	45,935	-	45,935
Home rule sales tax	1,019,679	-	1,019,679
Intergovernmental	657,838	-	657,838
Investment income	33,817	3,038	36,855
Miscellaneous	249,747	-	249,747
Total	5,981,749	3,038	5,984,787
CHANGE IN NET POSITION			
	<u>(1,971,357)</u>	89,595	<u>(1,881,762)</u>
NET POSITION (DEFICIT), MAY 1	(6,559,902)	3,248,474	(3,311,428)
Restatement	(1,744,707)	-	(1,744,707)
Prior period adjustment	188,950	815,500	1,004,450
NET POSITION (DEFICIT), MAY 1, (RESTATED)	<u>(8,115,659)</u>	4,063,974	<u>(4,051,685)</u>
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (10,087,016)</b>	<b>\$ 4,153,569</b>	<b>\$ (5,933,447)</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2017

	<b>Major Funds</b>						
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Tax Increment Financing</b>	<b>Capital Improvement</b>	<b>Bond and Interest</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,353,466	\$ 2,197,952	\$ 574,659	\$ 447,650	\$ 361,592	\$ 91,629	\$ 5,026,948
Investments	2,036,208	897,155	-	-	-	-	2,933,363
Receivables (net, where applicable, of allowances for uncollectibles)							
Property taxes	5,686,468	-	-	-	-	-	5,686,468
Other taxes	695,754	22,598	-	189,928	-	-	908,280
Accounts	211,621	-	-	-	-	-	211,621
Accrued interest	1,436	-	-	-	-	-	1,436
Other	193,698	-	-	38,032	-	-	231,730
Prepaid items	231,976	-	-	-	-	-	231,976
Investment in joint venture	17,866	-	-	-	-	-	17,866
Deposits	5,000	-	-	-	-	-	5,000
Due from other funds	13,242	-	-	-	-	-	13,242
Land held for resale	600,000	-	-	-	-	-	600,000
<b>TOTAL ASSETS</b>	<b>\$ 11,046,735</b>	<b>\$ 3,117,705</b>	<b>\$ 574,659</b>	<b>\$ 675,610</b>	<b>\$ 361,592</b>	<b>\$ 91,629</b>	<b>\$ 15,867,930</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 286,429	\$ 1,013	\$ -	\$ 76,063	\$ -	\$ -	\$ 363,505
Accrued payroll	164,398	-	-	-	-	-	164,398
Deposits payable	140,380	-	-	-	-	-	140,380
Due to pension fund	2,494	-	-	-	-	-	2,494
Unearned revenue	50,000	-	-	-	-	-	50,000
Total liabilities	643,701	1,013	-	76,063	-	-	720,777
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable tax revenue	5,686,468	-	-	-	-	-	5,686,468
Total deferred inflows of resources	5,686,468	-	-	-	-	-	5,686,468
Total liabilities and deferred inflows of resources	6,330,169	1,013	-	76,063	-	-	6,407,245
<b>FUND BALANCES</b>							
Nonspendable in form - land held for resale	600,000	-	-	-	-	-	600,000
Nonspendable in form - prepaid items	231,976	-	-	-	-	-	231,976
Restricted for highway and streets	-	3,116,692	-	-	-	-	3,116,692
Restricted for TIF development	-	-	574,659	-	-	91,629	666,288
Restricted for capital improvements	-	-	-	599,547	-	-	599,547
Assigned for debt service	-	-	-	-	361,592	-	361,592
Unrestricted	3,884,590	-	-	-	-	-	3,884,590
Total fund balances	4,716,566	3,116,692	574,659	599,547	361,592	91,629	9,460,685
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,046,735</b>	<b>\$ 3,117,705</b>	<b>\$ 574,659</b>	<b>\$ 675,610</b>	<b>\$ 361,592</b>	<b>\$ 91,629</b>	<b>\$ 15,867,930</b>

See accompanying notes to financial statements.

## **VILLAGE OF RIVER GROVE, ILLINOIS**

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

December 31, 2017

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 9,460,685
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	15,645,476
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	(15,715,000)
G.O. Bonds payable	(430,152)
Notes payable	(199,682)
Unamortized gain in refunding	(60,607)
Unamortized discount and premium	(24,493)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(23,042,691)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position	(294,271)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(1,962,559)
Net OPEB liability is shown as a liability on the statement of net position	(382,807)
IMRF	47,599
OPEB	6,871,486
Police Pension	<hr/>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (10,087,016)</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Eight Months Ended December 31, 2017

	<b>Major Funds</b>								
	<b>Tax</b>		<b>Increment Financing</b>	<b>Capital Improvement</b>	<b>Bond and Interest</b>	<b>Nonmajor Governmental</b>	<b>Total</b>		
	<b>General</b>	<b>Motor Fuel Tax</b>							
<b>REVENUES</b>									
Property taxes	\$ 2,142,958	\$ -	\$ 244,604	\$ -	\$ -	\$ 185,350	\$ 2,572,912		
Other taxes	2,615,433	-	-	509,840	-	-	-	3,125,273	
Licenses, permits and fees	433,930	-	-	-	-	-	-	433,930	
Fines and forfeitures	371,305	-	-	-	-	-	-	371,305	
Charges for services	767,488	-	-	-	-	-	-	767,488	
Intergovernmental	113,621	174,662	-	-	-	-	-	288,283	
Investment income	16,942	7,429	4,864	1,736	2,784	62	33,817		
Miscellaneous	249,747	-	-	-	-	-	-	249,747	
 Total revenues	 6,711,424	 182,091	 249,468	 511,576	 2,784	 185,412	 7,842,755		
<b>EXPENDITURES</b>									
Current									
General government	2,081,252	-	84,791	-	-	2	2,166,045		
Public safety	3,446,951	-	-	-	-	-	3,446,951		
Public works	1,101,796	63,141	-	-	-	-	1,164,937		
Culture and recreation	67,784	-	-	-	-	-	67,784		
Capital outlay	125,597	-	-	-	-	-	125,597		
Debt service									
Principal retirement	326,157	-	675,000	3,950,000	2,965,000	-	7,916,157		
Interest and fiscal charges	241,419	-	78,850	176,773	181,879	-	678,921		
Issuance costs	333,855	-	-	-	-	-	333,855		
 Total expenditures	 7,724,811	 63,141	 838,641	 4,126,773	 3,146,879	 2	 15,900,247		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>									
	(1,013,387)	118,950	(589,173)	(3,615,197)	(3,144,095)	185,410	(8,057,492)		
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	1,443,781	-	102,569	4,257,004	3,446,861	-	9,250,215		
Transfers (out)	(7,806,434)	(302,500)	-	(609,750)	(428,962)	(102,569)	(9,250,215)		
Bonds issued at par	9,725,000	-	-	-	-	-	9,725,000		
Bond premium	208,758	-	-	-	-	-	208,758		
Proceeds from note	194,615	-	-	-	-	-	194,615		
 Total other financing sources (uses)	 3,765,720	 (302,500)	 102,569	 3,647,254	 3,017,899	 (102,569)	 10,128,373		
<b>NET CHANGE IN FUND BALANCES</b>									
	2,752,333	(183,550)	(486,604)	32,057	(126,196)	82,841	2,070,881		
<b>FUND BALANCES, MAY 1</b>									
	1,616,656	3,414,182	976,472	640,285	548,456	8,788	7,204,839		
Prior period adjustment	347,577	(113,940)	84,791	(72,795)	(60,668)	-	184,965		
<b>FUND BALANCES, MAY 1 (RESTATEMENT)</b>	<b>1,964,233</b>	<b>3,300,242</b>	<b>1,061,263</b>	<b>567,490</b>	<b>487,788</b>	<b>8,788</b>	<b>7,389,804</b>		
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 4,716,566</b>	<b>\$ 3,116,692</b>	<b>\$ 574,659</b>	<b>\$ 599,547</b>	<b>\$ 361,592</b>	<b>\$ 91,629</b>	<b>\$ 9,460,685</b>		

See accompanying notes to financial statements.

## VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Eight Months Ended December 31, 2017

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#### **NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS**

\$ 2,070,881

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

Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital expenditures capitalized	184,588
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(546,157)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Bonds payable	7,835,000
Capital leases payable	81,157
The issuance of long-term debt is reported as an other financing source in governmental funds, but as an increase of principal outstanding in the statement of activities	(9,922,340)
The change in interest payable is reported as an expense on the statement of activities	184,543
Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized gain on refunding	(236,667)
The change in net pension liability is reported only on the statement of activities	
Illinois Municipal Retirement Fund	776,794
OPEB	(167,901)
Police Pension	(6,586,444)
The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(915,524)
OPEB	47,599
Police Pension	<u>5,223,114</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (1,971,357)</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2017

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 173,510	\$ 129,734	\$ 303,244
Receivables			
Accounts - billed	107,193	-	107,193
Accounts - unbilled	263,459	-	263,459
Prepaid items	16,525	-	16,525
 Total current assets	 560,687	 129,734	 690,421
<b>CAPITAL ASSETS</b>			
Nondepreciable	92,671	162,830	255,501
Depreciable (net of accumulated depreciation)	3,605,753	11,316	3,617,069
 Net capital assets	 3,698,424	 174,146	 3,872,570
 Total assets	 4,259,111	 303,880	 4,562,991
<b>NONCURRENT ASSETS</b>			
Advances to other funds	-	594,317	594,317
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	74,868	-	74,868
 Total deferred outflows of resources	 74,868	 -	 74,868
<b>CURRENT LIABILITIES</b>			
Accounts payable	235,764	338	236,102
Accrued payroll	4,777	-	4,777
Due to other funds	13,242	-	13,242
 Total current liabilities	 253,783	 338	 254,121
<b>LONG-TERM LIABILITIES</b>			
Net pension liability - IMRF	68,360	-	68,360
Advances to other funds	594,317	-	594,317
 Total long-term liabilities	 662,677	 -	 662,677
 Total liabilities	 916,460	 338	 916,798
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	161,809	-	161,809
 Total deferred inflows of resources	 161,809	 -	 161,809
<b>NET POSITION</b>			
Net investment in capital assets	3,698,424	174,146	3,872,570
Unrestricted	(442,714)	723,713	280,999
 <b>TOTAL NET POSITION</b>	 \$ 3,255,710	 \$ 897,859	 \$ 4,153,569

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Eight Months Ended December 31, 2017

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 1,583,249	\$ 33,897	\$ 1,617,146
Total operating revenues	<u>1,583,249</u>	<u>33,897</u>	<u>1,617,146</u>
<b>OPERATING EXPENSES</b>			
Administration	343,865	-	343,865
Operations	955,576	2,465	958,041
Repairs and maintenance	<u>149,368</u>	<u>-</u>	<u>149,368</u>
Total operating expenses	<u>1,448,809</u>	<u>2,465</u>	<u>1,451,274</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>			
	134,440	31,432	165,872
Depreciation	<u>73,098</u>	<u>6,217</u>	<u>79,315</u>
<b>OPERATING INCOME</b>	<b><u>61,342</u></b>	<b><u>25,215</u></b>	<b><u>86,557</u></b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	<u>3,038</u>	<u>-</u>	<u>3,038</u>
Total non-operating revenues (expenses)	<u>3,038</u>	<u>-</u>	<u>3,038</u>
<b>CHANGE IN NET POSITION</b>	<b><u>64,380</u></b>	<b><u>25,215</u></b>	<b><u>89,595</u></b>
<b>NET POSITION, MAY 1</b>	<b>2,375,830</b>	<b>872,644</b>	<b>3,248,474</b>
Prior period adjustment	<u>815,500</u>	<u>-</u>	<u>815,500</u>
<b>NET POSITION, MAY 1 (RESTATED)</b>	<b><u>3,191,330</u></b>	<b><u>872,644</u></b>	<b><u>4,063,974</u></b>
<b>NET POSITION, DECEMBER 31</b>	<b><u>\$ 3,255,710</u></b>	<b><u>\$ 897,859</u></b>	<b><u>\$ 4,153,569</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**

For the Eight Months Ended December 31, 2017

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 1,559,015	\$ 33,897	\$ 1,592,912
Payments to suppliers	(1,080,441)	(2,244)	(1,082,685)
Payments to employees	(308,102)	-	(308,102)
Net cash from operating activities	<u>170,472</u>	<u>31,653</u>	<u>202,125</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>3,038</u>	-	<u>3,038</u>
Net cash from investing activities	<u>3,038</u>	-	<u>3,038</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>173,510</u>	<u>31,653</u>	<u>205,163</u>
CASH AND CASH EQUIVALENTS, MAY 1	<u>-</u>	<u>98,081</u>	<u>98,081</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b><u>\$ 173,510</u></b>	<b><u>\$ 129,734</u></b>	<b><u>\$ 303,244</u></b>

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF CASH FLOWS (Continued)**  
**PROPRIETARY FUNDS**

For the Eight Months Ended December 31, 2017

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income			
\$ 61,342	\$ 25,215	\$ 86,557	
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	73,098	6,217	79,315
(Increase) decrease in			
Receivables	(24,234)	-	(24,234)
Prepaid items	(16,525)	-	(16,525)
Increase (decrease) in			
Accounts payable	41,028	221	41,249
Accrued payroll	4,062	-	4,062
Pension items	31,701	-	31,701
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 170,472</b>	<b>\$ 31,653</b>	<b>\$ 202,125</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF FIDUCIARY NET POSITION  
POLICE PENSION FUND**

December 31, 2017

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**ASSETS**

Cash and cash equivalents	\$ 404,228
Investments	
U.S. Treasury obligations	1,635,723
U.S. agencies securities	24,455
Mutual funds	3,041,580
Corporate bonds	2,341,497
Negotiable certificates of deposit	98,065
CMO and asset backed securities	181,442
Life insurance annuities	1,315,263
Receivables	
Accrued interest	34,164
Due from Village	<u>2,494</u>
 Total assets	 <u>9,078,911</u>

**LIABILITIES**

None	<u>-</u>
Total liabilities	<u>-</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 9,078,911

## **VILLAGE OF RIVER GROVE, ILLINOIS**

### **STATEMENT OF CHANGES IN FIDUCIARY NET POSITION POLICE PENSION FUND**

For the Eight Months Ended December 31, 2017

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#### **ADDITIONS**

Contributions	
Contributions - employer	\$ 491,945
Contributions - employee	<u>147,701</u>
 Total contributions	 <u>639,646</u>
 Investment income	
Net appreciation in fair	515,150
value of investments	<u>225,289</u>
Interest earned on investments	<u>225,289</u>
 Total investment income	 740,439
 Less investment expense	 <u>(7,344)</u>
 Net investment income	 <u>733,095</u>
 Total additions	 <u>1,372,741</u>

#### **DEDUCTIONS**

Benefits	663,854
Administrative	<u>9,369</u>
 Total deductions	 <u>673,223</u>
 NET INCREASE	 <u>699,518</u>

#### **NET POSITION RESTRICTED FOR PENSIONS**

May 1	8,391,238
Prior period adjustment	<u>(11,845)</u>
 May 1 (Restated)	 <u>8,379,393</u>
 December 31	 <u>\$ 9,078,911</u>

See accompanying notes to financial statements.

# **VILLAGE OF RIVER GROVE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2017

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### **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

#### **a. Reporting Entity**

The Village is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Village (the primary government) and its component units, entities for which the government is considered to be financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with GAAP, the Village's financial statements include the financial statements of the Police Pension Trust Fund as a fiduciary component unit.

#### **Police Pension Trust Fund**

The Village's police department employees participate in the Police Pension Plan. The Police Pension Plan functions for the benefit of these employees. The Village is obligated to fund all plan costs based upon actuarial valuations. The nature of the Police Pension Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels.

#### **b. Joint Ventures**

#### **Proviso-Leyden Joint 9-1-1 Authority**

The Proviso-Leyden Joint 9-1-1 Authority (the Joint 9-1-1 Authority) is a cooperative venture voluntarily established by its members for the purpose of providing the equipment, services, personnel, facilities, and other items necessary for the implementation, operation, maintenance, and repair of a 9-1-1 Emergency Telephone System.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b. Joint Ventures (Continued)**

Any member municipality of the Joint 9-1-1 Authority may terminate its membership at any time upon thirty (30) days written notice to each of the remaining Member Municipalities. There shall be a \$1,000 fee imposed on Member Municipality terminating its membership, which shall be withheld from the Member Municipality's share of the Joint 9-1-1 Authority Operation Funds. All remaining operation funds and surcharge funds allocated to the Member Municipality that terminates its membership shall be returned to that Member Municipality within ninety (90) days of termination of its membership.

The functions and operations of the Joint 9-1-1 Authority shall be governed by the Joint 9-1-1 Authority Board (Board), consisting of voting and non-voting members. The voting members of the Board are comprised of two (2) members designated by each of the Member Municipalities, provided that at least one of such voting members for each Member Municipality must be a representative of that Member Municipality's 9-1-1 public safety agencies. The non-voting members may be comprised of advisors, each of whom shall be appointed by a majority of the voting members of the Board. The Joint 9-1-1 Authority is reported as a proprietary joint venture.

**c. Fund Accounting**

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the accounting for revenue sources that are legally restricted or committed for specific purposes (special revenue funds), accounting for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund (capital projects funds) and accounting for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c. Fund Accounting (Continued)**

Proprietary funds are used to account for activities similar to those found in the private sector, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the Village Board of Trustees has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. When these assets are held under the terms of a formal trust agreement, a pension trust fund may be used. The Village has a Police Pension Trust Fund. Agency funds are used to account for funds that the Village holds on behalf of others as their agent.

**d. Government-Wide and Fund Financial Statements**

The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for the fiduciary activities. The effect of material interfund activity (except for activities reported in internal service funds) has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges paid by the recipient for the goods or services offered by the program and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues. The comparison of direct expenses with program revenues identifies the extent to which each government function or segment is self-financing or draws from the general revenues of the Village.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d. Government-Wide and Fund Financial Statements (Continued)**

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

The Village reports the following major governmental funds:

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

The Motor Fuel Tax Fund is a special revenue fund used to account for motor fuel tax revenue received from the Illinois Department of Transportation. This revenue is expended for street improvements and projects.

The Capital Improvements Fund is a capital project fund used to account for the 2006 and 2008 bond proceeds and its related uses.

The Bond and Interest Fund is a debt service fund used to account for the accumulation of resources for and payments made on general long-term debt principal, interest, and related costs.

The Tax Increment Financing Fund is a special revenue fund used to account for the Village's Belmont and Thatcher Avenue Tax Increment Financing Fund (TIF) district activity, which is funded through TIF incremental property tax revenues.

The Bond and Interest Fund is a debt service fund used to account for the accumulation of restricted, committed and assigned resources for and payments made on general long-term debt principal, interest and related costs.

The Village reports the following major proprietary funds:

The Water and Sewer Fund which accounts for the operating activities of the Village's water and sewer utilities services.

The Commuter Parking Lot Fund which accounts for the operating activities of the Village's parking lot activities.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Trust Fund.

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**e. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the statement of net position and the operating statements present additions (revenues) and deductions (expenses) in total net position. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing the day-to-day enterprise fund services. Incidental revenues/expenses, such as property taxes and investment income, are reported as non-operating.

Governmental fund financial statements are accounted for using a current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period. The Village recognizes property taxes when they become both measurable and available in the period intended to finance, generally within 60 days of year end. Sales taxes, telecommunications taxes and use taxes use a 90-day period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

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

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**f. Cash and Investments**

**Cash and Cash Equivalents**

Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest-bearing checking accounts, and investments in certificates of deposit with original maturities of three months or less. For the purposes of the statement of cash flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

**g. Investments**

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. The Village and pension fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund held investments to measured at fair value at December 31, 2017 using Level 1 and 2 inputs.

**h. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “due from other funds” or “due to other funds” on the balance sheet. Short-term interfund loans, if any, are classified as “interfund receivables/payables.” Any residual balances between governmental activities and business-type activities are reported in the Village-wide financial statements as “internal balances.”

**i. Advances to Other Funds**

Noncurrent portions of long-term interfund loan receivables are reported as advances between funds in the fund financial statements. The advances are offset equally by a nonspendable fund balance account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**j. Prepaid Items/Expenses**

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k. Land Held for Resale**

The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. Land held for resale is valued at lower of cost or market. Reported land held for resale is equally offset by a nonspendable fund balance, which indicates that portion of the fund balance is unavailable to the fund.

**l. Capital Assets**

Capital assets, which include property, plant, equipment, water and sewer system, intangible assets and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets acquired prior to May 1, 2004, are not reported in the financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of \$5,000 or more and a useful life of more than one year.

All purchased capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated capital assets are recorded at acquisition value at the date of donation.

**l. Capital Assets (Continued)**

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

	<u>Years</u>
Buildings	15-50
Land improvements	20
Machinery and equipment	5-20
Infrastructure - roads	20
Infrastructure - other	30-50

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**m. Compensated Absences**

In the event of termination or retirement, employees are not reimbursed for accumulated sick or vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is paid to the employees on the first payday in January. As such, there is no long-term compensated absence liability as of the fiscal year end, but there is accrued payroll.

**n. Long-Term Obligations**

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as gains/losses on refundings, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. The gain/loss on refunding is reported as a deferred inflow/outflow of resources. Bond issuance costs are expensed in the year of issuance.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**o. Fund Equity/Net Position**

Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct capital assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**o. Fund Equity/Net Position (Continued)**

balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions are ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Board of Trustees has not designated any members of management for this purpose. Any residual fund balance in the General Fund and deficit fund balances are reported as unassigned.

If an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned or unassigned fund balance classifications could be used, then the Village will consider committed fund balance be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The Village does not have a minimum fund balance policy.

**p. Interfund Transactions**

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

**q. Accounting Estimates**

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

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

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

r. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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

**2. DEPOSITS AND INVESTMENTS**

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

a. Village

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund's portion of this pool is displayed on the financial statements as cash and investments. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

Permitted Deposits and Investments - The Village's investment policy authorizes the Village to make deposits/invest in accordance with Illinois Compiled Statutes (ILCS); including 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 Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

a. Village (Continued)

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

b. Village Deposits with Financial Institutions

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

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with collateral held by the Village or an independent third party in the Village's name. The Village's investments are fully collateralized at December 31, 2017.

The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in external investment pools.

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

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**2. DEPOSITS AND INVESTMENTS (Continued)**

b. Village Deposits with Financial Institutions (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. The Village does not have a formal investment policy addressing custodial credit risk related to investments.

Concentration of credit risk - The Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in The Illinois Funds. These investments are 100% of the Village's investments.

**3. RECEIVABLES - TAXES**

Property taxes for 2017 attach as an enforceable lien on January 1, 2017. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

For governmental fund types and governmental activities, only property taxes which are intended to finance the current fiscal year and collected within 60 days subsequent to year end are recorded as revenue.

**4. CAPITAL ASSETS**

Capital asset activity for the eight months ended December 31, 2017 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 3,144,755	\$ -	\$ -	\$ 3,144,755
Total capital assets not being depreciated	<u>3,144,755</u>	<u>-</u>	<u>-</u>	<u>3,144,755</u>
Capital assets being depreciated				
Land improvements	692,831	30,001	-	722,832
Infrastructure	9,191,606	-	-	9,191,606
Buildings	7,758,787	-	-	7,758,787
Machinery and equipment	3,512,237	59,972	236,574	3,335,635
Software	-	94,615	-	94,615
Total capital assets being depreciated	<u>21,155,461</u>	<u>184,588</u>	<u>236,574</u>	<u>21,103,475</u>

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

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**4. CAPITAL ASSETS (Continued)**

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>				
Less accumulated depreciation for				
Land improvements	\$ 183,373	\$ 19,762	\$ -	\$ 203,135
Infrastructure	3,146,031	306,387	-	3,452,418
Buildings	2,083,296	102,839	-	2,186,135
Machinery and equipment	2,880,471	104,554	236,574	2,748,451
Software	-	12,615	-	12,615
Total accumulated depreciation	<u>8,293,171</u>	<u>546,157</u>	<u>236,574</u>	<u>8,602,754</u>
Total capital assets being depreciated, net	<u>12,862,290</u>	<u>(361,569)</u>	-	<u>12,500,721</u>
<b>GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET</b>	<u><u>\$ 16,007,045</u></u>	<u><u>\$ (361,569)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 15,645,476</u></u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 255,501	\$ -	\$ -	\$ 255,501
Total capital assets not being depreciated	<u>255,501</u>	<u>-</u>	<u>-</u>	<u>255,501</u>
Capital assets being depreciated				
Land improvements	189,049	-	-	189,049
Infrastructure	4,086,902	-	-	4,086,902
Buildings	353,110	-	-	353,110
Machinery and equipment	318,312	-	-	318,312
Total capital assets being depreciated	<u>4,947,373</u>	<u>-</u>	<u>-</u>	<u>4,947,373</u>
Less accumulated depreciation for				
Land improvements	175,934	5,828	-	181,762
Infrastructure	505,249	54,492	-	559,741
Buildings	351,422	1,688	-	353,110
Machinery and equipment	218,384	17,307	-	235,691
Total accumulated depreciation	<u>1,250,989</u>	<u>79,315</u>	<u>-</u>	<u>1,330,304</u>
Total capital assets being depreciated, net	<u>3,696,384</u>	<u>(79,315)</u>	<u>-</u>	<u>3,617,069</u>
<b>BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS, NET</b>	<u><u>\$ 3,951,885</u></u>	<u><u>\$ (79,315)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,872,570</u></u>

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

<b>GOVERNMENTAL ACTIVITIES</b>			
General government		\$ 57,006	
Public safety		92,626	
Public works		388,862	
Culture and recreation		<u>7,663</u>	
<b>DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>		<u><u>\$ 546,157</u></u>	

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

---

**5. RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. The Village's exposure has not exceeded insurance coverage for the past three years. To mitigate these risks, the Village participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. MICA also had a third-party administrator that works on behalf of MICA members to administer claims. MICA provides \$2,000,000 of coverage after a \$1,000 deductible. The Village pays an annual contribution to MICA based upon the Village's share of liability exposure and prior experience within the pool to cover potential claims to the total loss aggregate. Amounts paid into the pool in excess of claims for any coverage year can be returned to the members in the form of a dividend in subsequent periods.

Health Insurance

The Village purchases employee health insurance from third party insurance company providers.

**6. LONG-TERM DEBT**

a. Changes in Long-Term Liabilities

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

	Balances May 1 (Restated)	Additions	Reductions	Balances April 30	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds					
Unamortized bond premium	\$ 13,825,000	\$ 9,725,000	\$ 7,835,000	\$ 15,715,000	\$ 1,665,000
Unamortized bond discount	145,998	30,559	59,444	117,113	-
Net pension liability - Police Pension	(81,918)	25,412	-	(56,506)	-
Net pension liability - IMRF	16,456,247	6,586,444	-	23,042,691	-
Installment notes payable	1,071,065	-	776,794	294,271	-
Net OPEB liability	313,969	197,340	81,157	430,152	112,769
	<u>1,794,658</u>	<u>167,901</u>	-	<u>1,962,559</u>	-
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>					
	<u>\$ 33,525,019</u>	<u>\$ 16,732,656</u>	<u>\$ 8,752,395</u>	<u>\$ 41,505,280</u>	<u>\$ 1,777,769</u>

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

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**6. LONG-TERM DEBT (Continued)**

a. Changes in Long-Term Liabilities (Continued)

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

	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net pension liability - IMRF	\$ 245,858	\$ -	\$ 177,498	\$ 68,360	\$ -
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>					
	\$ 245,858	\$ -	\$ 177,498	\$ 68,360	\$ -

The net pension liability for the Illinois Municipal Retirement Fund (IMRF) and Police Pension Fund are retired by the General and Water and Sewer Funds.

The Village has installment notes for various capital expenditures within the Village including various administrative, police and public works equipment. These notes are serviced in the Village's General Fund. Aggregate principal and interest requirements to maturity by year for the Village's installment notes are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 112,769	\$ 16,081	\$ 128,850
2019	118,130	10,223	128,353
2020	93,858	6,348	100,206
2021	55,087	3,055	58,142
2022	42,979	1,202	44,181
2023	7,329	36	7,365
<b>TOTAL</b>	<b>\$ 430,152</b>	<b>\$ 36,945</b>	<b>\$ 467,097</b>

b. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities, refunding prior issuances and providing working capital for the Village.

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

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**6. LONG-TERM DEBT (Continued)**

b. General Obligation Bonds (Continued)

General obligation bonds are direct obligations and pledge the full faith and credit of the Village and are payable from governmental activities/funds. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
\$4,500,000 General Obligation Bonds, Series 2006A, dated August 12, 2008, due in annual installments of \$165,000 to \$310,000 through December 15, 2026, interest at 3.70% to 5.25% payable each June 15 and December 15	Bond and Interest Fund	\$ 2,725,000	\$ -	\$ 2,725,000	\$ -	\$ -
\$5,525,000 General Obligation Bonds, Series 2008, dated August 15, 2008, due in annual installments of \$205,000 to \$415,000 through December 15, 2028, interest at 3.00% to 4.85% payable each June 15 and December 15	Capital Improvements Fund	3,950,000	\$ -	3,950,000	\$ -	\$ -
\$5,640,000 General Obligation TIF Bonds, Series 2009, dated May 14, 2009, due in annual installments of \$380,000 to \$770,000 through December 15, 2019, interest at 1.25% to 3.80% payable each June 15 and December 15	TIF Fund	2,185,000	\$ -	675,000	1,510,000	740,000
\$5,365,000 General Obligation Bonds, Series 2012A, dated November 1, 2012, due in annual installments of \$160,000 to \$395,000 through December 15, 2032, interest at 1.40% to 3.70% payable each June 15 and December 15	Bond and Interest Fund	4,965,000	\$ -	245,000	4,720,000	250,000

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

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**6. LONG-TERM DEBT (Continued)**

**b. General Obligation Bonds (Continued)**

Issue	Fund Debt Retired By	Balances May 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>						
\$3,255,000 Taxable General Obligation Bonds, Series 2017A, dated June 29, 2017, due in annual installments of \$120,000 to \$250,000 through December 15, 2036, interest at 2.40% to 5.15% payable each June 15 and December 15	Bond and Interest Fund	\$	- \$ 3,255,000	\$	- \$ 3,255,000	\$ 120,000
\$6,470,000 General Obligation Refunding Bonds, Series 2017B, dated June 29, 2017, due in annual installments of \$240,000 to \$670,000 through December 15, 2028, interest at 2% to 4% payable each June 15 and December 15	Bond and Interest Fund		- 6,470,000	240,000	6,230,000	555,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>						
		<u>\$ 13,825,000</u>	<u>\$ 9,725,000</u>	<u>\$ 7,835,000</u>	<u>\$ 15,715,000</u>	<u>\$ 1,665,000</u>

**c. Debt Service Requirements to Maturity**

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2018	\$ 1,665,000	\$ 574,042	\$ 2,239,042
2019	1,715,000	521,623	2,236,623
2020	970,000	465,600	1,435,600
2021	995,000	437,825	1,432,825
2022	1,040,000	407,650	1,447,650
2023	1,020,000	375,910	1,395,910
2024	1,060,000	338,770	1,398,770
2025	1,095,000	299,660	1,394,660
2026	1,150,000	252,760	1,402,760
2027	885,000	209,128	1,094,128
2028	920,000	175,577	1,095,577
2029	535,000	139,232	674,232
2030	555,000	118,252	673,252
2031	580,000	95,775	675,775
2032	600,000	72,262	672,262
2033	215,000	47,895	262,895
2034	225,000	36,822	261,822
2035	240,000	25,235	265,235
2036	250,000	12,875	262,875
<b>TOTAL</b>	<b>\$ 15,715,000</b>	<b>\$ 4,606,893</b>	<b>\$ 20,321,893</b>

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

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**6. LONG-TERM DEBT (Continued)**

d. Advanced Refunding

On June 29, 2017, the Village issued the \$6,470,000 General Obligation Refunding Bond Series 2017B. The proceeds of the Series 2017B Bonds were used for the current refunding of the Village's General Obligation Bonds (Utility Tax Alternate Revenue Source) Series 2006A outstanding in the principal amount of \$2,725,000 and the advance refunding the Village's outstanding General Obligation Bonds (Sales Tax Alternate Revenue Source) Series 2008 outstanding in the principal amount of \$3,690,000 and to pay certain costs of issuing the Series 2017B Bonds.

The Village passed an ordinance directing the execution of an escrow agreement in order to advance refund the Series 2008 Bonds. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$372,424 and to obtain an economic gain (difference between the present value of the debt service payments of the refunded and refunding bonds) of \$351,879. The reacquisition price exceeded the net carrying amount of the old debt by \$30,559. This amount is being amortized over the remaining life of the refunding debt.

**7. INTERFUND ASSETS/LIABILITIES**

a. Transfers In/Out

Interfund transfers during the eight months ended December 31, 2017 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General	\$ 1,443,781	\$ 7,806,434
Tax Increment Financing	102,569	-
Motor Fuel Tax	-	302,500
Capital Improvement	4,257,004	609,750
Bond and Interest	3,446,861	428,962
 Total Major Governmental	 9,250,215	 9,147,646
Nonmajor Governmental		
Grand Thatcher TIF	-	102,569
 Total Nonmajor Governmental	 -	 102,569
 TOTAL	 \$ 9,250,215	 \$ 9,250,215

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

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**7. INTERFUND ASSETS/LIABILITIES (Continued)**

a. Transfers In/Out (Continued)

The purpose of significant transfers is as follows:

- \$3,845,915 transfer of 2017B bond proceeds from the General Fund to the Capital Improvement Fund. This amount will not be repaid.
- \$3,167,338 transfer of 2017B bond proceeds from the General Fund to the Bond and Interest Fund. This amount will not be repaid.
- \$428,962 transfer of 2008 GO Bond and 2006A GO Bond pledged revenues from the Bond and Interest Fund to the Capital Improvements Fund (\$411,089) and the General Fund (\$17,873). These amounts will not be repaid.
- \$609,750 transfer of 2008 GO Bond pledged revenues from the Capital Improvement Fund to the Bond and Interest Fund (\$279,473) and the General Fund (\$330,277). These amounts will not be repaid.
- \$302,500 transferred from the Motor Fuel Tax Fund to the General Fund to fund public works projects. This amount will not be repaid.

b. Due From/To Other Funds

Due from/to other funds at December 31, 2017 consisted of the following:

Fund	Due From	Due To
Major Governmental		
General Corporate	\$ 13,242	\$ -
Total Major Governmental	13,242	-
Enterprise		
Water and Sewer	-	13,242
Total Enterprise	-	13,242
<b>TOTAL</b>	<b>\$ 13,242</b>	<b>\$ 13,242</b>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made. All interfund payables are expected to be repaid in the next fiscal year.

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

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**7. INTERFUND ASSETS/LIABILITIES (Continued)**

c. Interfund Advances

Interfund advances at December 31, 2017 consisted of the following:

Fund	Advances From	Advances To
Enterprise		
Water and Sewer	\$ -	\$ 594,317
Commuter Parking Lot	<u>594,317</u>	-
Total Enterprise	<u>594,317</u>	<u>594,317</u>
<b>TOTAL</b>	<b>\$ 594,317</b>	<b>\$ 594,317</b>

The long-term loan between the above funds was made to support operations and will be repaid incrementally in future years.

**8. CONTINGENT LIABILITIES**

a. Litigation

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

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS**

The Village contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois (other than those covered by the Police Pension Plan). The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or at [www.imrf.org](http://www.imrf.org).

a. Plan Descriptions

**Illinois Municipal Retirement Fund**

*Plan Administration*

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

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

*Plan Membership*

At December 31, 2017, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	19
Active employees	<u>62</u>
<b>TOTAL</b>	<b><u>124</u></b>

*Benefits Provided*

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided* (Continued)

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

*Contributions*

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2017 was 11.13% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2017 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

*Discount Rate*

The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the Village's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2017	\$ 11,169,971	\$ 9,853,048	\$ 1,316,923
Changes for the period			
Service cost	190,195	-	190,195
Interest	821,546	-	821,546
Difference between expected and actual experience	283,026	-	283,026

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability (Continued)*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
Changes for the period (Continued)			
Changes in assumptions	\$ (405,145)	\$ -	\$ (405,145)
Employer contributions	-	192,212	(192,212)
Employee contributions	-	80,355	(80,355)
Net investment income	-	1,707,327	(1,707,327)
Benefit payments and refunds	(622,235)	(622,235)	-
Administrative expense	-	-	-
Other (net transfer)	-	(135,980)	135,980
Net changes	<u>267,387</u>	<u>1,221,679</u>	<u>(954,292)</u>
BALANCES AT DECEMBER 31, 2017	<u>\$ 11,437,358</u>	<u>\$ 11,074,727</u>	<u>\$ 362,631</u>

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

For the eight months ended December 31, 2017, the Village recognized pension expense of \$374,660. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 393,948	\$ 28,048
Changes in assumption	6,054	350,727
Net difference between projected and actual earnings on pension plan investments	-	<u>490,975</u>
<b>TOTAL</b>	<b>\$ 400,002</b>	<b>\$ 869,750</b>

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending</u> <u>December 31,</u>	
2018	\$ (49,646)
2019	(49,648)
2020	(180,299)
2021	(185,964)
2022	(4,191)
Thereafter	<hr/>
<b>TOTAL</b>	<b><u>\$ (469,748)</u></b>

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (asset) to changes in the discount rate. The table below presents the net pension liability of the Village calculated using the discount rate of 7.50% as well as what the Village's net pension liability (asset) would be if it were 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 (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Net pension liability (asset)	\$ 1,694,560	\$ 362,631	\$ (703,603)

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan

*Plan Administration*

Police sworn personnel are covered by the Police Pension Plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40 - Article 5/3) and can be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund.

The Police Pension Plan is governed by a five-member Board of Trustees. Two members of the Board of Trustees are appointed by the Village President and three members are elected by plan members.

*Plan Membership*

At December 31, 2017, the Police Pension Plan's membership consisted of:

Inactive plan members currently receiving benefits	17
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	22
Nonvested	2
 TOTAL	 <hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/> <hr style="width: 100px; margin-left: 0; border: 0.5px solid black;"/>
	41

*Benefits Provided*

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to  $\frac{1}{2}$  of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after May 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$108,006 for 2017, plus the amount automatically increases by the lesser of  $\frac{1}{2}$  of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the May 1<sup>st</sup> after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3% or  $\frac{1}{2}$  of the change in the Consumer Price Index for the proceeding calendar year.

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. It is the Village's policy to fund the Police Pension Plan to achieve 100% funding by the same date. The employer contribution for the fiscal year ended December 31, 2017 was 28.78% of covered payroll.

The Police Pension Plan does not issue a separate financial report.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy*

The Police Pension Fund (the Fund) requires investments to be made in accordance with ILCS and the Fund's investment policy, which allows the Fund to invest in bonds, notes and other obligations of the United States Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the ILCS.

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant 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 assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2017 are listed in the table on the next page.

**Concentration of credit risk** - The Fund's investment policy provides diversification guidelines on the amount of the portfolio that can be invested in any one investment vehicle. Diversification by security is as follows:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed income	55.00%	1.01%
Other investments	45.00%	4.20%

Small and temporary variations from the above are allowed for by the policy.

The Fund's investment policy prohibits short selling, securities lending, financial futures, margins, options, nonmarketable securities, commodities, speculative real estate or other specialized derivative investments.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Valuations*

All investments in the plan are stated at fair value and are recorded as of the trade date. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

The Fund has the following recurring fair value measurements as of December 31, 2017: U.S. Treasury notes and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, the corporate bonds and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs). The Insurance Contracts used Level 3 inputs.

*Investment Concentrations*

The Fund places no limit on the amount it may invest in any one issuer. At December 31, 2017, the Fund had greater than 5% of its fixed income portfolio invested in obligations of the U.S. Treasury notes (18.08%) and corporate bonds (25.89%). The investment policy does not include any limitations on how much U.S. Treasury or U.S. agency securities can be held in the portfolio.

*Investment Rate of Return*

For the eight months ended December 31, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

Custodial credit risk for deposits with financial institutions is the risk that in the event of a bank's failure, the Fund's deposits may not be returned to them. The Fund's investment policies do not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Fund's deposits with financial institutions.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2017:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 1,635,723	\$ 374,762	\$ 378,692	\$ 882,269	\$ -
Corporate bonds	2,341,497	155,637	1,089,010	1,096,850	-
U.S. agency obligations	24,455	-	-	4,171	20,284
CMO and asset backed	181,442	-	160,705	-	20,737
Negotiable CDs	98,065	98,065	-	-	-
<b>TOTAL</b>	<b>\$ 4,281,182</b>	<b>\$ 628,464</b>	<b>\$ 1,628,407</b>	<b>\$ 1983,290</b>	<b>\$ 41,021</b>

In accordance with its investment policy, the Fund limits its exposure to interest rate risk by structuring the portfolio into an equity portion and fixed income portion to allow the Fund to maximize current returns while allowing stability of the Fund and providing for long-term return on investment.

*Credit Risk*

The Fund's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of ILCS, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the United States Government or any agency or instrumentally thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than Baa by Moody's and no lower than BBB by Standard and Poor's. The municipal bonds are not rated, corporate bonds are rated Aa+ to Bbb+, and CMO and asset backed securities range in rating from Aaa to Baa1 as of December 31, 2017.

*Custodial Credit Risk*

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Fund will not be able to recover the value of its investments that are in possession of an outside party. The Fund's policy requires reporting and monitoring of investment managers and custodians. To additionally limit its exposure, the Fund prepares all transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Fund's agent separate from where the investment was purchased in the Fund's name.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal level dollar
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2000 Combined Mortality Table with blue collar adjustment, projected to 2018 using Scale BB. The plan has not had a formal actuarial experience study performed.

*Discount Rate*

The discount rate used to measure the total pension liability was 4.86%. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution related and the member rate. Based on these assumptions, the pension plan's 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 pension plan investments of 6.50% was blended with the index rate of 3.31% for tax exempt general obligation municipal bonds rated AA or better at December 31, 2017 to arrive at a discount rate of 4.86% used to determine the total pension liability.

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate Sensitivity*

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 4.86% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.86%) or 1 percentage point higher (5.86%) than the current rate:

	1% Decrease (3.86%)	Current Discount Rate (4.86%)	1% Increase (5.86%)
Net pension liability	\$ 27,860,931	\$ 23,042,691	\$ 18,852,917

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>BALANCES AT MAY 1, 2017</b>	<u>\$ 24,847,485</u>	<u>\$ 8,391,238</u>	<u>\$ 16,456,247</u>
Changes for the period			
Service cost	358,991	-	358,991
Interest	1,074,581	-	1,074,581
Difference between expected and actual experience	(114,313)	-	(114,313)
Changes in assumptions	6,618,712	-	6,618,712
Employer contributions	-	491,945	(491,945)
Employee contributions	-	147,701	(147,701)
Net investment income	-	721,250	(721,250)
Benefit payments and refunds	(663,854)	(663,854)	-
Administrative expense	-	(9,369)	9,369
Other (net transfer)	-	-	-
Net changes	<u>7,274,117</u>	<u>687,673</u>	<u>6,586,444</u>
<b>BALANCES AT DECEMBER 31, 2017</b>	<u>\$ 32,121,602</u>	<u>\$ 9,078,911</u>	<u>\$ 23,042,691</u>

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the eight months ended December 31, 2017, the Village recognized pension expense of \$1,855,191. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 28,970	\$ 1,718,506
Changes in assumption	8,675,475	-
Net difference between projected and actual earnings on pension plan investments	-	114,453
<b>TOTAL</b>	<b>\$ 8,704,445</b>	<b>\$ 1,832,959</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 1,384,590
2019	1,381,956
2020	1,309,770
2021	1,282,153
2022	1,150,331
Thereafter	362,686
<b>TOTAL</b>	<b>\$ 6,871,486</b>

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

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**9. EMPLOYEE RETIREMENT SYSTEMS (Continued)**

b. Summary of Significant Accounting Policies and Plan Asset Matters

Related Party Transactions: There were no securities of the employer or any other related parties included in plan assets, including any loans.

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental activities.

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

b. Benefits Provided

The Village provides postretirement health insurance to its eligible employees until the age of 65 (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under IMRF or meet COBRA requirements. The liability is based on an implicit subsidy; the Village had no explicit subsidies.

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

c. Membership

At December 31, 2017, membership consisted of:

Inactive fund members or beneficiaries currently receiving benefit payments	1
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>44</u>
 TOTAL	 <u>45</u>
Participating employers	<u>1</u>

d. Contributions

The Village provides the contribution percentages between the Village and employees through the personnel policy. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. For the eight months ended December 31, 2107, the Village's contribution was 0.71% of covered payroll.

e. Net OPEB Liability

The Village's net OPEB liability was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date

The total OPEB liability, after considering the sharing of benefit-related costs with inactive Retiree Health Insurance Trust Fund members, was determined by an actuarial valuation performed as of December 31, 2017 using the following actuarial methods and assumptions.

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

e. Net OPEB Liability (Continued)

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Investment rate of return (net of fund investment expense, including inflation)	3.44%
Healthcare cost trend rates	9% in Fiscal 2018, trending to 7% in Fiscal 2022, and an ultimate trend rate of 5% in 2026.
Asset valuation method	Market
Mortality rates were based on the RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 for healthy retirees and SOA RPH-2017 Disabled Retiree Mortality Table fully generational using Scale MP-2017 for disabled retirees.	

f. Discount Rate

The discount rate used to measure the total OPEB liability was 3.44%. The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2017.

g. Changes in the Net OPEB Liability

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net OPEB Liability
BALANCES AT MAY 1, 2017	\$ 1,794,658	\$ -	\$ 1,794,658
Changes for the period			
Service cost	86,516	-	86,516
Interest	47,362	-	47,362

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

g. Changes in the Net OPEB Liability (Continued)

	(a) Total OPEB Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net OPEB Liability
Changes for the period (Continued)			
Changes of benefit terms	\$ -	\$ -	\$ -
Difference between expected and actual experience	- -	- -	- -
Changes in assumptions	53,549	- -	53,549
Employer contributions	- 19,526	19,526	(19,526)
Employee contributions	- -	- -	- -
Net investment income	- -	- -	- -
Benefit payments and refunds	(19,526)	(19,526)	- -
Administrative expense	- -	- -	- -
 Net changes	 167,901	 - -	 167,901
 BALANCES AT DECEMBER 31, 2017	 \$ 1,962,559	 \$ - -	 \$ 1,962,559

h. Rate Sensitivity

The following is a sensitive analysis of the net OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the net OPEB liability of the Village calculated using the discount rate of 3.44% as well as what the Village's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.44%) or 1 percentage point higher (4.44%) than the current rate:

	1% Decrease (2.44%)	Current Discount Rate (3.44%)	1% Increase (4.44%)
Net OPEB liability	\$ 2,104,714	\$ 1,962,559	\$ 1,822,799

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

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**10. OTHER POSTEMPLOYMENT BENEFITS (Continued)**

h. Rate Sensitivity (Continued)

The table below presents the net OPEB liability of the Village calculated using the healthcare rate of 5% to 9% as well as what the Village's net OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (3% to 8%) or 1 percentage point higher (6% to 10%) than the current rate:

	1% Decrease (3% to 8%)	Current Healthcare Rate (5% to 9%)	1% Increase (6% to 10%)
Net OPEB liability	\$ 1,719,595	\$ 1,962,559	\$ 2,246,074

i. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the eight months ended December 31, 2017, the Village recognized OPEB expense of \$120,302. At December 31, 2017, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ -
Changes in assumption	47,599	-
Net difference between projected and actual earnings on pension plan investments	-	-
<b>TOTAL</b>	<b>\$ 47,599</b>	<b>\$ -</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending December 31,</u>	
2018	\$ 5,950
2019	5,950
2020	5,950
2021	5,950
2022	5,950
Thereafter	17,849
<b>TOTAL</b>	<b>\$ 47,599</b>

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

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**11. PRIOR PERIOD ADJUSTMENT**

The Village has restated fund balances/net position as of May 1, 2017 as follows:

	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	Capital Improvement
<b>FUND BALANCE/</b>				
NET POSITION MAY 1, 2017	\$ 1,616,656	\$ 3,414,182	\$ 976,472	\$ 640,285
Prior period adjustment	347,577	(113,940)	84,791	(72,795)
<b>FUND BALANCE/</b>				
NET POSITION, MAY 1, 2017				
(RESTATEMENT)	\$ 1,964,233	\$ 3,300,242	\$ 1,061,263	\$ 567,490
	Bond and Interest	Governmental Activities	Police Pension Fund	Water and Sewer Fund
				Business-Type Activities
<b>FUND BALANCE (DEFICIT)/</b>				
NET POSITION MAY 1, 2017	\$ 548,456	\$ (6,559,902)	\$ 8,391,238	\$ 2,375,830
Prior period adjustment	(60,668)	188,950	(11,845)	815,500
<b>FUND BALANCE (DEFICIT)/</b>				
NET POSITION, MAY 1, 2017				
(RESTATEMENT)	\$ 487,788	\$ (6,370,952)	\$ 8,379,393	\$ 3,191,330
				\$ 4,063,974

The following restatement related to the implementation of GASB Statement No. 75, *Accounting and Reporting for Postemployment Benefits Other Than Pensions*.

	Governmental Activities
<b>FUND BALANCE (DEFICIT)/</b>	
NET POSITION MAY 1, 2017	\$ (6,370,952)
Prior period adjustment	(1,744,707)
<b>FUND BALANCE (DEFICIT)/</b>	
NET POSITION, MAY 1, 2017	
(RESTATEMENT)	\$ (8,115,659)

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Property taxes	\$ 1,576,850	\$ 2,142,958
Other taxes	2,634,000	2,615,433
Licenses, permits and fees	367,230	433,930
Fines and forfeitures	221,000	371,305
Charges for services	922,865	767,488
Intergovernmental	273,500	113,621
Investment income	927	16,942
Miscellaneous	210,450	249,747
 Total revenues	 6,206,822	 6,711,424
<b>EXPENDITURES</b>		
Current		
Administration	642,515	552,276
Police department	1,827,536	2,652,330
Fire protection	727,221	794,621
Public works	1,217,655	1,101,796
Culture and recreation	78,250	67,784
Public health	12,275	11,801
All other departments	1,160,765	1,517,175
Debt service		
Principal	25,631	326,157
Interest and other charges	743	241,419
Issuance costs	-	333,855
Capital outlay	60,571	125,597
 Total expenditures	 5,753,162	 7,724,811
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 453,660	 (1,013,387)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer in	124,650	1,443,781
Transfers (out)	(661,970)	(7,806,434)
Bonds issued at par	-	9,725,000
Bond premium	-	208,758
Proceeds from note	-	194,615
 Total other financing sources (uses)	 (537,320)	 3,765,720
<b>NET CHANGE IN FUND BALANCE</b>	 \$ (83,660)	 2,752,333
<b>FUND BALANCE, MAY 1</b>		1,616,656
Prior period adjustment		347,577
<b>FUND BALANCE, MAY 1 (RESTATED)</b>		 1,964,233
<b>FUND BALANCE, DECEMBER 31</b>	 \$ 4,716,566	

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2017

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<b><u>FISCAL YEAR ENDED DECEMBER 31,</u></b>	<b><u>2017</u></b>
Actuarially determined contribution	\$ 86,516
Contributions in relation to the actuarially determined contribution	<u>19,526</u>
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b><u>\$ 66,990</u></b>
Covered-employee payroll	\$ 2,737,263
Contributions as a percentage of covered-employee payroll	0.71%

Notes to Required Supplementary Information

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry-age normal
Amortization Method	Level percent of pay, open
Remaining Amortization period	30 years
Asset Valuation Method	Market
Inflation	2.50%
Healthcare Cost Trend Rate	9% in 2018, trending to 7% in 2022 and an ultimate trend rate of 5% in 2026+
Investment Rate of Return	3.44%
Retirement Age	Various
Mortality	SOA RPH-2017 Total Dataset Mortality Table fully generational using Scale MP-2017 for healthy retirees and SOA RPH-2017 Disabled Retiree Mortality Table fully generational using Scale MP-2017 for disabled retirees.

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

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET OPEB LIABILITY AND RELATED RATIOS  
OTHER POSTEMPLOYMENT BENEFIT PLAN**

December 31, 2017

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2017</b>
<b>TOTAL OPEB LIABILITY</b>	
Service cost	\$ 86,516
Interest	47,362
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions	53,549
Benefit payments, including refunds of member contributions	<u>(19,526)</u>
Net change in total OPEB liability	167,901
Total OPEB liability - beginning	<u>1,794,658</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u><u>\$ 1,962,559</u></u>
<b>EMPLOYER'S NET OPEB LIABILITY</b>	<u><u>\$ 1,962,559</u></u>
Plan fiduciary net position as a percentage of total OPEB liability	0.00%
Covered-employee payroll	\$ 2,737,263
Employer's net pension liability as a percentage of covered-employee payroll	71.70%

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

Last Three Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>
Actuarially determined contribution	\$ 206,842	\$ 197,439	\$ 192,213
Contributions in relation to the actuarially determined contribution	206,842	197,439	126,523
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	\$ -	\$ -	\$ 65,690
Covered-employee payroll	\$ 2,029,750	\$ 1,845,603	\$ 1,136,775
Contributions as a percentage of covered-employee payroll	10.19%	10.70%	11.13%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay, closed and the amortization period was 26 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increases assumption of 3.75% to 14.50%, compounded annually and postretirement benefit increases of 3.00% compounded annually.

\*The Village changed to a December 31 year-end for the fiscal year ended December 31, 2017.

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

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

Last Three Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>TOTAL PENSION LIABILITY</b>			
Service cost	\$ 246,163	\$ 235,145	\$ 190,195
Interest	741,310	772,237	821,546
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(55,453)	235,078	283,026
Changes of assumptions	11,970	(24,568)	(405,145)
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)
Net change in total pension liability	429,162	709,143	267,387
Total pension liability - beginning	<u>10,031,666</u>	<u>10,460,828</u>	<u>11,169,971</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>			
	<u><u>\$ 10,460,828</u></u>	<u><u>\$ 11,169,971</u></u>	<u><u>\$ 11,437,358</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions - employer	\$ 238,585	\$ 207,077	\$ 192,212
Contributions - member	111,555	95,482	80,355
Net investment income	46,800	631,894	1,707,327
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)
Administrative expense	(51,740)	154,714	(135,980)
Net change in plan fiduciary net position	(169,628)	580,418	1,221,679
Plan fiduciary net position - beginning	<u>9,442,258</u>	<u>9,272,630</u>	<u>9,853,048</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>			
	<u><u>\$ 9,272,630</u></u>	<u><u>\$ 9,853,048</u></u>	<u><u>\$ 11,074,727</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>			
	<u><u>\$ 1,188,198</u></u>	<u><u>\$ 1,316,923</u></u>	<u><u>\$ 362,631</u></u>
Plan fiduciary net position as a percentage of total pension liability	88.64%	88.21%	96.83%
Covered-employee payroll	\$ 2,020,477	\$ 1,845,603	\$ 1,726,980
Employer's net pension liability as a percentage of covered-employee payroll	58.81%	71.35%	21.00%

The discount rate assumption was changed from 7.48% to 7.50% in 2016. Changes in assumptions related to mortality rates were made since the prior valuation.

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

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Ten Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30, 2009</b>	<b>April 30, 2010</b>	<b>April 30, 2011</b>	<b>April 30, 2012</b>	<b>April 30, 2013</b>	<b>April 30, 2014</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>
Actuarially determined contribution	\$ 655,441	\$ 750,965	\$ 750,965	\$ 882,213	\$ 766,067	\$ 855,937	\$ 865,761	\$ 1,274,642	\$ 1,563,857	\$ 931,549
Contribution in relation to the actuarially determined contribution	306,091	390,156	361,768	337,922	582,045	825,636	688,527	1,115,353	993,210	491,945
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 349,350</b>	<b>\$ 360,809</b>	<b>\$ 389,197</b>	<b>\$ 544,291</b>	<b>\$ 184,022</b>	<b>\$ 30,301</b>	<b>\$ 177,234</b>	<b>\$ 159,289</b>	<b>\$ 570,647</b>	<b>\$ 439,604</b>
Covered-employee payroll	\$ 1,634,927	\$ 1,634,927	\$ 1,900,927	\$ 1,900,927	\$ 1,798,749	\$ 1,798,749	\$ 1,872,614	\$ 1,995,949	\$ 1,876,066	\$ 1,709,345
Contributions as a percentage of covered-employee payroll	18.72%	23.86%	19.03%	17.78%	32.36%	45.90%	36.77%	55.88%	52.94%	28.78%

N/A - Information not available.

The information directly above is formatted to comply with the requirements of GASB Statement No. 67.

\*The Village changed to a December 31 year-end for the fiscal year ended December 31, 2017.

The information presented was determined as part of the actuarial valuations as of December 31, 2017. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 23 years; the asset valuation method was market; and the significant actuarial assumptions were an investment rate of return at 6.50% (7.00% prior to 2016) annually, projected salary increases assumption of 5.50%, including inflation, compounded annually and postretirement benefit increases of 3.00% compounded annually.

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S  
NET PENSION LIABILITY AND RELATED RATIOS  
POLICE PENSION FUND**

Last Four Fiscal Years

<b>MEASUREMENT DATE</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 427,935	\$ 456,111	\$ 486,898	\$ 358,991
Interest	1,325,272	1,374,078	1,502,175	1,074,581
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	565,183	71,109	(2,238,666)	(114,313)
Changes of assumptions	-	-	3,864,244	6,618,712
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)
Net change in total pension liability	1,308,019	812,855	2,545,221	7,274,117
Total pension liability - beginning	<u>20,181,390</u>	<u>21,489,409</u>	<u>22,302,264</u>	<u>24,847,485</u>
<b>TOTAL PENSION LIABILITY - ENDING</b>				
	<u><u>\$ 21,489,409</u></u>	<u><u>\$ 22,302,264</u></u>	<u><u>\$ 24,847,485</u></u>	<u><u>\$ 32,121,602</u></u>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 688,567	\$ 1,115,353	\$ 993,210	\$ 491,945
Contributions - member	186,676	190,944	208,521	147,701
Contributions - other	-	-	-	-
Net investment income	415,535	70,407	541,180	721,250
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)
Administrative expense	(26,575)	(35,019)	(46,185)	(9,369)
Net change in plan fiduciary net position	253,832	253,242	627,296	687,673
Plan fiduciary net position - beginning	<u>7,256,868</u>	<u>7,510,700</u>	<u>7,763,942</u>	<u>8,391,238</u>
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>				
	<u><u>\$ 7,510,700</u></u>	<u><u>\$ 7,763,942</u></u>	<u><u>\$ 8,391,238</u></u>	<u><u>\$ 9,078,911</u></u>
<b>EMPLOYER'S NET PENSION LIABILITY</b>				
	<u><u>\$ 13,978,709</u></u>	<u><u>\$ 14,538,322</u></u>	<u><u>\$ 16,456,247</u></u>	<u><u>\$ 23,042,691</u></u>
Plan fiduciary net position as a percentage of the total pension liability	34.95%	34.81%	33.77%	28.26%
Covered-employee payroll	\$ 1,872,614	\$ 1,995,949	\$ 1,879,066	\$ 1,709,345
Employer's net pension liability as a percentage of covered-employee payroll	746.48%	728.39%	875.77%	1348.04%

The discount rate assumption was changed from 6.48% to 4.86% in the current year.

\*The Village changed to a December 31 year-end for the fiscal year ended December 31, 2017.

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

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Four Fiscal Years

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<b>FISCAL YEAR ENDED</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>
Annual money-weighted rate of return, net of investment expense	(1.35%)	6.75%	7.00%	8.62%

\*The Village changed to a December 31 year-end for the fiscal year ended December 31, 2017.

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

## VILLAGE OF RIVER GROVE, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2017

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#### BUDGETS

Annual budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for all governmental and proprietary funds, with the exception of the Grand Thatcher TIF Fund. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end. No supplemental appropriations were adopted during the current fiscal year.

In establishing the budget, the Finance Department submits to the Board of Trustees the proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. A public hearing is conducted to obtain taxpayer comments on the proposed fiscal year appropriation ordinance. The fiscal year appropriation, which is equal to the budgetary limits established by the Board of Trustees, is legally enacted for all applicable funds.

The appropriated budget is prepared by fund, function and department. Transfers of appropriations within a fund may only be made with the approval of the Board of Trustees. Transfers of appropriations between funds require the approval of the Board of Trustees. The legal level of budgetary control is the fund level.

The following funds had expenditures greater than the budget for the eight months ended December 31, 2017:

Fund	Actual Expenditures	Budget
Water and Sewer Fund	\$ 1,521,908	\$ 1,335,750
General Fund	5,753,162	7,724,811
Bond and Interest Fund	3,146,879	410,905
Tax Increment Financing Fund	838,641	753,850
Capital Improvement Fund	4,126,773	-

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

## **MAJOR GOVERNMENTAL FUNDS**

## **VILLAGE OF RIVER GROVE, ILLINOIS**

## SCHEDULE OF REVENUES - BUDGET AND ACTUAL GENERAL FUND

For the Eight Months Ended December 31, 2017

	Original and Final Budget	Actual
<b>PROPERTY TAXES</b>		
Property tax	\$ 1,511,850	\$ 2,083,541
Road and bridge	65,000	59,417
Total property taxes	1,576,850	2,142,958
<b>OTHER TAXES</b>		
State income	670,000	593,800
Sales	845,000	961,944
Home rule sales	450,000	509,840
Utility	480,000	439,876
Other taxes	189,000	109,973
Total other taxes	2,634,000	2,615,433
<b>LICENSES AND PERMITS</b>		
Vehicle licenses	140,000	144,044
Business licenses	51,500	80,825
Building permit fees	54,500	101,355
Franchise fees	94,000	81,828
Miscellaneous licenses and fees	27,230	25,878
Total licenses and permits	367,230	433,930
<b>FINES AND FORFEITURES</b>		
Court fines	12,700	17,426
DUI fines	-	13,006
Building deposit forfeiture	-	5,000
Ticket fines	83,200	134,131
Miscellaneous fines and forfeitures	125,100	201,742
Total fines and forfeitures	221,000	371,305
<b>CHARGES FOR SERVICES</b>		
	922,865	767,488
<b>INTERGOVERNMENTAL</b>		
Miscellaneous grants	273,500	113,621
Total intergovernmental	273,500	113,621
<b>INVESTMENT INCOME</b>		
	927	16,942
<b>MISCELLANEOUS</b>		
Miscellaneous income	210,450	249,747
<b>TOTAL REVENUES</b>	\$ 6,206,822	\$ 6,711,424

(See independent auditor's report.)

## **VILLAGE OF RIVER GROVE, ILLINOIS**

### **SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>GENERAL GOVERNMENT</b>		
Administration services		
Current		
Administration	\$ 642,515	\$ 552,276
Police department	1,827,536	2,652,330
Fire protection	727,221	794,621
Public works	1,217,655	1,101,796
Culture and recreation	78,250	67,784
Public health	12,275	11,801
All other departments	1,160,765	1,517,175
Debt service		
Principal	25,631	326,157
Interest and other charges	743	241,419
Issuance costs	-	333,855
Capital outlay	60,571	125,597
<b>TOTAL EXPENDITURES</b>	<b>\$ 5,753,162</b>	<b>\$ 7,724,811</b>

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Intergovernmental	\$ 132,000	\$ 174,662
Investment income	2,000	7,429
	<hr/>	<hr/>
Total revenues	134,000	182,091
<b>EXPENDITURES</b>		
Public works	229,420	63,141
	<hr/>	<hr/>
Total expenditures	229,420	63,141
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>
	(95,420)	118,950
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer (out)	(50,000)	(302,500)
	<hr/>	<hr/>
Total other financing sources (uses)	(50,000)	(302,500)
	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	\$ (145,420)	(183,550)
<b>FUND BALANCE, MAY 1</b>	<hr/>	<hr/>
	3,414,182	(113,940)
<b>FUND BALANCE, MAY 1 (RESTATED)</b>	<hr/>	<hr/>
	3,300,242	(113,940)
<b>FUND BALANCE, DECEMBER 31</b>	<hr/>	<hr/>
	\$ 3,116,692	(113,940)

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
BOND AND INTEREST FUND**

For the Eight Months Ended December 31, 2017

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	<b>Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Investment income	\$ -	\$ 2,784
Total revenues	- -	2,784
<b>EXPENDITURES</b>		
Debt service		
Principal	245,000	2,965,000
Interest and other charges	165,905	181,879
Total expenditures	410,905	3,146,879
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(410,905)</b>	<b>(3,144,095)</b>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	- -	3,446,861
Transfers (out)	- -	(428,962)
Total other financing sources (uses)	- -	3,017,899
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (410,905)</b>	<b>(126,196)</b>
<b>FUND BALANCE, MAY 1</b>		548,456
Prior period adjustment		(60,668)
<b>FUND BALANCE, MAY 1 (RESTATEDED)</b>		<b>487,788</b>
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 361,592</b>	

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
TAX INCREMENT FINANCING (TIF) FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes		
Property	\$ 410,000	\$ 244,604
Investment income	-	4,864
	<hr/>	<hr/>
Total revenues	410,000	249,468
	<hr/>	<hr/>
<b>EXPENDITURES</b>		
General government		
Administrative	-	84,791
Debt service		
Principal retirement	675,000	675,000
Interest and fiscal charges	78,850	78,850
	<hr/>	<hr/>
Total expenditures	753,850	838,641
	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(343,850)</b>	<b>(589,173)</b>
	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer in	-	102,569
	<hr/>	<hr/>
Total other financing sources (uses)	-	102,569
	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (343,850)</b>	<b>(486,604)</b>
	<hr/>	<hr/>
<b>FUND BALANCE, MAY 1</b>		976,472
Prior period adjustment		84,791
	<hr/>	<hr/>
<b>FUND BALANCE, MAY 1 (RESTATEDED)</b>		<b>1,061,263</b>
	<hr/>	<hr/>
<b>FUND BALANCE, DECEMBER 31</b>	<b>\$ 574,659</b>	

(See independent auditor's report.)

## VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Eight Months Ended December 31, 2017

---

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Taxes		
Sales	\$ 460,000	\$ 509,840
Investment income	300	1,736
	<hr/>	<hr/>
Total revenues	<hr/>	<hr/>
	460,300	511,576
<b>EXPENDITURES</b>		
Debt service		
Principal retirement	-	3,950,000
Interest and fiscal charges	-	176,773
	<hr/>	<hr/>
Total expenditures	<hr/>	<hr/>
	-	4,126,773
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	<hr/>
	460,300	(3,615,197)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	4,257,004
Transfers (out)	-	(609,750)
	<hr/>	<hr/>
Total other financing sources (uses)	<hr/>	<hr/>
	-	3,647,254
<b>NET CHANGE IN FUND BALANCE</b>	<hr/>	<hr/>
	\$ 460,300	32,057
<b>FUND BALANCE, MAY 1</b>		640,285
Prior period adjustment		(72,795)
	<hr/>	<hr/>
<b>FUND BALANCE, MAY 1 (RESTATEDED)</b>		<hr/>
	567,490	<hr/>
<b>FUND BALANCE, APRIL 30</b>	<hr/>	<hr/>
	\$ 599,547	<hr/>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Grand Thatcher TIF Fund - to account for the Village's Grand Thatcher TIF district activity.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2017

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	<u>Special Revenue</u>	<u>Grand Thatcher</u>	<u>TIF</u>
<b>ASSETS</b>			
Cash and cash equivalents			
	\$ 91,629		
<b>TOTAL ASSETS</b>	<u>\$ 91,629</u>		
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
None	\$ -		
Total liabilities	-		
<b>DEFERRED INFLOWS OF RESOURCES</b>			
None	-		
Total deferred inflows of resources	-		
Total liabilities and deferred inflows of resources	-		
<b>FUND BALANCES</b>			
Restricted for TIF development	<u>91,629</u>		
Total fund balances	<u>91,629</u>		
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 91,629</u>		

(See independent auditor's report.)

# VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Eight Months Ended December 31, 2017

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	<u>Special Revenue</u>	<u>Grand Thatcher TIF</u>
<b>REVENUES</b>		
Taxes	\$ 185,350	
Investment income	62	
		<hr/>
Total revenues	<hr/>	185,412
<b>EXPENDITURES</b>		
Current		
General government	2	
Debt service	-	
Principal retirement	-	
Interest and fiscal charges	<hr/>	-
		<hr/>
Total expenditures	<hr/>	2
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<hr/>	185,410
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	<hr/>	(102,569)
		<hr/>
Total other financing sources (uses)	<hr/>	(102,569)
<b>NET CHANGE IN FUND BALANCE</b>	82,841	
<b>FUND BALANCES, MAY 1</b>	<hr/>	8,788
<b>FUND BALANCES, DECEMBER 31</b>	<hr/>	\$ 91,629

(See independent auditor's report.)

## **ENTERPRISE FUNDS**

Water and Sewer Fund - to account for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, capital improvements, financing and related debt service and billing and collection.

Commuter Parking Lot Fund - to account for the operating activities of the Village's parking lot activities.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION - BUDGET AND ACTUAL  
WATER AND SEWER FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,311,600	\$ 1,583,249
Total operating revenues	<u>1,311,600</u>	<u>1,583,249</u>
<b>OPERATING EXPENSES</b>		
Administration	259,950	343,865
Operations	925,000	955,576
Repairs and maintenance	<u>150,800</u>	<u>149,368</u>
Total operating expenses excluding depreciation	<u>1,335,750</u>	<u>1,448,809</u>
<b>OPERATING INCOME (LOSS)</b>		
BEFORE DEPRECIATION	(24,150)	134,440
Depreciation	<u>-</u>	<u>73,098</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(24,150)</u>	<u>61,342</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	<u>600</u>	<u>3,038</u>
Total non-operating revenues (expenses)	<u>600</u>	<u>3,038</u>
<b>CHANGE IN NET POSITION</b>	<u><u>\$ (23,550)</u></u>	<u><u>64,380</u></u>
<b>NET POSITION, MAY 1</b>		2,375,830
Prior period adjustment		<u>815,500</u>
<b>NET POSITION, MAY 1 (RESTATED)</b>		<u>3,191,330</u>
<b>NET POSITION, DECEMBER 31</b>	<u><u>\$ 3,255,710</u></u>	

(See independent auditor's report.)

## **VILLAGE OF RIVER GROVE, ILLINOIS**

### **SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL WATER AND SEWER FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADMINISTRATION</b>		
Personnel services	\$ 202,550	\$ 275,310
Contractual services	27,500	42,194
Commodities	3,000	3,394
Other charges	<u>26,900</u>	<u>22,967</u>
Total administration	<u>259,950</u>	<u>343,865</u>
<b>OPERATIONS</b>		
Water purchases	<u>925,000</u>	<u>955,576</u>
Total operations	<u>925,000</u>	<u>955,576</u>
<b>REPAIRS AND MAINTENANCE</b>		
Repairs and maintenance	<u>150,800</u>	<u>149,368</u>
Total repairs and maintenance	<u>150,800</u>	<u>149,368</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 1,335,750</u></u>	<u><u>\$ 1,448,809</u></u>

(See independent auditor's report.)

# VILLAGE OF RIVER GROVE, ILLINOIS

## SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION - BUDGET AND ACTUAL COMMUTER PARKING LOT FUND

For the Eight Months Ended December 31, 2017

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	<u>Original and Final Budget</u>	<u>Actual</u>
<b>OPERATING REVENUES</b>		
Parking lot fees	\$ 9,500	\$ 11,937
Parking passes	<u>20,000</u>	<u>21,960</u>
Total operating revenues	<u>29,500</u>	<u>33,897</u>
<b>OPERATING EXPENSES</b>		
Operations	1,600	2,465
Repairs and maintenance	<u>1,000</u>	<u>-</u>
Total operating expenses excluding depreciation	<u>2,600</u>	<u>2,465</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>		
Depreciation	<u>-</u>	<u>6,217</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 26,900</u>	<u>25,215</u>
<b>NET POSITION, MAY 1</b>		<u>872,644</u>
<b>NET POSITION, DECEMBER 31</b>		<u>\$ 897,859</u>

(See independent auditor's report.)

## **VILLAGE OF RIVER GROVE, ILLINOIS**

### **SCHEDULE OF OPERATING EXPENSES - BUDGET AND ACTUAL COMMUTER PARKING LOT FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATIONS</b>		
Administration	\$ 1,600	\$ 2,465
Total operations	1,600	2,465
<b>REPAIRS AND MAINTEANNCE</b>		
Repairs and maintenance	1,000	-
Total repairs and maintenance	1,000	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 2,600</b>	<b>\$ 2,465</b>

(See independent auditor's report.)

## **FIDUCIARY FUND**

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF CHANGES IN PLAN NET POSITION - BUDGET AND ACTUAL  
POLICE PENSION FUND**

For the Eight Months Ended December 31, 2017

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>		
Contributions		
Contributions - employer	\$ 514,500	\$ 491,945
Contributions - employee	118,380	147,701
	632,880	639,646
Investment income		
Net appreciation in fair value of investments	-	515,150
Interest earned on investments	275,000	225,289
	275,000	740,439
Less investment expense	-	(7,344)
	275,000	733,095
Total additions	907,880	1,372,741
<b>DEDUCTIONS</b>		
Benefits	738,100	663,854
Administrative	24,000	9,369
	762,100	673,223
NET INCREASE	<u>\$ 145,780</u>	<u>699,518</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>		
May 1	8,391,238	
Prior period adjustment	(11,845)	
May 1 (Restated)	<u>8,379,393</u>	
December 31	<u>\$ 9,078,911</u>	

(See independent auditor's report.)

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**SIKICH.COM**

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined management's assertion, included in its representation letter dated October 25, 2018 that the Village of River Grove, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the period ended December 31, 2017. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Village's compliance with statutory requirements.

In our opinion, management's assertion that the Village complied with the aforementioned requirements for the period ended December 31, 2017 is fairly stated, in all material respects.

This report is intended solely for the information and use of the President, the Village Board, management of the Village, the Illinois State Comptroller's Office and the joint review boards and is not intended to be and should not be used by anyone other than these specified parties.

*Sikich LLP*

Naperville, Illinois  
October 25, 2018