



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

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2018

**SIKICH.COM**

# 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 year ended December 31, 2018, 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 did not audit the financial statements of Proviso-Leyden Joint 9-1-1 Authority (Authority), which represent 0.16%, 0.67%, and 1.30% of the assets, net position and revenues of the governmental activities, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of Authority were not audited in accordance with *Government Auditing Standards*.

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, based on our audit and the report of other auditors, 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, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the 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.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Governmental Auditing Standards*, we have also issued our report dated August 23, 2019 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

*Sikich LLP*

Naperville, Illinois

August 23, 2019

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 year ended December 31, 2018, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated August 23, 2019. Our report includes a reference to other auditors who audited the financial statements of the Proviso-Leyden Joint 9-1-1 Authority (the Authority), as described in our report on the Village of River Grove's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Authority were not audited in accordance with *Government Auditing Standards*.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Sikich LLP*

Naperville, Illinois  
August 23, 2019

**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, 2018. 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 decision processes to occur at a simultaneous time. This is the first financial report that covers a twelve (12) month calendar year that ended on December 31, 2018. Readers are requested to keep in mind that the fiscal period comparisons in this report with December 31, 2017 and December 31, 2018 financial activities cover a different number of months (8 in FY17 versus 12 in FY18). Going forward, activity comparisons will be for the same number of months.

The Primary Government's 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 \$3,858,147 (total net position), a net reduction of the restated deficit from December 31, 2017 of \$1,977,474.

After taking into consideration the activities of the fiscal year, the governmental activities restated net position increased by \$1,945,336 from the fiscal year ended December 31, 2017 and the business-type activities net position increased \$32,138 in that same period.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,779,266, an increase of \$220,755 over the restated cumulative fund balances at December 31, 2017. Unassigned fund balance in the Governmental Funds totaled \$4,339,303, an increase of \$454,713 over December 31, 2017 and accounts for approximately 45% of total fund balance for all governmental funds. Nonspendable fund balance in the General Fund totaled \$481,454 or approximately 10% of total fund balance.

## **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 three 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 and Belmont/Thatcher TIF fund, all of which are considered to be major funds. Information from the Village's other governmental funds 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 a condensed Statement of Net Position:

<b>Condensed Statements of Net Position</b>									
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total</b>		
	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>
<b>Assets and</b>	<b>As Restated</b>			<b>As Restated</b>			<b>As Restated</b>		
Current and other assets	\$15,867,930	\$16,765,459	5.7%	\$ 676,999	\$ 656,607	(3.0)%	\$ 16,544,929	\$ 17,422,066	5.3%
Capital assets	<u>15,645,476</u>	<u>16,310,558</u>	4.3%	<u>3,872,750</u>	<u>3,904,403</u>	0.8%	<u>19,518,226</u>	<u>20,214,961</u>	3.6%
Total assets	31,513,406	33,076,017	5.0%	4,549,749	4,561,010	0.2%	36,063,155	37,637,027	4.4%
<b>Deferred Outflows of Resources</b>									
Deferred outflows of resources	<u>9,077,178</u>	<u>8,327,896</u>	(8.3)%	<u>74,868</u>	<u>298,041</u>	298.1%	<u>9,152,046</u>	<u>8,625,937</u>	(5.7)%
<b>Liabilities</b>									
Long-term liabilities	39,727,511	33,279,232	(16.2)%	68,360	376,078	450.1%	39,795,871	33,655,310	(15.4)%
Other liabilities	<u>2,523,039</u>	<u>2,848,671</u>	12.9%	<u>240,879</u>	<u>242,446</u>	0.7%	<u>2,763,918</u>	<u>3,091,117</u>	11.8%
Total liabilities	<u>42,250,550</u>	<u>36,127,903</u>	(16.9)%	<u>309,239</u>	<u>618,524</u>	100.0%	<u>42,559,789</u>	<u>36,746,427</u>	(13.7)%
<b>Deferred Inflows of Resources</b>									
Deferred inflows of resources	<u>8,427,050</u>	<u>13,319,864</u>	36.7%	<u>161,809</u>	<u>54,820</u>	(66.1)%	<u>8,588,859</u>	<u>13,374,684</u>	55.7%
<b>Net position</b>									
Net investment in capital assets	4,182,251	2,476,997	(68.8)%	3,872,570	3,904,403	0.8%	8,054,821	6,381,400	(20.8)%
Restricted	4,744,119	4,195,953	(11.6)%	-	-	-	4,744,119	4,195,953	(11.6)%
Unrestricted	<u>(19,013,386)</u>	<u>(14,716,804)</u>	29.2%	<u>280,999</u>	<u>281,304</u>	0.1%	<u>(18,732,387)</u>	<u>(14,435,500)</u>	(22.9)%
Total net position	<u>\$(10,087,016)</u>	<u>\$(8,043,854)</u>	20.3%	<u>\$ 4,153,369</u>	<u>\$ 4,185,707</u>	0.8%	<u>\$ (5,933,447)</u>	<u>\$ (3,858,147)</u>	35.8%

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 a positive balance in total net position for the business-type activities while the governmental activities are reporting a deficit total net position mainly due to the liabilities associated with the Village's defined benefit pension plans.

The following chart reflects a condensed Statement of Activities:

<b>Condensed Statements of Activities</b>									
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total</b>		
	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>	<i>Dec 31, 2017</i>	<i>Dec 31, 2018</i>	<i>Change</i>
<b>Revenues</b>									
<i>Program revenues</i>									
Charges for services	\$ 1,572,723	\$ 2,420,330	53.9%	\$ 1,617,146	\$ 2,554,437	58.0%	\$ 3,189,869	\$ 4,974,767	56.0%
Operating grants and contributions	288,283	602,181	108.9%	-	-	-%	288,283	602,181	108.9%
Capital grants and contributions	-	-	-	-	-	-	-	-	-
<i>General revenues</i>									
Property taxes	2,572,912	6,614,527	157.1%	-	-	-%	2,575,912	6,614,527	157.1%
Other taxes	2,467,435	3,787,260	53.5%	-	-	-%	2,467,435	3,787,260	53.5%
Intergovernmental	657,839	1,098,978	67.1%	-	-	-%	657,839	1,098,978	67.1%
Other general revenues	<u>283,564</u>	<u>422,254</u>	48.9%	<u>3,038</u>	<u>7,778</u>	156.0%	<u>286,602</u>	<u>430,032</u>	50.0%
Total revenues	<u>7,842,756</u>	<u>14,945,530</u>	90.6%	<u>1,620,184</u>	<u>2,562,215</u>	58.1%	<u>9,462,940</u>	<u>17,507,745</u>	85.0%
<b>Expenses</b>									
General government									
Public safety	2,389,126	3,641,568	52.4%	-	-	-%	2,389,126	3,641,568	52.4%
Public Works	5,075,586	5,825,263	14.7%	-	-	-%	5,075,586	5,825,263	14.7%
Culture & Recreation	1,612,426	2,826,375	75.3%	-	-	-%	1,612,426	2,826,375	75.3%
Interest on Debt	75,447	138,325	83.3%	-	-	-%	75,447	138,325	83.3%
Water & Commuter	661,527	568,663	(14.0)%	-	-	-%	661,527	568,663	(14.0)%
Water & Commuter	-	-	-%	<u>1,530,589</u>	<u>2,530,077</u>	65.3%	<u>1,530,589</u>	<u>2,530,077</u>	65.3%
Total expenses	<u>9,814,112</u>	<u>13,000,194</u>	32.5%	<u>1,530,589</u>	<u>2,530,077</u>	65.3%	<u>11,344,701</u>	<u>15,530,271</u>	36.9%
Change in net position	<u>(1,971,356)</u>	<u>1,945,336</u>	198.7%	<u>89,595</u>	<u>32,138</u>	(64.3)%	<u>(1,881,761)</u>	<u>1,977,474</u>	205.1%
Net position, Restated, Beginning of year									
Net position, Restated, Beginning of year	(8,115,660)	(10,087,016)	53.8%	3,248,474	4,153,569	27.9%	(3,311,428)	(5,933,447)	79.2%
Net position end of year	<u>\$(10,087,016)</u>	<u>\$(8,043,854)</u>	20.3%	<u>\$ 4,153,569</u>	<u>\$ 4,185,707</u>	0.8%	<u>\$ (5,933,447)</u>	<u>\$ (3,858,147)</u>	35.0%

**Governmental Activities** – Direct comparisons in this analysis of governmental and business-type activities from one reporting period to another are hampered by the fact that the prior reporting period (December 21, 2017) is for only eight (8) months instead of twelve (12). Governmental activity revenues totaled \$14,945,530 while expenditures were \$13,000,194 resulting in a reduction in the net position deficit of \$1,945,336. Revenues increased mainly due to higher property tax receipts as well as better-than-expected receipts from the Village's economically sensitive revenues such as local sales taxes. On the expense side, the Village expended 24.5% more than the prior reporting period mainly due to reflecting 12 versus 8 months of activity.

**Business-type Activities** Business-type activities increased slightly by 0.8% or \$32,138. The water fund currently reflects relative stability in its overall net position that is the result of more diligent review of the fund's receivables and a significant adjustment to the rate structure in the 4<sup>th</sup> quarter of 2018.

## 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 \$9,779,266, an increase of \$220,755 over the restated prior year balance. Unassigned fund balance in the General Fund has increased from \$3,884,590 to \$4,339,303. One measurement a government can use to measure its capacity to fund operations is to view the ratio of the ending unassigned fund balance to the total expenditures for that fiscal period. For 2018, that ratio was 38.5% to its expenditures.

The **General Fund** is the chief operating fund of the Village that had revenues of 12,128,143. At the same time, expenditures totaled \$12,533,012, a difference of \$404,869. In addition, \$411,234 was transferred to the fund from home-rule option sales taxes deposited in the Capital Improvement Fund for payment of debt service related to the 2009 bond issue that funded projects in the Belmont/Thatcher Tax Increment Finance District (TIF).

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	December 31, 2017 Actual	December 31, 2018 Actual
<b>Revenues</b>		
Property Taxes	\$2,142,958	\$ 5,577,001
Sales Taxes	1,471,784	1,703,941
Income Taxes	593,800	979,400
Utility Taxes	439,876	346,575
Other Taxes	109,973	405,246
Licenses, Permits & Fees	433,930	565,057
Grant Revenue	113,621	340,414
Other Revenue	249,747	318,178
Fines & Forfeitures	371,305	565,738
Investment Income	16,942	50,913
Charges for Services	767,488	1,275,680
<b>Total Revenues</b>	<b>\$6,711,424</b>	<b>\$12,128,143</b>
<b>Expenditures</b>		
Current		
Administration	\$552,276	\$ 1,579,024
Police	2,652,330	4,067,731
Fire	794,921	1,253,636
Public Works	1,101,796	1,787,615
Culture & Recreation	67,784	126,827
Public Health	11,801	19,132
All Other Departments	1,517,175	2,207,256
Debt Service		
Principal	326,157	455,722
Interest	241,419	322,055
Issuance Costs	333,855	0
Capital Outlay	2,791,806	714,014
<b>Total Expenditures</b>	<b>\$7,724,811</b>	<b>\$ 12,533 012</b>

Actual fund revenues in the General Fund exceeded 2018 budgetary estimates by \$819,469. Factors contributing to this difference included a reposting of the police pension levy as a general fund revenue and a higher than anticipated of miscellaneous revenues. Future year budgets will reflect the revenue and expenditure recognition of employer police pension revenues and contribution costs to the fund.

General Fund expenditures exceeded budgetary estimates by \$1,641,077. Contributing factors to this differential include:

- \$1,086,485 - The recognition of the Village's employer contribution to the Police Pension Fund.
- \$167,055 - Additional Professional Consulting Fees for finance and engineering fees.
- \$146,554 - Higher Public Works costs for labor, fuel and energy costs
- \$141,524 - Higher than anticipated employee benefit costs.

The fund balance of the Village's **Motor Fuel Tax Fund** was decreased by \$287,537 to \$2,829,155. This decrease is due to decreased motor fuel tax expenditures as well as costs allocated from the Village's general fund for services provided by the public works department to street projects. 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.

The fund balance of the **Belmont/Thatcher TIF Fund** decreased by \$19,258 during the fiscal year as TIF fund balance was used as planned to pay debt service on the Village's 2009 TIF bonds. The final remaining bonds are set to mature on December 15, 2019. With the TIF set to expire in 2022, the remaining increment to be received in those subsequent years will be used for capital improvements within the area including gateway signage, streetscape and lift station improvements.

The **Grand/Thatcher TIF Fund** was created in March, 2016 and significant increment is just now beginning to flow with over \$258,000 being received in 2018. Fund balance on December 31, 2018 was \$327,634. Future development plans include significant roadway improvements as well as possible property acquisition for additional parking.

The Village's **Southwest TIF Fund**, a non-performing district since it was created in 2011, was terminated by board action in September of 2018. The TIF never received any increment during its existence.

The fund balance of the Village's **Capital Improvements Fund** decreased by \$115,784 in 2018. Activity in the fund for the year was restricted to accounting for the receipt of sales tax proceeds that have been pledged as an offset to the G.O. property tax levy. The fund balance is shown as restricted for capital improvements.

**PROPRIETARY/ENTERPRISE FUNDS** - The Net position of the **Water and Sewer Fund** at the end of the year was \$3,258,434, a \$2,724 increase from December 31, 2017. Operating revenues were \$2,510,694 with operating expenses at \$2,410,999. With depreciation, the fund had a net operating loss of \$5,054 compared to the December 31, 2017 reported net operating income of \$61,342.

Net position of the **Commuter Parking Lot Fund** at the end of the year amounted to \$927,273, a gain of \$29,414. The fund's net position is mainly due to minimal parking lot maintenance costs for the last several years but planned improvements are anticipated for 2020 that will draw upon the resources of the fund for infrastructure improvements as well as potential property acquisition for additional commuter and residential parking opportunities.

**FIDUCIARY FUND** - The village accounts for one fiduciary trust fund, the **Police Pension Fund**. Very detailed financial and actuarial analysis is provided for this fund in the Notes to the Financial Statements beginning on Page 44 through Page 53 as well as pages 63 through 65. The position of the fund decreased \$133,113, mainly due to a net reduction in investment earning and reduction in market value of \$286,360 versus a net gain for those same categories of \$733,095 in 2017.

The Village annually conducts an actuarial valuation of the fund. One of the benefits of this analysis produces an annual review and measurement that highlights the funding progress of the plan toward the ultimate goal of paying benefits at retirement. For example, since May 1, 2016, the funding ratio has improved from low of 28.26% 30.8% to the current level of 34.13%. It is the Village's desire to maintain and improve this positive trend going forward.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets by Type of Activity

#### Change in Capital Assets Governmental Activities

	Balance December 31, 2017	Net Additions/ Deletions	Balance December 31, 2018
Non-Depreciable Assets	\$3,144,755	\$241,433	\$3,386,188
Depreciable Assets, Net	12,500,721	423,649	12,924,370
Totals	<b>\$15,645,476</b>	<b>\$665,082</b>	<b>\$16,310,558</b>

#### Change in Capital Assets Business-Type Activities

	Balance December 31, 2017	Net Additions/ Deletions	Balance December 31, 2018
Non-Depreciable Assets	\$255,501	\$146,324	\$401,825
Depreciable Assets	3,617,069	(109,315)	3,502,578
Totals	<b>\$3,872,570</b>	<b>\$31,833</b>	<b>\$3,904,403</b>

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

### Debt Administration

At December 31, 2018, the Village had outstanding debt as follows:

General Obligation Bonds Series 2009	\$ 770,000
General Obligation Bonds Series 2012A	4,470,000
General Obligation Bonds Series 2017A	3,135,000
General Obligation Bonds Series 2017B	5,675,000
Unamortized Premiums/Discounts (Net)	54,648
Installment Notes Payable	317,383
OPEB liability	2,215,261
Net Pension Liabilities (Police Pension & IMRF)	<u>18,904,659</u>
 Total	 <u>\$ 35,541,951</u>

Overall total debt for 2018 was reduced \$5,963,329 from the ending balance of December 31, 2017. Contributing to the reduction were debt service payments reducing outstanding principal of G.O. Debt by \$1,665,000 and also the reduction in police pension liability of \$5,778,982. That reduction was due to the adoption of revised mortality tables for public safety personnel and modifications to various variables including the discount rate used in the assumptions for future investment earnings.

## **ECONOMIC FACTORS**

Planned commercial redevelopment of specific areas of the Village in high-traffic locations are continually being discussed and will bring continued growth in sales and related tax revenue funding sources. In 2018, the following economic development activities occurred:

- The Village entered into a redevelopment agreement with Avalon Development by selling a Village-owned parcel at the intersection of Grand and Thatcher for the construction of a Starbucks restaurant. The incentive provided was providing a land write-down in the cost to the developer and did not involve any revenue-sharing or property tax incentives.
- Construction of a high-end apartment complex on West Grand Avenue.
- Issuance of an RFP by the Village for the redevelopment of the Village's old public works site. Due to its proximity of the METRA commuter rail line, it is believed that the site will generate multiple developer interests going forward.

With these and other opportunities being studied, 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, 2018

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
	<hr/>		
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,382,632	\$ 259,489	\$ 5,642,121
Investments	3,234,306	-	3,234,306
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	6,046,275	-	6,046,275
Other taxes	888,589	-	888,589
Accounts	267,435	434,562	701,997
Other	338,326	-	338,326
Internal balances	54,245	(54,245)	-
Prepaid items	203,537	16,801	220,338
Investment in joint venture	53,728	-	53,728
Deposits	18,469	-	18,469
Land held for resale	277,917	-	277,917
Capital assets not being depreciated	3,386,188	401,825	3,788,013
Capital assets (net of accumulated depreciation)	12,924,370	3,502,578	<u>16,426,948</u>
 Total assets	 33,076,017	 4,561,010	 37,637,027
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	1,301,818	298,041	1,599,859
Pension items - Police Pension	7,026,078	-	7,026,078
 Total deferred outflows of resources	 8,327,896	 298,041	 8,625,937
 Total assets and deferred outflows of resources	 41,403,913	 4,859,051	 46,262,964
<b>LIABILITIES</b>			
Accounts payable	435,971	232,627	668,598
Accrued payroll	287,032	9,819	296,851
Deposits payable	166,914	-	166,914
Accrued interest payable	22,113	-	22,113
Unearned revenue	50,000	-	50,000
Noncurrent liabilities			
Due within one year	1,886,641	-	1,886,641
Due in more than one year	33,279,232	376,078	33,655,310
 Total liabilities	 36,127,903	 618,524	 36,746,427

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF NET POSITION (Continued)**

December 31, 2018

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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	\$ 6,046,275	\$ -	\$ 6,046,275
Pension items - IMRF	239,722	54,820	294,542
Pension items - Police Pension	6,852,338	-	6,852,338
Unamortized gain on refunding	181,529	-	181,529
 Total deferred inflows of resources	 13,319,864	 54,820	 13,374,684
 Total liabilities and deferred inflows of resources	 49,447,767	 673,344	 50,121,111
<b>NET POSITION</b>			
Net investment in capital assets	2,476,997	3,904,403	6,381,400
Restricted for			
Highways and streets	2,829,155	-	2,829,155
TIF development	883,035	-	883,035
Capital projects	483,763	-	483,763
Unrestricted (deficit)	(14,716,804)	281,304	(14,435,500)
 <b>TOTAL NET POSITION (DEFICIT)</b>	 \$ (8,043,854)	 \$ 4,185,707	 \$ (3,858,147)

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2018

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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	\$ 3,641,568	\$ 683,053	\$ 200,000	\$ -
Public safety	5,825,263	953,770	91,509	-
Public works	2,826,375	726,474	310,672	-
Culture and recreation	138,325	57,033	-	-
Interest on long-term debt	568,663	-	-	-
Total governmental activities	13,000,194	2,420,330	602,181	-
Business-Type Activities				
Water and sewer	2,515,748	2,510,694	-	-
Commuter parking lot	14,329	43,743	-	-
Total business-type activities	2,530,077	2,554,437	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 15,530,271</b>	<b>\$ 4,974,767</b>	<b>\$ 602,181</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>
\$ (2,758,515)	\$ -	\$ (2,758,515)	
(4,779,984)	-	(4,779,984)	
(1,789,229)	-	(1,789,229)	
(81,292)	-	(81,292)	
(568,663)	-	(568,663)	
(9,977,683)	-	(9,977,683)	
	-	(5,054)	(5,054)
	-	29,414	29,414
	-	24,360	24,360
(9,977,683)	24,360	(9,953,323)	
General Revenues			
Taxes			
Property	6,614,527	-	6,614,527
Sales	1,118,278	-	1,118,278
Local use	293,463	-	293,463
Utility	694,916	-	694,916
Other taxes	271,813	-	271,813
Home rule sales tax	1,408,790	-	1,408,790
Intergovernmental	1,098,978	-	1,098,978
Investment income	104,076	7,778	111,854
Miscellaneous	318,178	-	318,178
Total	11,923,019	7,778	11,930,797
CHANGE IN NET POSITION			
	1,945,336	32,138	1,977,474
NET POSITION (DEFICIT), JANUARY 1	(10,087,016)	4,153,569	(5,933,447)
Prior period adjustment	97,826	-	97,826
NET POSITION (DEFICIT), JANUARY 1, restated	(9,989,190)	4,153,569	(5,835,621)
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (8,043,854)</b>	<b>\$ 4,185,707</b>	<b>\$ (3,858,147)</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2018

	<b>Major Funds</b>				
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Belmont Thatcher TIF</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,711,452	\$ 1,711,099	\$ 567,186	\$ 1,392,895	\$ 5,382,632
Investments	2,055,563	1,178,743	-	-	3,234,306
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	6,046,275	-	-	-	6,046,275
Other taxes	683,031	22,213	-	183,345	888,589
Accounts	267,435	-	-	-	267,435
Other	338,326	-	-	-	338,326
Prepaid items	203,537	-	-	-	203,537
Investment in joint venture	53,728	-	-	-	53,728
Deposits	18,469	-	-	-	18,469
Due from other funds	54,245	-	-	-	54,245
Land held for resale	277,917	-	-	-	277,917
<b>TOTAL ASSETS</b>	<b>\$ 11,709,978</b>	<b>\$ 2,912,055</b>	<b>\$ 567,186</b>	<b>\$ 1,576,240</b>	<b>\$ 16,765,459</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 339,000	\$ 82,900	\$ 11,785	\$ 2,287	\$ 435,972
Accrued payroll	287,032	-	-	-	287,032
Deposits payable	166,914	-	-	-	166,914
Unearned revenue	50,000	-	-	-	50,000
Total liabilities	842,946	82,900	11,785	2,287	939,918
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable tax revenue	6,046,275	-	-	-	6,046,275
Total deferred inflows of resources	6,046,275	-	-	-	6,046,275
Total liabilities and deferred inflows of resources	6,889,221	82,900	11,785	2,287	6,986,193
<b>FUND BALANCES</b>					
Nonspendable in form - land held for resale	277,917	-	-	-	277,917
Nonspendable in form - prepaid items	203,537	-	-	-	203,537
Restricted for highway and streets	-	2,829,155	-	-	2,829,155
Restricted for TIF development	-	-	555,401	327,634	883,035
Restricted for capital improvements	-	-	-	483,763	483,763
Assigned for debt service	-	-	-	762,556	762,556
Unrestricted					
Unassigned - General Fund	4,339,303	-	-	-	4,339,303
Total fund balances	4,820,757	2,829,155	555,401	1,573,953	9,779,266
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 11,709,978</b>	<b>\$ 2,912,055</b>	<b>\$ 567,186</b>	<b>\$ 1,576,240</b>	<b>\$ 16,765,459</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, 2018

<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>		\$ 9,779,266
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		16,310,558
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds		
G.O. Bonds payable		(14,050,000)
Notes payable		(317,383)
Unamortized gain in refunding		(181,529)
Unamortized discount and premium		(54,648)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position		(22,113)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position		(17,263,709)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position		(1,640,950)
Net OPEB liability is shown as a liability on the statement of net position		(1,839,183)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources in the statement of net position		
IMRF		1,062,097
Police Pension		<u>173,740</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b>\$ (8,043,854)</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 Year Ended December 31, 2018

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	<b>Major Funds</b>							
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Belmont Thatcher TIF</b>	<b>Nonmajor Governmental</b>	<b>Total</b>			
				<b>General</b>	<b>Motor Fuel Tax</b>	<b>Belmont Thatcher TIF</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>REVENUES</b>								
Property taxes	\$ 5,577,001	\$ -	\$ 779,530	\$ 1,722,927	\$ 8,079,458			
Other taxes	3,435,162	-	-	-	-	3,435,162		
Licenses, permits and fees	565,057	-	-	-	-	565,057		
Fines and forfeitures	565,738	-	-	-	-	565,738		
Charges for services	1,275,680	-	-	-	-	1,275,680		
Intergovernmental	340,414	261,767	-	-	-	602,181		
Investment income	50,913	19,437	17,317	16,408	104,075			
Miscellaneous	318,178	-	-	-	-	318,178		
 Total revenues	 12,128,143	 281,204	 796,847	 1,739,335	 14,945,529			
<b>EXPENDITURES</b>								
Current								
General government	3,805,412	-	20,205	34,716	3,860,333			
Public safety	5,321,367	-	-	-	5,321,367			
Public works	1,787,615	124,964	-	-	1,912,579			
Culture and recreation	126,827	-	-	-	126,827			
Capital outlay	714,014	443,777	-	-	1,157,791			
Debt service								
Principal retirement	455,722	-	740,000	555,000	1,750,722			
Interest and fiscal charges	322,055	-	55,900	217,200	595,155			
 Total expenditures	 12,533,012	 568,741	 816,105	 806,916	 14,724,774			
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (404,869)	 (287,537)	 (19,258)	 932,419	 220,755			
<b>OTHER FINANCING SOURCES (USES)</b>								
Transfers in	411,234	-	-	411,294	822,528			
Transfers (out)	-	-	-	(822,528)	(822,528)			
 Total other financing sources (uses)	 411,234	 -	 -	 (411,234)	 -			
 NET CHANGE IN FUND BALANCES	 6,365	 (287,537)	 (19,258)	 521,185	 220,755			
 FUND BALANCES, JANUARY 1	 4,716,566	 3,116,692	 574,659	 1,052,768	 9,460,685			
Prior period adjustment	97,826	-	-	-	97,826			
 FUND BALANCES, JANUARY 1, Restated	 4,814,392	 3,116,692	 574,659	 1,052,768	 9,558,511			
 <b>FUND BALANCES, DECEMBER 31</b>	 <b>\$ 4,820,757</b>	 <b>\$ 2,829,155</b>	 <b>\$ 555,401</b>	 <b>\$ 1,573,953</b>	 <b>\$ 9,779,266</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 Year Ended December 31, 2018

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

\$ 220,755

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 1,517,520

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 (852,438)

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 1,665,000  
Capital leases payable 112,769

The change in interest payable is reported as an expense on the statement of activities 2,381

Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized gain on refunding 24,112

The change in net pension liability is reported only on the statement of activities

Illinois Municipal Retirement Fund (1,346,679)  
OPEB 123,376  
Police Pension 5,778,982

The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities

Illinois Municipal Retirement Fund 1,444,903  
OPEB (47,599)  
Police Pension (6,697,746)

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES**

\$ 1,945,336

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2018

	<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	\$ 90,515	\$ 168,974	\$ 259,489
Receivables			
Accounts - billed	79,570	-	79,570
Accounts - unbilled	354,992	-	354,992
Prepaid items	16,801	-	16,801
Total current assets	<u>541,878</u>	<u>168,974</u>	<u>710,852</u>
<b>CAPITAL ASSETS</b>			
Nondepreciable	238,995	162,830	401,825
Depreciable (net of accumulated depreciation)	<u>3,501,004</u>	<u>1,574</u>	<u>3,502,578</u>
Net capital assets	<u>3,739,999</u>	<u>164,404</u>	<u>3,904,403</u>
Total assets	<u>4,281,877</u>	<u>333,378</u>	<u>4,615,255</u>
<b>NONCURRENT ASSETS</b>			
Advances to other funds	-	594,317	594,317
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	298,041	-	298,041
Total deferred outflows of resources	<u>298,041</u>	<u>-</u>	<u>298,041</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	232,205	422	232,627
Accrued payroll	9,819	-	9,819
Due to other funds	<u>54,245</u>	<u>-</u>	<u>54,245</u>
Total current liabilities	<u>296,269</u>	<u>422</u>	<u>296,691</u>
<b>LONG-TERM LIABILITIES</b>			
Net pension liability - IMRF	376,078	-	376,078
Advances from other funds	<u>594,317</u>	<u>-</u>	<u>594,317</u>
Total long-term liabilities	<u>970,395</u>	<u>-</u>	<u>970,395</u>
Total liabilities	<u>1,266,664</u>	<u>422</u>	<u>1,267,086</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	54,820	-	54,820
Total deferred inflows of resources	<u>54,820</u>	<u>-</u>	<u>54,820</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,739,999	164,404	3,904,403
Unrestricted (deficit)	<u>(481,565)</u>	<u>762,869</u>	<u>281,304</u>
<b>TOTAL NET POSITION</b>	<b><u>\$ 3,258,434</u></b>	<b><u>\$ 927,273</u></b>	<b><u>\$ 4,185,707</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2018

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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	\$ 2,510,694	\$ 43,743	\$ 2,554,437
Total operating revenues	2,510,694	43,743	2,554,437
<b>OPERATING EXPENSES</b>			
Administration	517,710	-	517,710
Operations	1,504,811	4,587	1,509,398
Repairs and maintenance	388,478	-	388,478
Total operating expenses	2,410,999	4,587	2,415,586
<b>OPERATING INCOME BEFORE DEPRECIATION</b>			
	99,695	39,156	138,851
Depreciation	104,749	7,154	111,903
<b>OPERATING INCOME (LOSS)</b>	<b>(5,054)</b>	<b>32,002</b>	<b>26,948</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	7,778	-	7,778
Loss on disposal of capital assets	-	(2,588)	(2,588)
Total non-operating revenues (expenses)	7,778	(2,588)	5,190
<b>CHANGE IN NET POSITION</b>			
	2,724	29,414	32,138
<b>NET POSITION, JANUARY 1</b>	<b>3,255,710</b>	<b>897,859</b>	<b>4,153,569</b>
<b>NET POSITION, DECEMBER 31</b>	<b>\$ 3,258,434</b>	<b>\$ 927,273</b>	<b>\$ 4,185,707</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2018

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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	\$ 2,446,783	\$ 43,743	\$ 2,490,526
Payments to suppliers	(1,897,124)	(4,503)	(1,901,627)
Payments to employees	(535,111)	-	(535,111)
Net cash from operating activities	<u>14,548</u>	<u>39,240</u>	<u>53,788</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Payments on interfund receivable	<u>41,003</u>	<u>-</u>	<u>41,003</u>
Net cash from noncapital financing activities	<u>41,003</u>	<u>-</u>	<u>41,003</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	<u>(146,324)</u>	<u>-</u>	<u>(146,324)</u>
Net cash from capital and related financing activities	<u>(146,324)</u>	<u>-</u>	<u>(146,324)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	<u>7,778</u>	<u>-</u>	<u>7,778</u>
Net cash from investing activities	<u>7,778</u>	<u>-</u>	<u>7,778</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	(82,995)	39,240	(43,755)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>173,510</u>	<u>129,734</u>	<u>303,244</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b><u>\$ 90,515</u></b>	<b><u>\$ 168,974</u></b>	<b><u>\$ 259,489</u></b>

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2018

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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 (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (5,054)	\$ 32,002	\$ 26,948
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation	104,749	7,154	111,903
(Increase) decrease in			
Receivables	(63,911)	-	(63,911)
Prepaid items	(276)	-	(276)
Increase (decrease) in			
Accounts payable	(3,559)	84	(3,475)
Accrued payroll	5,043	-	5,043
Pension items	(22,444)	-	(22,444)
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 14,548</b>	<b>\$ 39,240</b>	<b>\$ 53,788</b>

See accompanying notes to financial statements.

# VILLAGE OF RIVER GROVE, ILLINOIS

## STATEMENT OF FIDUCIARY NET POSITION POLICE PENSION FUND

December 31, 2018

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### ASSETS

Cash and cash equivalents	\$ 614,339
Investments	
U.S. Treasury obligations	1,222,881
U.S. agencies securities	20,579
Mutual funds	2,824,745
Corporate bonds	2,368,116
CMO and asset backed securities	636,104
Life insurance annuities	1,231,836
Receivables	
Accrued interest	26,798
Other receivables	400
	<hr/>
Total assets	<u>8,945,798</u>

### LIABILITIES

None	<hr/>
Total liabilities	<hr/>

### NET POSITION RESTRICTED FOR PENSIONS

\$ 8,945,798

# VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2018

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### ADDITIONS

#### Contributions

Contributions - employer	\$ 1,102,068
Contributions - employee	<u>177,578</u>
Total contributions	<u>1,279,646</u>

#### Investment income

Net appreciation (depreciation) in fair value of investments	(477,557)
Interest earned on investments	<u>201,800</u>
Total investment income	(275,757)

Less investment expense	<u>(10,603)</u>
Net investment income	<u>(286,360)</u>
Total additions	<u>993,286</u>

### DEDUCTIONS

Benefits	1,111,110
Administrative	<u>15,289</u>
Total deductions	<u>1,126,399</u>

NET INCREASE (133,113)

### NET POSITION RESTRICTED FOR PENSIONS

January 1	<u>9,078,911</u>
December 31	<u>\$ 8,945,798</u>

# **VILLAGE OF RIVER GROVE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2018

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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 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)**

**Proviso-Leyden Joint 9-1-1 Authority (Continued)**

Any member municipality of the Authority may terminate its membership at any time upon 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 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 90 days of termination of its membership.

The functions and operations of the Authority shall be governed by the Authority Board (Board), consisting of voting and nonvoting members. The voting members of the Board are comprised of two 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 nonvoting members may be comprised of advisors, each of whom shall be appointed by a majority of the voting members of the Board. The 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 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.

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

**VILLAGE OF 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)**

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

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 has elected to report this fund as major.

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

**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.

**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 (Continued)**

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.

**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.

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

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

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 measured at fair value at December 31, 2018 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.

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.

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

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

**1. 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.

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

**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.

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

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

**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 its 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 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.

**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)**

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.

**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.

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

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**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 The 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 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 fair 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.

**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 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. At December 31, 2018, the Village had \$1,184,223 of uncollateralized deposits.

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.

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.

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

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**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 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
Construction in progress	-	241,433	-	241,433
Total capital assets not being depreciated	<u>3,144,755</u>	<u>241,433</u>	-	<u>3,386,188</u>
Capital assets being depreciated				
Land improvements	722,832	306,131	-	1,028,963
Infrastructure	9,191,606	419,701	-	9,611,307
Buildings	7,758,787	-	-	7,758,787
Machinery and equipment	3,335,635	550,255	-	3,885,890
Software	94,615	-	-	94,615
Total capital assets being depreciated	<u>21,103,475</u>	<u>1,276,087</u>	-	<u>22,379,562</u>
Less accumulated depreciation for				
Land improvements	203,135	29,642	-	232,777
Infrastructure	3,452,418	470,074	-	3,922,492
Buildings	2,186,135	153,211	-	2,339,346
Machinery and equipment	2,748,451	180,588	-	2,929,039
Software	12,615	18,923	-	31,538
Total accumulated depreciation	<u>8,602,754</u>	<u>852,438</u>	-	<u>9,455,192</u>
Total capital assets being depreciated, net	<u>12,500,721</u>	<u>423,649</u>	-	<u>12,924,370</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 15,645,476</b>	<b>\$ 665,082</b>	<b>\$ -</b>	<b>\$ 16,310,558</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 255,501	\$ -	\$ -	\$ 255,501
Construction in progress	-	146,324	-	146,324
Total capital assets not being depreciated	<u>255,501</u>	<u>146,324</u>	-	<u>401,825</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	-	13,705	304,607
Total capital assets being depreciated	<u>4,947,373</u>	-	<u>13,705</u>	<u>4,933,668</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>BUSINESS-TYPE ACTIVITIES (Continued)</b>				
Less accumulated depreciation for				
Land improvements	\$ 181,762	\$ 7,287	\$ -	\$ 189,049
Infrastructure	559,741	81,738	-	641,479
Buildings	353,110	-	-	353,110
Machinery and equipment	235,691	22,878	11,117	247,452
Total accumulated depreciation	<u>1,330,304</u>	<u>111,903</u>	<u>11,117</u>	<u>1,431,090</u>
Total capital assets being depreciated, net	<u>3,617,069</u>	<u>(111,903)</u>	<u>2,588</u>	<u>3,502,578</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$ 3,872,570</u>	<u>\$ 34,421</u>	<u>\$ 2,588</u>	<u>\$ 3,904,403</u>

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 83,400
Public safety	163,407
Public works	594,133
Culture and recreation	<u>11,498</u>

<b>DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES</b>	<u>\$ 852,438</u>
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**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.

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

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**5. RISK MANAGEMENT (Continued)**

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 January 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds					
Unamortized bond premium	\$ 15,715,000	\$ -	\$ 1,665,000	\$ 14,050,000	\$ 1,715,000
Unamortized bond discount	117,113	-	9,964	107,149	-
Net pension liability - Police Pension	(56,506)	4,005	-	(52,501)	-
Net pension liability - IMRF	23,042,691	-	5,778,982	17,263,709	-
Capital lease payable	294,271	1,346,679	-	1,640,950	-
Total OPEB liability	430,152	-	112,769	317,383	118,131
	<u>1,962,559</u>	<u>-</u>	<u>123,376</u>	<u>1,839,183</u>	<u>53,510</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>					
	<u>\$ 41,505,280</u>	<u>\$ 1,350,684</u>	<u>\$ 7,690,091</u>	<u>\$ 35,165,873</u>	<u>\$ 1,886,641</u>

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

	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net pension liability - IMRF					
	<u>\$ 68,360</u>	<u>\$ 307,718</u>	<u>\$ -</u>	<u>\$ 376,078</u>	<u>\$ -</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>					
	<u>\$ 68,360</u>	<u>\$ 307,718</u>	<u>\$ -</u>	<u>\$ 376,078</u>	<u>\$ -</u>

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

**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)

The Village has capital leases for various capital expenditures within the Village including various administrative, police and public works equipment. These leases 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
2019	\$ 118,131	\$ 10,223	\$ 128,354
2020	93,858	6,348	100,206
2021	55,087	3,055	58,142
2022	42,979	1,202	44,181
2023	7,328	36	7,364
<b>TOTAL</b>	<b>\$ 317,383</b>	<b>\$ 20,864</b>	<b>\$ 338,247</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.

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 January 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
\$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	\$ 1,510,000	\$ -	\$ 740,000	\$ 770,000	\$ 770,000

**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 January 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>						
\$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	General Fund	\$ 4,720,000	\$ -	\$ 250,000	\$ 4,470,000	\$ 255,000
\$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	General Fund	3,255,000	-	120,000	3,135,000	125,000
\$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	6,230,000	-	555,000	5,675,000	565,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 15,715,000</b>	<b>\$ -</b>	<b>\$ 1,665,000</b>	<b>\$ 14,050,000</b>	<b>\$ 1,715,000</b>

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

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

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
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>\$ 14,050,000</b>	<b>\$ 4,032,851</b>	<b>\$ 18,082,851</b>

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

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**7. INTERFUND ASSETS/LIABILITIES**

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2018 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General	\$ 411,234	\$ -
<b>Total Major Governmental</b>	<b>411,234</b>	<b>-</b>
Nonmajor Governmental		
Capital Improvement	-	822,528
Bond and Interest	411,294	-
<b>Total Nonmajor Governmental</b>	<b>411,294</b>	<b>822,528</b>
<b>TOTAL</b>	<b>\$ 822,528</b>	<b>\$ 822,528</b>

The purpose of significant transfers is as follows:

- \$822,528 transfer of pledged revenues from the Capital Improvement Fund to the Bond and Interest Fund (\$411,294) and the General Fund (\$411,234) for GO bond debt service. These amounts will not be repaid.

b. Due From/To Other Funds

Due from/to other funds at December 31, 2018 consisted of the following:

Fund	Due From	Due To
Major Governmental		
General Corporate	\$ 54,245	\$ -
<b>Total Major Governmental</b>	<b>54,245</b>	<b>-</b>
Enterprise		
Water and Sewer	-	54,245
<b>Total Enterprise</b>	<b>-</b>	<b>54,245</b>
<b>TOTAL</b>	<b>\$ 54,245</b>	<b>\$ 54,245</b>

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

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

b. Due From/To Other Funds (Continued)

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.

c. Interfund Advances

Interfund advances at December 31, 2018 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>
 TOTAL	 <u>\$ 594,317</u>	 <u>\$ 594,317</u>

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, 2018, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	21
Active employees	69
	<hr/>
<b>TOTAL</b>	<b>132</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, 2018 was 12.48% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.39% to 14.25%
Interest rate	7.25%
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 7.25%. 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.

**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*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>BALANCES AT JANUARY 1, 2018</b>	<b>\$ 11,437,358</b>	<b>\$ 11,074,727</b>	<b>\$ 362,631</b>
Changes for the period			
Service cost	177,272	-	177,272
Interest	840,567	-	840,567
Difference between expected and actual experience	254,037	-	254,037
Changes in assumptions	304,739	-	304,739
Employer contributions	-	251,715	(251,715)
Employee contributions	-	106,799	(106,799)
Net investment income	-	(595,166)	595,166
Benefit payments and refunds	(636,877)	(636,877)	-
Administrative expense	-	-	-
Other (net transfer)	-	158,870	(158,870)
Net changes	939,738	(714,659)	1,654,397
<b>BALANCES AT DECEMBER 31, 2018</b>	<b>\$ 12,377,096</b>	<b>\$ 10,360,068</b>	<b>\$ 2,017,028</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*

For the year ended December 31, 2018, the Village recognized pension expense of \$132,745. At December 31, 2018, 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	\$ 587,243	\$ 18,913
Changes in assumption	312,223	275,629
Net difference between projected and actual earnings on pension plan investments	<u>700,393</u>	-
<b>TOTAL</b>	<b><u>\$ 1,599,859</u></b>	<b><u>\$ 294,542</u></b>

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 December 31,</u>	
2019	\$ 470,073
2020	206,885
2021	201,220
2022	382,993
2023	44,146
Thereafter	-
<b>TOTAL</b>	<b><u>\$ 1,305,317</u></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)

*Discount Rate Sensitivity*

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability	\$ 3,456,314	\$ 2,017,028	\$ 877,600

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, 2018, the Police Pension Plan's membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	22
Nonvested	2
<b>TOTAL</b>	<b>42</b>

**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*

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.

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.

**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)

*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, 2018 was 64.74% of covered payroll.

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

*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, 2018 are listed in the table on the next page.

**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)

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.

*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, 2018: 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, CMS and asset backed securities 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, 2018, the Fund had greater than 5% of its fixed income portfolio invested in obligations of the U.S. Treasury notes (13.71%) and corporate bonds (26.55%). 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.

**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 Rate of Return*

For the year ended December 31, 2018, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (3.10)%. 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.

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2018:

Fair Value	Investment Maturities (in Years)			
	Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 1,222,881	\$ 392,894	\$ 829,987	\$ -
Corporate bonds	2,368,116	428,701	1,044,205	895,210
U.S. agency obligations	20,579	-	10,682	9,897
CMO and asset backed	636,104	-	627,585	8,519
<b>TOTAL</b>	<b>\$ 4,247,680</b>	<b>\$ 821,595</b>	<b>\$ 1,671,790</b>	<b>\$ 1,735,879</b>
				<b>\$ 18,416</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.

**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)

*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 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 A- to BBB-, and CMO and asset backed securities range in rating from AAA to A+ as of December 31, 2018.

*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.

*Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2018 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2018
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

**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* (Continued)

Mortality rates were based on the RP-2014 Mortality Table with blue collar adjustment, projected generationally from 2013 using improvement scale MP-2018. An experience study was performed October 5, 2017.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.50%. 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 to be available to make all projected future benefit payments of current plan members.

*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 6.50% 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 (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 21,263,670	\$ 17,263,709	\$ 14,042,413

**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)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>BALANCES AT JANUARY 1, 2018</b>	<u>\$ 32,121,602</u>	<u>\$ 9,078,911</u>	<u>\$ 23,042,691</u>
Changes for the period			
Service cost	437,908	-	437,908
Interest	1,555,392	-	1,555,392
Difference between expected and actual experience	(367,596)	-	(367,596)
Changes in assumptions	(6,426,689)	-	(6,426,689)
Employer contributions	-	1,102,068	(1,102,068)
Employee contributions	-	177,578	(177,578)
Net investment income	-	(286,360)	286,360
Benefit payments and refunds	(1,111,110)	(1,111,110)	-
Administrative expense	-	(15,289)	15,289
Other (net transfer)	-	-	-
Net changes	<u>(5,912,095)</u>	<u>(133,113)</u>	<u>(5,778,982)</u>
<b>BALANCES AT DECEMBER 31, 2018</b>	<u>\$ 26,209,507</u>	<u>\$ 8,945,798</u>	<u>\$ 17,263,709</u>

There were assumptions changes related to the discount rate and mortality rate in 2018.

**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 year ended December 31, 2018, the Village recognized pension expense of \$2,020,832. At December 31, 2018, 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	\$ 7,901	\$ 1,489,619
Changes in assumption	6,344,595	5,141,351
Net difference between projected and actual earnings on pension plan investments	452,214	-
<b>TOTAL</b>	<b>\$ 6,804,710</b>	<b>\$ 6,630,970</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>	
2019	\$ 164,096
2020	67,666
2021	70,508
2022	(128,530)
2023	-
Thereafter	-
<b>TOTAL</b>	<b>\$ 173,740</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 (most recent data available), 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. Total OPEB Liability

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

The total OPEB liability at December 31, 2018, as determined by an actuarial valuation as of the January 1, 2018, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2018, including updating the discount rate at December 31, 2018.

Actuarial valuation date	December 31, 2017
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Discount rate	4.11%
Healthcare cost trend rates	8.50% in Fiscal 2019, trending to 7% in Fiscal 2022, and an ultimate trend rate of 5% in 2026.
Asset valuation method	N/A

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

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

d. Total OPEB Liability (Continued)

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.

e. Discount Rate

The discount rate used to measure the total OPEB liability was 4.11%. 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, 2018.

f. Changes in the Total OPEB Liability

	(a) Total OPEB Liability
<b>BALANCES AT JANUARY 1, 2018</b>	<u>\$ 1,962,559</u>
Changes for the period	
Service cost	143,376
Interest	71,930
Changes of benefit terms	\$ -
Difference between expected and actual experience	(216,822)
Changes in assumptions	(91,717)
Employer contributions	-
Employee contributions	-
Net investment income	-
Benefit payments and refunds	(30,143)
Administrative expense	-
Net changes	<u>(123,376)</u>
<b>BALANCES AT DECEMBER 31, 2018</b>	<u>\$ 1,839,183</u>

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

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

g. Rate Sensitivity

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 4.11% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.11%) or 1 percentage point higher (5.11%) than the current rate:

	1% Decrease (3.11%)	Current Discount Rate (4.11%)	1% Increase (5.11%)
Total OPEB liability	\$ 1,976,701	\$ 1,839,183	\$ 1,706,608

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8.50% decreasing to 5.00% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.50% decreasing to 4.00%) or 1 percentage point higher (9.50% decreasing to 6.00%) than the current rate:

	1% Decrease (7.50% to 4.00%)	Current Healthcare Rate (8.50% to 5.00%)	1% Increase (9.50% to 6.00%)
Total OPEB liability	\$ 1,601,317	\$ 1,839,183	\$ 2,115,812

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

For the year ended December 31, 2018, the Village recognized OPEB expense of \$(45,634).

**11. PRIOR PERIOD ADJUSTMENT**

The Village has restated beginning fund balance for the General Fund and net position for the governmental activities by \$97,826 to correct an error in recording reimbursable service revenues in the prior year.

**REQUIRED SUPPLEMENTARY INFORMATION**

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2018

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 3,935,000	\$ 4,537,574	\$ 5,577,001
Other taxes	4,098,800	4,098,800	3,435,162
Licenses, permits and fees	535,550	535,550	565,057
Fines and forfeitures	400,000	400,000	565,738
Charges for services	1,295,500	1,295,500	1,275,680
Intergovernmental	368,750	368,750	340,414
Investment income	4,000	4,000	50,913
Miscellaneous	63,500	68,500	318,178
 Total revenues	 10,701,100	 11,308,674	 12,128,143
<b>EXPENDITURES</b>			
Current			
Administration	628,561	1,012,630	1,579,024
Police department	2,779,825	2,887,425	4,067,731
Fire protection	1,142,995	1,142,995	1,253,636
Public works	1,627,230	1,627,230	1,787,615
Culture and recreation	131,130	131,130	126,827
Public health	18,160	18,160	19,132
All other departments	1,964,203	1,964,203	2,207,256
Debt service			
Principal	150,513	520,513	455,722
Interest and other charges	13,081	318,449	322,055
Capital outlay	1,269,200	1,269,200	714,014
 Total expenditures	 9,724,898	 10,891,935	 12,533,012
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	976,202	416,739	(404,869)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	-	-	411,234
Transfers (out)	(414,600)	(414,600)	-
 Total other financing sources (uses)	 (414,600)	 (414,600)	 411,234
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ 561,602	\$ 2,139	6,365
 FUND BALANCE, JANUARY 1			4,716,566
Prior period adjustment			97,826
 FUND BALANCES, JANUARY 1, Restated			 4,814,392
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 4,820,757

(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 Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Intergovernmental	\$ 263,500	\$ 261,767
Investment income	<u>5,000</u>	<u>19,437</u>
Total revenues	<u>268,500</u>	<u>281,204</u>
<b>EXPENDITURES</b>		
Public works		
Administrative	349,305	124,964
Capital outlay	<u>400,000</u>	<u>443,777</u>
Total expenditures	<u>749,305</u>	<u>568,741</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (480,805)</u></u>	<u><u>(287,537)</u></u>
FUND BALANCE, JANUARY 1		<u>3,116,692</u>
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 2,829,155</u></u>

(See independent auditor's report.)

## VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2018

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	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Taxes		
Property	\$ 900,000	\$ 779,530
Investment income	500	17,317
	<hr/>	<hr/>
Total revenues	900,500	796,847
<b>EXPENDITURES</b>		
General government		
Administrative	27,000	20,205
Debt service		
Principal retirement	740,000	740,000
Interest and fiscal charges	55,900	55,900
	<hr/>	<hr/>
Total expenditures	822,900	816,105
NET CHANGE IN FUND BALANCE	\$ 77,600	(19,258)
FUND BALANCE, JANUARY 1		574,659
<b>FUND BALANCE, DECEMBER 31</b>	<hr/>	<hr/>
	\$ 555,401	

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

Last Two Fiscal Years

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<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2017</b>	<b>2018</b>
<b>TOTAL OPEB LIABILITY</b>		
Service cost	\$ 86,516	\$ 143,376
Interest	47,362	71,930
Changes in benefit terms	-	-
Changes of assumptions	53,549	(91,717)
Differences between expected and actual experience	-	(216,822)
Benefit payments, including refunds of member contributions	(19,526)	(30,143)
Net change in total OPEB liability	167,901	(123,376)
Total OPEB liability - beginning	<u>1,794,658</u>	<u>1,962,559</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>	<u>\$ 1,962,559</u>	<u>\$ 1,839,183</u>
<b>EMPLOYER'S NET OPEB LIABILITY</b>	<u>\$ 1,962,559</u>	<u>\$ 1,839,183</u>
Covered payroll	\$ 2,737,263	\$ 2,833,067

There were changes in assumptions related to the discount rate and the premium rates in 2018.

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 Four 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>	<b>December 31, 2018</b>
Actuarially determined contribution	\$ 206,842	\$ 197,439	\$ 126,523	\$ 251,716
Contributions in relation to the actuarially determined contribution	206,842	197,439	126,523	251,716
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,029,750	\$ 1,845,603	\$ 1,136,775	\$ 2,016,953
Contributions as a percentage of covered payroll	10.19%	10.70%	11.13%	12.48%

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 25 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 Four Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 246,163	\$ 235,145	\$ 190,195	\$ 177,272
Interest	741,310	772,237	821,546	840,567
Changes in benefit terms	-	-	-	-
Differences between expected and actual experience	(55,453)	235,078	283,026	254,037
Changes of assumptions	11,970	(24,568)	(405,145)	304,739
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)	(636,877)
Net change in total pension liability	429,162	709,143	267,387	939,738
Total pension liability - beginning	10,031,666	10,460,828	11,169,971	11,437,358
<b>TOTAL PENSION LIABILITY - ENDING</b>				
	<b>\$ 10,460,828</b>	<b>\$ 11,169,971</b>	<b>\$ 11,437,358</b>	<b>\$ 12,377,096</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 238,585	\$ 207,077	\$ 192,212	\$ 251,715
Contributions - member	111,555	95,482	80,355	106,799
Net investment income	46,800	631,894	1,707,327	(595,166)
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)	(636,877)
Administrative expense	(51,740)	154,714	(135,980)	158,870
Net change in plan fiduciary net position	(169,628)	580,418	1,221,679	(714,659)
Plan fiduciary net position - beginning	9,442,258	9,272,630	9,853,048	11,074,727
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>				
	<b>\$ 9,272,630</b>	<b>\$ 9,853,048</b>	<b>\$ 11,074,727</b>	<b>\$ 10,360,068</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>				
	<b>\$ 1,188,198</b>	<b>\$ 1,316,923</b>	<b>\$ 362,631</b>	<b>\$ 2,017,028</b>
Plan fiduciary net position as a percentage of total pension liability	88.64%	88.21%	96.83%	83.70%
Covered payroll	\$ 2,020,477	\$ 1,845,603	\$ 1,726,980	\$ 2,016,953
Employer's net pension liability as a percentage of covered payroll	58.81%	71.35%	21.00%	100.00%

The discount rate assumption was changed from 7.50% to 7.25% in 2018.

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, 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>	<b>December 31, 2018</b>
Actuarially determined contribution	\$ 750,965	\$ 750,965	\$ 882,213	\$ 766,067	\$ 855,937	\$ 865,761	\$ 1,274,642	\$ 1,563,857	\$ 931,549	\$ 1,326,114
Contribution in relation to the actuarially determined contribution	390,156	361,768	337,922	582,045	825,636	688,527	1,115,353	993,210	491,945	1,102,068
<b>CONTRIBUTION DEFICIENCY (Excess)</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>	<b>\$ 224,046</b>
Covered payroll	\$ 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	\$ 1,702,175
Contributions as a percentage of covered payroll	23.86%	19.03%	17.78%	32.36%	45.90%	36.77%	55.88%	52.94%	28.78%	64.74%

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, 2018. 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 3.50% to 11.00%, varying by service, including inflation, compounded annually and postretirement benefit increases of 3.00% compounded annually (1.25% for those hired on or after January 1, 2011).

(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 Five 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>December 31, 2018</b>
<b>TOTAL PENSION LIABILITY</b>					
Service cost	\$ 427,935	\$ 456,111	\$ 486,898	\$ 358,991	\$ 437,908
Interest	1,325,272	1,374,078	1,502,175	1,074,581	1,555,392
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	565,183	71,109	(2,238,666)	(114,313)	(367,596)
Changes of assumptions	-	-	3,864,244	6,618,712	(6,426,689)
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)	(1,111,110)
Net change in total pension liability	1,308,019	812,855	2,545,221	7,274,117	(5,912,095)
Total pension liability - beginning	20,181,390	21,489,409	22,302,264	24,847,485	32,121,602
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 21,489,409</b>	<b>\$ 22,302,264</b>	<b>\$ 24,847,485</b>	<b>\$ 32,121,602</b>	<b>\$ 26,209,507</b>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - employer	\$ 688,567	\$ 1,115,353	\$ 993,210	\$ 491,945	\$ 1,102,068
Contributions - member	186,676	190,944	208,521	147,701	177,578
Contributions - other	-	-	-	-	-
Net investment income	415,535	70,407	541,180	733,095	(286,360)
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)	(1,111,110)
Administrative expense	(26,575)	(35,019)	(46,185)	(21,214)	(15,289)
Net change in plan fiduciary net position	253,832	253,242	627,296	687,673	(133,113)
Plan fiduciary net position - beginning	7,256,868	7,510,700	7,763,942	8,391,238	9,078,911
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 7,510,700</b>	<b>\$ 7,763,942</b>	<b>\$ 8,391,238</b>	<b>\$ 9,078,911</b>	<b>\$ 8,945,798</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>					
	<b>\$ 13,978,709</b>	<b>\$ 14,538,322</b>	<b>\$ 16,456,247</b>	<b>\$ 23,042,691</b>	<b>\$ 17,263,709</b>
Plan fiduciary net position					
as a percentage of the total pension liability	34.95%	34.81%	33.77%	28.26%	34.13%
Covered payroll	\$ 1,872,614	\$ 1,995,949	\$ 1,879,066	\$ 1,709,345	\$ 1,702,175
Employer's net pension liability					
as a percentage of covered payroll	746.48%	728.39%	875.77%	1,348.04%	1,014.21%

There were assumptions changes related to the discount rate and mortality rate in 2018.

The discount rate assumption was changed from 6.48% to 4.86% in the 2017.

\*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 Five 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>	<b>December 31, 2018</b>
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Annual money-weighted rate of return, net of investment expense	(1.35%)	6.75%	7.00%	8.62%	(3.10%)
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\*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, 2018

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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 following funds had expenditures greater than the budget for the year ended December 31, 2018:

Fund	Actual Expenditures	Budget
Bond and Interest Fund	\$ 784,626	\$ 769,000
General Fund	12,533,012	10,891,935
Police Pension Fund	1,126,399	1,124,400

**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 Year Ended December 31, 2018

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PROPERTY TAXES</b>			
Property tax	\$ 3,795,000	\$ 4,397,574	\$ 5,454,450
Road and bridge	140,000	140,000	122,551
	<hr/>	<hr/>	<hr/>
Total property taxes	3,935,000	4,537,574	5,577,001
<b>OTHER TAXES</b>			
State income	950,000	950,000	979,400
Sales	1,360,000	1,360,000	1,000,508
Home rule sales	690,000	690,000	703,433
Utility	700,000	700,000	346,575
Other taxes	398,800	398,800	405,246
	<hr/>	<hr/>	<hr/>
Total other taxes	4,098,800	4,098,800	3,435,162
<b>LICENSES AND PERMITS</b>			
Vehicle licenses	145,000	145,000	157,495
Business licenses	125,000	125,000	136,485
Building permit fees	86,000	86,000	106,232
Franchise fees	132,000	132,000	115,364
Miscellaneous licenses and fees	47,550	47,550	49,481
	<hr/>	<hr/>	<hr/>
Total licenses and permits	535,550	535,550	565,057
<b>FINES AND FORFEITURES</b>			
Court fines	40,000	40,000	40,158
Building deposit forfeiture	1,000	1,000	-
Ticket fines	172,000	172,000	211,361
Miscellaneous fines and forfeitures	187,000	187,000	314,219
	<hr/>	<hr/>	<hr/>
Total fines and forfeitures	400,000	400,000	565,738
<b>CHARGES FOR SERVICES</b>			
	<hr/>	<hr/>	<hr/>
	1,295,500	1,295,500	1,275,680
<b>INTERGOVERNMENTAL</b>			
Miscellaneous grants	368,750	368,750	340,414
	<hr/>	<hr/>	<hr/>
Total intergovernmental	368,750	368,750	340,414
<b>INVESTMENT INCOME</b>			
	<hr/>	<hr/>	<hr/>
	4,000	4,000	50,913
<b>MISCELLANEOUS</b>			
Miscellaneous income	63,500	68,500	318,178
	<hr/>	<hr/>	<hr/>
<b>TOTAL REVENUES</b>	<b>\$ 10,701,100</b>	<b>\$ 11,308,674</b>	<b>\$ 12,128,143</b>

(See independent auditor's report.)

## VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2018

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
Administration services			
Current			
Administration	\$ 628,561	\$ 1,012,630	\$ 1,579,024
Police department	2,779,825	2,887,425	4,067,731
Fire protection	1,142,995	1,142,995	1,253,636
Public works	1,627,230	1,627,230	1,787,615
Culture and recreation	131,130	131,130	126,827
Public health	18,160	18,160	19,132
All other departments	1,964,203	1,964,203	2,207,256
Debt service			
Principal	150,513	520,513	455,722
Interest and other charges	13,081	318,449	322,055
Capital outlay	1,269,200	1,269,200	714,014
<b>TOTAL EXPENDITURES</b>	<b>\$ 9,724,898</b>	<b>\$ 10,891,935</b>	<b>\$ 12,533,012</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUND**

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

### **CAPITAL PROJECTS FUND**

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

### **DEBT SERVICE FUND**

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.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2018

	Special Revenue Grand Thatcher TIF	Capital Projects Capital Improvement	Debt Service Bond and Interest	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 329,921	\$ 300,418	\$ 762,556	\$ 1,392,895
Receivables (net, where applicable, of allowances for uncollectibles)				
Other taxes	-	183,345	-	183,345
<b>TOTAL ASSETS</b>	<b>\$ 329,921</b>	<b>\$ 483,763</b>	<b>\$ 762,556</b>	<b>\$ 1,576,240</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 2,287	\$ -	\$ -	\$ 2,287
Total liabilities	2,287	-	-	2,287
<b>DEFERRED INFLOWS OF RESOURCES</b>				
None	-	-	-	-
Total deferred inflows of resources	-	-	-	-
Total liabilities and deferred inflows of resources	2,287	-	-	2,287
<b>FUND BALANCES</b>				
Restricted for TIF development	327,634	-	-	327,634
Restricted for capital improvements	-	483,763	-	483,763
Assigned for debt service	-	-	762,556	762,556
Total fund balances	327,634	483,763	762,556	1,573,953
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 329,921</b>	<b>\$ 483,763</b>	<b>\$ 762,556</b>	<b>\$ 1,576,240</b>

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2018

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	Special Revenue Grand Thatcher TIF	Capital Projects Capital Improvement	Debt Service Bond and Interest	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 257,996	\$ 705,357	\$ 759,574	\$ 1,722,927
Investment income	299	1,387	14,722	16,408
 Total revenues	 258,295	 706,744	 774,296	 1,739,335
<b>EXPENDITURES</b>				
Current				
General government	22,290	-	12,426	34,716
Debt service				
Principal	-	-	555,000	555,000
Interest and other charges	-	-	217,200	217,200
 Total expenditures	 22,290	 -	 784,626	 806,916
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	236,005	706,744	(10,330)	932,419
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	411,294	411,294
Transfers (out)	-	(822,528)	-	(822,528)
 Total other financing sources (uses)	 -	 (822,528)	 411,294	 (411,234)
<b>NET CHANGE IN FUND BALANCES</b>				
	236,005	(115,784)	400,964	521,185
<b>FUND BALANCES, JANUARY 1</b>				
	91,629	599,547	361,592	1,052,768
<b>FUND BALANCES, DECEMBER 31</b>				
	 \$ 327,634	 \$ 483,763	 \$ 762,556	 \$ 1,573,953

(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 Year Ended December 31, 2018

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	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Taxes		
Sales	\$ 685,000	\$ 705,357
Investment income	300	1,387
	<hr/>	<hr/>
Total revenues	685,300	706,744
<b>EXPENDITURES</b>		
None	<hr/>	<hr/>
	<hr/>	<hr/>
Total expenditures		
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>		
	<hr/>	<hr/>
	685,300	706,744
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers (out)	<hr/>	<hr/>
	(412,750)	(822,528)
	<hr/>	<hr/>
Total other financing sources (uses)	(412,750)	(822,528)
<b>NET CHANGE IN FUND BALANCE</b>		
	<hr/>	<hr/>
	\$ 272,550	(115,784)
<b>FUND BALANCE, JANUARY 1</b>		<hr/>
		599,547
<b>FUND BALANCE, DECEMBER 31</b>		<hr/>
		\$ 483,763

(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 Year Ended December 31, 2018

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property tax	\$ 602,574	\$ -	\$ -
Taxes			
Sales	- -	- -	411,233
Utility	- -	- -	348,341
Investment income	- -	- -	14,722
 Total revenues	 602,574	 - -	 774,296
<b>EXPENDITURES</b>			
General government			
Administrative	- -	- -	12,426
Debt service			
Principal	859,143	555,000	555,000
Interest and other charges	585,225	214,000	217,200
 Total expenditures	 1,444,368	 769,000	 784,626
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 (841,794)	 (769,000)	 (10,330)
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	769,001	769,001	411,294
 Total other financing sources (uses)	 769,001	 769,001	 411,294
 NET CHANGE IN FUND BALANCE	 \$ (72,793)	 \$ 1	 400,964
 FUND BALANCE, JANUARY 1			 361,592
 <b>FUND BALANCE, DECEMBER 31</b>			 \$ 762,556

(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 Year Ended December 31, 2018

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 2,497,300	\$ 2,510,694
Total operating revenues	<u>2,497,300</u>	<u>2,510,694</u>
<b>OPERATING EXPENSES</b>		
Administration	497,435	517,710
Operations	1,433,240	1,504,811
Repairs and maintenance	<u>1,324,500</u>	<u>388,478</u>
Total operating expenses excluding depreciation	<u>3,255,175</u>	<u>2,410,999</u>
<b>OPERATING INCOME (LOSS)</b>		
BEFORE DEPRECIATION	(757,875)	99,695
Depreciation	-	<u>104,749</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(757,875)</u>	<u>(5,054)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	<u>2,400</u>	<u>7,778</u>
Total non-operating revenues (expenses)	<u>2,400</u>	<u>7,778</u>
<b>CHANGE IN NET POSITION</b>	<u><u>\$ (755,475)</u></u>	<u><u>2,724</u></u>
<b>NET POSITION, JANUARY 1</b>		<u><u>3,255,710</u></u>
<b>NET POSITION, DECEMBER 31</b>	<u><u>\$ 3,258,434</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 Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADMINISTRATION</b>		
Personnel services	\$ 397,535	\$ 412,983
Contractual services	46,400	62,053
Commodities	5,000	1,847
Other charges	<u>48,500</u>	<u>40,827</u>
Total administration	<u>497,435</u>	<u>517,710</u>
<b>OPERATIONS</b>		
Water purchases	<u>1,433,240</u>	<u>1,504,811</u>
Total operations	<u>1,433,240</u>	<u>1,504,811</u>
<b>REPAIRS AND MAINTENANCE</b>		
Repairs and maintenance	<u>1,324,500</u>	<u>388,478</u>
Total repairs and maintenance	<u>1,324,500</u>	<u>388,478</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 3,255,175</u></u>	<u><u>\$ 2,410,999</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 Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Parking lot fees	\$ 18,000	\$ 16,223
Parking passes	<u>32,750</u>	<u>27,520</u>
 Total operating revenues	 <u>50,750</u>	 <u>43,743</u>
<b>OPERATING EXPENSES</b>		
Operations	6,000	4,587
Repairs and maintenance	<u>27,500</u>	<u>-</u>
 Total operating expenses excluding depreciation	 <u>33,500</u>	 <u>4,587</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>	17,250	39,156
Depreciation	<u>-</u>	<u>7,154</u>
 <b>OPERATING INCOME</b>	 <u>17,250</u>	 <u>32,002</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Loss on disposal of capital assets	<u>-</u>	<u>(2,588)</u>
 Total non-operating revenues (expenses)	 <u>-</u>	 <u>(2,588)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ 17,250</u>	<u>29,414</u>
<b>NET POSITION, JANUARY 1</b>		<u>897,859</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 927,273</u>	

(See independent auditor's report.)

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

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

For the Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATIONS</b>		
Administration	\$ 6,000	\$ 4,587
Total operations	6,000	4,587
<b>REPAIRS AND MAINTEANNCE</b>		
Repairs and maintenance	27,500	-
Total repairs and maintenance	27,500	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 33,500</b>	<b>\$ 4,587</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 Year Ended December 31, 2018

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADDITIONS</b>		
Contributions		
Contributions - employer	\$ 1,112,500	\$ 1,102,068
Contributions - employee	195,000	177,578
 Total contributions	 1,307,500	 1,279,646
Investment income		
Net appreciation (depreciation) in fair value of investments	- (477,557)	
Interest earned on investments	400,000	201,800
 Total investment income	 400,000	 (275,757)
Less investment expense	-	(10,603)
 Net investment income	 400,000	 (286,360)
 Total additions	 1,707,500	 993,286
<b>DEDUCTIONS</b>		
Benefits	1,104,400	1,111,110
Administrative	20,000	15,289
 Total deductions	 1,124,400	 1,126,399
 NET INCREASE (DECREASE)	 \$ 583,100	 (133,113)
<b>NET POSITION RESTRICTED FOR PENSIONS</b>		
January 1		9,078,911
December 31		\$ 8,945,798

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**ILLINOIS GRANT ACCOUNTABILITY AND TRANSPARENCY ACT**  
**CONSOLIDATED YEAR END FINANCIAL REPORT**

For the Year Ended December 31, 2018

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<b>CSFA Number</b>	<b>Program Name</b>	<b>State</b>	<b>Federal</b>	<b>Other</b>	<b>Total</b>
494-00-1488	Motor Fuel Tax Program	\$ 568,741	\$ -	\$ -	\$ 568,741
14.218	Community Development Block Grant	-	419,701	-	419,701
20.600	Highway Traffic Safety	-	6,116	-	6,116
20.600	Highway Traffic Safety	-	30,237	-	30,237
20.600	Highway Traffic Safety	-	16,605	-	16,605
20.600	Highway Traffic Safety	-	1,964	-	1,964
20.600	Highway Traffic Safety	-	9,686	-	9,686
20.620	National Priority Safety Program	-	6,374	-	6,374
20.620	National Priority Safety Program	-	4,741	-	4,741
	All other costs not allocated	-	-	14,466,106	14,466,106
<b>TOTALS</b>		<b>\$ 568,741</b>	<b>\$ 495,424</b>	<b>\$ 14,466,106</b>	<b>\$ 15,530,271</b>

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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 August 23, 2019 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 year ended December 31, 2018. 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 year ended December 31, 2018 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  
August 23, 2019