

**VILLAGE OF RIVER GROVE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

Year Ended April 30, 2015

VILLAGE OF RIVER GROVE, ILLINOIS

Year Ended April 30, 2015

CONTENTS

FINANCIAL SECTION:

Independent Auditor's Report.....	1
Required Supplementary Information:	
Management's Discussion and Analysis (unaudited) .....	3
Basic Financial Statements	
Government-Wide Financial Statements:	
STATEMENT 1 – Statement of Net Position.....	10
STATEMENT 2 – Statement of Activities .....	11
Fund Financial Statements:	
STATEMENT 3 – Balance Sheet – Governmental Funds .....	12
STATEMENT 4 – Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position.....	13
STATEMENT 5 – Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	14
STATEMENT 6 – Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	15
STATEMENT 7 – Statement of Net Position – Proprietary Funds .....	16
STATEMENT 8 – Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds .....	17
STATEMENT 9 – Statement of Cash Flows – Proprietary Funds.....	18
STATEMENT 10 – Statement of Fiduciary Net Position – Fiduciary Fund .....	19
STATEMENT 11 – Statement of Changes in Fiduciary Net Position – Fiduciary Fund.....	20
Notes to Financial Statements .....	21

VILLAGE OF RIVER GROVE, ILLINOIS

Year Ended April 30, 2015

CONTENTS

FINANCIAL SECTION (Continued):

Required Supplementary Information (unaudited):

Budgetary Comparison Schedule:

Schedule of Revenues, Expenditures and Changes in Fund  
Balance – Budget (Budgetary Basis) and Actual – General Fund ..... 46

Budgetary Comparison Schedule:

Schedule of Revenues, Expenditures and Changes in Fund  
Balance – Budget (GAAP Basis) and Actual – Motor Fuel Tax Fund ..... 47

Schedules of Funding Progress ..... 48

Schedules of Employer Contributions ..... 49

Notes to Required Supplementary Information ..... 50

Supplemental Information

General Fund – Balance Sheet by Account ..... 51

General Fund – Schedule of Revenues, Expenditures and Changes  
in Fund Balances – by Account ..... 55

Combining Balance Sheet – Nonmajor Governmental Funds ..... 59

Combining Statement of Revenues, Expenditures and Changes  
in Fund Balances – Nonmajor Governmental Funds ..... 60

Independent Accountant’s Report on Compliance ..... 61

## INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of River Grove, Illinois, (Village), as of and for the year then ended April 30, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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

### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental 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. Such 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 accompanying supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Crowe Horwath LLP*

Crowe Horwath LLP

Oak Brook, Illinois  
March 4, 2016

VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

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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 April 30, 2015. 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**

The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$5,794,561 (net position).

The Village's total net position increased by \$339,445 (or 6.2% from fiscal year 2014) during the fiscal year ended April 30, 2015 (FY15). The governmental net position increased by \$586,507 from FY14 and the business-type activities net position decreased by \$247,062 from FY14.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,128,131, a decrease of \$1,316,706 in comparison with the prior year. Unassigned fund balance in the General Fund is (\$1,599,574) and accounts for approximately -17.5% of total fund balance for all governmental funds, while restricted fund balance in the General Fund totaled \$4,546,852 (49.8%) and nonspendable fund balance in the General Fund totaled \$718,250 (7.9%).

### **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.

VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

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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 four individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, motor fuel tax fund, tax increment financing fund, and 2006 capital projects fund, all of which are considered to be major funds. Information from the Village's two other governmental funds are combined into a single column presentation. Individual fund information for these 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 lot. 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.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

#### **Statement of Net Position**

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

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

	<b>Governmental</b>		<b>Business-Type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>Assets/deferred outflows:</b>						
Current assets	\$ 13,269	\$ 22,003	\$ 1,140	\$ 1,663	\$ 14,409	\$ 23,666
Capital assets/deferred outflows	<u>14,002</u>	<u>13,214</u>	<u>2,359</u>	<u>2,483</u>	<u>16,361</u>	<u>15,697</u>
<b>Total assets/deferred outflows</b>	<b><u>27,271</u></b>	<b><u>35,217</u></b>	<b><u>3,499</u></b>	<b><u>4,146</u></b>	<b><u>30,770</u></b>	<b><u>39,363</u></b>
<b>Liabilities/deferred inflows:</b>						
Short-term liabilities/deferred inflows	4,013	11,805	431	830	4,444	12,635
Long-term liabilities	<u>20,531</u>	<u>21,272</u>	<u>-</u>	<u>-</u>	<u>20,531</u>	<u>21,272</u>
<b>Total liabilities/deferred inflows</b>	<b><u>24,544</u></b>	<b><u>33,077</u></b>	<b><u>431</u></b>	<b><u>830</u></b>	<b><u>24,975</u></b>	<b><u>33,907</u></b>
<b>Net Position:</b>						
Net investment in capital assets	12,792	11,807	2,359	2,483	15,151	14,290
Restricted	10,067	10,465	-	-	10,067	10,465
Unrestricted	<u>(20,132)</u>	<u>(20,132)</u>	<u>709</u>	<u>833</u>	<u>(19,423)</u>	<u>(19,299)</u>
<b>Total Net Position</b>	<b><u>\$ 2,727</u></b>	<b><u>\$ 2,140</u></b>	<b><u>\$ 3,068</u></b>	<b><u>\$ 3,316</u></b>	<b><u>\$ 5,795</u></b>	<b><u>\$ 5,456</u></b>

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

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

(Continued)



VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$2,257	\$ 1,852	\$ 2,251	\$ 1,929	\$ 4,508	\$3,781
Oper. Grants/Contrib.	43	57	-	-	43	57
Cap. Grants/Contrib.	483	1,982	-	-	483	1,982
General Revenues:					-	-
Property Taxes	4,704	4,680	-	-	4,704	4,680
Other Taxes	4,558	4,585	-	-	4,558	4,585
Other	347	187	20	(2)	367	185
<b>Total Revenues</b>	<b><u>12,392</u></b>	<b><u>13,343</u></b>	<b><u>2,271</u></b>	<b><u>1,927</u></b>	<b><u>14,663</u></b>	<b><u>15,270</u></b>
<b>EXPENSES</b>						
General Government	2,063	2,087	-	-	2,063	2,087
Public Safety	5,277	5,177	-	-	5,277	5,177
Public Works	3,638	3,818	-	-	3,638	3,818
Culture and Recreation	144	125	-	-	144	125
Interest Long-Term Debt	683	691	-	-	683	691
Water and Sewer	-	-	2,503	2,101	2,503	2,101
Commuter Parking Lot	-	-	16	14	16	14
<b>Total Expenses</b>	<b><u>11,805</u></b>	<b><u>11,898</u></b>	<b><u>2,519</u></b>	<b><u>2,115</u></b>	<b><u>14,324</u></b>	<b><u>14,013</u></b>
Change in Net Position	587	1,445	(248)	(188)	339	1,257
Beginning Net Position	<u>2,140</u>	<u>695</u>	<u>3,316</u>	<u>3,504</u>	<u>5,456</u>	<u>4,199</u>
<b>Ending Net Position</b>	<b><u>\$2,727</u></b>	<b><u>\$ 2,140</u></b>	<b><u>\$ 3,068</u></b>	<b><u>\$ 3,316</u></b>	<b><u>\$ 5,795</u></b>	<b><u>\$5,456</u></b>

**Governmental Activities** Governmental activities increased the Village's net position by \$587 thousand, thereby accounting for the majority of the total increase in the net position of the Village. The increase was due to decreased revenues of \$951 thousand which was offset by decreased expenses of \$93 thousand. Specifically, the decrease in revenues was caused by an decrease of \$1,499 thousand for capital grants related to the acquisition of the new public works facility site and the Elm Street construction project and decreased operating grants of \$14 thousand for Police DUI enforcement that offset increased charges for services of \$405 thousand for increased fees and services provided, increased property tax collections from Cook County and increases in other revenues of \$160 thousand. The increase in expenses was primarily driven by management's initiative to reduce spending so that costs do not exceed available revenue streams. Although an increase in general government was noted, this was offset by overall decreases in other functions as well as decreases in interest expenses as the Village pays down its long term debt.

**Business-type Activities** Business-type activities decreased the Village's net position by \$248 thousand. The decrease was due an increase in charges for services due to water and sewer rate increases that was offset by increased operational costs, costs of water from the City of Chicago and increased allowances for doubtful accounts that exceeded increased revenues.

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VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

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**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 \$9,128,131, a decrease of \$1,316,706 in comparison with the prior year. Unassigned fund balance in the General Fund is (\$1,599,574) and accounts for approximately -17.5% of total fund balance for all governmental funds, while restricted fund balance in the General Fund totaled \$4,546,852 (49.8%) and nonspendable fund balance in the General Fund totaled \$718,250 (7.9%).

The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unassigned fund balance of the total General Fund was (\$1,599,574) while fund balance reserved for assets held for resale was \$718,250 and restricted fund balance for capital projects was \$4,546,852 for a total fund balance of \$3,665,528. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and the total fund balance to total fund expenditures. The fund balance of the Village's General Fund decreased by \$992,510 during the current fiscal year. Total revenue for the fund increased by \$658,389. This was due to an increase in property tax collections of \$346,306, increased income tax collections of \$113,487, increased license, permit and fee revenue of \$97,984, increased fines of \$205,512 and increased charges for services of \$319,848 that offset lower collections of sales taxes, utility taxes and grants of \$424,748.

Expenses increased in the current year by \$651,634, with the majority of the increase due to a one time charge of assets held for resale from the General Fund into capital assets which increased administration expenditures by \$1,272,522. The Village continues to use funds as efficiently as possible while still delivering to the citizens the services they deserve.

The fund balance of the Village's Motor Fuel Tax Fund increased by \$165,341 during the current fiscal year. This increase is due to decreased motor fuel tax collections of \$39,781 that were offset by increased expenditures of \$29,596. The Village continued projects in FY15 using MFT funds but revenues exceeded expenditures. Fund balance is expected to be used for future projects and is shown as restricted.

The fund balance of the Village's Tax Increment Financing Fund decreased by \$526,332 during the current fiscal year as TIF fund balance was used as planned to pay debt service on the Village's TIF bonds and a transfer of \$500,000 of TIF eligible funds to the General Fund. Fund balance is shown as restricted.

The fund balance of the Village's 2006 Capital Projects Fund decreased by \$15,865 during the current fiscal year. This was due to the Village transferring revenues to the General Fund to fund capital improvement costs during the year as well as costs for the Elm Street reconstruction. The residual fund balance is intended to fund future capital improvement projects throughout the Village through use of non home rule sales taxes. The fund balance is shown as restricted.

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

Net position of the Water and Sewer Fund at the end of the year amounted to \$2,267,935. The Fund had a decrease in net position of \$282,230 mainly due to an increase in collections of water and sewer billings, increased rates charged to the residents and increased bad debt reductions of revenue which led to an increase in overall operating revenues of \$318,353 that was offset by increased operating costs of \$402,271 mostly due to increased water purchase costs of \$175,547 and maintenance costs of \$219,867.

VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

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Net position of the Commuter Parking Lot Fund at the end of the year amounted to \$800,562. The Fund had an increase in net position of \$35,168 mainly due to increased parking lot collections.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village remains committed to fiscal responsibility. However, sales taxes, utility taxes, grant revenue and investment income fell short of expectations by \$1,544,135 while property taxes, income taxes, other taxes, licenses, other revenues, fines and charges for services increased by \$1,561,415. Expenditures were less than expected by \$907,960 due to more than expected administration (a result of the one-time assets held for resale reclassification), police department, public works, culture and recreation, principal and interest on debt expenditures of \$2,895,302 offset by less than expected fire department, public health, other departments and capital outlay expenditures of \$3,996,166. Other financing sources and uses of \$3,322,153 were below expectations. The result was a change in fund balance of \$2,396,913 less than budget.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**  
**Governmental Activities**  
**Change in Capital Assets**  
(in thousands)

	<u>Balance</u> <u>May 1, 2014</u>	<u>Net Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2015</u>
Non-Depreciable Assets:	\$ 3,469	\$ (202)	\$ 3,267
Depreciable Capital Assets:	9,647	1,088	10,735
Totals	<u>\$ 13,116</u>	<u>\$ 886</u>	<u>\$ 14,002</u>

The Village reclassified several parcels held for resale into capital assets during the fiscal year as well as completed several infrastructure construction projects.

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

	<u>Balance</u> <u>May 1, 2014</u>	<u>Net Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2015</u>
Non-Depreciable Assets	\$ 256	\$ -	\$ 256
Depreciable Assets:	2,227	(125)	2,102
Totals	<u>\$ 2,483</u>	<u>\$ (125)</u>	<u>\$ 2,358</u>

The Village purchased minimal new water and sewer equipment in FY15 due to limited resources. For more detailed information related to capital assets, see notes to financial statements.

**Debt Administration**

At April 30, 2015, the Village had outstanding debt as follows:

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
April 30, 2015

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General Obligation Bonds Series 2006A	\$	3,175,000
General Obligation Bonds Series 2008		4,440,000
General Obligation Bonds Series 2009		3,405,000
General Obligation Bonds Series 2012A		5,365,000
General Obligation Bonds Series 2012B		80,000
Unamortized Premiums/Discounts		75,376
Installment Notes Payable		315,735
Net Pension Obligation		<u>3,675,364</u>
Total Long-Term Debt	\$	<u>20,531,475</u>

There have been no debt limitations that may affect the financing of planned facilities or services. For more detailed information related to long term debt, see notes to financial statements.

### **ECONOMIC FACTORS**

There were two significant economic factors that Village management believes will have a significant impact on the Village's fiscal position in future years. The planned commercial redevelopment of specific areas of the Village in high-traffic locations will bring about continued growth in state and local sales tax revenue funding sources. In addition, the Village is looking into redeveloping former industrial properties for potential residential and commercial use. This will have the effect of increasing the tax base of the Village without having to increase current resident tax burdens. The Village will continue to strive to provide the best services possible at costs that are reasonable for the taxpayer 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 Village Comptroller, 2601 Thatcher Avenue, River Grove Illinois, 60171 or call (708) 453-8000.

## VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF NET POSITION  
April 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets</b>			
Current			
Cash and investments	\$ 8,758,490	\$ 741,769	\$ 9,500,259
Cash - commingled	331,523	22,766	354,289
Property taxes receivable	2,135,114	-	2,135,114
Other governmental receivables	1,153,576	-	1,153,576
Accounts receivable	83,188	373,459	456,647
Assets held for resale	718,250	-	718,250
Internal balances	(2,032)	2,032	-
Non-current			
Net OPEB asset	11,550	-	11,550
Capital assets not being depreciated	3,266,500	255,501	3,522,001
Capital assets being depreciated, net	10,735,023	2,103,588	12,838,611
<b>Total assets</b>	<b>27,191,182</b>	<b>3,499,115</b>	<b>30,690,297</b>
<b>Deferred outflows of resources</b>			
Unamortized loss on refunding	79,258	-	79,258
<b>Total deferred outflows of resources</b>	<b>79,258</b>	<b>-</b>	<b>79,258</b>
<b>Liabilities</b>			
Current			
Accounts payable	1,172,060	422,619	1,594,679
Accrued payroll	243,160	7,999	251,159
Accrued interest payable	241,612	-	241,612
Other payables	183,498	-	183,498
Unearned revenue	50,000	-	50,000
Due to fiduciary fund	11,578	-	11,578
Current portion - bonds payable	1,300,000	-	1,300,000
Current portion - notes payable	59,016	-	59,016
Non-current			
Bonds payable	15,240,376	-	15,240,376
Notes payable	256,719	-	256,719
Net pension obligation	3,675,364	-	3,675,364
<b>Total liabilities</b>	<b>22,433,383</b>	<b>430,618</b>	<b>22,864,001</b>
<b>Deferred inflows of resources</b>			
Property tax revenue	2,110,993	-	2,110,993
<b>Total deferred inflows of resources</b>	<b>2,110,993</b>	<b>-</b>	<b>2,110,993</b>
<b>Net position</b>			
Net investment in capital assets	12,791,522	2,359,089	15,150,611
Restricted			
Highways and streets	3,020,260	-	3,020,260
TIF development	1,293,843	-	1,293,843
Capital projects	5,262,810	-	5,262,810
Debt service	489,485	-	489,485
Unrestricted	(20,131,856)	709,408	(19,422,448)
<b>Total net position</b>	<b>\$ 2,726,064</b>	<b>\$ 3,068,497</b>	<b>\$ 5,794,561</b>



GOVERNMENTAL FUNDS  
BALANCE SHEET  
April 30, 2015

	Major Funds					Total
	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	2006 Capital Projects Fund	Nonmajor Governmental Funds	
<b>Assets</b>						
Cash and investments	\$ 5,316,095	\$ 641,089	\$ 1,230,736	\$ 1,072,304	\$ 498,266	\$ 8,758,490
Cash - commingled	99,974	-	63,107	-	168,442	331,523
Property taxes receivable	2,135,114	-	-	-	-	2,135,114
Accounts receivable	83,188	-	-	-	-	83,188
Other governmental receivables	831,158	23,786	-	298,632	-	1,153,576
Assets held for resale	718,250	-	-	-	-	718,250
Interfund receivables	379,835	2,363,430	-	-	-	2,743,265
<b>Total assets</b>	<b>\$ 9,563,614</b>	<b>\$ 3,028,305</b>	<b>\$ 1,293,843</b>	<b>\$ 1,370,936</b>	<b>\$ 666,708</b>	<b>\$ 15,923,406</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>						
<b>Liabilities</b>						
Accounts payable	\$ 847,874	\$ 8,045	\$ -	\$ 316,141	\$ -	\$ 1,172,060
Accrued payroll	243,160	-	-	-	-	243,160
Other payables	183,498	-	-	-	-	183,498
Unearned revenue	50,000	-	-	-	-	50,000
Due to police pension fund	11,578	-	-	-	-	11,578
Interfund payables	2,274,277	-	-	236,854	234,166	2,745,297
<b>Total liabilities</b>	<b>3,610,387</b>	<b>8,045</b>	<b>-</b>	<b>552,995</b>	<b>234,166</b>	<b>4,405,593</b>
<b>Deferred inflows of resources</b>						
Property tax revenue	2,110,993	-	-	-	-	2,110,993
Unavailable grant revenue	-	-	-	62,711	-	62,711
Unavailable state tax revenue	176,706	-	-	39,272	-	215,978
<b>Total deferred inflows of resources</b>	<b>2,287,699</b>	<b>-</b>	<b>-</b>	<b>101,983</b>	<b>-</b>	<b>2,389,682</b>
<b>Fund balances</b>						
<b>Nonspendable</b>						
Assets held for resale	718,250	-	-	-	-	718,250
<b>Restricted</b>						
Highway and streets	-	3,020,260	-	-	-	3,020,260
TIF development	-	-	1,293,843	-	-	1,293,843
Capital projects	4,546,852	-	-	715,958	-	5,262,810
Debt service	-	-	-	-	489,485	489,485
Unassigned	(1,599,574)	-	-	-	(56,943)	(1,656,517)
<b>Total fund balances</b>	<b>3,665,528</b>	<b>3,020,260</b>	<b>1,293,843</b>	<b>715,958</b>	<b>432,542</b>	<b>9,128,131</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 9,563,614</b>	<b>\$ 3,028,305</b>	<b>\$ 1,293,843</b>	<b>\$ 1,370,936</b>	<b>\$ 666,708</b>	<b>\$ 15,923,406</b>

See accompanying notes to financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
April 30, 2015

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Total fund balances - governmental funds	\$	9,128,131
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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 funds:

Capital assets	\$	20,825,378	
Accumulated depreciation		<u>(6,823,855)</u>	
Net capital assets			14,001,523

Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred inflows of resources in the governmental funds. However, these assets may increase net position in the statement of net position. They consist of:

State and local taxes		215,978	
Grants		<u>62,711</u>	
			278,689

Interest on long-term debt is not accrued in the governmental funds but rather recognized when due: (241,612)

For refunding bond issues, the loss on the refunding is capitalized and amortized over the life of the debt issue in the statement of net position. 79,258

Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

Bonds payable		(16,540,376)	
Notes payable		(315,735)	
Net pension obligation		(3,675,364)	
Net OPEB asset		<u>11,550</u>	
Total long-term liabilities			<u>(20,519,925)</u>

Net position of governmental activities	\$	<u>2,726,064</u>
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GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Year Ended April 30, 2015

	Major Funds					Total
	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	2006 Capital Project Fund	Nonmajor Governmental Funds	
<b>Revenues</b>						
Property taxes	\$ 4,077,383	\$ -	\$ 626,794	\$ -	\$ -	\$ 4,704,177
Sales taxes	1,370,749	-	-	537,173	-	1,907,922
Income taxes	1,030,327	-	-	-	-	1,030,327
Utility taxes	772,579	-	-	-	-	772,579
Other taxes	338,060	296,970	-	-	-	635,030
Licenses, permits and fees	524,729	-	-	-	-	524,729
Grant revenue	43,035	-	-	281,504	-	324,539
Other revenue	389,531	-	-	203,217	-	592,748
Fines and forfeitures	646,000	-	-	-	-	646,000
Investment income	9,502	79	64	1,148	36	10,829
Charges for services	847,507	-	-	-	-	847,507
<b>Total revenues</b>	<u>10,049,402</u>	<u>297,049</u>	<u>626,858</u>	<u>1,023,042</u>	<u>36</u>	<u>11,996,387</u>
<b>Expenditures</b>						
Current						
Administration	2,348,884	-	-	-	-	2,348,884
Police department	3,651,652	-	-	-	-	3,651,652
Fire protection	1,030,094	-	-	-	-	1,030,094
Public works	2,224,671	131,708	-	-	-	2,356,379
Culture & recreation	131,012	-	-	-	-	131,012
Public health	17,324	-	-	-	-	17,324
All other departments	1,256,120	-	-	-	-	1,256,120
Debt service						
Principal	296,092	-	520,000	230,000	215,000	1,261,092
Interest and other charges	189,004	-	133,190	204,163	155,004	681,361
Capital outlay	424,906	-	-	249,677	-	674,583
<b>Total expenditures</b>	<u>11,569,759</u>	<u>131,708</u>	<u>653,190</u>	<u>683,840</u>	<u>370,004</u>	<u>13,408,501</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,520,357)</u>	<u>165,341</u>	<u>(26,332)</u>	<u>339,202</u>	<u>(369,968)</u>	<u>(1,412,114)</u>
Other financing sources (uses)						
Transfers in	1,310,635	-	-	436,061	433,056	2,179,752
Transfers out	(897,788)	-	(500,000)	(791,128)	(10,428)	(2,199,344)
Proceeds from issuance of debt	115,000	-	-	-	-	115,000
<b>Total other financing sources (uses)</b>	<u>527,847</u>	<u>-</u>	<u>(500,000)</u>	<u>(355,067)</u>	<u>422,628</u>	<u>95,408</u>
<b>Net changes in fund balances</b>	<u>(992,510)</u>	<u>165,341</u>	<u>(526,332)</u>	<u>(15,865)</u>	<u>52,660</u>	<u>(1,316,706)</u>
<b>Fund balances at beginning of year</b>	<u>4,658,038</u>	<u>2,854,919</u>	<u>1,820,175</u>	<u>731,823</u>	<u>379,882</u>	<u>10,444,837</u>
<b>Fund balances at end of year</b>	<u>\$ 3,665,528</u>	<u>\$ 3,020,260</u>	<u>\$ 1,293,843</u>	<u>\$ 715,958</u>	<u>\$ 432,542</u>	<u>\$ 9,128,131</u>

## VILLAGE OF RIVER GROVE, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 Year Ended April 30, 2015

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Net change in fund balances - total governmental funds	\$	(1,316,706)
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay	\$ 1,222,098	
Depreciation	<u>(706,482)</u>	
Capital outlay in excess of depreciation		515,616

Some revenues reported in the statement of activities do not impact current financial resources and therefore are not reported in the governmental funds.

Capital contributions		370,010
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net position.

Principal retirement	1,261,092	
New issuances	<u>(115,000)</u>	
		1,146,092

Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred and the in the funds statements but recognized in the government-wide statements. The change from prior year is:

		44,044
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Amortization of debt-related items	(14,830)	
Change in net pension obligation/asset	(422,729)	
Change in net OPEB obligation	23,976	
Change in MICA liability	227,672	
Change in accrued interest on debt	<u>13,362</u>	
Total expenses of non-current resources		<u>(172,549)</u>

Change in net position of governmental activities	\$	<u>586,507</u>
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STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 April 30, 2015

	Major Funds		Total
	Water and Sewer Fund	Commuter Parking Lot Fund	
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 741,759	\$ 10	\$ 741,769
Cash - commingled	-	22,766	22,766
Accounts receivable	373,459	-	373,459
Interfund receivables	-	588,073	588,073
Total current assets	<u>1,115,218</u>	<u>610,849</u>	<u>1,726,067</u>
Noncurrent assets:			
Capital assets, not being depreciated	92,671	162,830	255,501
Capital assets, net of accumulated depreciation	<u>2,074,868</u>	<u>28,720</u>	<u>2,103,588</u>
Total noncurrent assets	<u>2,167,539</u>	<u>191,550</u>	<u>2,359,089</u>
Total assets	<u>3,282,757</u>	<u>802,399</u>	<u>4,085,156</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	420,782	1,837	422,619
Accrued payroll	7,999	-	7,999
Interfund payables	<u>586,041</u>	<u>-</u>	<u>586,041</u>
Total current liabilities	<u>1,014,822</u>	<u>1,837</u>	<u>1,016,659</u>
<b>Net position</b>			
Net investment in capital assets	2,167,539	191,550	2,359,089
Unrestricted	<u>100,396</u>	<u>609,012</u>	<u>709,408</u>
Total net position	<u>\$ 2,267,935</u>	<u>\$ 800,562</u>	<u>\$ 3,068,497</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2015

	Major Funds		Total
	Water and Sewer Fund	Commuter Parking Lot Fund	
Operating revenues			
Charges for services	\$ 2,199,983	\$ 51,089	\$ 2,251,072
Total operating revenues	<u>2,199,983</u>	<u>51,089</u>	<u>2,251,072</u>
Operating expenses			
Administration	449,677	6,686	456,363
Water purchases	1,388,582	-	1,388,582
Repairs & maintenance	503,851	-	503,851
Depreciation	160,265	9,235	169,500
Total operating expenses	<u>2,502,375</u>	<u>15,921</u>	<u>2,518,296</u>
Operating income (loss)	<u>(302,392)</u>	<u>35,168</u>	<u>(267,224)</u>
Non-operating revenues and expenses			
Investment income	570	-	570
Transfers in	19,592	-	19,592
Total non-operating revenues and expenses	<u>20,162</u>	<u>-</u>	<u>20,162</u>
Change in net position	(282,230)	35,168	(247,062)
Net position at beginning of year	<u>2,550,165</u>	<u>765,394</u>	<u>3,315,559</u>
Net position at end of year	<u>\$ 2,267,935</u>	<u>\$ 800,562</u>	<u>\$ 3,068,497</u>

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2015

	<u>Water and Sewer Fund</u>	<u>Commuter Parking Lot Fund</u>	<u>Total Enterprise Funds</u>
Cash flows from operating activities			
Receipts from customers	\$ 2,206,647	\$ 51,089	\$ 2,257,736
Payments to suppliers	(1,743,156)	(4,849)	(1,748,005)
Payments to employees	(368,676)	-	(368,676)
Net cash provided by (used in) operating activities	<u>94,815</u>	<u>46,240</u>	<u>141,055</u>
Cash flows from non-capital and related financing activities			
Transfers	<u>605,633</u>	<u>(588,073)</u>	<u>17,560</u>
Net cash provided by (used by) non-capital and related financing activities	<u>605,633</u>	<u>(588,073)</u>	<u>17,560</u>
Cash flows from capital and related financing activities			
Purchases of capital assets	<u>(45,223)</u>	-	<u>(45,223)</u>
Net cash provided by (used in) capital and related financing activities	<u>(45,223)</u>	<u>-</u>	<u>(45,223)</u>
Cash flows from investing activities			
Interest received	<u>570</u>	-	<u>570</u>
Net cash provided by (used in) investing activities	<u>570</u>	<u>-</u>	<u>570</u>
Net increase (decrease) in cash and cash equivalents	<u>655,795</u>	<u>(541,833)</u>	<u>113,962</u>
Balances - beginning of the year	<u>85,964</u>	<u>564,609</u>	<u>650,573</u>
Balances - end of year	<u>\$ 741,759</u>	<u>\$ 22,776</u>	<u>\$ 764,535</u>
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ (302,392)	\$ 35,168	\$ (267,224)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	160,265	9,235	169,500
Change in assets and liabilities:			
Decrease in receivables, net	6,664	-	6,664
Increase (Decrease) in accounts payable	229,364	1,837	231,201
Increase in accrued payroll	914	-	914
Net cash provided by operating activities	<u>\$ 94,815</u>	<u>\$ 46,240</u>	<u>\$ 141,055</u>

STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 April 30, 2015

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	Pension Trust Fund
	Police Pension Fund
Assets	
Cash	\$ 690,836
Investments	
U.S. agencies	50,623
U.S. treasuries	1,370,619
Certificates of deposit	204,951
Corporate bonds	1,649,412
Mutual funds	1,409,740
Life insurance annuities	2,096,758
Due from Village	11,578
Other receivables	26,183
Total assets	<u>7,510,700</u>
Liabilities	<u>-</u>
Net position	
Held in trust for pension benefits and other purposes	7,510,700
Total net position	<u>\$ 7,510,700</u>

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STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUND  
 Year Ended April 30, 2015

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	Pension Trust Fund
	Police Pension Fund
Additions	
Contributions	
Employer	\$ 688,567
Plan members	186,676
Total contributions	875,243
Net investment earnings	415,535
Total additions	1,290,778
Deductions	
Benefits	1,010,371
Administrative expenses	26,575
Total deductions	1,036,946
Change in net position	253,832
Net position - beginning of year	7,256,868
Net position - end of year	\$ 7,510,700

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VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Village of River Grove, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement 61, *The Financial Reporting: Entity Omnibus, an amendment of GASB Statement No. 14 and No.34*, under which these financial statements include all organizations, activities, functions and component units for which the Village is 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 accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan have been included in the financial reporting entity as a fiduciary component unit.

Fiduciary Component Unit – The Village's police department employees participate in the Police Pension Plan ("Plan"). The Plan functions for the benefit of these employees. The Village is obligated to fund all Plan costs based on actuarial valuations. The nature of the 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 government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Plan can be obtained from the Village by contacting the Village's Comptroller.

Basis of Presentation: The Village's financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

Government-wide 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 fiduciary activities. For the most part, the effect of interfund activity has been removed 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-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

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(Continued)



**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

*Fund Financial Statements* – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

*Government-Wide Financial Statements* – 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 non-current) are included on the statements of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net position to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net position as accounts receivable or payable to external parties.

*Fund Financial Statements* – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2015, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

*General Fund* – The General Fund is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

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

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

*2006 Capital Projects Fund* – This capital projects fund is used to account for the 2006 and 2008 bond proceeds and its related uses.

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the 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 (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

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

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

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has one pension trust fund that accounts for the Police Pension Plan.

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

*Special Revenue Funds* – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Fund* – Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Advances to Other Funds: Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. In the current year, the Village has no advances to other funds. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the Village-wide financial statements as "internal balances."

Capital Assets: Capital assets, which include property, plant, equipment, 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 as assets with a cost of \$5,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets 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:

Buildings	15 - 50 years
Land improvements	20 years
Machinery and equipment	5 - 20 years
Infrastructure - roads	20 years
Infrastructure - other	30 - 50 years

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the police pension trust fund with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity/Net Position: Net position represents the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources. Net position invested in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Fund balance includes the following line items:

- a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact
- b. Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation
- c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action (ordinance) at the same level to remove. For the Village, the Board of Trustees is the highest level of decision making. As of April 30, 2015, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. Any other funds with negative fund balance will present as unassigned.

If there is an expenditure 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 to 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.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The following funds or accounts within a fund had deficit fund balances at April 30, 2015:

<u>Fund</u>	<u>Amount</u>
General Fund – Social Security Account	\$ 180,611
General Fund – Illinois Municipal Retirement Account	671,848
General Fund – Workers’ Compensation Account	99,563
General Fund – Unemployment Insurance Account	55,588
Grand Avenue TIF Fund	56,943

The Village plans to recover these deficits through planned transfers of cash when resources become available.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. “Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the “available” criterion and are reported as deferred inflows of resources in the fund financial statements. The Village deferred in the government-wide statements the second installment of the 2014 property tax levy due to the second installment being intended to fund the next fiscal year’s operations.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid 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. Police officers are paid out for both unused sick and vacation time on the first payday in January. As such, there is no liability as of the fiscal year end.

Cash and Investments: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations 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.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Assets 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. These property sales are anticipated to occur within the next fiscal year. As such, they are classified as current assets in the General Fund valued at cost. The total carrying amount as of April 30, 2015 was \$718,250.

Unearned/Unavailable Revenue: The Village reports unearned revenues on its financial statements. 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 liability for unearned revenue is removed from the balance sheet or statement of net position and revenue is recognized.

In addition to liabilities, the balance sheet 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 position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. In addition to the deferred property tax revenue discussed earlier, the Village has two items which arise only under the modified accrual basis of accounting that qualify for reporting in this category. Accordingly, the items, *unavailable grant revenue*, and *unavailable state tax revenue*, are reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Deferred Outflows of Resources: In addition to assets, the statement of net 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 position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Village only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is capitalized and amortized over the shorter of the life of the refunded or refunding debt.

Allowance for Doubtful Accounts: The Village assesses collectability of its receivables on an annual basis. During the fiscal year, the Village determined that \$294,660 of its receivables are at an increased risk for non-collection and have been reserved on the financial statements in the Water and Sewer Fund.

**NOTE 2 - CASH AND INVESTMENTS**

Cash: The carrying amount of cash, excluding the Pension Trust Fund, was \$8,290,107 at April 30, 2015, while the bank balances were \$8,358,860. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

Certificates of Deposit: Certificates of Deposit, excluding the Pension Trust Fund, amounted to \$100,000 at April 30, 2015. The deposit was collateralized with FDIC. The deposit matures less than ninety days after year end.

Investments (Excluding Pension Trust Fund): Illinois statutes authorized the Village to invest in obligations of the U.S. Treasury, U.S. agencies and banks and savings and loan associations covered by federal depository insurance.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 2 - CASH AND INVESTMENTS** (Continued)

The following schedule reports the fair values for the Village's investments at April 30, 2015. All investments mature in less than one year:

<u>Investment Type</u>	<u>Fair Value</u>
Illinois Funds – State Treasurer	\$ 1,464,441

The value of the Illinois Funds equates to the number of shares owned as of April 30, 2015. The Illinois Funds do not mature.

*Interest Rate Risk* – 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.

*Credit Risk* – The Village's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Illinois Funds are rated AAA by Standard & Poor's.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investments are fully collateralized as of April 30, 2015.

*Concentration of Credit Risk* – The Village places no limit on the amount the Village may invest in any one issuer. More than 5 percent of the Village's investments are in Illinois Funds. These investments are 100% of the Village's investments.

Cash – Pension Trust Fund: At April 30, 2015, the Pension Trust Fund's carrying amount and the bank balance of cash was \$690,836. The FDIC insures bank balances up to \$250,000. As of April 30, 2015, all of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent.

Certificates of Deposit – Pension Trust Fund: Certificates of Deposit amounted to \$204,951 at April 30, 2015. In accordance with Pension Trust Fund policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the Pension Trust's name by financial institutions acting as the Pension Trust Fund's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Pension Trust Fund's Investments: The Pension Trust Fund is authorized to invest in bonds, notes and other obligations of the U.S. 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 Illinois Compiled Statutes.

The Pension Trust Fund's policy is to maintain long-term focus on its investment decision-making process. Specifically, the Fund's benefit liabilities extend many years into the future. As such, the investment focus should be on long-term results.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 2 - CASH AND INVESTMENTS** (Continued)

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Pension Trust Fund's investments at April 30, 2015.

Investment Type	Fair Value	Investment Maturities			
		Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
U.S. Agencies	\$ 50,623	\$ -	\$ -	\$ -	\$ 50,623
U.S. Treasuries	1,370,619	265,744	284,845	820,030	-
Corporate Bonds	1,649,412	106,635	1,470,196	72,581	-
Total	<u>3,070,654</u>	<u>\$ 372,378</u>	<u>\$ 1,755,042</u>	<u>\$ 892,611</u>	<u>\$ 50,623</u>
Investments Not Sensitive to Interest Rate Risk:					
Mutual Funds	1,409,740				
Life Insurance Annuities	<u>2,096,758</u>				
Total Investments	<u>\$ 6,577,152</u>				

*Interest Rate Risk.* The Pension Trust Fund's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The Pension Trust Fund's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. As of April 30, 2015, all of Fund's investments in U.S. Agencies securities are rated AAA. Investments in Corporate Bonds carried the following ratings:

AA+	\$ 52,598
AA-	55,487
A	55,442
A	176,239
A-	279,435
BBB+	498,117
BBB	407,429
BBB-	124,665
	<u>\$ 1,649,412</u>

*Concentration of Credit Risk.* The Pension Trust Fund places no limit on the amount it may invest in any one issuer. More than 5 percent of the Fund's investments are in Voya Annuities and Wilshire Target Mutual Fund. These investments are 25.24% and 19.87%, respectively, of the Fund's total investments.

(Continued)



VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

Reconciliation to Financial Statements:

Cash and investments per financial statements:

Statement of net position	
Cash and investments	\$ 9,500,259
Cash – commingled	354,289
Statement of fiduciary net position	
Pension trust fund	
Cash	690,836
U.S. agencies	50,623
U.S. treasuries	1,370,619
Certificates of deposit	204,951
Corporate bonds	1,649,412
Mutual funds	1,409,740
Life insurance annuities	2,096,758
Total	<u>\$ 17,327,487</u>

Cash and investments per footnote:

Cash	\$ 8,290,107
Certificate of deposits	100,000
Investments	
Illinois funds – state treasurer	1,464,441
Cash – pension trust fund	690,836
Certificate of deposits – pension trust fund	204,951
Investments – pension trust fund	
U.S. agencies	50,623
U.S. treasuries	1,370,619
Corporate bonds	1,649,412
Mutual funds	1,409,740
Life insurance annuities	2,096,758
Total	<u>\$ 17,327,487</u>

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2014 through April 30, 2015 follows:

	<u>Balance at May 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2015</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,872,233	\$ 1,272,522	\$ -	\$ 3,144,755
Construction in Process	<u>1,596,464</u>	<u>204,586</u>	<u>(1,679,305)</u>	<u>121,745</u>
Subtotal	<u>3,468,697</u>	<u>1,477,108</u>	<u>(1,679,305)</u>	<u>3,266,500</u>
Capital assets being depreciated:				
Land improvements	185,632	231,069	-	416,701
Infrastructure	7,743,370	1,448,236	-	9,191,606
Buildings	4,594,233	-	-	4,594,233
Machinery and equipment	<u>3,241,338</u>	<u>115,000</u>	-	<u>3,356,338</u>
Subtotal	<u>15,764,573</u>	<u>1,794,305</u>	-	<u>17,558,878</u>
Less accumulated depreciation:				
Land improvements	(151,734)	(8,969)	-	(160,703)
Infrastructure	(1,803,494)	(423,375)	-	(2,226,869)
Buildings	(1,776,708)	(92,296)	-	(1,869,004)
Machinery and equipment	<u>(2,385,437)</u>	<u>(181,842)</u>	-	<u>(2,567,279)</u>
Total accumulated depreciation	<u>(6,117,373)</u>	<u>(706,482)</u>	-	<u>(6,823,855)</u>
Total capital assets being depreciated, net	<u>9,647,200</u>	<u>1,087,823</u>	-	<u>10,735,023</u>
Governmental activities capital assets, net	<u>\$13,115,897</u>	<u>\$ 2,564,931</u>	<u>\$(1,679,305)</u>	<u>\$14,001,523</u>

Depreciation expense for the Village's Governmental Activities were charged to the following functions:

General government	\$ 42,317
Public safety	173,615
Public works	477,416
Culture and recreation	<u>13,134</u>
Total	<u>\$ 706,482</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 3 - CAPITAL ASSETS** (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2014 through April 30, 2015 follows:

	<u>Balance at May 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2015</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 255,501	\$ -	\$ -	\$ 255,501
Capital assets being depreciated:				
Land improvements	189,049	-	-	189,049
Infrastructure	2,605,153	35,223	-	2,640,376
Buildings	353,110	-	-	353,110
Machinery and equipment	<u>308,312</u>	<u>10,000</u>	-	<u>318,312</u>
Subtotal	<u>3,455,624</u>	<u>45,223</u>	-	<u>3,500,847</u>
Less accumulated depreciation:				
Land improvements	(155,481)	(9,456)	-	(164,937)
Infrastructure	(588,972)	(131,302)	-	(720,274)
Buildings	(341,298)	(3,376)	-	(344,674)
Machinery and equipment	<u>(142,008)</u>	<u>(25,366)</u>	-	<u>(167,374)</u>
Total accumulated depreciation	<u>(1,227,759)</u>	<u>(169,500)</u>	-	<u>(1,397,259)</u>
Total capital assets being depreciated, net	<u>2,227,865</u>	<u>(124,277)</u>	-	<u>2,103,588</u>
Business-Type Activities capital assets, net	<u>\$ 2,483,366</u>	<u>\$ (124,277)</u>	<u>\$ -</u>	<u>\$ 2,359,089</u>

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water and sewer	\$ 160,265
Commuter parking lot	<u>9,235</u>
Total	<u>\$ 169,500</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 4 – LONG-TERM DEBT**

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Bonds 2006A	\$ 3,390,000	\$ -	\$ 215,000	\$ 3,175,000	\$ 220,000
G.O. Bonds 2008	4,670,000	-	230,000	4,440,000	240,000
G.O. Bonds 2009 – TIF	3,925,000	-	520,000	3,405,000	600,000
G.O. Bonds 2012A	5,365,000	-	-	5,365,000	160,000
G.O. Bonds 2012B	310,000	-	230,000	80,000	80,000
Plus unamortized premium	181,215	-	12,005	169,210	-
Less unamortized discount	(101,260)	-	(7,426)	(93,834)	-
Total G.O. Bonds	17,739,955	-	1,199,579	16,540,376	1,300,000
Installment notes payable	266,827	115,000	66,092	315,735	59,016
Net pension obligation	3,252,635	422,729	-	3,675,364	-
Net OPEB obligation/(asset)	12,426	-	23,976	(11,550)	-
Total	<u>\$ 21,271,843</u>	<u>\$ 537,729</u>	<u>\$ 1,289,647</u>	<u>\$ 20,519,925</u>	<u>\$ 1,359,016</u>

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

Fiscal Year	Principal	Interest	Total
2016	\$ 59,016	\$ 10,493	\$ 69,509
2017	59,553	8,532	68,085
2018	59,983	6,527	66,510
2019	58,933	4,536	63,469
2020	51,040	2,673	53,713
2021	27,210	895	28,105
Total	<u>\$ 315,735</u>	<u>\$ 33,656</u>	<u>\$ 349,391</u>

The General Obligation Bonds Series 2006A were issued during fiscal year 2008. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the Bond & Interest Fund. The principal and interest payments to maturity at December 15, 2026 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2016	\$ 220,000	\$ 146,673	\$ 366,673	3.90%
2017	230,000	138,093	368,093	3.95%
2018	235,000	129,008	364,008	4.00%
2019	250,000	119,608	369,608	4.05%
2020	255,000	109,483	364,483	4.10%
2021	265,000	99,028	364,028	4.10%
2022	275,000	88,162	363,162	4.88%
2023	295,000	74,756	369,756	4.88%
2024	265,000	60,374	325,374	5.25%

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 4 – LONG-TERM DEBT** (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2025	\$ 280,000	\$ 46,462	\$ 326,462	5.25%
2026	295,000	31,762	326,762	5.25%
2027	310,000	16,274	326,274	5.25%
Total	<u>\$ 3,175,000</u>	<u>\$ 1,059,683</u>	<u>\$ 4,234,683</u>	

The General Obligation Bonds Series 2008 were issued during fiscal year 2009. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the 2006 Capital Projects Fund. The principal and interest payments to maturity at December 15, 2028 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2016	\$ 240,000	\$ 195,767	\$ 435,767	3.80%
2017	250,000	186,648	436,648	3.95%
2018	260,000	176,773	436,773	4.00%
2019	270,000	166,373	436,373	4.10%
2020	280,000	155,303	435,303	4.20%
2021	290,000	143,543	433,543	4.25%
2022	305,000	131,218	436,218	4.40%
2023	320,000	117,798	437,798	4.40%
2024	330,000	103,718	433,718	4.45%
2025	345,000	89,033	434,033	4.50%
2026	360,000	73,508	433,508	4.60%
2027	380,000	56,948	436,948	4.70%
2028	395,000	39,088	434,088	4.80%
2029	415,000	20,128	435,128	4.85%
Total	<u>\$ 4,440,000</u>	<u>\$ 1,655,846</u>	<u>\$ 6,095,846</u>	

The General Obligation Bonds Series 2009 were issued during fiscal year 2010. The Village refunded the 1999 Series bonds using the proceeds from the 2009 Series bonds to reduce its total debt service payments over the next 10 years by \$758,365 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$255,552. As a result, the 1999 Bonds are considered defeased and are not a liability of the Village. The balance of the defeased debt as of April 30, 2015 was \$3,445,000. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the Tax Increment Financing Fund. The principal and interest payments to maturity at December 15, 2019 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2016	\$ 600,000	\$ 117,590	\$ 717,590	3.15%
2017	620,000	98,690	718,690	3.20%
2018	675,000	78,850	753,850	3.40%
2019	740,000	55,900	795,900	3.60%
2020	770,000	29,260	799,260	3.80%
Total	<u>\$ 3,405,000</u>	<u>\$ 380,290</u>	<u>\$ 3,785,290</u>	

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 4 - LONG-TERM DEBT** (Continued)

The General Obligation Bonds Series 2012A were issued during fiscal year 2013 to fund future capital projects. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the General Fund. The principal and interest payments to maturity at December 15, 2032 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2016	\$ 160,000	\$ 173,905	\$ 333,905	2.00%
2017	240,000	170,705	410,705	2.00%
2018	245,000	165,905	410,905	2.00%
2019	250,000	161,005	411,005	2.50%
2020	255,000	154,755	409,755	2.50%
2021	265,000	148,380	413,380	2.50%
2022	270,000	141,755	411,755	3.00%
2023	275,000	133,655	408,655	3.00%
2024	285,000	125,405	410,405	5.00%
2025	300,000	111,155	411,155	3.00%
2026	310,000	102,155	412,155	5.00%
2027	325,000	86,655	411,655	3.20%
2028	335,000	76,255	411,255	3.30%
2029	345,000	65,200	410,200	3.40%
2030	355,000	53,470	408,470	3.40%
2031	370,000	41,400	411,400	3.60%
2032	385,000	28,080	413,080	3.60%
2033	395,000	14,220	409,220	3.60%
Total	<u>\$ 5,365,000</u>	<u>\$ 1,954,060</u>	<u>\$ 7,319,060</u>	

The General Obligation Bonds Series 2012B were issued during fiscal year 2013 to fund future capital projects. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the General Fund. The principal and interest payments to maturity at December 15, 2015 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2016	\$ 80,000	\$ 1,600	\$ 81,600	2.00%
Total	<u>\$ 80,000</u>	<u>\$ 1,600</u>	<u>\$ 81,600</u>	

Aggregate principal and interest requirements to maturity by year for the Village's general obligation bonds are as follows:

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 4 - LONG-TERM DEBT** (Continued)

Fiscal Year	Principal	Interest	Total
2016	\$ 1,300,000	\$ 635,535	\$ 1,935,535
2017	1,340,000	594,136	1,934,136
2018	1,415,000	550,536	1,965,536
2019	1,510,000	502,886	2,012,886
2020	1,560,000	448,801	2,008,801
2021-2025	4,365,000	1,614,442	5,979,442
2026-2030	3,825,000	621,443	4,446,443
2031-2033	1,150,000	83,700	1,233,700
Total	<u>\$ 16,465,000</u>	<u>\$ 5,051,479</u>	<u>\$ 21,516,479</u>

**NOTE 5 – INTERFUNDS AND TRANSFERS**

All interfund balances are expected to be repaid in the next fiscal year. The interfunds are borrowings from the General Fund for debt service payments in prior years, borrowing from the General Fund for purchase of land held for resale and borrowing between funds for operating cash purposes.

	Due from other funds	Due to other funds
<b>General</b>		
2006 Capital Projects	\$ 145,669	\$ -
Motor Fuel Tax	-	2,272,245
Nonmajor Governmental	234,166	-
Commuter Parking Lot	-	2,032
Total General	<u>379,835</u>	<u>2,274,277</u>
<b>Motor Fuel Tax</b>		
General	2,272,245	-
2006 Capital Projects	91,185	-
Total Motor Fuel Tax	<u>2,363,430</u>	<u>-</u>
<b>2006 Capital Projects</b>		
General	-	145,669
Motor Fuel Tax	-	91,185
Total 2006 Capital Projects	<u>-</u>	<u>236,854</u>
<b>Nonmajor Governmental</b>		
General	-	234,166
Total Nonmajor Governmental	<u>-</u>	<u>234,166</u>
<b>Water and Sewer</b>		
Commuter Parking Lot	-	586,041
Total Water and Sewer	<u>-</u>	<u>586,041</u>
<b>Commuter Parking Lot</b>		
General	2,032	-
Water and Sewer	586,041	-
Total Commuter Parking Lot	<u>588,073</u>	<u>-</u>
<b>Total</b>	<u>\$ 3,331,338</u>	<u>\$ 3,331,338</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 5 – INTERFUNDS AND TRANSFERS (Continued)**

The following transfers were made during the fiscal year between funds within the primary government:

	Transfers In	Transfers Out
General	\$ 1,310,635	\$ 897,788
Tax Increment Financing	-	500,000
2006 Capital Project	436,061	791,128
Nonmajor Governmental	433,056	10,428
Water and Sewer	19,592	-
	\$ 2,199,344	\$ 2,199,344

The non-routine transfers represents \$10,428 being transferred from the Grand Ave TIF Fund to the General Fund to reimburse for eligible TIF costs, \$500,000 being transferred from the Tax Increment Financing Fund to the General Fund to reimburse for eligible TIF costs, \$791,128 being transferred from 2006 Capital Projects Fund to the General Fund for capital project funding in accordance with the non-home rule sales tax ordinance, \$19,592 being transferred to the Water Fund from the General Fund to re-allocate operating and capital costs, \$433,056 and \$436,061 being transferred from the General Fund to the Bond and Interest Fund and the 2006 Capital Projects, respectively, for debt service payments.

**NOTE 6 – DEFINED BENEFIT PENSION PLAN**

Illinois Municipal Retirement Fund

Plan Description. The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The employer plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Funding Policy. As set by statute, the Village regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village annual required contribution rate for calendar year 2014 was 12.68 percent. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. For the calendar year ending December 31, 2014, the Village's actual contributions for pension cost for the Regular Plan were \$254,352. Its required contribution for calendar year 2014 was \$254,352. Trend information is listed below:

Year Ending	Annual Pension Cost(APC)	Percentage of APC Net Contributed	Pension Obligation
April 30, 2015	\$ 258,263	99%	\$ 73,135
April 30, 2014	204,849	99%	71,761
April 30, 2013	182,270	96%	70,331

(Continued)



VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 6 - DEFINED BENEFIT PENSION PLAN** (Continued)

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 29 year basis.

Annual Required Contribution	\$	256,889
Interest on NPO		<u>1,374</u>
Annual Pension Cost		258,263
Actual Contribution		<u>(256,889)</u>
Increase in net pension obligation		1,374
Net pension obligation at April 30, 2014		<u>71,761</u>
Net pension obligation at April 30, 2015	\$	<u>73,135</u>

Funded Status and Funding Progress. As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 80.98 percent funded. The actuarial accrued liability for benefits was \$5,857,376 and the actuarial value of assets was \$4,743,458, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,113,918. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$2,005,927 and the ratio of the UAAL to the covered payroll was 55.5 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Police Pension Plan

Plan Description: 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, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement 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 one-half 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 2.5% 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 of 2.5% of final salary for each year of service.

The monthly benefit of a police officer who retired with 20 or more years of service after January 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 3.0% of the original pension and 3.0% compounded annually thereafter.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

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**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary.

Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st 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 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

At April 30, 2015, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	20
Current Employees Vested and Nonvested	<u>23</u> <u>43</u>

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments: Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions: Covered employees are required 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 interest. The Village is required to contribute the remaining amounts necessary to finance the plan 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 costs for the Police Pension Plan.

Concentration of Investments: The Police Pension Fund investment in insurance contracts and mutual funds represent 5% or more of the net plan assets.

Related-Party Transactions: There were no securities of the Village or related parties included in the Plan's assets.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	23.88%, 9.91%
Annual Pension Cost	\$ 1,109,922
Contributions Made	\$ 688,567
Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	30 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	6.75%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

The amount of the pension liability is as follows:

Annual Required Contribution	\$ 905,357
Interest on Net Pension Obligation	222,873
Adjustment to Annual Required Contribution	<u>(18,308)</u>
Annual Pension Cost	1,109,922
Actual Contributions	<u>(688,567)</u>
Increase in Net Pension Obligation	421,355
Net Pension Obligation as of April 30, 2014	<u>3,180,874</u>
Net Pension Obligation as of April 30, 2015	<u>\$ 3,602,229</u>

Trend Information: Employer annual pension cost (APC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
April 30, 2015	\$ 1,109,922	62%	\$ 3,602,229
April 30, 2014	944,196	87%	3,180,874
April 30, 2013	818,959	71%	3,062,314

Funded Status and Funding Progress: As of April 30, 2015, the actuarial accrued liability for benefits was \$21,489,409. The covered payroll was approximately \$1,868,010 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 748.3%.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
4/30/2015	\$ 7,510,700	\$ 21,489,409	\$ 13,978,709	35.0%	\$ 1,868,010	748.3%
4/30/2013	6,774,530	19,415,152	12,640,622	34.9%	1,798,749	702.7%
4/30/2001	6,596,392	17,183,193	10,586,801	38.4%	1,900,927	556.9%

(Continued)

**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

**NOTE 7 - 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; natural disasters; and injuries to the Village's employees. 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 has a third party administrator that works on behalf of the 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.

**NOTE 8 - TAX INCREMENT REVENUES PLEDGED**

The Village has pledged a portion of future property tax revenues to repay \$6,415,000 in property tax increment bonds issued in June 1999 to finance the refurbishing of the Belmont and Thatcher Avenue Thatcher Woods Shopping Center. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished district. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$3,785,290, payable through December 2019. For the current year, principal and interest paid and total incremental property tax revenues were \$653,190 and \$626,794 respectively.

**NOTE 9 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

Plan Description: The Village provides full health care insurance for its eligible retired employees until age 65 via a single employer plan.

Funding Policy: Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was \$214,258 for 2015.

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2015, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2015

**NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS** (Continued)

Annual Required Contribution	\$	190,075
ARC Adjustment		(414)
Interest on OPEB		621
Annual OPEB Cost		190,282
Contributions		(214,258)
Decrease in OPEB		(23,976)
OPEB at April 30, 2013		12,426
OPEB at April 30, 2014	\$	(11,550)

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2015	\$ 190,282	112.6	\$ (11,550)
4/30/2014	186,226	108.1	12,426
4/30/2013	182,180	103.9	27,693

Funded Status and Funding Progress: As of April 30, 2015, the plan was unfunded. The actuarial accrued liability for benefits was \$1,134,031 as of April 30, 2012, the latest information available. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return, 5% projected annual salary increases, a 3% inflation rate and an annual healthcare cost trend rate of 7.4% initially, reduced by decrements to an ultimate rate of 6%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2012. The UAAL is being amortized as a level dollar percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012, was 30 years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every three years. The next actuarial valuation will be conducted for the fiscal year ended April 30, 2016 with an expected valuation date of April 30, 2015.

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**NOTE 10 - NEW ACCOUNTING PRONOUNCEMENTS**

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has determined that this GASB statement will have a significant impact on its financial statements.

In November 2013, GASB released Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. This Statement is effective for fiscal years beginning after June 15, 2014 and is required to be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68 "Accounting and Financial Reporting for Pensions". The issue relates to the amounts associated with contributions to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement will be implemented for fiscal year ending April 30, 2016. Management has determined that this GASB statement will have a significant impact on its financial statements.

In February 2015, the GASB issued Statement 72, *Fair Value Measurement and Application*. The objective of this Statement is to address accounting and financial reporting issues related to fair value measurements and provide guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. This Statement is effective for the Village's fiscal year ended April 30, 2017. This statement will require a change to the deposits and investments footnote.

In June 2015, the GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. This Statement establishes requirements for those pensions and pension plans that are not administered through a trust not covered by Statements 67 and 68. This Statement is effective for the Village's fiscal year ended April 30, 2017. This statement will have no effect on the Village.

In June 2015, the GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. This Statement is effective for the Village's fiscal year ended April 30, 2018. This statement will have an effect on the financial statements of the Village as the OPEB plan does not currently issue separate statements.

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(Continued)

**NOTE 10 - NEW ACCOUNTING PRONOUNCEMENTS** (Continued)

In June 2015, the GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This Statement replaces the requirements of Statement 45 and requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Statement 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2019. This statement will have an effect on the Village and the OPEB liability will be added to the Statement of Net Position.

In June 2015, the GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. This Statement is intended to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The requirements of this Statement are effective for the Village's fiscal year ended April 30, 2017. Management has determined that this statement will have no impact on its financial statements.

In August 2015, the GASB issued Statement 77, *Tax Abatement Disclosures*. This Statement is intended to improve financial reporting by requiring disclosure of tax abatement information about a reporting government's own tax abatement agreements and those that are entered into by other governments and that reduce the reporting government's tax revenues. This Statement is effective for the Village's fiscal year ended April 30, 2017. Management has not determined what impact, if any, this statement will have on its financial statements.

In December 2015, the GASB issued Statement 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement addresses financial accounting and reporting associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions in which the plan is not a state or local governmental pension plan but provides benefits to state or local government employees and non-state or local government employees at the same time. This Statement is effective for the Village's fiscal year ended April 30, 2017. Management has determined that this statement will have no impact on its financial statements.

In December 2015, the GASB issued Statement 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and their participants, specifically for pools electing to report investments at amortized cost. This Statement is effective for the Village's fiscal year ended April 30, 2017. Management has not determined what impact, if any, this statement will have on its financial statements.

In January 2016, the GASB issued Statement 80, *Blending Requirements for Certain Component Units*. This Statement addresses additional requirements for blending component units with the primary government's financial statements. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has determined that this statement will have no impact on its financial statements.

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(Continued)

**NOTE 11 - MANAGEMENT'S PLAN TO REDUCE DEFICIT**

The Village experienced several recent revenue shortfalls that have impacted its operating position. Despite these difficulties, management has plans to reduce the deficit position and has other options available should the need arise. Due to the Village's non-reliance on general obligation debt in prior years to fund operations, the Village has the ability to pursue additional general obligation financing should the need arise. In addition, the Village is pursuing additional options to generate long term growth in its economic base which would be used to generate additional sales tax revenues through expansion of businesses within the Village. Overall, management has taken cost-measurement and financial planning steps that is expected to improve the Village's financial health over the next several years.



VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (BUDGETARY BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2015

	Original & Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property taxes	\$ 2,730,000	\$ 3,406,798	\$ 676,798
Sales taxes	1,745,000	1,370,749	(374,251)
Income taxes	1,030,000	1,030,327	327
Utility taxes	1,200,000	772,579	(427,421)
Other taxes	168,220	320,078	151,858
Licenses, permits and fees	486,200	524,729	38,529
Grant revenue	745,000	43,035	(701,965)
Other revenue	103,800	389,531	285,731
Fines and forfeitures	450,100	646,000	195,900
Investment income	50,000	9,502	(40,498)
Charges for services	635,235	847,507	212,272
<b>Total revenues</b>	<u>9,343,555</u>	<u>9,360,835</u>	<u>17,280</u>
<b>Expenditures</b>			
<b>Current</b>			
Administration	575,256	2,348,884	(1,773,628)
Police department	2,660,887	2,963,085	(302,198)
Fire protection	1,022,954	1,030,094	185,764
Public works	1,916,959	2,224,671	(307,712)
Culture & recreation	104,344	131,012	(26,668)
Public health	21,228	17,324	3,904
All other departments	3,542,724	1,256,120	2,286,604
<b>Debt service</b>			
Principal	-	296,092	(296,092)
Interest and other charges	-	189,004	(189,004)
Capital outlay	1,944,800	424,906	1,519,894
<b>Total expenditures</b>	<u>11,789,152</u>	<u>10,881,192</u>	<u>907,960</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<u>(2,445,597)</u>	<u>(1,520,357)</u>	<u>925,240</u>
<b>Other financing sources (uses)</b>			
Transfers in	-	1,310,635	1,310,635
Transfers out	-	(897,788)	(897,788)
Proceeds from the issuance of debt	2,000,000	115,000	(1,885,000)
Proceeds from the sale of capital assets	1,850,000	-	(1,850,000)
<b>Total other financing sources (uses)</b>	<u>3,850,000</u>	<u>527,847</u>	<u>(3,322,153)</u>
<b>Net change in fund balance</b>	<u>\$ 1,404,403</u>	<u>(992,510)</u>	<u>\$ (2,396,913)</u>
Fund balance at beginning of year		<u>4,658,038</u>	
Fund balance at end of year		<u>\$ 3,665,528</u>	

VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 MOTOR FUEL TAX FUND  
 Year Ended April 30, 2015

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	<u>Original &amp; Final Budget</u>	<u>Actual</u>	<u>Variance Over (Under)</u>
Revenues			
Other taxes	\$ 300,000	\$ 296,970	\$ (3,030)
Investment income	-	79	79
Total revenues	<u>300,000</u>	<u>297,049</u>	<u>(2,951)</u>
Expenditures			
Current:			
Public works	-	131,708	(131,708)
Total expenditures	<u>-</u>	<u>131,708</u>	<u>(131,708)</u>
Net change in fund balance	<u>\$ 300,000</u>	165,341	<u>\$ (134,659)</u>
Fund balance at beginning of year		<u>2,854,919</u>	
Fund balance at end of year		<u>\$ 3,020,260</u>	

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VILLAGE OF RIVER GROVE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS  
 April 30, 2015

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded (Overfunded) AAL (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (4) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND						
12/31/2014	\$ 4,743,458	\$ 5,857,376	\$ 1,113,918	81.0%	\$ 2,005,927	55.5%
12/31/2013	4,087,063	4,771,523	684,460	85.7%	1,402,328	48.8%
12/31/2012	3,353,745	4,381,423	1,027,678	76.5%	1,360,074	75.6%
POLICE PENSION FUND						
4/30/2015	\$ 7,510,700	\$ 21,489,409	\$ 13,978,709	35.0%	\$ 1,868,010	748.3%
4/30/2013	6,774,530	19,415,152	12,640,622	34.9%	1,798,749	702.7%
4/30/2011	6,596,392	17,183,193	10,586,801	38.4%	1,900,927	556.9%
OTHER POST EMPLOYMENT BENEFITS						
4/30/2012	\$ -	\$ 1,134,031	\$ 1,134,031	0.0%	Not available	Not available
4/30/2010	-	1,085,760	1,085,760	0.0%	Not available	Not available

Note: April 30, 2012 valuation is latest actuarial valuation available

VILLAGE OF RIVER GROVE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS  
 April 30, 2015

Year End	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
ILLINOIS MUNICIPAL RETIREMENT FUND				
4/30/2015	\$ 256,889	\$ 256,889	100%	\$ 73,135
4/30/2014	203,419	203,419	100%	71,761
4/30/2013	175,759	180,903	97%	70,331

POLICE PENSION FUND				
4/30/2015	\$ 688,567	\$ 905,357	76%	\$ 3,602,229
4/30/2014	825,636	855,937	96%	3,180,874
4/30/2013	582,045	766,067	76%	3,062,314

OTHER POST EMPLOYMENT BENEFITS				
Year End	Employer Contributions	Annual Required Contribution	Percent Contributed	Net OPEB Obligation (Asset)
4/30/2015	\$ 214,258	\$ 190,075	113%	\$ (11,550)
4/30/2014	201,493	199,574	101%	12,426
4/30/2013	189,245	199,633	95%	27,693

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
April 30, 2015

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**NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING**

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the Tax Increment Financing Fund and the Bond and Interest Fund. Because these funds do not have legally adopted budgets, no budget to actual is presented in the required supplementary information.
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America except for the General Fund, which does not budget property tax revenues or personal property replacement tax revenues levied for the Police Pension Fund or expenditures for Police Pension contributions.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The differences between the General Fund budget and GAAP basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund – Budgetary Basis	\$ 9,360,835	\$ 10,881,192
To adjust for Police Pension property taxes received	670,585	-
To adjust for Police Pension personal property replacement taxes received	17,982	-
To adjust for Police Pension contributions made	<u>-</u>	<u>688,567</u>
General Fund GAAP Basis	<u>\$ 10,049,402</u>	<u>\$ 11,569,759</u>

The Motor Fuel Tax Fund's expenditures exceeded budget by \$131,708.

VILLAGE OF RIVER GROVE, ILLINOIS

GENERAL FUND  
BALANCE SHEET - BY ACCOUNT  
April 30, 2015

	<u>General Account</u>	<u>Auditing Account</u>	<u>Public Liability Insurance Account</u>	<u>Illinois Municipal Retirement Account</u>
<b>Assets</b>				
Cash and investments	\$ 5,246,937	\$ -	\$ -	\$ 5,487
Cash - commingled	-	-	-	-
Property taxes receivable	2,022,975	-	-	112,139
Accounts receivable	83,188	-	-	-
Other governmental receivables	831,158	-	-	-
Assets held for resale	718,250	-	-	-
Interfund receivables	379,835	-	-	-
<b>Total assets</b>	<u>\$ 9,282,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,626</u>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 834,387	\$ -	\$ -	-
Accrued payroll	240,875	-	-	2,285
Other payables	183,498	-	-	-
Unearned revenue	50,000	-	-	-
Due to police pension fund	11,578	-	-	-
Interfund payable	1,387,431	-	-	676,315
<b>Total liabilities</b>	<u>2,707,769</u>	<u>-</u>	<u>-</u>	<u>678,600</u>
<b>Deferred inflows of resources</b>				
Property tax revenue	2,000,119	-	-	110,874
Unavailable state tax revenue	176,706	-	-	-
<b>Total deferred inflows of resources</b>	<u>2,176,825</u>	<u>-</u>	<u>-</u>	<u>110,874</u>
<b>Fund balances</b>				
<b>Nonspendable</b>				
Assets held for resale	718,250	-	-	-
<b>Restricted</b>				
Capital projects	4,546,852	-	-	-
Unassigned	(867,353)	-	-	(671,848)
<b>Total fund balances</b>	<u>4,397,749</u>	<u>-</u>	<u>-</u>	<u>(671,848)</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 9,282,343</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 117,626</u>

<u>Social Security Account</u>	<u>Unemployment Insurance Account</u>	<u>Workers' Compensation Account</u>	<u>Streets and Bridges Account</u>	<u>Garbage Disposal Account</u>	<u>Emergency Service &amp; Disaster Account</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
180,611	55,588	99,563	-	-	-
<u>180,611</u>	<u>55,588</u>	<u>99,563</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(180,611)	(55,588)	(99,563)	-	-	-
<u>(180,611)</u>	<u>(55,588)</u>	<u>(99,563)</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

VILLAGE OF RIVER GROVE, ILLINOIS

GENERAL FUND  
BALANCE SHEET - BY ACCOUNT  
April 30, 2015

	Emergency Telephone System <u>Account</u>	Police Protection <u>Account</u>	Fire Protection <u>Account</u>	School Crossing Guards <u>Account</u>
<b>Assets</b>				
Cash and investments	\$ 16,627	\$ -	\$ -	\$ -
Cash - commingled	99,974	-	-	-
Property taxes receivable	-	-	-	-
Accounts receivable	-	-	-	-
Other governmental receivables	-	-	-	-
Assets held for resale	-	-	-	-
Interfund receivables	168,442	-	-	-
<b>Total assets</b>	<b>\$ 285,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>				
<b>Liabilities</b>				
Accounts payable	\$ 13,487	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-
Other payables	-	-	-	-
Unearned revenue	-	-	-	-
Due to police pension fund	-	-	-	-
Interfund payable	-	-	-	-
<b>Total liabilities</b>	<b>13,487</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred inflows of resources</b>				
Property tax revenue	-	-	-	-
Unavailable state tax revenue	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>				
<b>Nonspendable</b>				
Assets held for resale	-	-	-	-
<b>Restricted</b>				
Capital projects	-	-	-	-
Unassigned	271,556	-	-	-
<b>Total fund balances</b>	<b>271,556</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 285,043</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>



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<u>Municipal Ambulance Service Account</u>	<u>Cable Vision Development Account</u>	<u>2004 Bond Account</u>	<u>Total</u>
\$ -	\$ -	\$ 47,044	\$ 5,316,095
-	-	-	99,974
-	-	-	2,135,114
-	-	-	83,188
-	-	-	831,158
-	-	-	718,250
-	-	-	548,277
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,044</u>	<u>\$ 9,732,056</u>
\$ -	\$ -	\$ -	847,874
-	-	-	243,160
-	-	-	183,498
-	-	-	50,000
-	-	-	11,578
-	-	43,211	2,442,719
<u>-</u>	<u>-</u>	<u>43,211</u>	<u>3,778,829</u>
-	-	-	2,110,993
-	-	-	176,706
<u>-</u>	<u>-</u>	<u>-</u>	<u>2,287,699</u>
-	-	-	718,250
-	-	-	4,546,852
-	-	3,833	(1,599,574)
<u>-</u>	<u>-</u>	<u>3,833</u>	<u>3,665,528</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,044</u>	<u>\$ 9,732,056</u>

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VILLAGE OF RIVER GROVE, ILLINOIS

GENERAL FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
 BY ACCOUNT  
 Year Ended April 30, 2015

	<u>General Account</u>	<u>Auditing Account</u>	<u>Public Liability Insurance Account</u>	<u>Illinois Municipal Retirement Account</u>
<b>Revenues</b>				
Property taxes	\$ 3,954,682	\$ -	\$ -	\$ 122,701
Sales taxes	1,370,749	-	-	-
Income taxes	1,030,327	-	-	-
Utility taxes	772,579	-	-	-
Other taxes	237,978	-	-	-
Licenses, permits and fees	524,729	-	-	-
Grant revenue	43,035	-	-	-
Other revenue	389,531	-	-	-
Fines and forfeitures	646,000	-	-	-
Investment income	9,480	-	-	1
Charges for services	<u>816,368</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>9,795,458</u>	<u>-</u>	<u>-</u>	<u>122,702</u>
<b>Expenditures</b>				
Current				
Administration	2,010,949	-	-	246,992
Police department	3,651,652	-	-	-
Fire protection	1,030,094	-	-	-
Public works	2,224,671	-	-	-
Culture & recreation	131,012	-	-	-
Public health	17,324	-	-	-
All other departments	1,256,120	-	-	-
Debt service				
Principal payments	296,092	-	-	-
Interest and other charges	189,004	-	-	-
Capital outlay	<u>424,906</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>11,231,824</u>	<u>-</u>	<u>-</u>	<u>246,992</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,436,366)</u>	<u>-</u>	<u>-</u>	<u>(124,290)</u>
<b>Other financing sources (uses)</b>				
Transfers in	2,032,563	321,809	314,535	-
Proceeds from issuance of debt	115,000	-	-	-
Transfers out	<u>(7,702,862)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,555,299)</u>	<u>321,809</u>	<u>314,535</u>	<u>-</u>
Net changes in fund balances	(6,991,665)	321,809	314,535	(124,290)
Fund balances at beginning of year	<u>11,389,414</u>	<u>(321,809)</u>	<u>(314,535)</u>	<u>(547,558)</u>
Fund balances at end of year	<u>\$ 4,397,749</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (671,848)</u>



VILLAGE OF RIVER GROVE, ILLINOIS

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BY ACCOUNT  
Year Ended April 30, 2015

	Emergency Telephone System <u>Account</u>	Police Protection <u>Account</u>	Fire Protection <u>Account</u>	School Crossing Guards <u>Account</u>
Revenues				
Property taxes	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-
Income taxes	-	-	-	-
Utility taxes	-	-	-	-
Other taxes	100,082	-	-	-
Licenses, permits and fees	-	-	-	-
Grant revenue	-	-	-	-
Other revenue	-	-	-	-
Fines and forfeitures	-	-	-	-
Investment income	7	-	-	-
Charges for services	-	-	-	-
Total revenues	<u>100,089</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures				
Current				
Administration	77,825	-	-	-
Police department	-	-	-	-
Fire protection	-	-	-	-
Public works	-	-	-	-
Culture & recreation	-	-	-	-
Public health	-	-	-	-
All other departments	-	-	-	-
Debt service				
Principal payments	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>77,825</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,264</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses)				
Transfers in	-	540,327	2,000,721	237,603
Proceeds from issuance of debt	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>540,327</u>	<u>2,000,721</u>	<u>237,603</u>
Net changes in fund balances	22,264	540,327	2,000,721	237,603
Fund balances at beginning of year	<u>249,292</u>	<u>(540,327)</u>	<u>(2,000,721)</u>	<u>(237,603)</u>
Fund balances at end of year	<u>\$ 271,556</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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Municipal Ambulance Service <u>Account</u>	Cable Vision Development <u>Account</u>	2004 Bond <u>Account</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 4,077,383
-	-	-	1,370,749
-	-	-	1,030,327
-	-	-	772,579
-	-	-	338,060
-	-	-	524,729
-	-	-	43,035
-	-	-	389,531
-	-	-	646,000
-	-	14	9,502
-	-	31,139	847,507
-	-	31,153	10,049,402
-	-	-	-
-	-	173	2,348,884
-	-	-	3,651,652
-	-	-	1,030,094
-	-	-	2,224,671
-	-	-	131,012
-	-	-	17,324
-	-	-	1,256,120
-	-	-	296,092
-	-	-	189,004
-	-	-	424,906
-	-	173	11,569,759
-	-	-	-
-	-	30,980	(1,520,357)
-	-	-	-
1,364,392	-	-	8,837,637
-	-	-	115,000
-	(721,928)	-	(8,424,790)
1,364,392	(721,928)	-	527,847
-	-	-	-
1,364,392	(721,928)	30,980	(992,510)
(1,364,392)	721,928	(27,147)	4,658,038
\$ -	\$ -	\$ 3,833	\$ 3,665,528

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## VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
April 30, 2015

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Grand Avenue TIF Fund	Bond and Interest Fund	<u>Total</u>
<b>Assets</b>			
Cash and investments	\$ 8,781	\$ 489,485	\$ 498,266
Cash - commingled	<u>168,442</u>	<u>-</u>	<u>168,442</u>
<b>Total assets</b>	<u>\$ 177,223</u>	<u>\$ 489,485</u>	<u>\$ 666,708</u>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Interfund payables	\$ 234,166	\$ -	\$ 234,166
<b>Total liabilities</b>	<u>234,166</u>	<u>-</u>	<u>234,166</u>
<b>Fund balances</b>			
<b>Restricted</b>			
Debt service	-	489,485	489,485
Unassigned	<u>(56,943)</u>	<u>-</u>	<u>(56,943)</u>
<b>Total fund balances</b>	<u>(56,943)</u>	<u>489,485</u>	<u>432,542</u>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<u>\$ 177,223</u>	<u>\$ 489,485</u>	<u>\$ 666,708</u>

## VILLAGE OF RIVER GROVE, ILLINOIS

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

	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	
	Grand Avenue TIF Fund	Bond and Interest Fund	<u>Total</u>
Revenues			
Investment income	\$ 8	\$ 28	\$ 36
Total revenues	<u>8</u>	<u>28</u>	<u>36</u>
Expenditures			
Debt service			
Principal payments	-	215,000	215,000
Interest and other charges	-	<u>155,004</u>	<u>155,004</u>
Total expenditures	<u>-</u>	<u>370,004</u>	<u>370,004</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8</u>	<u>(369,976)</u>	<u>(369,968)</u>
Other financing sources (uses)			
Transfers in	-	433,056	433,056
Transfers out	<u>(10,428)</u>	<u>-</u>	<u>(10,428)</u>
Total other financing sources (uses)	<u>(10,428)</u>	<u>433,056</u>	<u>422,628</u>
Net changes in fund balances	(10,420)	63,080	52,660
Fund balances at beginning of year	<u>(46,523)</u>	<u>426,405</u>	<u>379,882</u>
Fund balances at end of year	<u>\$ (56,943)</u>	<u>\$ 489,485</u>	<u>\$ 432,542</u>

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

To the Honorable Mayor  
and Members of the Board of Trustees  
Village of River Grove, Illinois

We have examined the Village of River Grove, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2015. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on 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 our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2015.

*Crowe Horwath LLP*  
Crowe Horwath LLP

Oak Brook, Illinois  
March 4, 2016