



VILLAGE OF RIVER GROVE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2019

SIKICH.COM

VILLAGE OF RIVER GROVE, ILLINOIS

TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR’S REPORT	1-3
INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	4-5
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-8
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	6-7
Statement of Activities	8-9
Fund Financial Statements	
Governmental Funds	
Balance Sheet	10
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position	11
Statement of Revenues, Expenditures and Changes in Fund Balances	12
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	13
Proprietary Funds	
Statement of Net Position.....	14
Statement of Revenues, Expenses and Changes in Net Position.....	15
Statement of Cash Flows	16-17

VILLAGE OF RIVER GROVE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)	
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued)	
Fiduciary Fund	
Statement of Fiduciary Net Position	18
Statement of Changes in Fiduciary Net Position	19
Notes to Financial Statements	20-58
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
General Fund	59
Motor Fuel Tax Fund.....	60
Other Postemployment Benefit Fund	
Schedule of Changes in the Employer's Total OPEB Liability and Related Ratios	61
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions	62
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	63
Police Pension Fund	
Schedule of Employer Contributions	64
Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	65
Schedule of Investment Returns	66
Notes to Required Supplementary Information	67
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES	
MAJOR GOVERNMENTAL FUNDS	
Schedule of Revenues - Budget and Actual - General Fund	68
Schedule of Expenditures - Budget and Actual - General Fund	69

VILLAGE OF RIVER GROVE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
COMBINING AND INDIVIDUAL FUND	
FINANCIAL STATEMENTS AND SCHEDULES (Continued)	
NONMAJOR GOVERNMENTAL FUND	
Combining Balance Sheet	70
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Belmont Thatcher Tax Increment Financing (TIF) Fund	72
Grand Thatcher Tax Increment Financing (TIF) Fund	72
Capital Improvement Fund	73
Bond and Interest Fund	74
ENTERPRISE FUNDS	
Water and Sewer Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	75
Schedule of Operating Expenses - Budget and Actual	76
Commuter Parking Lot Fund	
Schedule of Revenues, Expenses and Changes in Net Position - Budget and Actual	77
Schedule of Operating Expenses - Budget and Actual	78
FIDUCIARY FUND	
Schedule of Changes in Plan Net Position - Budget and Actual Police Pension Fund	79
SUPPLEMENTAL INFORMATION	
Illinois Grant Accountability and Transparency Act Consolidated Year End Financial Report	80
INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE	81

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of River Grove, Illinois (the Village), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Proviso-Leyden Joint 9-1-1 Authority (the Authority), which represent 4.74%, 20.45%, and 11.63% of the assets, net position and revenues of the governmental activities, respectively. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it related to the amounts included for Authority, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of the Authority were not audited in accordance with *Government Auditing Standards*.

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

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of River Grove, Illinois, as of December 31, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2020 on our consideration of the Village's internal controls over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Sikich LLP

Naperville, Illinois
June 22, 2020

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of River Grove, Illinois (the Village), as of and for the year ended December 31, 2019, and the related notes to financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated June 22, 2020. Our report includes a reference to other auditors who audited the financial statements of the Proviso-Leyden Joint 9-1-1 Authority (the Authority), as described in our report on the Village of River Grove's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Sikich LLP

Naperville, Illinois
June 22, 2020

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

As management of the Village of River Grove ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2019. 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 Primary Government's assets and deferred outflows of resources of the Village was less than its liabilities and deferred inflows of resources at the close of the fiscal year by \$1,873,897 (total net position), a net reduction of the restated deficit from December 31, 2018 of \$2,546,966.

After taking into consideration the activities of the fiscal year, the governmental activities restated net position increased by \$2,027,112 from the fiscal year ended December 31, 2018 and the business-type activities net position increased \$519,854 in that same period.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,833,307, an increase of \$54,041 over the cumulative fund balances at December 31, 2018. Unassigned fund balance in the Governmental Funds totaled \$4,451,248, an increase of \$111,945 over December 31, 2018 and accounts for approximately 45% of total fund balance for all governmental funds. Nonspendable fund balance in the General Fund totaled \$375,114 or approximately 4% of total fund balance.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

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

FUND FINANCIAL STATEMENTS

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

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

The Village maintains two 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 and Motor Fuel Tax Fund, all of which are considered to be major funds. Information from the Village's other governmental funds is combined into a single column presentation. Individual fund information for non-major governmental funds is provided elsewhere in the report.

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

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

Notes to the Financial Statements

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

Other Information

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

Condensed Statement of Net Position

The following chart reflects a condensed Statement of Net Position:

Condensed Statements of Net Position									
	Governmental Activities			Business-Type Activities			Total		
	Dec 31, 2018	Dec 31, 2019	Change	Dec 31, 2018	Dec 31, 2019	Change	Dec 31, 2018	Dec 31, 2019	Change
Assets	As Restated	As Restated		As Restated	As Restated		As Restated	As Restated	
Current and other assets	\$16,765,459	\$17,967,460	7.2%	\$ 656,607	\$ 937,597	155.8%	\$ 17,422,066	\$ 18,905,057	12.8%
Capital assets	16,310,558	16,746,492	2.7%	3,904,403	4,586,590	(1.5)%	20,214,961	21,332,082	1.9%
Total assets	33,076,017	34,712,952	4.9%	4,561,010	5,524,187	21.1%	37,637,027	40,237,139	(40.0)%
Deferred Outflows of Resources									
Deferred outflows of resources	8,327,896	5,065,082	(39.2)%	298,041	107,433	(64.0)%	8,625,937	5,172,515	(40.0)%
Total Assets and Deferred outflows of resources	41,403,913	39,778,034	(3.9)%	4,859,051	5,631,620	15.9%	46,262,964	45,409,654	(1.8)%
Liabilities									
Long-term liabilities	33,279,232	30,312,174	(9.0)%	376,078	358,269	(4.7)%	33,655,310	30,670,443	(8.9)%
Other liabilities	2,848,671	2,748,678	(3.5)%	242,446	585,541	141.5%	3,091,117	3,334,219	7.9%
Total liabilities	36,127,903	33,060,852	(8.5)%	618,524	943,810	52.6%	36,746,427	34,004,662	(7.5)%
Deferred Inflows of Resources									
Deferred inflows of resources	13,319,864	13,136,761	(1.4)%	54,820	142,128	159.3%	13,374,684	13,278,889	(0.7)%
Total Liabilities and Deferred inflows of resources	49,447,767	46,183,931	(6.5)%	673,344	1,085,938	61.3%	50,121,111	47,269,869	(5.7)%
Net position									
Net investment in capital assets	2,476,997	4,010,541	61.9%	3,904,403	4,586,590	17.5%	6,381,400	8,597,131	34.7%
Restricted	4,195,953	3,985,440	(5.0)%	-	-		4,195,953	3,985,440	(5.0)%
Unrestricted (deficit))	(14,716,804)	(14,415,560)	(2.1)%	281,304	(40,908)	(114.5)%	(14,435,500)	(14,456,468)	0.1%
Total Net Position	\$ (8,043,854)	\$ (6,419,579)	(20.2)%	\$ 4,185,707	\$ 4,545,682	8.6%	\$ (3,858,147)	\$ (1,873,897)	(51.1)%

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

The following chart reflects a condensed Statement of Activities:

Condensed Statements of Activities									
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total</u>		
	<i>Dec 31, 2018</i>	<i>Dec 31, 2019</i>	<i>Change</i>	<i>Dec 31, 2018</i>	<i>Dec 31, 2019</i>	<i>Change</i>	<i>Dec 31, 2018</i>	<i>Dec 31, 2019</i>	<i>Change</i>
Revenues									
<i>Program revenues</i>									
Charges for services	\$ 2,420,330	\$ 2,558,547	5.7%	\$ 2,554,437	\$ 3,051,782	19.5%	\$ 4,974,767	\$ 5,610,329	12.8%
Operating grants and contributions	602,181	517,951	(14.0)%	-	-	-%	602,181	517,951	(14.0)%
Capital grants and contributions	-	377,686		-	-		-	377,686	
<i>General revenues</i>									
Property taxes	6,614,527	6,998,947	5.8%	-	-	-%	6,614,527	6,614,527	5.8%
Other taxes	3,787,260	3,947,051	4.2%	-	-	-%	3,787,260	3,947,051	4.2%
Intergovernmental	1,098,978	1,237,221	12.6%	-	-	-%	1,098,978	1,237,221	12.6%
Other general revenues	<u>422,254</u>	<u>574,387</u>	36.0%	<u>7,778</u>	<u>9,614</u>	23.6%	<u>430,032</u>	<u>584,000</u>	35.8%
Total revenues	<u>14,945,530</u>	<u>16,211,790</u>	36.0%	<u>2,562,215</u>	<u>3,061,396</u>	19.5%	<u>17,507,745</u>	<u>19,273,185</u>	10.1%
Expenses									
General government	3,641,568	2,646,580	9.3%	-	-	-%	3,641,568	2,646,580	9.3%
Public safety	5,825,263	6,033,468	26.2%	-	-	-%	5,825,263	6,033,468	26.2%
Public Works	2,826,375	4,734,366	144.4%	-	-	-%	2,826,375	4,754,366	144.4%
Culture & Recreation	138,325	241,350	196.9%	-	-	-%	138,325	241,350	196.9%
Interest on Debt	568,663	508,914	(10.5)%	-	-	-%	568,663	508,914	(10.5)%
Water & Commuter	<u>-</u>	<u>-</u>	-%	<u>2,530,077</u>	<u>2,541,542</u>	0.5%	<u>2,530,077</u>	<u>2,541,542</u>	0.5%
Total expenses	<u>13,000,194</u>	<u>14,184,678</u>	9.0%	<u>2,530,077</u>	<u>2,541,542</u>	0.5%	<u>15,530,271</u>	<u>16,726,220</u>	7.6%
Change in net position	<u>1,945,336</u>	<u>2,027,112</u>	4.9%	<u>32,138</u>	<u>519,854</u>	1617.5%	<u>1,977,474</u>	<u>2,546,966</u>	48.8%
Net position (deficit), beginning of year, as restated	<u>(10,087,016)</u>	<u>(8,446,691)</u>	16.3%	<u>3,248,474</u>	<u>4,025,828</u>	27.9%	<u>(5,933,447)</u>	<u>(4,420,863)</u>	25.5%
Net position (deficit), end of year	<u>\$ (8,043,854)</u>	<u>\$ (6,419,579)</u>	20.3%	<u>\$ 4,185,707</u>	<u>\$ 4,545,682</u>	0.8%	<u>\$ (3,858,147)</u>	<u>\$ (1,873,897)</u>	48.2%

Governmental Activities –Governmental activity revenues totaled \$16,211,790 while expenditures were \$14,184,678 resulting in a reduction in the net position deficit of \$2,027,112. Revenues increased mainly due to higher property tax receipts as well as better-than-expected receipts from the Village’s economically sensitive revenues such as local sales taxes. On the expense side, the Village expended 9% more than the prior reporting period mainly due expenditures for emergency repairs on the Village’s lift station and an increase in the Village’s police pension contribution.

Business-type Activities Business-type activities expenses increased slightly by 0.5% or \$11,465. The water fund currently reflects relative stability in its overall net position that is the result of more diligent review of the fund’s receivables and a significant adjustment to the rate structure in the 4th quarter of 2018.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$9,833,307, an increase of \$54,041 over the prior year balance. Unassigned fund balance in the General Fund has increased from \$4,339,303 to \$4,451,248. One measurement a government can use to measure its capacity to fund operations is to view the ratio of the ending unassigned fund balance to the total expenditures for that fiscal period. For 2019, that ratio was 45.3% to its expenditures.

The **General Fund** is the chief operating fund of the Village that had revenues of \$13,241,802. At the same time, expenditures totaled \$12,297,834, a difference of \$943,968. In addition, \$938,362 was transferred from the fund to fund debt service payments in the Bond and Interest Fund for payment of debt service related to the Series 2012, 2017A and 2017B bond issues.

The following is a comparison of actual revenues and expenditures for the last two fiscal years in the General Fund.

Category	December 31, 2018 Actual	December 31, 2019 Actual
Revenues		
Property Taxes	\$5,577,001	\$ 5,902,680
Sales Taxes	1,703,941	1,834,398
Income Taxes	979,400	1,088,552
Utility Taxes	346,575	323,751
Other Taxes	405,246	463,206
Licenses, Permits & Fees	565,057	676,300
Intergovernmental Revenue	340,414	560,131
Other Revenue	318,178	414,242
Fines & Forfeitures	565,738	538,543
Investment Income	50,913	97,723
Charges for Services	1,275,680	1,342,276
Total Revenues	\$12,128,143	\$13,241,802
Expenditures		
Current		
Administration	\$1,579,024	\$ 1,078,645
Police	4,067,731	5,005,457
Fire	1,253,636	1,449,685
Public Works	1,787,615	2,063,812
Culture & Recreation	126,827	209,559
Public Health	19,132	21,844
All Other Departments	2,207,256	1,267,799
Debt Service		
Principal	455,722	130,143
Interest	322,055	9,520
Capital Outlay	714,014	1,061,370
Total Expenditures	\$12,533,012	\$ 12,297,834

Actual fund revenues in the General Fund exceeded 2019 budgetary estimates by \$1,993,973. Factors contributing to this difference included a reclassifying of the police pension levy as a general fund revenue, revenue received under an intergovernmental agreement and a higher than anticipated of miscellaneous revenues. Future year budgets will reflect the revenue and expenditure recognition of employer police pension revenues and contribution costs to the fund.

General Fund expenditures exceeded budgetary estimates by \$878,429. Contributing factors to this differential include:

- \$1,305,049 - The recognition of the Village's employer contribution to the Police Pension Fund.
- \$ 158,520 - Additional project costs for the 2019 Alley Program.
- \$ 105,344 - The recognition of the Village's employer contribution for Post-Retirement Benefits.

The fund balance of the Village's **Motor Fuel Tax Fund** was decreased by \$419,725 to \$2,409,430. This decrease is due to increased motor fuel tax expenditures as well as costs allocated from the Village's general fund for services provided by the public works department to street projects. The Village intends to continue to draw on these resources in future budgets for allowed operational costs and for capital costs including street resurfacing/construction.

The fund balance of the **Belmont/Thatcher TIF Fund** decreased by \$394,573 during the fiscal year as TIF fund balance was used as planned to pay debt service on the Village's 2009 TIF bonds. The final remaining bonds matured on December 15, 2019. With the TIF set to expire in 2022, the remaining increment to be received in those subsequent years will be used for capital improvements within the area including gateway signage, streetscape and lift station improvements.

The **Grand/Thatcher TIF Fund** was created in March, 2016 and significant increment is just now beginning to flow with over \$308,000 being received in 2019. Fund balance on December 31, 2019 was \$202,553. The fund balance decreased due to expenditures incurred for emergency repairs to the Village lift station which is located within the TIF. Future development plans include significant roadway improvements as well as possible property acquisition for additional parking.

The fund balance of the Village's **Capital Improvement Fund** increased by \$728,866 in 2019. Activity in the fund for the year was restricted to accounting for the receipt of sales tax proceeds that have been pledged for capital acquisitions and improvements. The fund balance is shown as restricted for capital improvements.

PROPRIETARY/ENTERPRISE FUNDS - The Net position of the **Water and Sewer Fund** at the end of the year was \$3,596,380, a \$497,825 increase from the restated balance at December 31, 2018. Operating revenues were \$3,016,348 with operating expenses at \$2,421,728. With depreciation, the fund had operating income of \$488,211 compared to the December 31, 2018 reported net operating loss of \$5,054.

Net position of the **Commuter Parking Lot Fund** at the end of the year amounted to \$949,302, a gain of \$22,029. The fund's net position is mainly due to minimal parking lot maintenance costs for the last several years but planned improvements are anticipated for 2020 that will draw upon the resources of the fund for infrastructure improvements as well as potential property acquisition for additional commuter and residential parking opportunities.

FIDUCIARY FUND - The village accounts for one fiduciary trust fund, the **Police Pension Fund**. Very detailed financial and actuarial analysis is provided for this fund in the notes to the financial statements beginning on Page 44 through Page 54 as well as pages 63 through 66. The position of the fund increased \$1,842,970, mainly due to a net gain in market value of \$1,294,009 versus a reduction for those same categories of \$286,360 in 2018.

The Village annually conducts an actuarial valuation of the fund. One of the benefits of this analysis produces an annual review and measurement that highlights the funding progress of the plan toward the ultimate goal of paying benefits at retirement. For example, since December 31, 2017, the funding ratio has improved from a low of 28.26% to the current level of 40.58%. It is the Village's desire to maintain and improve this positive trend going forward.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets by Type of Activity

Change in Capital Assets Governmental Activities

	Balance December 31, 2018 Restated	Net Additions/ Deletions	Balance December 31, 2019
Non-Depreciable Assets	\$3,386,188	\$697,887	\$4,084,075
Depreciable Assets, Net	12,618,239	43,178	12,661,417
Totals	\$16,004,427	\$741,065	\$16,745,492

Change in Capital Assets Business-Type Activities

	Balance December 31, 2018 Restated	Net Additions/ Deletions	Balance December 31, 2019
Non-Depreciable Assets	\$4001,825	\$339,911	\$741,736
Depreciable Assets	3,502,178	342,276	3,844,854
Totals	\$3,904,403	\$682,187	\$4,586,590

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

Debt Administration

At December 31, 2019, the Village had outstanding debt as follows:

General Obligation Bonds Series 2012A	\$ 4,215,000
General Obligation Bonds Series 2017A	3,010,000
General Obligation Bonds Series 2017B	5,110,000
Unamortized Premiums/Discounts (Net)	49,335
Installment Notes Payable	202,922
Compensated Absences	340,437
OPEB liability	2,383,257
Net Pension Liabilities (Police Pension & IMRF)	<u>16,512,802</u>
Total	<u>\$ 31,823,753</u>

Overall total debt for 2019 was reduced \$4,030,365 from the ending restated balance at December 31, 2018. Contributing to the reduction were debt service payments reducing outstanding principal of G.O. Debt by \$1,715,000 and also the reduction in net pension liabilities of \$2,767,935. That reduction was due to the adoption of revised mortality tables for public safety personnel and modifications to various variables including the discount rate used in the assumptions for future investment earnings.

ECONOMIC FACTORS

Planned commercial redevelopment of specific areas of the Village in high-traffic locations are continually being discussed and will bring continued growth in sales and related tax revenue funding sources. In 2019, the following economic development activities occurred:

- In 2018, The Village entered into a redevelopment agreement with Avalon Development by selling a Village-owned parcel at the intersection of Grand and Thatcher for the construction of a Starbucks restaurant. The incentive provided was providing a land write-down in the cost to the developer and did not involve any revenue-sharing or property tax incentives. The Starbucks opened in September 2019.
- Construction of a high-end apartment complex on West Grand Avenue was completed in Fiscal 2019.
- In May 2020, the Village passed an ordinance authorizing a development agreement with a developer for the redevelopment of the Village's old public works site. The Developer has agreed to develop and construct on the Project Site a thirty-two (32) unit residential building, a twenty-three hundred (2,300) square foot commercial/retail building, four (4) twelve (12) unit residential buildings, related parking and other public improvements (the "Project"). It is anticipated that the Project will generate *ad valorem* tax revenues in addition to other benefits for the Village and further the transit oriented development objectives of the Village due its proximity to the METRA commuter line.

With these and other opportunities being studied, the Village has continued to strive to provide the best services possible at reasonable costs and expended in a fiscally responsible manner.

Beginning in March 2020, the COVID-19 virus was declared a global pandemic as it continued to spread rapidly. The economic impact of the Governor of the State of Illinois' Executive Order imposing "stay at home" restrictions are widespread and may last for several years. As a result, the Village has already begun planning for the decline in revenues and increase in expenditures that will impact the Village in 2020 and beyond. Management will continue to carefully monitor the situation and evaluate its options for the current year and following year's budgetary position as the situation continues to unfold.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF NET POSITION

December 31, 2019

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Cash and cash equivalents	\$ 5,949,464	\$ 530,467	\$ 6,479,931
Investments	3,422,525	-	3,422,525
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	6,549,273	-	6,549,273
Other taxes	918,876	-	918,876
Due from other governments	44,893	-	44,893
Accounts	574,557	391,358	965,915
Other	113,235	-	113,235
Prepaid items	176,482	14,660	191,142
Investment in joint venture	23,633	-	23,633
Deposits	19,522	1,112	20,634
Land held for resale	175,000	-	175,000
Capital assets not being depreciated	4,084,075	741,736	4,825,811
Capital assets (net of accumulated depreciation)	12,661,417	3,844,854	16,506,271
Total assets	34,712,952	5,524,187	40,237,139
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	467,647	107,433	575,080
Pension items - Police Pension	4,597,435	-	4,597,435
Total deferred outflows of resources	5,065,082	107,433	5,172,515
Total assets and deferred outflows of resources	39,778,034	5,631,620	45,409,654
LIABILITIES			
Accounts payable	1,087,712	562,566	1,650,278
Accrued payroll	337,645	15,963	353,608
Deposits payable	108,748	-	108,748
Accrued interest payable	19,400	-	19,400
Due to fiduciary fund	775	-	775
Unearned revenue	50,000	-	50,000
Noncurrent liabilities			
Due within one year	1,144,398	7,012	1,151,410
Due in more than one year	30,312,174	358,269	30,670,443
Total liabilities	33,060,852	943,810	34,004,662

(This statement is continued on the following page.)

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF NET POSITION (Continued)

December 31, 2019

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue	\$ 6,549,273	\$ -	\$ 6,549,273
Pension items - IMRF	621,809	142,128	763,937
Pension items - Police Pension	5,802,303	-	5,802,303
Unamortized gain on refunding	163,376	-	163,376
Total deferred inflows of resources	13,136,761	142,128	13,278,889
Total liabilities and deferred inflows of resources	46,197,613	1,085,938	47,283,551
NET POSITION			
Net investment in capital assets	4,010,541	4,586,590	8,597,131
Restricted for			
Highways and streets	2,409,430	-	2,409,430
TIF development	363,381	-	363,381
Capital projects	1,212,629	-	1,212,629
Unrestricted (deficit)	(14,415,560)	(40,908)	(14,456,468)
TOTAL NET POSITION (DEFICIT)	\$ (6,419,579)	\$ 4,545,682	\$ (1,873,897)

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2019

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,646,580	\$ 797,064	\$ -	\$ -
Public safety	6,033,468	947,454	131,846	-
Public works	4,754,366	725,843	386,105	377,686
Culture and recreation	241,350	88,186	-	-
Interest on long-term debt	508,914	-	-	-
Total governmental activities	14,184,678	2,558,547	517,951	377,686
Business-Type Activities				
Water and sewer	2,528,137	3,016,348	-	-
Commuter parking lot	13,405	35,434	-	-
Total business-type activities	2,541,542	3,051,782	-	-
TOTAL PRIMARY GOVERNMENT	\$ 16,726,220	\$ 5,610,329	\$ 517,951	\$ 377,686

Net (Expense) Revenue and Change in Net Position			
Primary Government			
	Governmental Activities	Business-Type Activities	Total
	\$ (1,849,516)	\$ -	\$ (1,849,516)
	(4,954,168)	-	(4,954,168)
	(3,264,732)	-	(3,264,732)
	(153,164)	-	(153,164)
	(508,914)	-	(508,914)
	(10,730,494)	-	(10,730,494)
	-	488,211	488,211
	-	22,029	22,029
	-	510,240	510,240
	(10,730,494)	510,240	(10,220,254)
General Revenues			
Taxes			
Property	6,998,947	-	6,998,947
Sales	1,167,755	-	1,167,755
Local use	339,788	-	339,788
Utility	665,210	-	665,210
Other taxes	314,537	-	314,537
Home rule sales tax	1,459,761	-	1,459,761
Intergovernmental	1,237,221	-	1,237,221
Investment income	161,572	9,614	171,186
Miscellaneous	412,815	-	412,815
Total	12,757,606	9,614	12,767,220
CHANGE IN NET POSITION	2,027,112	519,854	2,546,966
NET POSITION (DEFICIT), JANUARY 1	(8,043,854)	4,185,707	(3,858,147)
Prior period adjustment	(402,837)	(159,879)	(562,716)
NET POSITION (DEFICIT), JANUARY 1, RESTATED	(8,446,691)	4,025,828	(4,420,863)
NET POSITION (DEFICIT), DECEMBER 31	\$ (6,419,579)	\$ 4,545,682	\$ (1,873,897)

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2019

	Major Funds		Nonmajor	
	General	Motor Fuel Tax	Governmental	Total
ASSETS				
Cash and cash equivalents	\$ 1,338,734	\$ 1,748,939	\$ 2,861,791	\$ 5,949,464
Investments	2,567,816	854,709	-	3,422,525
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	6,549,273	-	-	6,549,273
Other taxes	723,149	-	195,727	918,876
Due from other governments	-	44,893	-	44,893
Accounts	574,557	-	-	574,557
Other	113,235	-	-	113,235
Prepaid items	176,482	-	-	176,482
Investment in joint venture	23,633	-	-	23,633
Deposits	19,522	-	-	19,522
Due from other funds	150,858	-	-	150,858
Land held for resale	175,000	-	-	175,000
TOTAL ASSETS	\$ 12,412,259	\$ 2,648,541	\$ 3,057,518	\$ 18,118,318
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable	\$ 539,455	\$ 88,253	\$ 460,004	\$ 1,087,712
Accrued payroll	337,645	-	-	337,645
Deposits payable	108,748	-	-	108,748
Due to other funds	-	150,858	-	150,858
Due to fiduciary fund	775	-	-	775
Unearned revenue	50,000	-	-	50,000
Total liabilities	1,036,623	239,111	460,004	1,735,738
DEFERRED INFLOWS OF RESOURCES				
Unavailable tax revenue	6,549,273	-	-	6,549,273
Total deferred inflows of resources	6,549,273	-	-	6,549,273
Total liabilities and deferred inflows of resources	7,585,896	239,111	460,004	8,285,011
FUND BALANCES				
Nonspendable in form - land held for resale	175,000	-	-	175,000
Nonspendable in form - prepaid items	176,482	-	-	176,482
Nonspendable in form - investment in joint venture	23,633	-	-	23,633
Restricted for highway and streets	-	2,409,430	-	2,409,430
Restricted for TIF development	-	-	363,381	363,381
Restricted for capital improvements	-	-	1,212,629	1,212,629
Unrestricted				
Assigned for debt service	-	-	1,021,504	1,021,504
Unassigned - General Fund	4,451,248	-	-	4,451,248
Total fund balances	4,826,363	2,409,430	2,597,514	9,833,307
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 12,412,259	\$ 2,648,541	\$ 3,057,518	\$ 18,118,318

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

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

December 31, 2019

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,833,307
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	16,745,492
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds	
G.O. Bonds payable	(12,335,000)
Notes payable	(200,922)
Unamortized gain in refunding	(163,376)
Unamortized discount and premium	(49,335)
Compensated absences	(316,834)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(19,400)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position	(15,794,613)
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(583,695)
Net OPEB liability is shown as a liability on the statement of net position	(2,176,173)
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings are recognized as deferred outflows and inflows of resources in the statement of net position	
IMRF	(154,162)
Police Pension	(1,204,868)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ (6,419,579)

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Major Funds			
	General	Motor Fuel Tax	Nonmajor Governmental	Total
REVENUES				
Property taxes	\$ 5,902,680	\$ -	\$ 2,570,633	\$ 8,473,313
Other taxes	3,709,907	-	-	3,709,907
Licenses, permits and fees	676,300	-	-	676,300
Fines and forfeitures	538,543	-	-	538,543
Charges for services	1,342,276	-	-	1,342,276
Intergovernmental	560,131	335,506	-	895,637
Investment income	97,723	25,250	38,599	161,572
Miscellaneous	414,242	-	-	414,242
 Total revenues	 13,241,802	 360,756	 2,609,232	 16,211,790
EXPENDITURES				
Current				
General government	2,381,970	-	456,800	2,838,770
Public safety	6,455,142	-	-	6,455,142
Public works	2,063,812	255,973	382,061	2,701,846
Culture and recreation	209,559	-	-	209,559
Capital outlay	1,061,370	524,508	-	1,585,878
Debt service				
Principal retirement	116,461	-	1,715,000	1,831,461
Interest and fiscal charges	9,520	-	525,573	535,093
 Total expenditures	 12,297,834	 780,481	 3,079,434	 16,157,749
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 943,968	 (419,725)	 (470,202)	 54,041
 OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	938,362	938,362
Transfers (out)	(938,362)	-	-	(938,362)
 Total other financing sources (uses)	 (938,362)	 -	 938,362	 -
 NET CHANGE IN FUND BALANCES	 5,606	 (419,725)	 468,160	 54,041
 FUND BALANCES, JANUARY 1	 4,820,757	 2,829,155	 2,129,354	 9,779,266
 FUND BALANCES, DECEMBER 31	 \$ 4,826,363	 \$ 2,409,430	 \$ 2,597,514	 \$ 9,833,307

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

NET CHANGE IN FUND BALANCES -	
TOTAL GOVERNMENTAL FUNDS	\$ 54,041
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	
Capital expenditures capitalized	1,708,745
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds	
Depreciation of capital assets	(871,912)
Loss on disposal of capital assets	(95,768)
The repayment of long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	
Bonds payable	1,715,000
Capital leases payable	116,461
The change in interest payable is reported as an expense on the statement of activities	2,713
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(60,249)
OPEB	(496,869)
Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized gain on refunding	23,466
The change in net pension liability is reported only on the statement of activities	
Illinois Municipal Retirement Fund	1,057,255
Police Pension	1,469,096
The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(1,216,259)
Police Pension	(1,378,608)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 2,027,112</u></u>

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

December 31, 2019

	Business-Type Activities		
	Water and Sewer	Commuter Parking Lot	Total
CURRENT ASSETS			
Cash and cash equivalents	\$ 338,895	\$ 191,572	\$ 530,467
Receivables			
Accounts - billed	47,374	-	47,374
Accounts - unbilled	343,984	-	343,984
Deposits	1,112	-	1,112
Prepaid items	14,660	-	14,660
Total current assets	746,025	191,572	937,597
CAPITAL ASSETS			
Nondepreciable	578,906	162,830	741,736
Depreciable (net of accumulated depreciation)	3,844,139	715	3,844,854
Net capital assets	4,423,045	163,545	4,586,590
NONCURRENT ASSETS			
Advances to other funds	-	594,317	594,317
Total assets	5,169,070	949,434	6,118,504
DEFERRED OUTFLOWS OF RESOURCES			
Pension items - IMRF	107,433	-	107,433
Total deferred outflows of resources	107,433	-	107,433
CURRENT LIABILITIES			
Accounts payable	562,434	132	562,566
Accrued payroll	15,963	-	15,963
Compensated absences	2,360	-	2,360
Total OPEB liability	4,652	-	4,652
Total current liabilities	585,409	132	585,541
LONG-TERM LIABILITIES			
Net pension liability - IMRF	134,494	-	134,494
Advances from other funds	594,317	-	594,317
Compensated absences	21,243	-	21,243
Total OPEB liability	202,532	-	202,532
Total long-term liabilities	952,586	-	952,586
Total liabilities	1,537,995	132	1,538,127
DEFERRED INFLOWS OF RESOURCES			
Pension items - IMRF	142,128	-	142,128
Total deferred inflows of resources	142,128	-	142,128
NET POSITION			
Net investment in capital assets	4,423,045	163,545	4,586,590
Unrestricted (deficit)	(826,665)	785,757	(40,908)
TOTAL NET POSITION	\$ 3,596,380	\$ 949,302	\$ 4,545,682

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS**STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUNDS**

For the Year Ended December 31, 2019

	Business-Type Activities		
	Water and Sewer	Commuter Parking Lot	Total
OPERATING REVENUES			
Charges for services	\$ 3,016,348	\$ 35,434	\$ 3,051,782
Total operating revenues	3,016,348	35,434	3,051,782
OPERATING EXPENSES			
Administration	682,083	-	682,083
Operations	1,355,554	2,254	1,357,808
Repairs and maintenance	384,091	10,292	394,383
Total operating expenses	2,421,728	12,546	2,434,274
OPERATING INCOME BEFORE DEPRECIATION	594,620	22,888	617,508
Depreciation	106,409	859	107,268
OPERATING INCOME	488,211	22,029	510,240
NON-OPERATING REVENUES (EXPENSES)			
Investment income	9,614	-	9,614
Total non-operating revenues (expenses)	9,614	-	9,614
CHANGE IN NET POSITION	497,825	22,029	519,854
NET POSITION, JANUARY 1	3,258,434	927,273	4,185,707
Prior period adjustment	(159,879)	-	(159,879)
NET POSITION, JANUARY 1 (RESTATED)	3,098,555	927,273	4,025,828
NET POSITION, DECEMBER 31	\$ 3,596,380	\$ 949,302	\$ 4,545,682

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

For the Year Ended December 31, 2019

	Business-Type Activities		
	Water and Sewer	Commuter Parking Lot	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 3,059,502	\$ 35,434	\$ 3,094,936
Payments to suppliers	(1,747,412)	(12,836)	(1,760,248)
Payments to employees	(248,940)	-	(248,940)
Net cash from operating activities	<u>1,063,150</u>	<u>22,598</u>	<u>1,085,748</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Payments on interfund receivable	<u>(54,244)</u>	<u>-</u>	<u>(54,244)</u>
Net cash from noncapital financing activities	<u>(54,244)</u>	<u>-</u>	<u>(54,244)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	<u>(770,140)</u>	<u>-</u>	<u>(770,140)</u>
Net cash from capital and related financing activities	<u>(770,140)</u>	<u>-</u>	<u>(770,140)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received	<u>9,614</u>	<u>-</u>	<u>9,614</u>
Net cash from investing activities	<u>9,614</u>	<u>-</u>	<u>9,614</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>248,380</u>	<u>22,598</u>	<u>270,978</u>
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>90,515</u>	<u>168,974</u>	<u>259,489</u>
CASH AND CASH EQUIVALENTS, DECEMBER 31	<u><u>\$ 338,895</u></u>	<u><u>\$ 191,572</u></u>	<u><u>\$ 530,467</u></u>

(This statement is continued on the following page.)

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)
PROPRIETARY FUNDS

For the Year Ended December 31, 2019

	Business-Type Activities		
	Water and Sewer	Commuter Parking Lot	Total
RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating income	\$ 488,211	\$ 22,029	\$ 510,240
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	106,409	859	107,268
(Increase) decrease in			
Receivables	43,154	-	43,154
Prepaid items	2,141	-	2,141
Deposits	(1,112)	-	(1,112)
Increase (decrease) in			
Accounts payable	(8,796)	(290)	(9,086)
Accrued payroll	29,747	-	29,747
Pension items	36,333	-	36,333
OPEB items	367,063	-	367,063
NET CASH FROM OPERATING ACTIVITIES	\$ 1,063,150	\$ 22,598	\$ 1,085,748

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

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

December 31, 2019

ASSETS

Cash and cash equivalents	\$ 437,762
Investments	
U.S. Treasury obligations	1,962,591
U.S. agencies securities	18,448
Mortgage pools	331,415
Mutual funds	3,648,980
Corporate bonds	2,145,471
CMO and asset backed securities	636,118
Life insurance annuities	1,574,051
Receivables	
Accrued interest	33,157
Due from Village	<u>775</u>
Total assets	<u>10,788,768</u>

LIABILITIES

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

**NET POSITION RESTRICTED
FOR PENSIONS**

\$ 10,788,768

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

ADDITIONS

Contributions

Contributions - employer	\$ 1,324,423
Contributions - employee	<u>201,000</u>

Total contributions	<u>1,525,423</u>
---------------------	------------------

Investment income

Net appreciation in fair value of investments	1,294,009
Interest earned on investments	<u>213,770</u>

Total investment income	1,507,779
-------------------------	-----------

Less investment expense	<u>(11,824)</u>
-------------------------	-----------------

Net investment income	<u>1,495,955</u>
-----------------------	------------------

Total additions	<u>3,021,378</u>
-----------------	------------------

DEDUCTIONS

Benefits	1,162,270
Administrative	<u>16,138</u>

Total deductions	<u>1,178,408</u>
------------------	------------------

NET INCREASE	1,842,970
--------------	-----------

**NET POSITION RESTRICTED
FOR PENSIONS**

January 1	<u>8,945,798</u>
-----------	------------------

December 31	<u><u>\$ 10,788,768</u></u>
-------------	-----------------------------

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

December 31, 2019

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a. Reporting Entity

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

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

Police Pension Trust Fund

The Village's financial statements include the Police Pension Employees Retirement System (PPERS) as a fiduciary component unit reported as a pension trust fund. The Village's sworn police employees participate in the PPERS. PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of the Village's contribution levels. Accordingly, the PPERS is fiscally dependent on the Village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Joint Ventures

Proviso-Leyden Joint 9-1-1 Authority

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

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

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

c. Fund Accounting

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

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

Governmental funds are used to account for all or most of the Village's general activities, including the accounting for revenue sources that are legally restricted or committed for specific purposes (special revenue funds), accounting for funds that are restricted, committed or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund (capital projects

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

funds) and accounting for the servicing of bonded general long-term debt using funds restricted, committed or assigned for debt service (debt service funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

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

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity.

d. Government-Wide and Fund Financial Statements

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary funds:

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

The Commuter Parking Lot Fund which accounts for the operating activities of the Village's parking lot activities. The Village has elected to report this fund as major.

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

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

- f. Cash and Investments

Cash and Cash Equivalents

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. The Village and pension fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund held investments measured at fair value at December 31, 2019 using Level 1 and 2 inputs.

h. Short-Term Interfund Receivables/Payables

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

i. Advances to Other Funds

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

j. Prepaid Items/Expenses

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

k. Land Held for Resale

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Capital Assets

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

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

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

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

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

m. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Long-Term Obligations

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

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

o. Fund Equity/Net Position

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

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities. None of the restricted fund balance result from enabling legislation adopted by the Village. Committed fund balance is constrained by formal actions of the Village's Board of Trustees, which is considered the Village's highest level of decision-making authority. Formal actions are ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Village's intent to use them for a specific purpose. The Board of Trustees has not designated any members of management for this purpose. Any residual fund balance in the General Fund and deficit fund balances are reported as unassigned.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Equity/Net Position (Continued)

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

The Village does not have a minimum fund balance policy.

p. Interfund Transactions

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

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

q. Accounting Estimates

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

r. Deferred Outflows/Inflows of Resources

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

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

2. DEPOSITS AND INVESTMENTS

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

a. Village

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

Permitted Deposits and Investments - The Village's investment policy authorizes the Village to make deposits/invest in accordance with Illinois Compiled Statutes (ILCS); including investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services and The Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). The Illinois Public Treasurers' Investment Pool, known as The Illinois Funds, operates as a qualified external investment pool in accordance with the criteria established in GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, and thus, reports all investments at amortized cost rather than fair value. The investment in The Illinois Funds by participants is also reported at amortized cost. The Illinois Funds does not have any limitations or restrictions on participant withdrawals. The Illinois Treasurer's Office issues a separate financial report for The Illinois Funds which may be obtained by contacting the Administrative Office at Illinois Business Center, 400 West Monroe Street, Suite 401, Springfield, Illinois 62704.

b. Village Deposits with Financial Institutions

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

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

2. DEPOSITS AND INVESTMENTS (Continued)

b. Village Deposits with Financial Institutions (Continued)

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

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

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

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

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

3. RECEIVABLES - TAXES

Property taxes for 2018 attach as an enforceable lien on January 1, 2018. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

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

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

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2019 was as follows:

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 3,144,755	\$ 234,468	\$ 201,650	\$ 3,177,573
Construction in progress	241,433	906,502	241,433	906,502
Total capital assets not being depreciated	3,386,188	1,140,970	443,083	4,084,075
Capital assets being depreciated				
Land improvements	722,832	211,466	-	934,298
Infrastructure	9,611,307	-	-	9,611,307
Buildings	7,758,787	216,796	-	7,975,583
Machinery and equipment	3,885,890	582,596	486,610	3,981,876
Software	94,615	-	-	94,615
Total capital assets being depreciated	22,073,431	1,010,858	486,610	22,597,679
Less accumulated depreciation for				
Land improvements	232,777	34,928	-	267,705
Infrastructure	3,922,492	480,567	-	4,403,059
Buildings	2,339,346	154,641	-	2,493,987
Machinery and equipment	2,929,039	182,853	390,842	2,721,050
Software	31,538	18,923	-	50,461
Total accumulated depreciation	9,455,192	871,912	390,842	9,936,262
Total capital assets being depreciated, net	12,618,239	138,946	95,768	12,661,417
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 16,004,427	\$ 1,279,916	\$ 538,851	\$ 16,745,492
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 255,501	\$ -	\$ -	\$ 255,501
Construction in progress	146,324	486,235	146,324	486,235
Total capital assets not being depreciated	401,825	486,235	146,324	741,736
Capital assets being depreciated				
Land improvements	189,049	-	-	189,049
Infrastructure	4,086,902	-	-	4,086,902
Buildings	353,110	-	-	353,110
Machinery and equipment	304,607	449,544	-	754,151
Total capital assets being depreciated	4,933,668	449,544	-	5,383,212

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

4. CAPITAL ASSETS (Continued)

	Beginning Balances, Restated	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Land improvements	\$ 189,049	\$ -	\$ -	\$ 189,049
Infrastructure	641,479	81,738	-	723,217
Buildings	353,110	-	-	353,110
Machinery and equipment	247,452	25,530	-	272,982
Total accumulated depreciation	1,431,090	107,268	-	1,538,358
Total capital assets being depreciated, net	3,502,578	342,276	-	3,844,854
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	\$ 3,904,403	\$ 828,511	\$ 146,324	\$ 4,586,590

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

GOVERNMENTAL ACTIVITIES

General government	\$ 81,818
Public safety	143,023
Public works	635,573
Culture and recreation	11,498

DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 871,912

5. RISK MANAGEMENT

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

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

5. RISK MANAGEMENT (Continued)

Health Insurance

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

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

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

	Balances January 1, restated	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES					
General obligation bonds	\$ 14,050,000	\$ -	\$ 1,715,000	\$ 12,335,000	\$ 970,000
Unamortized bond premium	107,149	-	9,440	97,709	-
Unamortized bond discount	(52,501)	4,127	-	(48,374)	-
Net pension liability - Police Pension	17,263,709	-	1,469,096	15,794,613	-
Net pension liability - IMRF	1,640,950	-	1,057,255	583,695	-
Notes payable	317,383	-	116,461	200,922	93,857
Compensated absences	256,585	63,621	3,372	316,834	31,683
Total OPEB liability	1,679,304	496,869	-	2,176,173	48,858
TOTAL GOVERNMENTAL ACTIVITIES	\$ 35,262,579	\$ 564,617	\$ 4,370,624	\$ 31,456,572	\$ 1,144,398

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

	Balances January 1, restated	Additions	Reductions	Balances December 31	Current Portion
BUSINESS-TYPE ACTIVITIES					
Net pension liability - IMRF	\$ 376,078	\$ -	\$ 241,584	\$ 134,494	\$ -
Compensated absences	-	23,603	-	23,603	2,360
Total OPEB liability	159,879	47,305	-	207,184	4,652
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 535,957	\$ 70,908	\$ 241,584	\$ 365,281	\$ 7,012

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

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

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

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

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 93,857	\$ 6,348	\$ 100,205
2021	55,087	3,055	58,142
2022	33,655	1,202	34,857
2023	18,323	36	18,359
TOTAL	\$ 200,922	\$ 10,641	\$ 211,563

b. General Obligation Bonds

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

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

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES						
\$5,640,000 General Obligation Alternative Revenue Source TIF Bonds, Series 2009, dated May 14, 2009, due in annual installments of \$380,000 to \$770,000 through December 15, 2019, interest at 1.25% to 3.80% payable each June 15 and December 15	TIF Fund	\$ 770,000	\$ -	\$ 770,000	\$ -	\$ -

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

6. LONG-TERM DEBT (Continued)

b. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
GOVERNMENTAL ACTIVITIES (Continued)						
\$5,365,000 General Obligation Bonds, Series 2012A, dated November 1, 2012, due in annual installments of \$160,000 to \$395,000 through December 15, 2032, interest at 1.40% to 3.70% payable each June 15 and December 15	General Fund	\$ 4,470,000	\$ -	\$ 255,000	\$ 4,215,000	\$ 265,000
\$3,255,000 Taxable General Obligation Bonds, Series 2017A, dated June 29, 2017, due in annual installments of \$120,000 to \$250,000 through December 15, 2036, interest at 2.40% to 5.15% payable each June 15 and December 15	General Fund	3,135,000	-	125,000	3,010,000	125,000
\$6,470,000 General Obligation Refunding Bonds, Series 2017B, dated June 29, 2017, due in annual installments of \$240,000 to \$670,000 through December 15, 2028, interest at 2% to 4% payable each June 15 and December 15	Bond and Interest Fund	5,675,000	-	565,000	5,110,000	580,000
TOTAL GOVERNMENTAL ACTIVITIES		\$ 14,050,000	\$ -	\$ 1,715,000	\$ 12,335,000	\$ 970,000

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

6. LONG-TERM DEBT (Continued)

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 970,000	\$ 465,600	\$ 1,435,600
2021	995,000	437,825	1,432,825
2022	1,040,000	407,650	1,447,650
2023	1,020,000	375,910	1,395,910
2024	1,060,000	338,770	1,398,770
2025	1,095,000	299,660	1,394,660
2026	1,150,000	252,760	1,402,760
2027	885,000	209,128	1,094,128
2028	920,000	175,577	1,095,577
2029	535,000	139,232	674,232
2030	555,000	118,252	673,252
2031	580,000	95,775	675,775
2032	600,000	72,262	672,262
2033	215,000	47,895	262,895
2034	225,000	36,822	261,822
2035	240,000	25,235	265,235
2036	250,000	12,875	262,875
TOTAL	\$ 12,335,000	\$ 3,511,228	\$ 15,846,228

d. Pledged Revenues

The Village issued the General Obligation Alternate Revenue Source Bond Series of 2009 to refund the General Obligation Series 1999 Bonds. These bonds are payable from a pledge of the Village's Incremental Property Taxes arising from the tax levies upon taxable real property in the Belmont Thatcher Redevelopment Project Area of the Village by any and all taxing districts or municipal corporations having the power to tax real property in the Belmont Thatcher TIF District. During the current fiscal year, the principal and interest on the bonds was approximately 101.5% of the pledged revenues.

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

7. INTERFUND ASSETS/LIABILITIES

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2019 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental General	\$ -	\$ 938,362
Total Major Governmental	-	938,362
Nonmajor Governmental Bond and Interest	938,362	-
Total Nonmajor Governmental	938,362	-
TOTAL	\$ 938,362	\$ 938,362

The purpose of significant transfers is as follows:

- \$938,362 transfer of pledged revenues from the General Fund to the Bond and Interest Fund for GO bond debt service. These amounts will not be repaid.

b. Due From/To Other Funds

Due from/to other funds at December 31, 2019 consisted of the following:

Fund	Due From	Due To
Major Governmental General Corporate Motor Fuel Tax	\$ 150,858 -	\$ - 150,858
Total Major Governmental	150,858	150,858
TOTAL	\$ 150,858	\$ 150,858

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

7. INTERFUND ASSETS/LIABILITIES (Continued)

b. Due From/To Other Funds (Continued)

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

c. Interfund Advances

Interfund advances at December 31, 2019 consisted of the following:

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

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

8. CONTINGENT LIABILITIES

a. Litigation

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

8. CONTINGENT LIABILITIES (Continued)

b. Grants

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

9. EMPLOYEE RETIREMENT SYSTEMS

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

a. Plan Descriptions

Illinois Municipal Retirement Fund

Plan Administration

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

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2019, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	41
Inactive employees entitled to but not yet receiving benefits	24
Active employees	<u>82</u>
 TOTAL	 <u><u>147</u></u>

Benefits Provided

IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011 are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual covered salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended December 31, 2019 was 10.59% of covered payroll.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Village's net pension liability was measured as of December 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Salary increases	3.35% to 14.25%
Interest rate	7.25%
Cost of living adjustments	3.00%
Asset valuation method	Market value

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

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

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 12,377,096	\$ 10,360,068	\$ 2,017,028
Changes for the period			
Service cost	225,763	-	225,763
Interest	880,376	-	880,376
Difference between expected and actual experience	(106,369)	-	(106,369)
Changes in assumptions	-	-	-
Employer contributions	-	245,957	(245,957)
Employee contributions	-	104,540	(104,540)
Net investment income	-	1,910,325	(1,910,325)
Benefit payments and refunds	(693,728)	(693,728)	-
Administrative expense	-	-	-
Other (net transfer)	-	37,787	(37,787)
Net changes	306,042	1,604,881	(1,298,839)
BALANCES AT DECEMBER 31, 2019	\$ 12,683,138	\$ 11,964,949	\$ 718,189

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2019, the Village recognized pension expense of \$442,939. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 380,497	\$ 97,645
Changes in assumption	194,583	200,531
Net difference between projected and actual earnings on pension plan investments	-	465,761
TOTAL	<u><u>\$ 575,080</u></u>	<u><u>\$ 763,937</u></u>

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

Year Ending
December 31,

2020	\$ (45,675)
2021	(51,340)
2022	130,433
2023	(208,416)
2024	(13,859)
Thereafter	-
TOTAL	<u><u>\$ (188,857)</u></u>

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

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

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability (asset)	\$ 2,237,381	\$ 718,189	\$ (542,113)

Police Pension Plan

Plan Administration

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

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Plan Membership

At December 31, 2019, the Police Pension Plan's membership consisted of:

Inactive plan members currently receiving benefits	17
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	24
Nonvested	2
	<hr/>
TOTAL	<hr/> <hr/> 43

Benefits Provided

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Benefits Provided (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$108,006 for 2017, plus the amount automatically increases by the lesser of ½ of the annual change in the Consumer Price Index or 3% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the May 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% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. It is the Village's policy to fund the Police Pension Plan to achieve 100% funding by the same date. The employer contribution for the fiscal year ended December 31, 2019 was 64.90% of covered payroll.

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Policy

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2019 are listed in the table on the next page.

Investment Policy (Continued)

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

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

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Investment Valuations

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

The Fund has the following recurring fair value measurements as of December 1, 2019: U.S. Treasury notes and mutual funds are valued using quoted prices in active markets for identical assets (Level 1 inputs). The U.S. agency obligations, the corporate bonds, CMO and asset backed securities and negotiable certificates of deposit are valued using quoted matrix pricing models (Level 2 inputs). The Insurance Contracts used Level 3 inputs.

Investment Concentrations

Concentration of credit risk is the risk that the Fund has a high percentage of its investments invested in one type of investment. The Fund's investment policy limits the amount of the portfolio that can be invested in any one investment vehicle. The investment policy does not include any limitations on how much U.S. Treasury or U.S. agency securities can be held in the portfolio.

Investment Rate of Return

For the year ended December 31, 2019, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 16.43%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Deposits with Financial Institutions

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

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Interest Rate Risk

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2019:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 1,962,591	\$ 45,302	\$ 474,338	\$ 1,442,951	\$ -
Corporate bonds	2,145,471	324,459	779,546	1,041,466	-
U.S. agency obligations	18,448	-	1,701	7,949	8,798
Mortgage pools	331,415	-	-	-	331,415
CMO and asset backed	636,118	-	588,910	45,939	1,269
TOTAL	\$ 5,094,043	\$ 369,761	\$ 1,844,495	\$ 2,538,305	\$ 341,482

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

Credit Risk

The Fund's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of ILCS, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the United States Government or any agency or instrumentally thereof, or to corporate 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. Corporate bonds are rated A- to BBB-, and CMO and asset backed securities range in rating from AAA to BBB- as of December 31, 2019.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Custodial Credit Risk

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

Actuarial Assumptions

The total pension liability above was determined by an actuarial valuation performed as of December 31, 2019 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2019
Actuarial cost method	Entry-age normal level dollar
Assumptions	
Inflation	2.50%
Salary increases	3.50% to 11.00%
Interest rate	6.50%
Cost of living adjustments	3.00%
Asset valuation method	Market

Mortality rates were based on the RP-2014 Mortality Table with blue collar adjustment, projected generationally from 2013 using improvement scale MP-2019. An experience study was performed October 5, 2017.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan members contributions will be made at the current contribution rate and that sponsor contributions will be made at rates equal to the difference between actuarially determined contribution related and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Village calculated using the discount rate of 6.50% as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Net pension liability	\$ 19,848,589	\$ 15,794,613	\$ 12,525,127

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2019	\$ 26,209,507	\$ 8,945,798	\$ 17,263,709
Changes for the period			
Service cost	430,131	-	430,131
Interest	1,693,803	-	1,693,803
Changes of benefit terms	2,553	-	2,553
Difference between expected and actual experience	(505,456)	-	(505,456)
Changes in assumptions	(84,887)	-	(84,887)
Employer contributions	-	1,324,423	(1,324,423)
Employee contributions	-	201,000	(201,000)
Net investment income	-	1,495,955	(1,495,955)
Benefit payments and refunds	(1,162,270)	(1,162,270)	-
Administrative expense	-	(16,138)	16,138
Other (net transfer)	-	-	-
Net changes	373,874	1,842,970	(1,469,096)
BALANCES AT DECEMBER 31, 2019	\$ 26,583,381	\$ 10,788,768	\$ 15,794,613

There were assumptions changes related to the mortality rate in 2019.

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

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2019, the Village recognized pension expense of \$1,233,935. At December 31, 2019, the Village reported deferred outflows of resources and deferred inflows of resources related to the Police Pension Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 1,445,150
Changes in assumption	4,597,435	3,926,752
Net difference between projected and actual earnings on pension plan investments	-	430,401
TOTAL	\$ 4,597,435	\$ 5,802,303

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

<u>Year Ending December 31,</u>	
2020	\$ (211,365)
2021	(208,523)
2022	(407,561)
2023	(279,031)
2024	(98,388)
Thereafter	-
TOTAL	\$ (1,204,868)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters

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

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

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

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

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

b. Benefits Provided

The Village provides postretirement health insurance to its eligible employees until the age of 65 (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under IMRF or meet COBRA requirements. The liability is based on an implicit subsidy; the Village had no explicit subsidies. For certain disabled employees who qualify for health insurance benefits under the Public Safety Employee Benefits Act (PSEBA), the Village is required to pay 100% of the cost of basic health insurance for the employee and their dependents for their lifetime.

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At December 31, 2019, membership consisted of:

Inactive fund members or beneficiaries currently receiving benefit payments	1
Inactive fund members entitled to but not yet receiving benefit payments	-
Active fund members	<u>52</u>
 TOTAL	 <u>53</u>
 Participating employers	 <u>1</u>

d. Total OPEB Liability

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

The total OPEB liability at December 31, 2019, as determined by an actuarial valuation as of the January 1, 2019 using the alternative measurement method, was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified. The total OPEB liability was rolled forward by the actuary using updating procedures to December 31, 2019, including updating the discount rate at December 31, 2019.

Actuarial valuation date	January 1, 2019
Measurement date	December 31, 2019
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Discount rate	3.26%
Healthcare cost trend rates	8.00% Initial 4.50% Ultimate
Asset valuation method	N/A

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

d. Total OPEB Liability (Continued)

Mortality rates were based on the SOA Pub-2010 Total Dataset Mortality Table fully generational using Scale MP-2019.

e. Discount Rate

The discount rate used to measure the total OPEB liability was 3.26%. The discount rate was based on the S&P Municipal Bond 20-year high-grade rate index rate for tax exempt general obligation municipal bonds rated AA or better at December 31, 2019.

f. Changes in the Total OPEB Liability

	(a) Total OPEB Liability
	<u> </u>
BALANCES AT JANUARY 1, 2019	<u>\$ 1,839,183</u>
Changes for the period	
Service cost	126,882
Interest	79,717
Changes of benefit terms	-
Difference between expected and actual experience	280,916
Changes in assumptions	110,170
Net investment income	-
Benefit payments and refunds	(53,510)
Administrative expense	<u>-</u>
Net changes	<u>544,175</u>
BALANCES AT DECEMBER 31, 2019	<u><u>\$ 2,383,358</u></u>

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

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

g. Rate Sensitivity

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 3.26% as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.26%) or 1 percentage point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Current Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB liability	\$ 2,548,513	\$ 2,383,358	\$ 2,221,620

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 8.00% decreasing to 4.50% as well as what the Village's total OPEB liability would be if it were calculated using a healthcare rate that is 1 percentage point lower (7.00% decreasing to 3.50%) or 1 percentage point higher (9.00% decreasing to 5.50%) than the current rate:

	1% Decrease (7.00% to 3.50%)	Current Healthcare Rate (8.00% to 4.50%)	1% Increase (9.00% to 5.50%)
Total OPEB liability	\$ 2,106,671	\$ 2,383,358	\$ 2,703,627

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

For the year ended December 31, 2019, the Village recognized OPEB expense of \$544,174.

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

11. PRIOR PERIOD ADJUSTMENT

The Village has restated beginning fund balances and net position for the enterprise funds, governmental activities and business-type activities as follows:

	Governmental Activities	Water and Sewer Fund	Business-Type Activities
NET POSITION (DEFICIT), JANUARY 1, 2019	\$ (8,043,854)	\$ 3,258,434	\$ 4,185,707
Allocate OPEB liability to enterprise	159,879	(159,879)	(159,879)
Record compensated absences	(256,585)	-	-
Correct capital asset balances	(306,131)	-	-
Prior period adjustment	(402,837)	(159,879)	(159,879)
NET POSITON, JANUARY 1, 2019 (RESTATED)	\$ (8,446,691)	\$ 3,098,555	\$ 4,025,828

12. SUBSEQUENT EVENTS

Police Pension Plans

Beginning around March 2020, the Covid-19 virus has been declared a global pandemic as it continues to spread rapidly. As a result, equity investments of the Police Pension Plan has experienced significant declines in quoted prices on active markets. Management of the Police Pension Plan is carefully monitoring the situation and evaluating options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF RIVER GROVE, ILLINOIS**SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 4,790,949	\$ 4,660,949	\$ 5,902,680
Other taxes	3,827,100	3,827,100	3,709,907
Licenses, permits and fees	611,580	611,580	676,300
Fines and forfeitures	486,500	486,500	538,543
Charges for services	1,391,300	1,391,300	1,342,276
Intergovernmental	116,000	126,000	560,131
Investment income	40,000	40,000	97,723
Miscellaneous	104,400	104,400	414,242
Total revenues	11,367,829	11,247,829	13,241,802
EXPENDITURES			
Current			
Administration	890,456	890,456	1,078,645
Public health	19,215	19,215	21,844
Senior PACE bus service	34,275	34,275	3,478
Building/planning	366,270	366,270	317,136
General services	929,043	939,043	960,867
Police department	3,581,880	3,596,880	5,005,457
Fire protection	1,563,485	1,563,485	1,449,685
Public works	2,420,422	2,420,422	2,063,812
Culture and recreation	198,762	198,762	209,559
Debt service			
Principal	97,173	97,173	116,461
Interest and other charges	8,454	8,454	9,520
Capital outlay	1,048,500	1,284,970	1,061,370
Total expenditures	11,157,935	11,419,405	12,297,834
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	209,894	(171,576)	943,968
OTHER FINANCING SOURCES (USES)			
Transfers (out)	-	-	(938,362)
Total other financing sources (uses)	-	-	(938,362)
NET CHANGE IN FUND BALANCE	\$ 209,894	\$ (171,576)	5,606
FUND BALANCE, JANUARY 1			4,820,757
FUND BALANCE, DECEMBER 31			\$ 4,826,363

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Intergovernmental	\$ 270,000	\$ 335,506
Investment income	20,000	25,250
Total revenues	290,000	360,756
EXPENDITURES		
Public works		
Maintenance	284,269	255,973
Capital outlay	708,000	524,508
Total expenditures	992,269	780,481
NET CHANGE IN FUND BALANCE	\$ (702,269)	(419,725)
FUND BALANCE, JANUARY 1		2,829,155
FUND BALANCE, DECEMBER 31		\$ 2,409,430

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

Last Three Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2017	2018	2019
TOTAL OPEB LIABILITY			
Service cost	\$ 86,516	\$ 143,376	\$ 126,882
Interest	47,362	71,930	79,717
Changes in benefit terms	-	-	-
Changes of assumptions	53,549	(91,717)	110,170
Differences between expected and actual experience	-	(216,822)	280,916
Benefit payments, including refunds of member contributions	(19,526)	(30,143)	(53,510)
Net change in total OPEB liability	167,901	(123,376)	544,175
Total OPEB liability - beginning	1,794,658	1,962,559	1,839,183
TOTAL OPEB LIABILITY - ENDING	\$ 1,962,559	\$ 1,839,183	\$ 2,383,358
EMPLOYER'S NET OPEB LIABILITY	\$ 1,962,559	\$ 1,839,183	\$ 2,383,358
Covered payroll	\$ 2,737,263	\$ 2,833,067	\$ 2,383,358

There were changes in assumptions related to the discount rate, mortality rates, termination rates, payroll growth rates and healthcare trend rates in 2019.

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

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

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

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

Last Five Fiscal Years

FISCAL YEAR ENDED	April 30, 2016	April 30, 2017	December 31, 2017*	December 31, 2018	December 31, 2019
Actuarially determined contribution	\$ 206,842	\$ 197,439	\$ 126,523	\$ 251,716	\$ 245,956
Contributions in relation to the actuarially determined contribution	206,842	197,439	126,523	251,716	245,956
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 2,029,750	\$ 1,845,603	\$ 1,136,775	\$ 2,016,953	\$ 2,322,535
Contributions as a percentage of covered payroll	10.19%	10.70%	11.13%	12.48%	10.59%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior calendar year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percentage of pay, closed and the amortization period was 24 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.50% annually, projected salary increases assumption of 3.35% to 14.25%, compounded annually and postretirement benefit increases of 3.00% compounded annually.

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

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

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

Last Five Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016	2017	2018	2019
TOTAL PENSION LIABILITY					
Service cost	\$ 246,163	\$ 235,145	\$ 190,195	\$ 177,272	\$ 225,763
Interest	741,310	772,237	821,546	840,567	880,376
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(55,453)	235,078	283,026	254,037	(106,369)
Changes of assumptions	11,970	(24,568)	(405,145)	304,739	-
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)	(636,877)	(693,728)
Net change in total pension liability	429,162	709,143	267,387	939,738	306,042
Total pension liability - beginning	10,031,666	10,460,828	11,169,971	11,437,358	12,377,096
TOTAL PENSION LIABILITY - ENDING	\$ 10,460,828	\$ 11,169,971	\$ 11,437,358	\$ 12,377,096	\$ 12,683,138
PLAN FIDUCIARY NET POSITION					
Contributions - employer	\$ 238,585	\$ 207,077	\$ 192,212	\$ 251,715	\$ 245,957
Contributions - member	111,555	95,482	80,355	106,799	104,540
Net investment income	46,800	631,894	1,707,327	(595,166)	1,910,325
Benefit payments, including refunds of member contributions	(514,828)	(508,749)	(622,235)	(636,877)	(693,728)
Administrative expense	(51,740)	154,714	(135,980)	158,870	37,787
Net change in plan fiduciary net position	(169,628)	580,418	1,221,679	(714,659)	1,604,881
Plan fiduciary net position - beginning	9,442,258	9,272,630	9,853,048	11,074,727	10,360,068
PLAN FIDUCIARY NET POSITION - ENDING	\$ 9,272,630	\$ 9,853,048	\$ 11,074,727	\$ 10,360,068	\$ 11,964,949
EMPLOYER'S NET PENSION LIABILITY	\$ 1,188,198	\$ 1,316,923	\$ 362,631	\$ 2,017,028	\$ 718,189
Plan fiduciary net position as a percentage of total pension liability	88.64%	88.21%	96.83%	83.70%	94.34%
Covered payroll	\$ 2,020,477	\$ 1,845,603	\$ 1,726,980	\$ 2,016,953	\$ 2,322,535
Employer's net pension liability as a percentage of covered payroll	58.81%	71.35%	21.00%	100.00%	30.92%

There were changes in assumptions related to projected salary increases in 2019.

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

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

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

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

Last Ten Fiscal Years

FISCAL YEAR ENDED	April 30, 2011	April 30, 2012	April 30, 2013	April 30, 2014	April 30, 2015	April 30, 2016	April 30, 2017	December 31, 2017*	December 31, 2018	December 31, 2019
Actuarially determined contribution	\$ 750,965	\$ 882,213	\$ 766,067	\$ 855,937	\$ 865,761	\$ 1,274,642	\$ 1,563,857	\$ 931,549	\$ 1,326,114	\$ 1,367,707
Contribution in relation to the actuarially determined contribution	361,768	337,922	582,045	825,636	688,527	1,115,353	993,210	491,945	1,102,068	1,324,423
CONTRIBUTION DEFICIENCY (Excess)	\$ 389,197	\$ 544,291	\$ 184,022	\$ 30,301	\$ 177,234	\$ 159,289	\$ 570,647	\$ 439,604	\$ 224,046	\$ 43,284
Covered payroll	\$ 1,900,927	\$ 1,900,927	\$ 1,798,749	\$ 1,798,749	\$ 1,872,614	\$ 1,995,949	\$ 1,876,066	\$ 1,709,345	\$ 1,702,175	\$ 1,950,607
Contributions as a percentage of covered payroll	19.03%	17.78%	32.36%	45.90%	36.77%	55.88%	52.94%	28.78%	64.74%	67.90%

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

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

The information presented was determined as part of the actuarial valuations as of December 31, 2019. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 22 years; the asset valuation method was market; and the significant actuarial assumptions were an investment rate of return at 6.50% (7.00% prior to 2016) annually, projected salary increases assumption of 3.50% to 11.00%, varying by service, including inflation, compounded annually and postretirement benefit increases of 3.00% compounded annually (1.25% for those hired on or after January 1, 2011).

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

Last Six Fiscal Years

MEASUREMENT DATE	April 30, 2015	April 30, 2016	April 30, 2017	December 31, 2017*	December 31, 2018	December 31, 2019
TOTAL PENSION LIABILITY						
Service cost	\$ 427,935	\$ 456,111	\$ 486,898	\$ 358,991	\$ 437,908	\$ 430,131
Interest	1,325,272	1,374,078	1,502,175	1,074,581	1,555,392	1,693,803
Changes of benefit terms	-	-	-	-	-	2,553
Differences between expected and actual experience	565,183	71,109	(2,238,666)	(114,313)	(367,596)	(505,456)
Changes of assumptions	-	-	3,864,244	6,618,712	(6,426,689)	(84,887)
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)	(1,111,110)	(1,162,270)
Net change in total pension liability	1,308,019	812,855	2,545,221	7,274,117	(5,912,095)	373,874
Total pension liability - beginning	20,181,390	21,489,409	22,302,264	24,847,485	32,121,602	26,209,507
TOTAL PENSION LIABILITY - ENDING	\$ 21,489,409	\$ 22,302,264	\$ 24,847,485	\$ 32,121,602	\$ 26,209,507	\$ 26,583,381
PLAN FIDUCIARY NET POSITION						
Contributions - employer	\$ 688,567	\$ 1,115,353	\$ 993,210	\$ 491,945	\$ 1,102,068	\$ 1,324,423
Contributions - member	186,676	190,944	208,521	147,701	177,578	201,000
Contributions - other	-	-	-	-	-	-
Net investment income	415,535	70,407	541,180	733,095	(286,360)	1,495,955
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)	(1,111,110)	(1,162,270)
Administrative expense	(26,575)	(35,019)	(46,185)	(21,214)	(15,289)	(16,138)
Net change in plan fiduciary net position	253,832	253,242	627,296	687,673	(133,113)	1,842,970
Plan fiduciary net position - beginning	7,256,868	7,510,700	7,763,942	8,391,238	9,078,911	8,945,798
PLAN FIDUCIARY NET POSITION - ENDING	\$ 7,510,700	\$ 7,763,942	\$ 8,391,238	\$ 9,078,911	\$ 8,945,798	\$ 10,788,768
EMPLOYER'S NET PENSION LIABILITY	\$ 13,978,709	\$ 14,538,322	\$ 16,456,247	\$ 23,042,691	\$ 17,263,709	\$ 15,794,613
Plan fiduciary net position as a percentage of the total pension liability	34.95%	34.81%	33.77%	28.26%	34.13%	40.58%
Covered payroll	\$ 1,872,614	\$ 1,995,949	\$ 1,879,066	\$ 1,709,345	\$ 1,702,175	\$ 1,950,607
Employer's net pension liability as a percentage of covered payroll	746.48%	728.39%	875.77%	1,348.04%	1,014.21%	809.73%

There were assumptions changes related to the discount rate and mortality rate in 2019 and 2018.

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

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

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

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

**SCHEDULE OF INVESTMENT RETURNS
POLICE PENSION FUND**

Last Six Fiscal Years

FISCAL YEAR ENDED	April 30, 2015	April 30, 2016	April 30, 2017	December 31, 2017*	December 31, 2018	December 31, 2019
Annual money-weighted rate of return, net of investment expense	(1.35%)	6.75%	7.00%	8.62%	(3.10%)	16.43%

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

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

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2019

BUDGETS

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

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

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

The following funds had expenditures greater than the budget for the year ended December 31, 2019:

Fund	Actual Expenditures	Budget
General Fund	\$ 12,297,834	\$ 11,419,405
Capital Improvement Fund	728,866	724,850
Bond and Interest Fund	1,443,913	1,435,063
Police Pension Fund	1,178,408	1,084,400

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

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF RIVER GROVE, ILLINOIS**SCHEDULE OF REVENUES - BUDGET AND ACTUAL
GENERAL FUND**

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
PROPERTY TAXES			
Property tax	\$ 4,660,949	\$ 4,530,949	\$ 5,779,121
Road and bridge	130,000	130,000	123,559
Total property taxes	4,790,949	4,660,949	5,902,680
OTHER TAXES			
State income	995,000	995,000	1,088,552
Sales	1,230,000	1,230,000	1,104,434
Home rule sales	740,000	740,000	729,964
Utility	445,000	445,000	323,751
Other taxes	417,100	417,100	463,206
Total other taxes	3,827,100	3,827,100	3,709,907
LICENSES AND PERMITS			
Vehicle licenses	160,000	160,000	165,589
Business licenses	140,000	140,000	146,615
Building permit fees	140,000	140,000	184,389
Street opening	-	-	2,500
Franchise fees	121,500	121,500	116,567
Miscellaneous licenses and fees	50,080	50,080	60,640
Total licenses and permits	611,580	611,580	676,300
FINES AND FORFEITURES			
Court fines	42,000	42,000	37,323
Compounded penalties	-	-	18,233
Ticket fines	180,500	180,500	246,618
Miscellaneous fines and forfeitures	264,000	264,000	236,369
Total fines and forfeitures	486,500	486,500	538,543
CHARGES FOR SERVICES	1,391,300	1,391,300	1,342,276
INTERGOVERNMENTAL			
Grants	80,000	90,000	131,846
Other intergovernmental	36,000	36,000	428,285
Total intergovernmental	116,000	126,000	560,131
INVESTMENT INCOME	40,000	40,000	97,723
MISCELLANEOUS			
Miscellaneous income	104,400	104,400	414,242
TOTAL REVENUES	<u>\$ 11,367,829</u>	<u>\$ 11,247,829</u>	<u>\$ 13,241,802</u>

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
<hr/>			
Administration services			
Current			
General government			
Administration	\$ 890,456	\$ 890,456	\$ 1,078,645
Public health	19,215	19,215	21,844
Senior PACE bus service	34,275	34,275	3,478
Building/planning	366,270	366,270	317,136
General services	929,043	939,043	960,867
Public safety			
Police	3,581,880	3,596,880	5,005,457
Fire protection	1,563,485	1,563,485	1,449,685
Public works	2,420,422	2,420,422	2,063,812
Culture and recreation	198,762	198,762	209,559
Debt service			
Principal	97,173	97,173	116,461
Interest and other charges	8,454	8,454	9,520
Capital outlay	1,048,500	1,284,970	1,061,370
	<hr/>		
TOTAL EXPENDITURES	\$ 11,157,935	\$ 11,419,405	\$ 12,297,834
	<hr/>		

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUND

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

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

CAPITAL PROJECTS FUND

The Capital Improvements Fund is a capital project fund used to account for the Village's capital projects financed by sales tax, grants and transfers.

DEBT SERVICE FUND

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

VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2019

	Special Revenue		Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Belmont Thatcher TIF	Grand Thatcher TIF	Capital Improvement	Bond and Interest	
ASSETS					
Cash and cash equivalents	\$ 545,739	\$ 277,646	\$ 1,016,902	\$ 1,021,504	\$ 2,861,791
Receivables (net, where applicable, of allowances for uncollectibles)					
Sales taxes	-	-	195,727	-	195,727
TOTAL ASSETS	\$ 545,739	\$ 277,646	\$ 1,212,629	\$ 1,021,504	\$ 3,057,518
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 384,911	\$ 75,093	\$ -	\$ -	\$ 460,004
Total liabilities	384,911	75,093	-	-	460,004
DEFERRED INFLOWS OF RESOURCES					
None	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Total liabilities and deferred inflows of resources	384,911	75,093	-	-	460,004
FUND BALANCES					
Restricted for TIF development	160,828	202,553	-	-	363,381
Restricted for capital improvements	-	-	1,212,629	-	1,212,629
Assigned for debt service	-	-	-	1,021,504	1,021,504
Total fund balances	160,828	202,553	1,212,629	1,021,504	2,597,514
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 545,739	\$ 277,646	\$ 1,212,629	\$ 1,021,504	\$ 3,057,518

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Special Revenue		Capital Projects	Debt Service	Total Nonmajor Governmental Funds
	Belmont Thatcher TIF	Grand Thatcher TIF	Capital Improvement	Bond and Interest	
REVENUES					
Taxes	\$ 787,689	\$ 308,579	\$ 729,797	\$ 744,568	\$ 2,570,633
Investment income	15,742	837	2,089	19,931	38,599
Total revenues	803,431	309,416	731,886	764,499	2,609,232
EXPENDITURES					
Current					
General government	16,683	434,497	3,020	2,600	456,800
Public works	382,061	-	-	-	382,061
Debt service					
Principal	770,000	-	-	945,000	1,715,000
Interest and other charges	29,260	-	-	496,313	525,573
Total expenditures	1,198,004	434,497	3,020	1,443,913	3,079,434
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(394,573)	(125,081)	728,866	(679,414)	(470,202)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	938,362	938,362
Total other financing sources (uses)	-	-	-	938,362	938,362
NET CHANGE IN FUND BALANCES	(394,573)	(125,081)	728,866	258,948	468,160
FUND BALANCES, JANUARY 1	555,401	327,634	483,763	762,556	2,129,354
FUND BALANCES, DECEMBER 31	\$ 160,828	\$ 202,553	\$ 1,212,629	\$ 1,021,504	\$ 2,597,514

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Property	\$ 800,000	\$ 800,000	\$ 787,689
Investment income	16,000	16,000	15,742
Total revenues	816,000	816,000	803,431
EXPENDITURES			
General government			
Administration	12,200	12,200	16,683
Public works			
Maintenance	-	390,000	382,061
Capital outlay	540,000	150,000	-
Debt service			
Principal retirement	770,000	770,000	770,000
Interest and fiscal charges	29,260	29,260	29,260
Total expenditures	1,351,460	1,351,460	1,198,004
NET CHANGE IN FUND BALANCE	<u>\$ (535,460)</u>	<u>\$ (535,460)</u>	(394,573)
FUND BALANCE, JANUARY 1			<u>555,401</u>
FUND BALANCE, DECEMBER 31			<u>\$ 160,828</u>

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
REVENUES		
Taxes		
Sales	\$ 725,000	\$ 729,797
Investment income	1,350	2,089
Total revenues	726,350	731,886
EXPENDITURES		
General government		
Administration	1,500	3,020
Total expenditures	1,500	3,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	724,850	728,866
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(762,350)	-
Total other financing sources (uses)	(762,350)	-
NET CHANGE IN FUND BALANCE	<u>\$ (37,500)</u>	728,866
FUND BALANCE, JANUARY 1		<u>483,763</u>
FUND BALANCE, DECEMBER 31		<u><u>\$ 1,212,629</u></u>

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original Budget	Final Budget	Actual
REVENUES			
Taxes			
Sales	412,750	\$ 412,750	\$ 403,109
Utility	349,600.00	349,600	341,459
Investment income	13,000	13,000	19,931
Total revenues	775,350	775,350	764,499
EXPENDITURES			
General government			
Administration	7,500	7,500	2,600
Debt service			
Principal	945,000	945,000	945,000
Interest and other charges	482,563	496,338	496,313
Total expenditures	1,435,063	1,448,838	1,443,913
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(659,713)	(673,488)	(679,414)
OTHER FINANCING SOURCES (USES)			
Transfers in	649,000	649,000	938,362
Total other financing sources (uses)	649,000	649,000	938,362
NET CHANGE IN FUND BALANCE	<u>\$ (10,713)</u>	<u>\$ (24,488)</u>	258,948
FUND BALANCE, JANUARY 1			<u>762,556</u>
FUND BALANCE, DECEMBER 31			<u><u>\$ 1,021,504</u></u>

(See independent auditor's report.)

ENTERPRISE FUNDS

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

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

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 3,209,100	\$ 3,016,348
Total operating revenues	3,209,100	3,016,348
OPERATING EXPENSES		
Administration	684,925	682,083
Operations	1,534,700	1,355,554
Repairs and maintenance	1,160,250	384,091
Total operating expenses excluding depreciation	3,379,875	2,421,728
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(170,775)	594,620
Depreciation	-	106,409
OPERATING INCOME (LOSS)	(170,775)	488,211
NON-OPERATING REVENUES (EXPENSES)		
Investment income	7,900	9,614
Total non-operating revenues (expenses)	7,900	9,614
CHANGE IN NET POSITION	\$ (162,875)	497,825
NET POSITION, JANUARY 1		3,258,434
Prior period adjustment		(159,879)
NET POSITION, JANUARY 1, (RESTATED)		3,098,555
NET POSITION, DECEMBER 31		\$ 3,596,380

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
ADMINISTRATION		
Personnel services	\$ 410,775	\$ 518,519
Contractual services	119,950	73,041
Commodities	5,000	5,745
Other charges	149,200	84,778
Total administration	684,925	682,083
OPERATIONS		
Water purchases	1,534,700	1,355,554
Total operations	1,534,700	1,355,554
REPAIRS AND MAINTENANCE		
Repairs and maintenance	1,160,250	384,091
Total repairs and maintenance	1,160,250	384,091
TOTAL OPERATING EXPENSES	\$ 3,379,875	\$ 2,421,728

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
OPERATING REVENUES		
Parking lot fees	\$ 16,500	\$ 16,934
Parking passes	28,000	18,500
Total operating revenues	44,500	35,434
OPERATING EXPENSES		
Operations	4,250	2,254
Repairs and maintenance	27,500	10,292
Total operating expenses excluding depreciation	31,750	12,546
OPERATING INCOME BEFORE DEPRECIATION	12,750	22,888
Depreciation	-	859
OPERATING INCOME	12,750	22,029
NON-OPERATING REVENUES (EXPENSES)		
None	-	-
Total non-operating revenues (expenses)	-	-
CHANGE IN NET POSITION	<u>\$ 12,750</u>	22,029
NET POSITION, JANUARY 1		<u>927,273</u>
NET POSITION, DECEMBER 31		<u>\$ 949,302</u>

(See independent auditor's report.)

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
OPERATIONS		
Administration	\$ 4,250	\$ 2,254
Total operations	4,250	2,254
REPAIRS AND MAINTENANCE		
Repairs and maintenance	27,500	10,292
Total repairs and maintenance	27,500	10,292
TOTAL OPERATING EXPENSES	<u>\$ 31,750</u>	<u>\$ 12,546</u>

(See independent auditor's report.)

FIDUCIARY FUND

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

	Original and Final Budget	Actual
ADDITIONS		
Contributions		
Contributions - employer	\$ 1,342,114	\$ 1,324,423
Contributions - employee	205,000	201,000
Total contributions	1,547,114	1,525,423
Investment income		
Net appreciation in fair value of investments	-	1,294,009
Interest earned on investments	400,000	213,770
Total investment income	400,000	1,507,779
Less investment expense	(20,000)	(11,824)
Net investment income	380,000	1,495,955
Total additions	1,927,114	3,021,378
DEDUCTIONS		
Benefits	1,104,400	1,162,270
Administrative	-	16,138
Total deductions	1,104,400	1,178,408
NET INCREASE	<u>\$ 822,714</u>	1,842,970
NET POSITION RESTRICTED FOR PENSIONS		
January 1		<u>8,945,798</u>
December 31		<u>\$ 10,788,768</u>

(See independent auditor's report.)

SUPPLEMENTAL INFORMATION

VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2019

CSFA Number	Program Name	State	Federal	Other	Total
494-00-1488	Motor Fuel Tax Program	\$ 780,481	\$ -	\$ -	\$ 780,481
494-10-0343	Highway Traffic Safety	-	131,846	-	131,846
	All other costs not allocated	-	-	15,813,893	15,813,893
	TOTALS	<u>\$ 780,481</u>	<u>\$ 131,846</u>	<u>\$ 15,813,893</u>	<u>\$ 16,726,220</u>

1415 West Diehl Road, Suite 400
Naperville, IL 60563
630.566.8400

SIKICH.COM

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined management's assertion, included in its representation letter dated June 22, 2020 that the Village of River Grove, Illinois (the Village) complied with the provisions of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2019. Management is responsible for the Village's assertion and for compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

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

In our opinion, management's assertion that the Village complied with the aforementioned requirements for the year ended December 31, 2019 is fairly stated, in all material respects.

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

Sikich LLP

Naperville, Illinois
June 22, 2020