



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

ANNUAL FINANCIAL REPORT

**For the Year Ended December 31, 2020**

**SIKICH.COM**

# VILLAGE OF RIVER GROVE, ILLINOIS

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## INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of River Grove, Illinois (the Village), as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Supplementary Information*

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2021 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 15, 2021

**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, 2020. 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 \$2,029,866 (total net position), a net reduction of the deficit from December 31, 2019 of \$3,903,763.

After taking into consideration the activities of the fiscal year, the governmental activities net position increased by \$3,975,389 from the fiscal year ended December 31, 2019 and the business-type activities net position decreased \$71,626 in that same period.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$11,787,749, an increase of \$1,954,442 over the cumulative fund balances at December 31, 2019. Unassigned fund balance in the Governmental Funds totaled \$5,674,781, an increase of \$1,223,533 over December 31, 2019, and accounts for approximately 49% of total fund balance for all governmental funds. Nonspendable fund balance in the General Fund totaled \$363,145 or approximately 3% 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 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, both 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, 2019	Dec 31, 2020	Change	Dec 31, 2019	Dec 31, 2020	Change	Dec 31, 2019	Dec 31, 2020	Change
<b>Assets and</b>	As Restated			As Restated			As Restated		
Current and other assets	\$17,967,460	\$20,026,742	11.5%	\$ 937,597	\$ 695,031	(25.9)%	\$ 18,905,057	\$ 20,721,773	9.6%
Capital assets	<u>16,746,492</u>	<u>18,078,913</u>	8.0%	<u>4,586,590</u>	<u>4,464,117</u>	(2.7)%	<u>21,333,082</u>	<u>22,543,030</u>	5.7%
Total assets	34,713,952	38,105,655	9.8%	5,524,187	5,159,148	(6.6)%	40,238,139	43,264,803	7.5%
<b>Deferred Outflows of Resources</b>									
Deferred outflows of resources	<u>5,065,082</u>	<u>4,102,794</u>	(19.0)%	<u>107,433</u>	<u>71,749</u>	(33.2)%	<u>5,172,515</u>	<u>4,174,543</u>	(19.3)%
Total Assets and Deferred outflows of resources	<u>39,779,034</u>	<u>42,208,449</u>	6.1%	<u>5,631,620</u>	<u>5,230,897</u>	(7.1)%	<u>45,410,654</u>	<u>47,439,346</u>	4.5%
<b>Liabilities</b>									
Long-term liabilities	30,312,174	30,849,181	1.8%	358,269	304,097	15.1%	30,670,443	31,153,278	1.6%
Other liabilities	<u>2,748,678</u>	<u>1,043,757</u>	(62.0)%	<u>585,541</u>	<u>201,606</u>	(65.6)%	<u>3,334,219</u>	<u>1,245,363</u>	(62.6)%
Total liabilities	<u>33,060,852</u>	<u>31,892,938</u>	3.5%	<u>943,810</u>	<u>505,703</u>	(46.4)%	<u>34,004,662</u>	<u>32,398,641</u>	(4.7)%
<b>Deferred Inflows of Resources</b>									
Deferred inflows of resources	<u>13,136,761</u>	<u>12,759,701</u>	(2.9)%	<u>142,128</u>	<u>251,138</u>	76.7%	<u>13,328,889</u>	<u>13,010,839</u>	(2.0)%
Total Liabilities and Deferred inflows of resources	<u>46,197,613</u>	<u>44,652,639</u>	(3.3)%	<u>1,085,938</u>	<u>756,841</u>	(30.3)%	<u>47,283,551</u>	<u>45,409,480</u>	(4.0)%
<b>Net Position</b>									
Net investment in capital assets	4,010,541	6,417,931	60.0%	4,586,590	4,464,117	(2.7)%	8,597,131	10,882,048	26.67%
Restricted	3,985,440	4,746,728	19.1%	-	-		3,985,440	4,746,728	19.1%
Unrestricted	<u>(14,415,560)</u>	<u>(13,608,849)</u>	(5.6)%	<u>(40,908)</u>	<u>9,939</u>	(124.3)%	<u>(14,456,468)</u>	<u>(13,598,910)</u>	(5.9)%
<b>Total Net Position</b>	<u><b>\$ (6,419,579)</b></u>	<u><b>\$ (2,444,190)</b></u>	(61.9)%	<u><b>\$ 4,545,682</b></u>	<u><b>\$ 4,474,056</b></u>	(1.6)%	<u><b>\$ (1,873,897)</b></u>	<u><b>\$ 2,029,866</b></u>	(208.3)%

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

The following chart reflects a condensed Statement of Activities:

<b>Condensed Statements of Activities</b>									
	<b>Governmental Activities</b>			<b>Business-Type Activities</b>			<b>Total</b>		
	<i>Dec 31, 2019</i>	<i>Dec 31, 2020</i>	<i>Change</i>	<i>Dec 31, 2019</i>	<i>Dec 31, 2020</i>	<i>Change</i>	<i>Dec 31, 2019</i>	<i>Dec 31, 2020</i>	<i>Change</i>
<b>Revenues</b>									
Program revenues									
Charges for services	\$ 2,558,547	\$ 2,122,384	(17.09%)	\$ 3,051,782	\$ 2,980,175	(2.3)%	\$ 5,610,329	\$ 5,102,559	(9.1)%
Operating grants and contributions	517,951	1,860,989	259.3%	-	-	-%	517,951	1,860,989	259.3%
Capital grants and contributions	377,686	258,949	(31.4)%	-	-	-	377,686	258,949	(31.4)%
General revenues									
Property taxes	6,998,947	7,918,844	13.1%	-	-	-%	6,998,947	7,918,844	13.1%
Other taxes	3,947,051	3,708,118	(6.1)%	-	-	-%	3,947,051	3,708,118	(6.1)%
Intergovernmental	1,237,221	1,244,230	0.6%	-	-	-%	1,237,221	1,244,230	0.6%
Other general revenues	574,387	444,494	(22.6)%	9,614	2,758	(71.3)%	584,001	447,252	(23.4)%
Transfers	-	354,985	-	-	(354,985)	-	-	-	-
Total revenues	<u>16,211,993</u>	<u>17,912,993</u>	10.5%	<u>3,061,396</u>	<u>2,627,948</u>	(14.2)%	<u>19,273,186</u>	<u>20,540,941</u>	6.6%
<b>Expenses</b>									
General government	2,646,580	2,545,824	3.8%	-	-	-%	2,646,580	2,763,751	3.8%
Public safety	6,033,468	7,092,540	17.6%	-	-	-%	6,033,468	7,092,540	17.6%
Public works	4,734,366	3,660,451	(22.7)%	-	-	-%	4,734,366	3,442,524	(22.7)%
Culture & recreation	241,350	183,665	(23.9)%	-	-	-%	241,350	183,665	(23.9)%
Interest on debt	508,914	455,124	(10.6)%	-	-	-%	508,914	455,124	(10.6)%
Water & commuter	-	-	-%	<u>2,541,542</u>	<u>2,699,574</u>	6.2%	<u>2,541,542</u>	<u>2,699,574</u>	6.2%
Total expenses	<u>14,164,678</u>	<u>13,937,604</u>	(1.6)%	<u>2,541,542</u>	<u>2,699,574</u>	6.2%	<u>16,706,220</u>	<u>16,637,178</u>	(0.4)%
Change in net position	2,047,112	3,975,389	94.2%	519,854	(71,626)	(113.8)%	2,566,966	3,903,763	52.1)%
Net position									
Beginning of year	<u>(8,446,691)</u>	<u>(6,419,579)</u>	(24.0)%	<u>4,025,828</u>	<u>4,545,682</u>	12.9%	<u>(4,420,863)</u>	<u>(1,873,897)</u>	(57.6)%
Net position end of year	<u>\$ (6,419,579)</u>	<u>\$ (2,444,190)</u>	(61.9)%	<u>\$ 4,545,682</u>	<u>\$ 4,474,056</u>	(1.6)%	<u>\$ (1,873,897)</u>	<u>\$ 2,029,866</u>	(208.3)%

**Governmental Activities** –Governmental activity revenues totaled \$17,912,993 while expenditures were \$13,937,604 resulting in a reduction in the net position deficit of \$3,975,389. Revenues increased mainly due to higher property tax receipts as well as an increase in grant funds including federal assistance from Coronavirus Relief Funds. On the expense side, the Village expended 1.6% less than the prior reporting period mainly due to a reduction in non-essential spending for all departments due to the pandemic and an increase in the Village's police pension contribution.

**Business-type Activities** - Business-type activities expenses increased by 6.2% or \$158,032. Much of the increase is attributable to the higher cost of water charged by the City of Chicago coupled with the Village's decision to not pass a water increase onto its customers due to the pandemic. However, the water fund continues to reflects relative stability in its overall net position and a future rate adjustment is anticipated to be implemented in the 2021 fiscal year.

## 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 \$11,787,749, an increase of \$1,954,442 over the prior year balances. Unassigned fund balance in the General Fund has increased from \$4,451,248 to \$5,674,781. 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 2020, that ratio was 45.4% to its expenditures.

The **General Fund** is the chief operating fund of the Village that had revenues of \$13,334,167. At the same time, expenditures totaled \$12,585,143, a difference of \$749,024. In addition, \$505,100 was transferred to the fund including \$313,660 from the Capital Improvement Fund.

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

Category	December 31, 2019 Actual	December 31, 2020 Actual
<b>Revenues</b>		
Property Taxes	\$5,902,680	\$5,712,346
Sales Taxes	1,834,398	1,796,717
Income Taxes	1,088,552	1,111,356
Utility Taxes	323,751	259,347
Other Taxes	463,206	380,020
Licenses, Permits & Fees	676,300	535,892
Intergovernmental Revenue	560,131	1,523,098
Other Revenue	414,242	388,458
Fines & Forfeitures	538,543	297,251
Investment Income	97,723	40,441
Charges for Services	1,342,276	1,289,241
<b>Total Revenues</b>	<b>\$13,241,802</b>	<b>\$13,334,167</b>
<b>Expenditures</b>		
Current		
Administration	\$1,078,645	\$1,147,305
Police	5,005,457	5,153,052
Fire	1,449,685	1,550,394
Public Works	2,063,812	1,955,126
Culture & Recreation	209,559	164,970
Public Health	21,844	24,990
All Other Departments	1,267,799	1,321,314
Debt Service		
Principal	130,143	94,642
Interest	9,520	9,265
Capital Outlay	1,061,370	1,164,085
<b>Total Expenditures</b>	<b>\$12,297,834</b>	<b>\$12,585,143</b>

Actual fund revenues in the General Fund were less than 2020 budgetary estimates by \$448,380. The major factor contributing to this reduction was the financial impact of the COVID-19 pandemic and its impact on the local, state and national economies, this resulted in a slow-down in the Village's share of intergovernmental revenues including economically sensitive sales and income taxes as well as building permit activity. This reduction was minimized though by an offsetting increase generated by revenues from the C.A.R.E.S. Act funding passed by the U.S. Congress.

General Fund expenditures, also as a result of the pandemic, were less than budgetary estimates by \$1,155,852. Contributing factors that the Village implemented to these reduced expenditures included:

- Implementing a “freeze” on non-essential spending.
- Deferral of some rolling stock replacements and planned capital projects to 2021 and beyond.

The fund balance of the Village’s **Motor Fuel Tax Fund** was decreased by \$734,938 to \$1,674,492. 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** increased by \$778,464. With the final debt service payment for the 1999 TIF Bonds completed, all the increment in the fund can be utilized for remaining capital improvements in the district prior to the district’s termination in 2023. The remaining increment to be received in these 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 began to be received in FY2019. In 2020, \$593,460 was received that resulted in the fund balance increasing to \$524,261 in 2020. Future development plans include significant roadway improvements as well as property acquisition for additional parking in the corridor.

The fund balance of the Village’s **Capital Improvement Fund** increased by \$353,493 in 2020. 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. In the 2021 fiscal year, \$500,000 has been earmarked for capital repairs to Village facilities.

**PROPRIETARY/ENTERPRISE FUNDS** - The net position of the **Water and Sewer Fund** at the end of the year was \$4,474,056, a \$877,676 increase from the balance at December 31, 2019. Operating revenues were \$2,980,175 with operating expenses at \$2,573,632. With depreciation, the fund had operating income of \$280,601 compared to the December 31, 2019 reported net operating income of \$488,211.

Net position of the **Commuter Parking Lot Fund** at the end of the year amounted to \$0 after a decision to consolidate the fund’s operations for the Village’s one commuter lot to the General Fund. This was accomplished by an ordinance approved by the Village Board of Trustees transferring the remaining assets and liabilities of the fund to either the General or Water/Sewer funds.

**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 42 through Page 51 as well as page 79. The position of the fund increased \$1,643,298 to \$12,432,066, mainly due to a net gain in market value of \$1,042,683

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 2020 level of 43.52%. 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, 2019	Net Additions/ Deletions	Balance December 31, 2020
Non-Depreciable Assets	\$4,084,075	\$(531,672)	\$3,552,403
Depreciable Assets, Net	12,661,417	1,865,093	14,526,510
<b>Totals</b>	<b>\$16,745,492</b>	<b>\$1,333,421</b>	<b>\$18,078,913</b>

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

	Balance December 31, 2019	Net Additions/ Deletions	Balance December 31, 2020
Non-Depreciable Assets	\$741,736	\$(598,915)	\$142,821
Depreciable Assets	3,844,854	476,442	4,321,296
<b>Totals</b>	<b>\$4,586,590</b>	<b>\$(122,473)</b>	<b>\$4,464,117</b>

For more detailed information related to capital assets, see notes to financial statements on Pages 29-30.

### Debt Administration

At December 31, 2020, the Village had outstanding debt as follows:

General Obligation Bonds Series 2012A	\$ 3,950,000
General Obligation Bonds Series 2017A	2,885,000
General Obligation Bonds Series 2017B	4,530,000
Unamortized Premiums/Discounts (Net)	44,479
Installment Notes Payable	106,280
Compensated Absences	441,258
OPEB liability	3,061,559
Net Pension Liabilities (Police Pension & IMRF)	<u>16,134,702</u>
 Total	 <u>\$ 31,153,278</u>

Overall total debt for 2020 was reduced \$670,475 from the ending balance at December 31, 2019. Contributing to the reduction were debt service payments reducing outstanding principal of G.O. Debt by \$970,000 and also the reduction in net pension liabilities of \$378,100. That reduction however was minimized due to increases in the Compensated Absences and OPEB Liabilities of \$779,123.

## **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 2020, the following economic development activities occurred:

- 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.
- During 2020, the Village began the process of designating a 23-acre parcel occupied by now two (2) vacant parochial high schools into a Tax Increment Finance District. Planning for the district include a mixed use development of multi-family residential units and commercial space. Subsequent Village Board action on May 20, 2021 created the Northeast Tax Increment Redevelopment District. Negotiations are currently being held with a private development company that has acquired the parcels from the Archdiocese of Chicago.

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 were widespread and impacted a majority residents and businesses for the remainder of the 2020 fiscal year and into 2021. As a result, the Village reacted accordingly and assumed a decline in revenues. As the nation goes into a recovery mode, management will continue to carefully monitor the situation and evaluate its ongoing options

## **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, 2621 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, 2020

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 7,713,015	\$ 254,230	\$ 7,967,245
Investments	3,017,607	-	3,017,607
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	7,093,162	-	7,093,162
Other taxes	882,543	-	882,543
Due from other governments	33,950	-	33,950
Accounts	360,992	398,197	759,189
Other	425,252	-	425,252
Prepaid items	158,868	15,656	174,524
Investment in joint venture	29,277	-	29,277
Deposits	16,759	574	17,333
Land held for resale	175,000	-	175,000
Net pension asset	120,317	26,374	146,691
Capital assets not being depreciated	3,552,403	142,821	3,695,224
Capital assets (net of accumulated depreciation)	14,526,510	4,321,296	18,847,806
 Total assets	 38,105,655	 5,159,148	 43,264,803
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	311,482	71,749	383,231
Pension items - Police Pension	3,791,312	-	3,791,312
 Total deferred outflows of resources	 4,102,794	 71,749	 4,174,543
 Total assets and deferred outflows of resources	 42,208,449	 5,230,897	 47,439,346
<b>LIABILITIES</b>			
Accounts payable	570,435	194,240	764,675
Accrued payroll	281,231	7,366	288,597
Deposits payable	173,848	-	173,848
Accrued interest payable	18,243	-	18,243
Noncurrent liabilities			
Due within one year	1,121,792	6,092	1,127,884
Due in more than one year	29,727,389	298,005	30,025,394
 Total liabilities	 31,892,938	 505,703	 32,398,641

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

STATEMENT OF NET POSITION (Continued)

December 31, 2020

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	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue	\$ 7,093,162	\$ -	\$ 7,093,162
Pension items - IMRF	1,098,875	251,138	1,350,013
Pension items - Police Pension	4,422,441	-	4,422,441
Unamortized gain on refunding	145,223	-	145,223
 Total deferred inflows of resources	 12,759,701	 251,138	 13,010,839
 Total liabilities and deferred inflows of resources	 44,652,639	 756,841	 45,409,480
 <b>NET POSITION</b>			
Net investment in capital assets	6,417,931	4,464,117	10,882,048
Restricted for			
Public safety	42,561	-	42,561
Highways and streets	1,674,492	-	1,674,492
TIF development	1,463,553	-	1,463,553
Capital projects	1,566,122	-	1,566,122
Unrestricted (deficit)	(13,608,849)	9,939	(13,598,910)
 <b>TOTAL NET POSITION (DEFICIT)</b>	 \$ (2,444,190)	 \$ 4,474,056	 \$ 2,029,866

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF ACTIVITIES**

For the Year Ended December 31, 2020

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<b>FUNCTIONS/PROGRAMS</b> <b>PRIMARY GOVERNMENT</b>	<b>Program Revenues</b>			
	<b>Expenses</b>	<b>Operating</b>		<b>Capital</b>
		<b>Charges for Services</b>	<b>Grants and Contributions</b>	<b>Grants and Contributions</b>
Governmental Activities				
General government	\$ 2,545,824	\$ 621,249	\$ 150,000	\$ -
Public safety	7,092,540	741,432	597,278	-
Public works	3,660,451	742,343	1,113,711	258,949
Culture and recreation	183,665	17,360	-	-
Interest on long-term debt	455,124	-	-	-
Total governmental activities	13,937,604	2,122,384	1,860,989	258,949
Business-Type Activities				
Water and sewer	2,699,574	2,980,175	-	-
Commuter parking lot	-	-	-	-
Total business-type activities	2,699,574	2,980,175	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 16,637,178</b>	<b>\$ 5,102,559</b>	<b>\$ 1,860,989</b>	<b>\$ 258,949</b>

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**Net (Expense) Revenue and Change in Net Position**

**Primary Government**

<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (1,774,575)	\$ -	\$ (1,774,575)
(5,753,830)	-	(5,753,830)
(1,545,448)	-	(1,545,448)
(166,305)	-	(166,305)
(455,124)	-	(455,124)
<hr/>	<hr/>	<hr/>
(9,695,282)	-	(9,695,282)
<hr/>	<hr/>	<hr/>
-	280,601	280,601
-	-	-
<hr/>	<hr/>	<hr/>
-	280,601	280,601
<hr/>	<hr/>	<hr/>
(9,695,282)	280,601	(9,414,681)

General Revenues

Taxes

Property	7,918,844	-	7,918,844
Sales	1,080,932	-	1,080,932
Local use	448,076	-	448,076
Utility	597,826	-	597,826
Other taxes	247,145	-	247,145
Home rule sales tax	1,334,139	-	1,334,139
Intergovernmental	1,244,230	-	1,244,230
Investment income	56,036	2,758	58,794
Miscellaneous	388,458	-	388,458
Transfers	354,985	(354,985)	-
<hr/>	<hr/>	<hr/>	<hr/>
Total	13,670,671	(352,227)	13,318,444

CHANGE IN NET POSITION

NET POSITION (DEFICIT), JANUARY 1	(6,419,579)	4,545,682	(1,873,897)
<hr/>	<hr/>	<hr/>	<hr/>
<b>NET POSITION (DEFICIT), DECEMBER 31</b>	<b>\$ (2,444,190)</b>	<b>\$ 4,474,056</b>	<b>\$ 2,029,866</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**BALANCE SHEET  
GOVERNMENTAL FUNDS**

December 31, 2020

	<b>Major Funds</b>			
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,677,950	\$ 1,178,027	\$ 3,857,038	\$ 7,713,015
Investments	2,134,473	883,134	-	3,017,607
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	6,384,596	-	708,566	7,093,162
Other taxes	694,821	-	187,722	882,543
Due from other governments	-	33,950	-	33,950
Accounts	360,992	-	-	360,992
Other	425,252	-	-	425,252
Prepaid items	158,868	-	-	158,868
Investment in joint venture	29,277	-	-	29,277
Deposits	16,759	-	-	16,759
Due from other funds	186,875	-	-	186,875
Land held for resale	175,000	-	-	175,000
<b>TOTAL ASSETS</b>	<b>\$ 13,244,863</b>	<b>\$ 2,095,111</b>	<b>\$ 4,753,326</b>	<b>\$ 20,093,300</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 324,701	\$ 233,744	\$ 11,990	\$ 570,435
Accrued payroll	281,231	-	-	281,231
Deposits payable	173,848	-	-	173,848
Due to other funds	-	186,875	-	186,875
Total liabilities	779,780	420,619	11,990	1,212,389
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable tax revenue	6,384,596	-	708,566	7,093,162
Total deferred inflows of resources	6,384,596	-	708,566	7,093,162
Total liabilities and deferred inflows of resources	7,164,376	420,619	720,556	8,305,551
<b>FUND BALANCES</b>				
Nonspendable in form - land held for resale	175,000	-	-	175,000
Nonspendable in form - prepaid items	158,868	-	-	158,868
Nonspendable in form - investment in joint venture	29,277	-	-	29,277
Restricted for public safety	42,561	-	-	42,561
Restricted for highway and streets	-	1,674,492	-	1,674,492
Restricted for TIF development	-	1,463,553	1,463,553	
Restricted for capital improvements	-	1,566,122	1,566,122	
Unrestricted				
Assigned for debt service	-	1,003,095	1,003,095	
Unassigned - General Fund	5,674,781	-	5,674,781	
Total fund balances	6,080,487	1,674,492	4,032,770	11,787,749
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 13,244,863</b>	<b>\$ 2,095,111</b>	<b>\$ 4,753,326</b>	<b>\$ 20,093,300</b>

See accompanying notes to financial statements.

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

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

December 31, 2020

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<b>FUND BALANCES OF GOVERNMENTAL FUNDS</b>	\$ 11,787,749
--------------------------------------------	---------------

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	18,078,913
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	(11,365,000)
Notes payable	(106,280)
Unamortized gain in refunding	(145,223)
Unamortized discount and premium	(44,479)
Compensated absences	(415,827)
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(18,243)
The net pension liability of the Police Pension Fund is shown as a liability on the statement of net position	(16,134,702)
Net pension asset for the Illinois Municipal Retirement Fund is shown as an asset on the statement of net position	120,317
Total OPEB liability is shown as a liability on the statement of net position	(2,782,893)
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	(787,393)
Police Pension	<u>(631,129)</u>
<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ (2,444,190)</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

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	<b>Major Funds</b>			
	<b>General</b>	<b>Motor Fuel Tax</b>	<b>Nonmajor Governmental</b>	<b>Total</b>
<b>REVENUES</b>				
Property taxes	\$ 5,712,346	\$ -	\$ 2,206,497	\$ 7,918,843
Other taxes	3,547,440	- -	1,404,909	4,952,349
Licenses, permits and fees	535,892	- -	- -	535,892
Fines and forfeitures	297,251	- -	- -	297,251
Charges for services	1,289,241	- -	- -	1,289,241
Intergovernmental	1,523,098	596,840	- -	2,119,938
Investment income	40,441	8,799	6,796	56,036
Miscellaneous	388,458	- -	- -	388,458
 Total revenues	 13,334,167	 605,639	 3,618,202	 17,558,008
<b>EXPENDITURES</b>				
Current				
General government	2,493,609	- -	82,663	2,576,272
Public safety	6,703,446	- -	- -	6,703,446
Public works	1,955,126	687,154	126,097	2,768,377
Culture and recreation	164,970	- -	- -	164,970
Capital outlay	1,164,085	653,423	220,501	2,038,009
Debt service				
Principal retirement	94,642	- -	970,000	1,064,642
Interest and fiscal charges	9,265	- -	470,025	479,290
 Total expenditures	 12,585,143	 1,340,577	 1,869,286	 15,795,006
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>				
	749,024	(734,938)	1,748,916	1,763,002
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	505,100	- -	- -	505,100
Transfers (out)	- -	- -	(313,660)	(313,660)
 Total other financing sources (uses)	 505,100	 - -	 (313,660)	 191,440
<b>NET CHANGE IN FUND BALANCES</b>				
	1,254,124	(734,938)	1,435,256	1,954,442
<b>FUND BALANCES, JANUARY 1</b>				
	4,826,363	2,409,430	2,597,514	9,833,307
<b>FUND BALANCES, DECEMBER 31</b>				
	\$ 6,080,487	\$ 1,674,492	\$ 4,032,770	\$ 11,787,749

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, 2020

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<b>NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS</b>	\$ 1,954,442
-------------------------------------------------------------------	--------------

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	2,103,310
Net capital transferred from Commuter Parking Fund	163,545
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	(933,434)
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	970,000
Capital leases payable	94,642
The change in interest payable is reported as an expense on the statement of activities	1,157
The change in certain liabilities are reported as expenses on the statement of activities	
Compensated absences	(98,993)
OPEB	(606,720)
Amortization is recorded as interest expense on the statement of activities including unamortized discount, unamortized premium and unamortized gain on refunding	23,009
The change in net pension liability is reported only on the statement of activities	
Illinois Municipal Retirement Fund	704,012
Police Pension	(340,089)
The changes in deferred outflows and deferred inflows of resources is reported only in the statement of activities	
Illinois Municipal Retirement Fund	(633,231)
Police Pension	<u>573,739</u>
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 3,975,389</u></b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS**

December 31, 2020

	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	\$ 254,230	\$ -	\$ 254,230
Receivables			
Accounts - billed	66,553	-	66,553
Accounts - unbilled	331,644	-	331,644
Deposits	574	-	574
Prepaid items	15,656	-	15,656
Total current assets	<u>668,657</u>	-	<u>668,657</u>
<b>CAPITAL ASSETS</b>			
Nondepreciable	142,821	-	142,821
Depreciable (net of accumulated depreciation)	4,321,296	-	4,321,296
Net capital assets	<u>4,464,117</u>	-	<u>4,464,117</u>
<b>NONCURRENT ASSETS</b>			
Net pension liability - IMRF	26,374	-	26,374
Total assets	<u>5,159,148</u>	-	<u>5,159,148</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension items - IMRF	71,749	-	71,749
Total deferred outflows of resources	<u>71,749</u>	-	<u>71,749</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
	<u>5,230,897</u>	-	<u>5,230,897</u>
<b>CURRENT LIABILITIES</b>			
Accounts payable	194,240	-	194,240
Accrued payroll	7,366	-	7,366
Compensated absences	2,543	-	2,543
Total OPEB liability	3,549	-	3,549
Total current liabilities	<u>207,698</u>	-	<u>207,698</u>
<b>LONG-TERM LIABILITIES</b>			
Advances from other funds	-	-	-
Compensated absences	22,888	-	22,888
Total OPEB liability	275,117	-	275,117
Total long-term liabilities	<u>298,005</u>	-	<u>298,005</u>
Total liabilities	<u>505,703</u>	-	<u>505,703</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension items - IMRF	251,138	-	251,138
Total deferred inflows of resources	<u>251,138</u>	-	<u>251,138</u>
<b>TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES</b>			
	<u>756,841</u>	-	<u>756,841</u>
<b>NET POSITION</b>			
Net investment in capital assets	4,464,117	-	4,464,117
Unrestricted	9,939	-	9,939
<b>TOTAL NET POSITION</b>	<b><u>\$ 4,474,056</u></b>	<b>\$ -</b>	<b>\$ 4,474,056</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,980,175	\$ -	\$ 2,980,175
Total operating revenues	<u>2,980,175</u>	-	<u>2,980,175</u>
<b>OPERATING EXPENSES</b>			
Administration	724,463	-	724,463
Operations	1,542,339	-	1,542,339
Repairs and maintenance	306,830	-	306,830
Total operating expenses	<u>2,573,632</u>	-	<u>2,573,632</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>			
Depreciation	406,543	-	406,543
OPERATING INCOME	<u>125,942</u>	-	<u>125,942</u>
	<u>280,601</u>	-	<u>280,601</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Investment income	2,758	-	2,758
Total non-operating revenues (expenses)	<u>2,758</u>	-	<u>2,758</u>
<b>TRANSFERS</b>			
Transfers in	594,317	-	594,317
Transfers (out)	-	(949,302)	(949,302)
Total transfers	<u>594,317</u>	(949,302)	(354,985)
<b>CHANGE IN NET POSITION</b>			
	877,676	(949,302)	(71,626)
<b>NET POSITION, JANUARY 1</b>	<u>3,596,380</u>	<u>949,302</u>	<u>4,545,682</u>
<b>NET POSITION, DECEMBER 31</b>	<u>\$ 4,474,056</u>	-	<u>\$ 4,474,056</u>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,973,336	\$ -	\$ 2,973,336
Payments to suppliers	(2,217,821)	(132)	(2,217,953)
Payments to employees	(675,924)	-	(675,924)
Net cash from operating activities	<u>79,591</u>	<u>(132)</u>	<u>79,459</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfer to close fund	-	(191,440)	(191,440)
Net cash from noncapital financing activities	<u>-</u>	<u>(191,440)</u>	<u>(191,440)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(167,014)	-	(167,014)
Net cash from capital and related financing activities	<u>(167,014)</u>	<u>-</u>	<u>(167,014)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	2,758	-	2,758
Net cash from investing activities	<u>2,758</u>	<u>-</u>	<u>2,758</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
	(84,665)	(191,572)	(276,237)
CASH AND CASH EQUIVALENTS, JANUARY 1	<u>338,895</u>	<u>191,572</u>	<u>530,467</u>
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b><u>\$ 254,230</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 254,230</u></b>

(This statement is continued on the following page.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

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	<b>Business-Type Activities</b>		
	<b>Water and Sewer</b>	<b>Commuter Parking Lot</b>	<b>Total</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 280,601	\$ -	\$ 280,601
Adjustments to reconcile operating income to net cash from operating activities			
Depreciation	125,942	-	125,942
(Increase) decrease in			
Receivables	(6,839)	-	(6,839)
Prepaid items	(996)	-	(996)
Deposits	538	-	538
Increase (decrease) in			
Accounts payable	(368,194)	(132)	(368,326)
Accrued payroll	(6,769)	-	(6,769)
Pension items	(16,174)	-	(16,174)
OPEB items	71,482	-	71,482
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 79,591</b>	<b>\$ (132)</b>	<b>\$ 79,459</b>

See accompanying notes to financial statements.

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

December 31, 2020

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**ASSETS**

Cash and cash equivalents	\$ 657,012
Investments	
U.S. Treasury obligations	2,665,186
U.S. agencies securities	14,837
Mortgage pools	280,464
Mutual funds	4,249,463
Corporate bonds	2,448,155
CMO and asset backed securities	218,479
Life insurance annuities	1,864,422
Receivables	
Accrued interest	33,046
Prepaid items	<u>1,876</u>
 Total assets	 <u>12,432,940</u>

**LIABILITIES**

Accounts payable	<u>874</u>
Total liabilities	<u>874</u>

**NET POSITION RESTRICTED  
FOR PENSIONS**

\$ 12,432,066

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, 2020

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### **ADDITIONS**

#### Contributions

Contributions - employer	\$ 1,364,605
Contributions - employee	217,267
Contributions - other	<u>14,642</u>
Total contributions	<u>1,596,514</u>

#### Investment income

Net appreciation in fair value of investments	1,042,683
Interest earned on investments	<u>237,769</u>

Total investment income	1,280,452
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Less investment expense	<u>(13,687)</u>
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Net investment income	<u>1,266,765</u>
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Total additions	<u>2,863,279</u>
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### **DEDUCTIONS**

Benefits	1,200,755
Administrative	<u>19,226</u>

Total deductions	<u>1,219,981</u>
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NET INCREASE	1,643,298
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### **NET POSITION RESTRICTED FOR PENSIONS**

January 1	<u>10,788,768</u>
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December 31	<u>\$ 12,432,066</u>
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See accompanying notes to financial statements.

# **VILLAGE OF RIVER GROVE, ILLINOIS**

## **NOTES TO FINANCIAL STATEMENTS**

December 31, 2020

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

The financial statements of the Village of River Grove, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Village's significant accounting policies. GASB Statement No. 95 Postponement of the Effective Dates of Certain Authoritative Guidance has been implemented.

#### **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.

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

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**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)

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**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)**

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

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

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

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary funds:

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

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

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

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

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

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

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

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

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

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

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

**f. Cash and Investments**

**Cash and Cash Equivalents**

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

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

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

g. Investments

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. The Village and pension fund categorize the fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. The Police Pension Fund held investments measured at fair value at December 31, 2020 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)

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

**1. Capital Assets**

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

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

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

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

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

**m. Compensated Absences**

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)**

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

**n. Long-Term Obligations**

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

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

**o. Fund Equity/Net Position**

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

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

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

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

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

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

The Village does not have a minimum fund balance policy.

**p. Interfund Transactions**

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

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

**q. Accounting Estimates**

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

**r. Deferred Outflows/Inflows of Resources**

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

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

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

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**2. DEPOSITS AND INVESTMENTS**

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

a. Village

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

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

b. Village Deposits with Financial Institutions

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

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

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

b. Village Deposits with Financial Institutions (Continued)

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

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 2019 attach as an enforceable lien on January 1, 2019. Taxes are levied in December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and July 1 and are payable in two installments, on or about March 1 and August 1. The County collects such taxes and remits them periodically.

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

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

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**4. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2020 was as follows:

	Beginning Balances	Increases/ Transfers	Decreases/ Transfers	Ending Balances
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 3,177,573	\$ 374,830	\$ -	\$ 3,552,403
Construction in progress	906,502	-	906,502	-
Total capital assets not being depreciated	<u>4,084,075</u>	<u>374,830</u>	<u>906,502</u>	<u>3,552,403</u>
Capital assets being depreciated				
Land improvements	934,298	151,049	-	1,085,347
Infrastructure	9,611,307	2,712,630	-	12,323,937
Buildings	7,975,583	-	-	7,975,583
Machinery and equipment	3,981,876	98,065	-	4,079,941
Software	94,615	-	-	94,615
Total capital assets being depreciated	<u>22,597,679</u>	<u>2,961,744</u>	<u>-</u>	<u>25,559,423</u>
Less accumulated depreciation for				
Land improvements	267,705	191,264	-	458,969
Infrastructure	4,403,059	548,382	-	4,951,441
Buildings	2,493,987	153,132	-	2,647,119
Machinery and equipment	2,721,050	184,950	-	2,906,000
Software	50,461	18,923	-	69,384
Total accumulated depreciation	<u>9,936,262</u>	<u>1,096,651</u>	<u>-</u>	<u>11,032,913</u>
Total capital assets being depreciated, net	<u>12,661,417</u>	<u>1,865,093</u>	<u>-</u>	<u>14,526,510</u>
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 16,745,492</b>	<b>\$ 2,239,923</b>	<b>\$ 906,502</b>	<b>\$ 18,078,913</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 255,501	-	162,830	92,671
Construction in progress	486,235	50,150	486,235	50,150
Total capital assets not being depreciated	<u>741,736</u>	<u>50,150</u>	<u>649,065</u>	<u>142,821</u>
Capital assets being depreciated				
Land improvements	189,049	-	151,049	38,000
Infrastructure	4,086,902	603,099	-	4,690,001
Buildings	353,110	-	-	353,110
Machinery and equipment	754,151	-	12,883	741,268
Total capital assets being depreciated	<u>5,383,212</u>	<u>603,099</u>	<u>163,932</u>	<u>5,822,379</u>
Less accumulated depreciation for				
Land improvements	189,049	-	151,049	38,000
Infrastructure	723,217	87,769	-	810,986
Buildings	353,110	-	-	353,110
Machinery and equipment	272,982	38,172	12,167	298,987
Total accumulated depreciation	<u>1,538,358</u>	<u>125,941</u>	<u>163,216</u>	<u>1,501,083</u>
Total capital assets being depreciated, net	<u>3,844,854</u>	<u>477,158</u>	<u>716</u>	<u>4,321,296</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<b>\$ 4,586,590</b>	<b>\$ 527,308</b>	<b>\$ 649,781</b>	<b>\$ 4,464,117</b>

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

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**4. CAPITAL ASSETS (Continued)**

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 86,310
Public safety	132,237
Public works	703,389
Culture and recreation	<u>11,498</u>
Depreciation expense - governmental activities	933,434
Accumulated depreciation transferred in from commuter parking	<u>163,217</u>
<b>TOTAL - GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,096,651</u></b>

**5. RISK MANAGEMENT**

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

**Health Insurance**

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

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

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**6. LONG-TERM DEBT**

a. Changes in Long-Term Liabilities

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

	Balances January 1,	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>					
General obligation bonds	\$ 12,335,000	\$ -	\$ 970,000	\$ 11,365,000	\$ 995,000
Unamortized bond premium	97,709	-	9,109	88,600	-
Unamortized bond discount	(48,374)	4,253	-	(44,121)	-
Net pension liability - Police Pension	15,794,613	340,089	-	16,134,702	-
Net pension liability (asset) - IMRF	583,695	-	583,695	-	-
Capital lease payable	200,922	-	94,642	106,280	55,085
Compensated absences	316,834	130,676	31,683	415,827	41,583
Total OPEB liability	2,176,173	655,578	48,858	2,782,893	30,124
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>\$ 31,456,572</b>	<b>\$ 1,130,596</b>	<b>\$ 1,737,987</b>	<b>\$ 30,849,181</b>	<b>\$ 1,121,792</b>

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

	Balances January 1,	Additions	Reductions	Balances December 31	Current Portion
<b>BUSINESS-TYPE ACTIVITIES</b>					
Net pension liability (asset) - IMRF	\$ 134,494	\$ -	\$ 134,494	\$ -	\$ -
Compensated absences	23,603	4,188	2,360	25,431	2,543
Total OPEB liability	207,184	76,134	4,652	278,666	3,549
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>\$ 365,281</b>	<b>\$ 80,322</b>	<b>\$ 141,506</b>	<b>\$ 304,097</b>	<b>\$ 6,092</b>

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.

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

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

a. Changes in Long-Term Liabilities (Continued)

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

Year Ending December 31,	Governmental Activities			Total
	Principal	Interest		
2021	\$ 55,087	\$ 3,055	\$ 58,142	
2022	33,655	1,202	34,857	
2023	17,538	36	17,574	
<b>TOTAL</b>	<b>\$ 106,280</b>	<b>\$ 4,293</b>	<b>\$ 110,573</b>	

b. General Obligation Bonds

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

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

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES</b>						
\$5,365,000 General Obligation Bonds, Series 2012A, dated November 1, 2012, due in annual installments of \$160,000 to \$395,000 through December 15, 2032, interest at 1.40% to 3.70% payable each June 15 and December 15	Bond and Interest Fund	\$ 4,215,000	\$ -	\$ 265,000	\$ 3,950,000	\$ 270,000
\$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	Bond and Interest Fund	3,010,000	\$ -	125,000	2,885,000	130,000

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

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

b. General Obligation Bonds (Continued)

Issue	Fund Debt Retired By	Balances January 1	Additions	Reductions	Balances December 31	Current Portion
<b>GOVERNMENTAL ACTIVITIES (Continued)</b>						
\$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	\$ 5,110,000	\$ -	\$ 580,000	\$ 4,530,000	\$ 595,000
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>		<b>\$ 12,335,000</b>	<b>\$ -</b>	<b>\$ 970,000</b>	<b>\$ 11,365,000</b>	<b>\$ 995,000</b>

c. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Year Ending December 31,	Governmental Activities		
	Principal	Interest	Total
2021	\$ 995,000	\$ 437,825	\$ 1,432,825
2022	1,040,000	407,650	1,447,650
2023	1,020,000	375,910	1,395,910
2024	1,060,000	338,770	1,398,770
2025	1,095,000	299,660	1,394,660
2026	1,150,000	252,760	1,402,760
2027	885,000	209,128	1,094,128
2028	920,000	175,577	1,095,577
2029	535,000	139,232	674,232
2030	555,000	118,252	673,252
2031	580,000	95,775	675,775
2032	600,000	72,262	672,262
2033	215,000	47,895	262,895
2034	225,000	36,822	261,822
2035	240,000	25,235	265,235
2036	250,000	12,875	262,875
<b>TOTAL</b>	<b>\$ 11,365,000</b>	<b>\$ 3,045,628</b>	<b>\$ 14,410,628</b>

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

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**7. INTERFUND ASSETS/LIABILITIES**

a. Transfers In/Out

Interfund transfers during the year ended December 31, 2020 consisted of the following:

Fund	Transfers In	Transfers Out
Major Governmental		
General	\$ 505,100	\$ -
Total Major Governmental	<u>505,100</u>	<u>-</u>
Major Enterprise		
Water and Sewer	594,317	-
Total Major Enterprise	<u>594,317</u>	<u>-</u>
Nonmajor Governmental		
Capital Improvement	-	313,660
Total Nonmajor Governmental	<u>-</u>	<u>313,660</u>
Nonmajor Enterprise		
Commuter Parking	-	949,302
Total Nonmajor Enterprise	<u>-</u>	<u>949,302</u>
<b>TOTAL</b>	<b>\$ 1,099,417</b>	<b>\$ 1,262,962</b>

The purpose of significant transfers is as follows:

- \$191,440 transfer for the closing of a fund from the Commuter Parking Fund to the General Fund. These amounts will not be repaid.
- \$594,317 transfer for the closing of a fund from the Commuter Parking Fund to the Water and Sewer Fund. These amounts will not be repaid.
- \$163,545 transfer for the closing of a fund from the Commuter Parking Fund to the Government Wide Financial Statements. This is not shown above as it is not a transfer at the fund level. These amounts will not be repaid.
- \$313,660 transfer for the reimbursement of capital expenditures from the Capital Projects Fund to the General Fund. These amounts will not be repaid.

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

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

b. Due From/To Other Funds

Due from/to other funds at December 31, 2020 consisted of the following:

Fund	Due From	Due To
Major Governmental		
General	\$ 186,875	\$ -
Total Major Governmental	<u>186,875</u>	-
Motor Fuel Tax		186,875
Total Major Governmental	<u>-</u>	186,875
<b>TOTAL</b>	<b>\$ 186,875</b>	<b>\$ 186,875</b>

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

**8. CONTINGENT LIABILITIES**

a. Litigation

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

b. Grants

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

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

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**9. EMPLOYEE RETIREMENT SYSTEMS**

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

a. Plan Descriptions

**Illinois Municipal Retirement Fund**

*Plan Administration*

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

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

*Plan Membership*

At December 31, 2020, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	43
Inactive employees entitled to but not yet receiving benefits	26
Active employees	81
 TOTAL	 150

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Benefits Provided*

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, 2020 was 12.09% of covered payroll.

*Actuarial Assumptions*

The Village's net pension liability was measured as of December 31, 2020 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.

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Actuarial Assumptions (Continued)*

Actuarial valuation date December 31, 2020

Actuarial cost method Entry-age normal

Assumptions

Inflation	2.25%
Salary increases	2.85% to 13.75%
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.

*Discount Rate*

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

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>BALANCES AT JANUARY 1, 2020</b>	<u>\$ 12,683,138</u>	<u>\$ 11,964,949</u>	<u>\$ 718,189</u>
Changes for the period			
Service cost	262,777	-	262,777
Interest	894,892	-	894,892
Difference between expected and actual experience	(20,922)	-	(20,922)
Changes in assumptions	(128,096)	-	(128,096)
Employer contributions	-	330,199	(330,199)
Employee contributions	-	127,325	(127,325)
Net investment income	-	1,713,582	(1,713,582)
Benefit payments and refunds	(942,366)	(942,366)	-
Administrative expense	-	-	-
Other (net transfer)	-	(297,575)	297,575
Net changes	<u>66,285</u>	<u>931,165</u>	<u>(864,880)</u>
<b>BALANCES AT DECEMBER 31, 2020</b>	<u>\$ 12,749,423</u>	<u>\$ 12,896,114</u>	<u>\$ (146,691)</u>

There were changes in assumptions for salary increases and inflation rates.

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$246,492. At December 31, 2020, 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	\$ 246,753	\$ 87,419
Changes in assumption	136,478	232,033
Net difference between projected and actual earnings on pension plan investments	-	1,030,561
 TOTAL	 \$ 383,231	 \$ 1,350,013

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 <u>December 31,</u>	
2021	\$ (251,244)
2022	(69,471)
2023	(408,320)
2024	(213,764)
2025	(23,983)
Thereafter	-
 TOTAL	 \$ (966,782)

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

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

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

*Discount Rate Sensitivity*

The following is a sensitivity analysis of the net pension liability (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)	\$ 1,332,673	\$ (146,691)	\$ (1,323,838)

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)

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Plan Membership*

At December 31, 2020, the Police Pension Plan's membership consisted of:

Inactive plan members currently receiving benefits	18
Inactive plan members entitled to benefits but not yet receiving them	-
Active plan members	
Vested	26
Nonvested	2
<b>TOTAL</b>	<b><u>46</u></b>

*Benefits Provided*

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Benefits Provided (Continued)*

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

*Contributions*

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan and the administrative costs as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. It is the Village's policy to fund the Police Pension Plan to achieve 100% funding by the same date. The employer contribution for the fiscal year ended December 31, 2020 was 62.51% of covered payroll.

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Policy*

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

The long-term expected rate of return on the Fund's investments was determined using an asset allocation study conducted by the Fund's investment management consultant in which best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) were developed for each major assets class. These ranges were combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates or arithmetic real rates of return excluding inflation for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are listed in the table on the next page.

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

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

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

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Investment Valuations*

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

The Fund has the following recurring fair value measurements as of December 1, 2020: 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 mortgage pools 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, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 11.70%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Deposits with Financial Institutions*

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

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Interest Rate Risk*

The following table presents the investments and maturities of the Fund's debt securities as of December 31, 2020:

	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury notes	\$ 2,665,186	\$ 531,645	\$ 1,381,667	\$ 751,874	\$ -
Corporate bonds	2,448,155	202,533	964,764	1,280,858	-
U.S. agency obligations	14,837	-	1,509	6,335	6,993
Mortgage pools	280,464	-	-	-	280,464
CMO and asset backed	218,479	-	218,479	-	-
<b>TOTAL</b>	<b>\$ 5,627,121</b>	<b>\$ 734,178</b>	<b>\$ 2,566,419</b>	<b>\$ 2,039,067</b>	<b>\$ 287,457</b>

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

*Credit Risk*

The Fund's investment policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of ILCS, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the United States Government or any agency or instrumentally thereof, or to corporate 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, mortgage pools, U.S. agency obligations and asset backed securities range in rating from AAA to BBB as of December 31, 2020.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*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, 2020 using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2020
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-2020. An experience study was performed October 5, 2017.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Discount Rate*

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	\$ 20,379,822	\$ 16,134,702	\$ 12,694,073

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

*Changes in the Net Pension Liability*

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
<b>BALANCES AT JANUARY 1, 2020</b>	<u>\$ 26,583,381</u>	<u>\$ 10,788,768</u>	<u>\$ 15,794,613</u>
Changes for the period			
Service cost	483,340	-	483,340
Interest	1,720,312	-	1,720,312
Changes of benefit terms	-	-	-
Difference between expected and actual experience	1,129,244	-	1,129,244
Changes in assumptions	(148,754)	-	(148,754)
Employer contributions	-	1,364,605	(1,364,605)
Employee contributions	-	217,267	(217,267)
Net investment income	-	1,281,407	(1,281,407)
Benefit payments and refunds	(1,200,755)	(1,200,755)	-
Administrative expense	-	(19,226)	19,226
Other (net transfer)	-	-	-
Net changes	<u>1,983,387</u>	<u>1,643,298</u>	<u>340,089</u>
<b>BALANCES AT DECEMBER 31, 2020</b>	<u>\$ 28,566,768</u>	<u>\$ 12,432,066</u>	<u>\$ 16,134,702</u>

There were assumptions changes related to the mortality rate in 2020.

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

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

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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

For the year ended December 31, 2020, the Village recognized pension expense of \$1,130,955. At December 31, 2020, 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	\$ 941,037	\$ 895,225
Changes in assumption	2,850,275	2,751,228
Net difference between projected and actual earnings on pension plan investments	-	775,988
<b>TOTAL</b>	<b>\$ 3,791,312</b>	<b>\$ 4,422,441</b>

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

<u>Year Ending December 31,</u>	
2021	\$ (158,783)
2022	(357,821)
2023	(229,291)
2024	(48,649)
2025	163,415
Thereafter	-
<b>TOTAL</b>	<b>\$ (631,129)</b>

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

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

b. Summary of Significant Accounting Policies and Plan Asset Matters

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

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

**10. OTHER POSTEMPLOYMENT BENEFITS**

a. Plan Description

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

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

b. Benefits Provided

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

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

c. Membership

At December 31, 2020, 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	1
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d. Total OPEB Liability

The Village's total OPEB liability was measured as of January 1, 2020, 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, 2020, as determined by an actuarial valuation as of the January 1, 2020 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, 2020, including updating the discount rate at December 31, 2020.

Actuarial valuation date	January 1, 2020
Measurement date	December 31, 2020
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.50%
Discount rate	2.12%
Healthcare cost trend rates	7.50% Initial 4.50% Ultimate
Asset valuation method	N/A

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

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

d. Total OPEB Liability (Continued)

Mortality rates were based on the 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 2.12%. 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, 2020.

f. Changes in the Total OPEB Liability

	Total OPEB Liability
<b>BALANCES AT JANUARY 1, 2020</b>	<u>\$ 2,383,358</u>
Changes for the period	
Service cost	175,844
Interest	82,886
Changes of benefit terms	-
Difference between expected and actual experience	229,765
Changes in assumptions	223,379
Net investment income	-
Benefit payments and refunds	(33,673)
Administrative expense	-
Net changes	<u>678,201</u>
<b>BALANCES AT DECEMBER 31, 2020</b>	<u>\$ 3,061,559</u>

There were changes in assumptions related to the discount rate in 2020.

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

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

g. Rate Sensitivity

The following is a sensitive analysis of the total OPEB liability to changes in the discount rate and the healthcare cost trend rate. The table below presents the total OPEB liability of the Village calculated using the discount rate of 2.12% 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 (1.12%) or 1 percentage point higher (3.12%) than the current rate:

	1% Decrease (1.12%)	Current Discount Rate (2.12%)	1% Increase (3.12%)
Total OPEB liability	\$ 3,260,183	\$ 3,061,559	\$ 2,865,278

The table below presents the total OPEB liability of the Village calculated using the healthcare rate of 7.50% 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 (6.50% decreasing to 3.50%) or 1 percentage point higher (8.50% decreasing to 5.50%) than the current rate:

	1% Decrease (6.50% to 3.50%)	Current Healthcare Rate (7.50% to 4.50%)	1% Increase (8.50% to 5.50%)
Total OPEB liability	\$ 2,694,202	\$ 3,061,559	\$ 3,490,508

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

For the year ended December 31, 2020, the Village recognized OPEB expense of \$711,874.

**11. SUBSEQUENT EVENTS**

In January 2021, the Village entered into an agreement for the purchase and installation of cellular radio water meters and monitoring system used in the operation of the Village's water system for \$1,150,994. To provide funding for this project, the Village entered into a lease agreement for \$1,200,000. The lease agreement has annual payments of \$141,302, including interest of 2.796%, and matures in 2032.

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

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**11. SUBSEQUENT EVENTS (Continued)**

On March 3, 2021, the Village entered into an agreement for the purchase of land for \$252,300. The land will be used for additional public improvements and furthering the redevelopment in the Grand Thatcher TIF.

On March 23, 2021, the Village entered into a capital lease agreement for the purchase of a new ambulance for \$321,099. The lease agreement has quarterly payments of \$17,571, including interest of 2.831%, and matures June 15, 2026.

On March 30, 2021, the Village entered into a capital lease agreement for the purchase of three police squad cars for \$129,241. The lease agreement has annual payments of \$45,820, including interest of 2.926%, and matures March 30, 2024.

On April 1, 2021, the Village entered into a capital lease agreement for the purchase of two cars and one public works utility vehicle for \$163,903. The lease agreement has annual payments of \$35,336, including interest of 3.265% and matures April 1, 2026.

**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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Property taxes	\$ 6,475,407	\$ 6,475,407	\$ 5,712,346
Other taxes	3,952,350	3,952,350	3,547,440
Licenses, permits and fees	640,665	640,665	535,892
Fines and forfeitures	419,500	419,500	297,251
Charges for services	1,429,950	1,429,950	1,289,241
Intergovernmental	440,600	440,600	1,523,098
Investment income	75,000	75,000	40,441
Miscellaneous	349,075	349,075	388,458
 Total revenues	 13,782,547	 13,782,547	 13,334,167
<b>EXPENDITURES</b>			
Current			
Administration	1,039,901	1,039,901	1,147,305
Public health	26,375	26,375	24,990
Senior PACE bus service	39,200	39,200	14,623
Building/planning	363,109	363,109	344,918
General services	1,195,347	1,195,347	961,773
Police department	5,318,858	5,327,858	5,153,052
Fire protection	1,460,981	1,460,981	1,550,394
Public works	2,666,610	2,666,610	1,955,126
Culture and recreation	246,580	246,580	164,970
Debt service			
Principal	119,606	119,606	94,642
Interest and other charges	8,278	8,278	9,265
Capital outlay	1,261,450	1,261,450	1,164,085
 Total expenditures	 13,746,295	 13,755,295	 12,585,143
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	36,252	27,252	749,024
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	505,100
 Total other financing sources (uses)	 -	 -	 505,100
<b>NET CHANGE IN FUND BALANCE</b>			
	\$ 36,252	\$ 27,252	1,254,124
<b>FUND BALANCE, JANUARY 1</b>			
			4,826,363
<b>FUND BALANCE, DECEMBER 31</b>			
			<u>\$ 6,080,487</u>

(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, 2020

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	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Intergovernmental	\$ 360,000	\$ 596,840
Grants	668,000	-
Investment income	25,000	8,799
 Total revenues	 1,053,000	 605,639
<b>EXPENDITURES</b>		
Public works		
Maintenance	611,155	687,154
Capital outlay	1,556,000	653,423
 Total expenditures	 2,167,155	 1,340,577
 NET CHANGE IN FUND BALANCE	 \$ (1,114,155)	 (734,938)
 FUND BALANCE, JANUARY 1	 2,409,430	
 <b>FUND BALANCE, DECEMBER 31</b>	 <u>\$ 1,674,492</u>	

(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 Four Fiscal Years

<b>MEASUREMENT DATE DECEMBER 31,</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
<b>TOTAL OPEB LIABILITY</b>				
Service cost	\$ 86,516	\$ 143,376	\$ 126,882	\$ 175,844
Interest	47,362	71,930	79,717	82,886
Changes in benefit terms	-	-	-	-
Changes of assumptions	53,549	(91,717)	110,170	223,379
Differences between expected and actual experience	-	(216,822)	280,916	229,765
Benefit payments, including refunds of member contributions	(19,526)	(30,143)	(53,510)	(33,673)
Net change in total OPEB liability	167,901	(123,376)	544,175	678,201
Total OPEB liability - beginning	<u>1,794,658</u>	<u>1,962,559</u>	<u>1,839,183</u>	<u>2,383,358</u>
<b>TOTAL OPEB LIABILITY - ENDING</b>				
	<u>\$ 1,962,559</u>	<u>\$ 1,839,183</u>	<u>\$ 2,383,358</u>	<u>\$ 3,061,559</u>
<b>EMPLOYER'S NET OPEB LIABILITY</b>				
	<u>\$ 1,962,559</u>	<u>\$ 1,839,183</u>	<u>\$ 2,383,358</u>	<u>\$ 3,061,559</u>
Covered payroll	\$ 2,737,263	\$ 2,833,067	\$ 3,205,202	\$ 3,500,832
Employer's total OPEB liability as a percentage of covered payroll	71.70%	64.92%	74.36%	87.45%

There were changes in assumptions related to the discount rate in 2020.

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.

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

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

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

Last Six Fiscal Years

<b>FISCAL YEAR ENDED</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>	<b>December 31, 2018</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Actuarially determined contribution	\$ 206,842	\$ 197,439	\$ 126,523	\$ 251,716	\$ 245,956	\$ 330,199
Contributions in relation to the actuarially determined contribution	206,842	197,439	126,523	251,716	245,956	330,199
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
Covered payroll	\$ 2,029,750	\$ 1,845,603	\$ 1,136,775	\$ 2,016,953	\$ 2,322,535	\$ 2,731,181
Contributions as a percentage of covered payroll	10.19%	10.70%	11.13%	12.48%	10.59%	12.09%

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 23 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return of 7.25% annually, projected salary increases assumption of 3.35% to 14.25%, compounded annually and postretirement benefit increases of 3.25% compounded annually.

Assumption changes were made for salary increases and inflation rates.

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

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

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

Last Six Fiscal Years

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

Plan fiduciary net position as a percentage of total pension liability	88.64%	88.21%	96.83%
Covered payroll	\$ 2,020,477	\$ 1,845,603	\$ 1,726,980
Employer's net pension liability as a percentage of covered payroll	58.81%	71.35%	21.00%

There were changes in assumptions related to project salary increases in 2020.

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

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

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

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

	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$ 177,272	\$ 225,763	\$ 262,777	
840,567	880,376	894,892	
-	-	-	
254,037	(106,369)	(20,922)	
304,739	-	(128,096)	
(636,877)	(693,728)	(942,366)	
939,738	306,042	66,285	
11,437,358	12,377,096	12,683,138	
<b>\$ 12,377,096</b>	<b>\$ 12,683,138</b>	<b>\$ 12,749,423</b>	
 \$ 251,715	\$ 245,957	\$ 330,199	
106,799	104,540	127,325	
(595,166)	1,910,325	1,713,582	
(636,877)	(693,728)	(942,366)	
158,870	37,787	(297,575)	
(714,659)	1,604,881	931,165	
11,074,727	10,360,068	11,964,949	
<b>\$ 10,360,068</b>	<b>\$ 11,964,949</b>	<b>\$ 12,896,114</b>	
<b>\$ 2,017,028</b>	<b>\$ 718,189</b>	<b>\$ (146,691)</b>	
 83.70%	94.34%	101.15%	
\$ 2,016,953	\$ 2,322,535	\$ 2,731,181	
 100.00%	30.92%	(5.37%)	

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND**

Last Ten Fiscal Periods

<b>FISCAL YEAR ENDED</b>	<b>April 30, 2012</b>	<b>April 30, 2013</b>	<b>April 30, 2014</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>	<b>December 31, 2018</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Actuarially determined contribution	\$ 882,213	\$ 766,067	\$ 855,937	\$ 865,761	\$ 1,274,642	\$ 1,563,857	\$ 931,549	\$ 1,326,114	\$ 1,367,707	\$ 1,399,079
Contribution in relation to the actuarially determined contribution	337,922	582,045	825,636	688,527	1,115,353	993,210	491,945	1,102,068	1,324,423	1,364,605
<b>CONTRIBUTION DEFICIENCY (Excess)</b>	<b>\$ 544,291</b>	<b>\$ 184,022</b>	<b>\$ 30,301</b>	<b>\$ 177,234</b>	<b>\$ 159,289</b>	<b>\$ 570,647</b>	<b>\$ 439,604</b>	<b>\$ 224,046</b>	<b>\$ 43,284</b>	<b>\$ 34,474</b>
Covered payroll	\$ 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	\$ 2,183,028
Contributions as a percentage of covered payroll	17.78%	32.36%	45.90%	36.77%	55.88%	52.94%	28.78%	64.74%	67.90%	62.51%

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, 2020. 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 20 years; the asset valuation method is 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 Seven Fiscal Periods

<b>MEASUREMENT DATE</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>
<b>TOTAL PENSION LIABILITY</b>				
Service cost	\$ 427,935	\$ 456,111	\$ 486,898	\$ 358,991
Interest	1,325,272	1,374,078	1,502,175	1,074,581
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	565,183	71,109	(2,238,666)	(114,313)
Changes of assumptions	-	-	3,864,244	6,618,712
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)
Net change in total pension liability	1,308,019	812,855	2,545,221	7,274,117
Total pension liability - beginning	20,181,390	21,489,409	22,302,264	24,847,485
<b>TOTAL PENSION LIABILITY - ENDING</b>	<b>\$ 21,489,409</b>	<b>\$ 22,302,264</b>	<b>\$ 24,847,485</b>	<b>\$ 32,121,602</b>
<b>PLAN FIDUCIARY NET POSITION</b>				
Contributions - employer	\$ 688,567	\$ 1,115,353	\$ 993,210	\$ 491,945
Contributions - member	186,676	190,944	208,521	147,701
Contributions - other	-	-	-	-
Net investment income	415,535	70,407	541,180	733,095
Benefit payments, including refunds of member contributions	(1,010,371)	(1,088,443)	(1,069,430)	(663,854)
Administrative expense	(26,575)	(35,019)	(46,185)	(21,214)
Net change in plan fiduciary net position	253,832	253,242	627,296	687,673
Plan fiduciary net position - beginning	7,256,868	7,510,700	7,763,942	8,391,238
<b>PLAN FIDUCIARY NET POSITION - ENDING</b>	<b>\$ 7,510,700</b>	<b>\$ 7,763,942</b>	<b>\$ 8,391,238</b>	<b>\$ 9,078,911</b>
<b>EMPLOYER'S NET PENSION LIABILITY</b>	<b>\$ 13,978,709</b>	<b>\$ 14,538,322</b>	<b>\$ 16,456,247</b>	<b>\$ 23,042,691</b>
Plan fiduciary net position as a percentage of the total pension liability	34.95%	34.81%	33.77%	28.26%
Covered payroll	\$ 1,872,614	\$ 1,995,949	\$ 1,879,066	\$ 1,709,345
Employer's net pension liability as a percentage of covered payroll	746.48%	728.39%	875.77%	1,348.04%

There were assumptions changes related to the mortality rate in 2020.

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.

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December 31, 2018	December 31, 2019	December 31, 2020
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\$ 437,908	\$ 430,131	\$ 483,340
1,555,392	1,693,803	1,720,312
-	2,553	-
(367,596)	(505,456)	1,129,244
(6,426,689)	(84,887)	(148,754)
<hr/>	<hr/>	<hr/>
(1,111,110)	(1,162,270)	(1,200,755)
<hr/>	<hr/>	<hr/>
(5,912,095)	373,874	1,983,387
<hr/>	<hr/>	<hr/>
32,121,602	26,209,507	26,583,381
<hr/>	<hr/>	<hr/>
\$ 26,209,507	\$ 26,583,381	\$ 28,566,768

\$ 1,102,068	\$ 1,324,423	\$ 1,364,605
177,578	201,000	217,267
-	-	-
(286,360)	1,495,955	1,281,407
(1,111,110)	(1,162,270)	(1,200,755)
<hr/>	<hr/>	<hr/>
(15,289)	(16,138)	(19,226)
<hr/>	<hr/>	<hr/>
(133,113)	1,842,970	1,643,298
<hr/>	<hr/>	<hr/>
9,078,911	8,945,798	10,788,768
<hr/>	<hr/>	<hr/>
\$ 8,945,798	\$ 10,788,768	\$ 12,432,066
<hr/>	<hr/>	<hr/>
\$ 17,263,709	\$ 15,794,613	\$ 16,134,702

34.13%	40.58%	43.52%
<hr/>	<hr/>	<hr/>
\$ 1,702,175	\$ 1,950,607	\$ 2,183,028
<hr/>	<hr/>	<hr/>
1,014.21%	809.73%	739.10%

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

**SCHEDULE OF INVESTMENT RETURNS  
POLICE PENSION FUND**

Last Seven Fiscal Periods

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<b>FISCAL YEAR ENDED</b>	<b>April 30, 2015</b>	<b>April 30, 2016</b>	<b>April 30, 2017</b>	<b>December 31, 2017*</b>	<b>December 31, 2018</b>	<b>December 31, 2019</b>	<b>December 31, 2020</b>
Annual money-weighted rate of return, net of investment expense	(1.35%)	6.75%	7.00%	8.62%	(3.10%)	16.43%	11.70%

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

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

## VILLAGE OF RIVER GROVE, ILLINOIS

### NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2020

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#### BUDGETS

Annual budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted for all governmental, proprietary and fiduciary 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. A supplemental appropriations was 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, 2020:

Fund	Actual Expenditures	Budget
Bond and Interest Fund	\$ 1,442,525	\$ 1,441,100
Police Pension Fund	1,219,981	1,024,135

**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, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>PROPERTY TAXES</b>			
Property tax	\$ 6,345,407	\$ 6,345,407	\$ 5,582,223
Road and bridge	130,000	130,000	130,123
 Total property taxes	 6,475,407	 6,475,407	 5,712,346
<b>OTHER TAXES</b>			
State income	1,150,000	1,150,000	1,111,356
Sales and use	1,155,000	1,155,000	1,129,417
Home rule sales	745,000	745,000	667,300
Utility	365,000	365,000	259,347
Other taxes	537,350	537,350	380,020
 Total other taxes	 3,952,350	 3,952,350	 3,547,440
<b>LICENSES AND PERMITS</b>			
Vehicle licenses	165,000	165,000	165,631
Business licenses	145,000	145,000	126,120
Building permit fees	142,500	142,500	84,590
Street opening	1,000	1,000	-
Franchise fees	120,000	120,000	107,242
Miscellaneous licenses and fees	67,165	67,165	52,309
 Total licenses and permits	 640,665	 640,665	 535,892
<b>FINES AND FORFEITURES</b>			
Court fines	50,000	50,000	20,884
Compounded penalties	-	-	3,556
Ticket fines	201,500	201,500	151,417
Miscellaneous fines and forfeitures	168,000	168,000	121,394
 Total fines and forfeitures	 419,500	 419,500	 297,251
<b>CHARGES FOR SERVICES</b>			
	1,429,950	1,429,950	1,289,241
<b>INTERGOVERNMENTAL</b>			
Grants	390,000	390,000	1,212,278
Other intergovernmental	50,600	50,600	310,820
 Total intergovernmental	 440,600	 440,600	 1,523,098
<b>INVESTMENT INCOME</b>			
	75,000	75,000	40,441
<b>MISCELLANEOUS</b>			
Miscellaneous income	349,075	349,075	388,458
<b>TOTAL REVENUES</b>			
	 \$ 13,782,547	 \$ 13,782,547	 \$ 13,334,167

(See independent auditor's report.)

# VILLAGE OF RIVER GROVE, ILLINOIS

## SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL GENERAL FUND

For the Year Ended December 31, 2020

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	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
Administration services			
Current			
General government			
Administration	\$ 1,039,901	\$ 1,039,901	\$ 1,147,305
Public health	26,375	26,375	24,990
Senior PACE bus service	39,200	39,200	14,623
Building/planning	363,109	363,109	344,918
General services	1,195,347	1,195,347	961,773
Public safety			
Police	5,318,858	5,327,858	5,153,052
Fire protection	1,460,981	1,460,981	1,550,394
Public works	2,666,610	2,666,610	1,955,126
Culture and recreation	246,580	246,580	164,970
Debt service			
Principal	119,606	119,606	94,642
Interest and other charges	8,278	8,278	9,265
Capital outlay	1,261,450	1,261,450	1,164,085
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,746,295</b>	<b>\$ 13,755,295</b>	<b>\$ 12,585,143</b>

(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, 2020

	Special Revenue		Capital Projects	Debt Service	Total
	Belmont	Grand			Nonmajor
	Thatcher	Thatcher	Capital Improvement	Bond and Interest	Governmental Funds
	TIF	TIF			

**ASSETS**

Cash and cash equivalents	\$ 947,975	\$ 527,568	\$ 1,378,400	\$ 1,003,095	\$ 3,857,038
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	-	-	-	708,566	708,566
Sales taxes	-	-	187,722	-	187,722
<b>TOTAL ASSETS</b>	<b>\$ 947,975</b>	<b>\$ 527,568</b>	<b>\$ 1,566,122</b>	<b>\$ 1,711,661</b>	<b>\$ 4,753,326</b>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

**LIABILITIES**

Accounts payable	\$ 8,683	\$ 3,307	\$ -	\$ -	\$ 11,990
Total liabilities	8,683	3,307	-	-	11,990

**DEFERRED INFLOWS OF RESOURCES**

Unavailable tax revenue	-	-	-	708,566	708,566
Total deferred inflows of resources	-	-	-	708,566	708,566
Total liabilities and deferred inflows of resources	8,683	3,307	-	708,566	720,556

**FUND BALANCES**

Restricted for TIF development	939,292	524,261	-	-	1,463,553
Restricted for capital improvements	-	-	1,566,122	-	1,566,122
Assigned for debt service	-	-	-	1,003,095	1,003,095
Total fund balances	939,292	524,261	1,566,122	1,003,095	4,032,770

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES**

<b>\$ 947,975</b>	<b>\$ 527,568</b>	<b>\$ 1,566,122</b>	<b>\$ 1,711,661</b>	<b>\$ 4,753,326</b>
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(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, 2020

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	Special Revenue	Capital Projects	Debt Service	Total
	Belmont Thatcher TIF	Grand Thatcher TIF	Capital Improvement	Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes				
Property taxes	\$ 931,893	\$ 593,460	\$ -	\$ 681,144
Sales	-	-	666,839	399,591
Utility	-	-	-	338,479
Investment income	958	622	314	4,902
	<hr/>	<hr/>	<hr/>	<hr/>
Total revenues	932,851	594,082	667,153	1,424,116
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Current				
General government	25,716	54,447	-	2,500
Public works	126,097	-	-	126,097
Capital outlay	2,574	217,927	-	220,501
Debt service				
Principal	-	-	-	970,000
Interest and other charges	-	-	-	470,025
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures	154,387	272,374	-	1,442,525
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	778,464	321,708	667,153	(18,409)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	-	-	(313,660)	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	-	(313,660)	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>NET CHANGE IN FUND BALANCES</b>	778,464	321,708	353,493	(18,409)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, JANUARY 1</b>	160,828	202,553	1,212,629	1,021,504
	<hr/>	<hr/>	<hr/>	<hr/>
<b>FUND BALANCES, DECEMBER 31</b>	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>
	<hr/>	<hr/>	<hr/>	<hr/>

(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, 2020

---

	<u>Original and Final Budget</u>	<u>Actual</u>
<b>REVENUES</b>		
Taxes		
Property	\$ 800,000	\$ 931,893
Investment income	16,000	958
	<hr/>	<hr/>
Total revenues	816,000	932,851
<b>EXPENDITURES</b>		
General government		
Administration	20,250	25,716
Public works		
Maintenance	220,000	126,097
Capital outlay	300,000	2,574
	<hr/>	<hr/>
Total expenditures	540,250	154,387
NET CHANGE IN FUND BALANCE	\$ 275,750	778,464
FUND BALANCE, JANUARY 1		160,828
<b>FUND BALANCE, DECEMBER 31</b>	<u>\$ 939,292</u>	

(See independent auditor's report.)

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

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

For the Year Ended December 31, 2020

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes	\$ 300,000	\$ 593,460
Investment income	800	622
 Total revenues	 300,800	 594,082
<b>EXPENDITURES</b>		
General government		
Administration	393,000	54,447
Capital outlay	250,000	217,927
 Total expenditures	 643,000	 272,374
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (342,200)</b>	<b>321,708</b>
<b>FUND BALANCE, MAY 1</b>		<b>202,553</b>
<b>FUND BALANCE, APRIL 30</b>		<b>\$ 524,261</b>

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

---

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>			
Taxes			
Sales	\$ 740,000	\$ 740,000	\$ 666,839
Investment income	2,000	2,000	314
 Total revenues	 742,000	 742,000	 667,153
<b>EXPENDITURES</b>			
General government			
Administration	10,000	10,000	-
Capital outlay	-	24,902	-
 Total expenditures	 10,000	 34,902	 -
 EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	 732,000	 707,098	 667,153
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers (out)			
 Total other financing sources (uses)	 -	 -	 (313,660)
 NET CHANGE IN FUND BALANCE	 \$ 732,000	 \$ 707,098	 353,493
 FUND BALANCE, JANUARY 1			 1,212,629
 <b>FUND BALANCE, DECEMBER 31</b>			 <b>\$ 1,566,122</b>

(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, 2020

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>REVENUES</b>		
Taxes		
Property	\$ -	\$ 681,144
Sales	411,695	399,591
Utility	348,760	338,479
Investment income	<u>13,000</u>	<u>4,902</u>
 Total revenues	 <u>773,455</u>	 <u>1,424,116</u>
<b>EXPENDITURES</b>		
General government		
Administration	2,000	2,500
Debt service		
Principal	970,000	970,000
Interest and other charges	<u>469,100</u>	<u>470,025</u>
 Total expenditures	 <u>1,441,100</u>	 <u>1,442,525</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	 <u>(667,645)</u>	 <u>(18,409)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	<u>650,000</u>	<u>-</u>
 Total other financing sources (uses)	 <u>650,000</u>	 <u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	 <u>\$ (17,645)</u>	 <u>(18,409)</u>
<b>FUND BALANCE, JANUARY 1</b>	 <u>1,021,504</u>	
<b>FUND BALANCE, DECEMBER 31</b>	 <u>\$ 1,003,095</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, 2020

---

	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 3,037,600	\$ 2,980,175
Total operating revenues	<u>3,037,600</u>	<u>2,980,175</u>
<b>OPERATING EXPENSES</b>		
Administration	749,175	724,463
Operations	1,350,000	1,542,339
Repairs and maintenance	<u>926,900</u>	<u>306,830</u>
Total operating expenses excluding depreciation	<u>3,026,075</u>	<u>2,573,632</u>
<b>OPERATING INCOME BEFORE DEPRECIATION</b>		
Depreciation	<u>104,000</u>	<u>125,942</u>
<b>OPERATING INCOME (LOSS)</b>		
	<u>(92,475)</u>	<u>280,601</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
Investment income	<u>9,000</u>	<u>2,758</u>
Total non-operating revenues (expenses)	<u>9,000</u>	<u>2,758</u>
<b>TRANSFERS</b>		
Transfers in	<u>-</u>	<u>594,317</u>
Total transfers	<u>-</u>	<u>594,317</u>
<b>CHANGE IN NET POSITION</b>		
	<u>\$ (83,475)</u>	<u>877,676</u>
<b>NET POSITION, JANUARY 1</b>		<u>3,596,380</u>
<b>NET POSITION, DECEMBER 31</b>		<u><u>\$ 4,474,056</u></u>

(See independent auditor's report.)

# VILLAGE OF RIVER GROVE, ILLINOIS

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

For the Year Ended December 31, 2020

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>ADMINISTRATION</b>		
Personnel services	\$ 488,775	\$ 526,391
Contractual services	144,900	83,299
Commodities	5,000	10,416
Other charges	<u>110,500</u>	<u>104,357</u>
Total administration	<u>749,175</u>	<u>724,463</u>
<b>OPERATIONS</b>		
Water purchases	<u>1,350,000</u>	<u>1,542,339</u>
Total operations	<u>1,350,000</u>	<u>1,542,339</u>
<b>REPAIRS AND MAINTENANCE</b>		
Repairs and maintenance	<u>926,900</u>	<u>306,830</u>
Total repairs and maintenance	<u>926,900</u>	<u>306,830</u>
<b>TOTAL OPERATING EXPENSES</b>	<u><u>\$ 3,026,075</u></u>	<u><u>\$ 2,573,632</u></u>

(See independent auditor's report.)

**VILLAGE OF RIVER GROVE, ILLINOIS**

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

For the Year Ended December 31, 2020

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATING REVENUES</b>		
Parking lot fees	\$ 16,500	-
Parking passes	<u>29,000</u>	-
 Total operating revenues	 <u>45,500</u>	 -
<b>OPERATING EXPENSES</b>		
Operations	4,250	-
Repairs and maintenance	<u>42,000</u>	-
 Total operating expenses excluding depreciation	 <u>46,250</u>	 -
<b>OPERATING INCOME (LOSS)</b>		
BEFORE DEPRECIATION	(750)	-
Depreciation	<u>7,100</u>	-
 OPERATING INCOME (LOSS)	 <u>(7,850)</u>	 -
<b>NON-OPERATING REVENUES (EXPENSES)</b>		
None	<u>-</u>	-
 Total non-operating revenues (expenses)	 <u>-</u>	 -
<b>TRANSFERS</b>		
Transfers (out)	<u>-</u>	<b>(949,302)</b>
 Total transfers	 <u>-</u>	 <b>(949,302)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ (7,850)</b>	<b>(949,302)</b>
 NET POSITION, JANUARY 1	 <u>949,302</u>	
<b>NET POSITION, DECEMBER 31</b>	<b>\$ -</b>	

(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, 2020

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	<b>Original and Final Budget</b>	<b>Actual</b>
<b>OPERATIONS</b>		
Administration	\$ 4,250	\$ -
Total operations	4,250	-
<b>REPAIRS AND MAINTEANNCE</b>		
Repairs and maintenance	42,000	-
Total repairs and maintenance	42,000	-
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 46,250</b>	<b>\$ -</b>

**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, 2020

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	<u>Original and Final Budget</u>	<u>Actual</u>
<b>ADDITIONS</b>		
Contributions		
Contributions - employer	\$ 1,383,707	\$ 1,364,605
Contributions - employee	200,000	217,267
Contributions - other	-	14,642
 Total contributions	 1,583,707	 1,596,514
 Investment income		
Net appreciation in fair value of investments	- 400,000	1,042,683 237,769
 Interest earned on investments		
 Total investment income	 400,000	 1,280,452
 Less investment expense		
 Net investment income	 - 400,000	 (13,687) 1,266,765
 Total additions	 1,983,707	 2,863,279
 <b>DEDUCTIONS</b>		
Benefits	1,004,135	1,200,755
Administrative	20,000	19,226
 Total deductions	 1,024,135	 1,219,981
 <b>NET INCREASE</b>	 \$ 959,572	 1,643,298
 <b>NET POSITION RESTRICTED FOR PENSIONS</b>		
January 1		<u>10,788,768</u>
December 31		<u>\$ 12,432,066</u>

(See independent auditor's report.)

**SUPPLEMENTAL INFORMATION**

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 15, 2021 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, 2020. 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, 2020 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 15, 2021