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**VILLAGE OF FOX RIVER GROVE  
LAKE AND MCHENRY COUNTIES, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

**APRIL 30, 2015**

**eder, casella & co.**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Village of Fox River Grove  
Fox 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

### VILLAGE OF FOX RIVER GROVE, ILLINOIS

as of and for the year ended April 30, 2015, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

#### **Auditor's Responsibility**

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

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

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

## Opinions

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

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Changes in the Employer's Net Pension Liability and Related Ratios, Schedule of Employer Contribution, and budgetary comparison information on pages 3 through 9 and 43 through 52 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.

## Change in Accounting Principle

As discussed in Note 18 to the financial statements, in fiscal year 2015 Village of Fox River Grove implemented GASB Statement No. 67, *Financial Reporting for Pension Plans*. Our opinion is not modified with respect to this matter.

*Eder, Casella & Co.*

EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
November 11, 2015

REQUIRED SUPPLEMENTARY INFORMATION

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

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of Village of Fox River Grove (Village), we offer readers of the Village's statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Village exceeded its liabilities and deferred inflows of resources at April 30, 2015 by \$25,400,328 (total net position, see page 10). Of this amount, \$6,875,254 (unrestricted net position) may be used to meet the Village's ongoing obligations to citizens and creditors.
- The Village's total net position increased by \$251,105.
- At April 30, 2015, the Village's governmental funds reported combined ending fund balances of \$6,929,145, an increase of \$219,158 in comparison with the prior year. Approximately 24 percent of this total amount, \$1,631,096, is unassigned fund balance.
- At April 30, 2015, the unassigned fund balance for the General Fund was \$1,631,096, or 75 percent of total General Fund expenditures. This amount is available for spending at the Village's discretion.

### **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 themselves.

**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 amongst those reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the long-term financial position of the Village is improving or deteriorating. See page 5 for the section titled Government-Wide Financial Analysis for further information.

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 (full accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, streets and parks, building and zoning, and environment. The business-type activities of the Village include water, sewer, and parking.

The government-wide financial statements include not only the Village itself (known as the primary government), but also a legally separate police pension fund for which the Village is financially accountable. The Police Pension Fund has been blended into the financial statements of the Village as a fiduciary fund and is not shown in the government-wide financial statements.

The government-wide financial statements can be found on pages 10 and 11 of this report.

**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, like other state and local governments, 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* - 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. Such information may be useful in evaluating a government's near-term financing requirements.

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 twenty-one individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, General Capital Fund, Public Works Facility Bond Fund, Tax Increment Financing Fund, and Capital Improvement Fund all of which are considered to be major funds. Data from the other sixteen governmental funds are combined into a single, aggregated presentation.

The basic governmental fund financial statements can be found on pages 12 through 15 of this report.

*Proprietary funds* - 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, sewer, and parking operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and water and sewer capital, which are considered to be major funds of the Village. The remaining proprietary fund (parking) is shown as a non-major fund in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 16 through 18 of this report.

*Fiduciary funds* - 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 the funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village has two fiduciary funds: the Police Pension Fund and an Agency Fund. As mentioned above, the Police Pension Fund is blended into the

financial statements of the Village. The Agency Fund is used to account for assets held by the Village as an agent for individuals, private organizations, and other governments. This fund is custodial in nature and does not involve the measurement of results of operations.

The basic fiduciary fund financial statements can be found on pages 19 and 20 of this report.

**Notes to the financial statements** - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 42 of this report.

**Other information** - In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in meeting its obligation to provide services to its residents.

The Village adopts an annual budget for all funds. A budgetary comparison statement and related notes have been provided on pages 48 through 52 for the General Fund, Tax Increment Financing Fund, and Capital Improvement Fund to demonstrate compliance with the budget.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,400,328 at April 30, 2015.

By far the largest portion of the Village's net position (68 percent) reflects its investment in capital assets (e.g., land, construction in progress, land improvements, buildings, equipment, systems and equipment, vehicles, and infrastructure). The Village uses these 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.

Village of Fox River Grove's Net Position

	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
<b>Assets</b>						
Current and Other Assets	\$ 8,984,081	\$ 10,661,880	\$ 4,135,810	\$ 4,318,943	\$ 13,119,891	\$ 14,980,823
Capital Assets	15,451,691	15,472,186	3,605,077	3,675,584	19,056,768	19,147,770
<b>Total Assets</b>	<b>\$ 24,435,772</b>	<b>\$ 26,134,066</b>	<b>\$ 7,740,887</b>	<b>\$ 7,994,527</b>	<b>\$ 32,176,659</b>	<b>\$ 34,128,593</b>
Deferred Outflows of Resources	\$ 8,914	\$ 11,142	\$ -	\$ -	\$ 8,914	\$ 11,142
<b>Liabilities</b>						
Long-Term Liabilities Outstanding	\$ 3,086,705	\$ 3,276,854	\$ 1,574,750	\$ 1,644,500	\$ 4,661,455	\$ 4,921,354
Other Liabilities	515,072	2,398,069	65,830	92,899	580,902	2,490,968
<b>Total Liabilities</b>	<b>\$ 3,601,777</b>	<b>\$ 5,674,923</b>	<b>\$ 1,640,580</b>	<b>\$ 1,737,399</b>	<b>\$ 5,242,357</b>	<b>\$ 7,412,322</b>
Deferred Inflows of Resources	\$ 1,542,888	\$ 1,578,190	\$ -	\$ -	\$ 1,542,888	\$ 1,578,190
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 13,840,576	\$ 13,762,550	\$ 3,364,736	\$ 3,464,741	\$ 17,205,312	\$ 17,227,291
Restricted	1,319,762	1,287,381	-	-	1,319,762	1,287,381
Unrestricted	4,139,683	3,842,164	2,735,571	2,792,387	6,875,254	6,634,551
<b>Total Net Position</b>	<b>\$ 19,300,021</b>	<b>\$ 18,892,095</b>	<b>\$ 6,100,307</b>	<b>\$ 6,257,128</b>	<b>\$ 25,400,328</b>	<b>\$ 25,149,223</b>

An additional portion of the Village's net position (5 percent) represents resources that are subject to external restrictions on how they may be used (e.g. Audit, Debt Service, Economic Development). The remaining balance of unrestricted net position (\$6,875,254) may be used to meet the Village's ongoing obligations to citizens and creditors.

At April 30, 2015, the Village is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

**Governmental activities** - Governmental activities increased the Village's net position by \$407,926. Key elements of this increase are as follows:

	Village of Fox River Grove's Change in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	FY 2015	FY 2014	FY 2015	FY 2014	FY 2015	FY 2014
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,494,096	\$ 1,423,285	\$ 1,907,133	\$ 1,755,922	\$ 3,401,229	\$ 3,179,207
Operating Grants and Contributions	104,068	88,797	28,547	23,278	132,615	112,075
Capital Grants and Contributions	-	-	-	170,716	-	170,716
General Revenues						
Property Taxes	1,581,988	1,547,606	-	-	1,581,988	1,547,606
Other Taxes	1,579,119	1,540,799	-	-	1,579,119	1,540,799
Investment Income	83,138	(14,350)	15,323	2,924	98,461	(11,426)
Other	(186,606)	2,729	(213,212)	-	(399,818)	2,729
<b>Total Revenues</b>	<b>\$ 4,655,803</b>	<b>\$ 4,588,866</b>	<b>\$ 1,737,791</b>	<b>\$ 1,952,840</b>	<b>\$ 6,393,594</b>	<b>\$ 6,541,706</b>
<b>Expenses</b>						
General Government	\$ 701,550	\$ 805,482	\$ -	\$ -	\$ 701,550	\$ 805,482
Public Safety	1,574,297	1,487,735	-	-	1,574,297	1,487,735
Streets and Parks	1,434,234	1,444,085	-	-	1,434,234	1,444,085
Building and Zoning	433,070	388,260	-	-	433,070	388,260
Environment	20,968	9,456	-	-	20,968	9,456
Water	-	-	677,601	647,793	677,601	647,793
Sewer	-	-	843,661	847,312	843,661	847,312
Parking	-	-	137,450	63,619	137,450	63,619
Interest and Fees on Long-Term Debt	275,881	355,916	-	-	275,881	355,916
Unallocated Depreciation	43,777	43,700	-	-	43,777	43,700
<b>Total Expenses</b>	<b>\$ 4,483,777</b>	<b>\$ 4,534,634</b>	<b>\$ 1,658,712</b>	<b>\$ 1,558,724</b>	<b>\$ 6,142,489</b>	<b>\$ 6,093,358</b>
<b>Increase/(Decrease) in Net Position</b>						
Before Transfers	\$ 172,026	\$ 54,232	\$ 79,079	\$ 394,116	\$ 251,105	\$ 448,348
Transfers	235,900	31,936	(235,900)	(31,936)	-	-
<b>Increase/(Decrease) in Net Position</b>	<b>\$ 407,926</b>	<b>\$ 86,168</b>	<b>\$ (156,821)</b>	<b>\$ 362,180</b>	<b>\$ 251,105</b>	<b>\$ 448,348</b>
<b>Net Position - Beginning of Year</b>	<b>18,892,095</b>	<b>18,805,927</b>	<b>6,257,128</b>	<b>5,894,948</b>	<b>25,149,223</b>	<b>24,700,875</b>
<b>Net Position - End of Year</b>	<b>\$ 19,300,021</b>	<b>\$ 18,892,095</b>	<b>\$ 6,100,307</b>	<b>\$ 6,257,128</b>	<b>\$ 25,400,328</b>	<b>\$ 25,149,223</b>

For the most part, revenues and expenses of governmental activities all experienced minimal differences from the prior year. Exceptions include the following:

- Other Revenue decreased due to a loss recognized on the assets related to the public works facility. The Village has decided to move the location of the facility to another site.

**Business-type activities** - Business-type activities decreased the Village's net position by \$156,821. Revenues and expenses of business-type activities all experienced minimal differences from the prior year. Exceptions include the following:

- Other Revenue decreased due to a loss recognized on the assets related to the public works facility. The Village has decided to move the location of the facility to another site.
- Capital Grants and Contributions decreased due to a one-time grant that was received in the prior year.

## FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**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 the Village's net resources available for spending at the end of the fiscal year.

At April 30, 2015, the Village's governmental funds reported combined ending fund balances of \$6,929,145, an increase of \$219,158 in comparison with the prior year. Approximately 24 percent of this total amount (\$1,631,096) constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of fund balance is restricted or committed (by board action) to indicate that it is not available for new spending because it has already been committed or restricted for specific purposes.

The General Fund is the chief operating fund of the Village. At April 30, 2015, unassigned fund balance of the General Fund was \$1,631,096, while total fund balance reached \$1,649,503. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance (\$1,631,096) represents 75 percent of total General Fund expenditures (\$2,166,872), while total fund balance (\$1,649,503) represents 76 percent of that same amount.

The fund balance of the Village's General Fund increased by \$394,299 during the year ended April 30, 2015. The increase in fund balance is largely related to increased tax revenue over the prior year.

Other significant highlights in the governmental funds for the year ended April 30, 2015 are outlined below:

- The fund balance of the General Capital Fund increased by \$229,852 due to increased water tower lease revenue over the prior year.
- The fund balance of the Capital Improvements Fund decreased by \$401,665 due to a road resurfacing project that was completed during the year and slightly lower revenue from fines and forfeitures over the prior year.

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

Unrestricted net position of the Water and Sewer Fund at April 30, 2015 amounted to \$750,561. The total decrease in net position for the Water and Sewer Fund was \$314,002. The decrease is largely due to a loss on disposal of assets related to the Public Works Facility that was discussed previously.

The proprietary fund financial statements can be found on pages 16 through 18 of this report.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The budget was not amended during the year ended April 30, 2015; therefore, the amounts shown as original and final budget are the same.

Significant differences between the budget and the actual revenues and expenditures are summarized as follows:

- The difference between the estimated revenues and the actual revenues was \$459,536 (favorable). This was mostly due to the Police Pension tax levy. The Village budgeted for property tax revenue for the Police Pension in the Police Pension Fund. The amounts are reported as revenue in the General Fund with an offsetting expenditure for pension contributions made to the Police Pension Fund. These amounts were not budgeted for in the General Fund.
- The difference between the estimated expenditures and the actual expenditures was \$157,920 (unfavorable). This was due to unbudgeted police pension contributions that are discussed above and lower than anticipated streets and parks expenditures during the year.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets** - The Village's cumulative investment in capital assets for its governmental and business-type activities as of April 30, 2015 amounts to \$19,056,768 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, land improvements, buildings, equipment, systems and equipment, vehicles, and infrastructure.

Major capital asset events during the year ended April 30, 2015 included the following:

- Purchase of land of the Public Works facility for \$197,860
- Purchase of two new police vehicles and three new streets and parks vehicles for \$265,544
- Purchase of new finance software for \$93,011

	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
Land	\$ 12,630,910	\$ 12,531,980	\$ 294,112	\$ 195,182	\$ 12,925,022	\$ 12,727,162
Construction in Progress	5,599	190,331	5,598	213,212	11,197	403,543
Land Improvements	165,528	175,825	199,005	205,159	364,533	380,984
Buildings	1,677,276	1,710,694	1,692,936	1,761,232	3,370,212	3,471,926
Equipment	203,371	162,413	-	-	203,371	162,413
Systems and Equipment	-	-	1,291,548	1,252,537	1,291,548	1,252,537
Vehicles	193,356	87,629	121,878	48,262	315,234	135,891
Infrastructure	575,651	613,314	-	-	575,651	613,314
<b>Total</b>	<b>\$ 15,451,691</b>	<b>\$ 15,472,186</b>	<b>\$ 3,605,077</b>	<b>\$ 3,675,584</b>	<b>\$ 19,056,768</b>	<b>\$ 19,147,770</b>

Additional information on the Village's capital assets can be found in note 3 on pages 28 and 29 of this report.

**Long-term debt** - At April 30, 2015, the Village had total debt outstanding of \$4,523,000 which is backed by the full faith and credit of the Village.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2015	4/30/2014	4/30/2015	4/30/2014	4/30/2015	4/30/2014
General Obligation Bonds	\$ 1,420,000	\$ 1,600,000	\$ -	\$ -	\$ 1,420,000	\$ 1,600,000
Debt Certificates	1,528,250	1,551,500	1,574,750	1,644,500	3,103,000	3,196,000
<b>Total</b>	<b>\$ 2,948,250</b>	<b>\$ 3,151,500</b>	<b>\$ 1,574,750</b>	<b>\$ 1,644,500</b>	<b>\$ 4,523,000</b>	<b>\$ 4,796,000</b>

The Village's total debt decreased by \$273,000 (6 percent) during the year ended April 30, 2015. The key factor in this decrease was principal payments made on the Village's debt.

Additional information on the Village's long-term debt can be found in note 5 on pages 30 and 31 of this report.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Trustees of the Village considered these factors in preparing the budget for the Village which was adopted for the 2016 fiscal year:

- The equalized assessed valuation (EAV) for the Village for 2014 is \$113,036,047. That represents a decrease in EAV of \$4,910,163 (4 percent) over the prior year's EAV.
- Continued consultant expenses to fund economic downtown re-development efforts;
- Uncertainty over state revenue transfers; and
- The Village plans to proceed with the building of a new public works facility.

For further information see the budget officer's comments in the Village's fiscal year 2016 budget.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Village's finances for all those with an interest in the Village's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Village of Fox River Grove, 305 Illinois Street, Fox River Grove, Illinois 60021.

## BASIC FINANCIAL STATEMENTS

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
GOVERNMENT-WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
APRIL 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 5,811,195	\$ 2,245,081	\$ 8,056,276
Investments	2,628,794	135,201	2,763,995
Receivables (Net of Allowance of \$0)			
Accounts Receivable - Billed	-	115,116	115,116
Accounts Receivable - Unbilled	-	153,184	153,184
Property Taxes	1,542,888	-	1,542,888
Utility Tax	15,289	-	15,289
Interest Rebate	18,259	10,319	28,578
Due from Other Governmental Units	303,990	-	303,990
Other Receivables	104,133	-	104,133
Interfund Balances	(1,476,307)	1,476,909	602
Capital Assets			
Land, Construction in Progress, and Other Non-Depreciable Assets	12,636,509	299,710	12,936,219
Other Capital Assets, Net of Depreciation	2,815,182	3,305,367	6,120,549
Net Pension Asset	35,840	-	35,840
<b>Total Assets</b>	<b>\$ 24,435,772</b>	<b>\$ 7,740,887</b>	<b>\$ 32,176,659</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Unamortized Charge on Bond Refunding	\$ 8,914	\$ -	\$ 8,914
<b>Total Deferred Outflows of Resources</b>	<b>\$ 8,914</b>	<b>\$ -</b>	<b>\$ 8,914</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 417,622	\$ 23,448	\$ 441,070
Accrued Expenses	97,450	42,382	139,832
Net Other Post Employment Benefit Obligation	124,973	-	124,973
IMRF Pension Obligation	5,372	-	5,372
Non-Current Liabilities			
Due Within One Year	210,278	69,750	280,028
Due in More Than One Year	2,746,082	1,505,000	4,251,082
<b>Total Liabilities</b>	<b>\$ 3,601,777</b>	<b>\$ 1,640,580</b>	<b>\$ 5,242,357</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	\$ 1,542,888	\$ -	\$ 1,542,888
<b>Total Deferred Inflows of Resources</b>	<b>\$ 1,542,888</b>	<b>\$ -</b>	<b>\$ 1,542,888</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 13,840,576	\$ 3,364,736	\$ 17,205,312
Restricted for:			
Audit	4,636	-	4,636
Economic Development	666,429	-	666,429
Highways and Streets	285,152	-	285,152
Public Safety	78,987	-	78,987
Retirement	71,760	-	71,760
School Crossing Guard	18,407	-	18,407
Special Service Areas	194,391	-	194,391
Unrestricted/(Deficit)	4,139,683	2,735,571	6,875,254
<b>Total Net Position</b>	<b>\$ 19,300,021</b>	<b>\$ 6,100,307</b>	<b>\$ 25,400,328</b>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED APRIL 30, 2015

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities</b>						
General Government	\$ 701,550	\$ 605,407	\$ 61,840	\$ (34,303)	\$ -	\$ (34,303)
Public Safety	1,574,297	838,374	-	(735,923)	-	(735,923)
Streets and Parks	1,434,234	-	42,228	(1,392,006)	-	(1,392,006)
Building and Zoning	433,070	50,315	-	(382,755)	-	(382,755)
Environment	20,968	-	-	(20,968)	-	(20,968)
Interest and Fees on Long-Term Debt	275,881	-	-	(275,881)	-	(275,881)
Unallocated Depreciation	43,777	-	-	(43,777)	-	(43,777)
	<u>\$ 4,483,777</u>	<u>\$ 1,494,096</u>	<u>\$ 104,068</u>	<u>\$ (2,885,613)</u>	<u>\$ -</u>	<u>\$ (2,885,613)</u>
<b>Business-Type Activities</b>						
Water	\$ 677,601	\$ 792,428	\$ 14,274	\$ -	\$ 129,101	\$ 129,101
Sewer	843,661	1,042,330	14,273	-	212,942	212,942
Parking	137,450	72,375	-	-	(65,075)	(65,075)
	<u>\$ 1,658,712</u>	<u>\$ 1,907,133</u>	<u>\$ 28,547</u>	<u>\$ -</u>	<u>\$ 276,968</u>	<u>\$ 276,968</u>
<b>Total Primary Government</b>	<u>\$ 6,142,489</u>	<u>\$ 3,401,229</u>	<u>\$ 132,615</u>	<u>\$ (2,885,613)</u>	<u>\$ 276,968</u>	<u>\$ (2,608,645)</u>
<b>General Revenues</b>						
<b>Taxes</b>						
Property Tax, Levied for General Purposes				\$ 1,581,988	\$ -	\$ 1,581,988
Utility Tax				216,843	-	216,843
State Sales Tax				623,589	-	623,589
State Income Tax				489,020	-	489,020
State Replacement Tax				11,027	-	11,027
State Telecommunications Tax				119,661	-	119,661
State Motor Fuel Tax				118,979	-	118,979
Unrestricted Investment Earnings				83,138	15,323	98,461
Gain/(Loss) on Sale of Capital Assets				(186,606)	(213,212)	(399,818)
Transfers				235,900	(235,900)	-
<b>Total General Revenues and Transfers</b>				<u>\$ 3,293,539</u>	<u>\$ (433,789)</u>	<u>\$ 2,859,750</u>
<b>Change in Net Position</b>				\$ 407,926	\$ (156,821)	\$ 251,105
<b>Net Position - May 1, 2014</b>				<u>18,892,095</u>	<u>6,257,128</u>	<u>25,149,223</u>
<b>Net Position - April 30, 2015</b>				<u>\$ 19,300,021</u>	<u>\$ 6,100,307</u>	<u>\$ 25,400,328</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 APRIL 30, 2015

	General Fund	General Capital Fund	Public Works Facility Bond Fund	Tax Increment Financing Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>							
Cash and Cash Equivalents	\$ -	\$ 1,507,096	\$ 3,008,336	\$ 823,417	\$ 794,276	\$ 815,630	\$ 6,948,755
Investments	2,628,794	-	-	-	-	-	2,628,794
Receivables (Net of Allowance of \$0)							
Property Taxes	691,732	-	-	477,214	-	373,942	1,542,888
Utility Tax	9,020	6,269	-	-	-	-	15,289
Due from Other Governmental Units	292,700	-	-	-	-	11,290	303,990
Due from Other Funds	-	-	-	64,381	-	67,237	131,618
Other Receivables	-	-	-	71,333	32,800	-	104,133
<b>Total Assets</b>	<b>\$ 3,622,246</b>	<b>\$ 1,513,365</b>	<b>\$ 3,008,336</b>	<b>\$ 1,436,345</b>	<b>\$ 827,076</b>	<b>\$ 1,268,099</b>	<b>\$ 11,675,467</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 25,846	\$ 29,888	\$ 5,280	\$ 352,227	\$ 2,974	\$ 1,407	\$ 417,622
Accrued Expenses	24,895	-	-	-	15,432	-	40,327
Overdrafts	1,137,560	-	-	-	-	-	1,137,560
Due to Other Funds	92,710	9,436	1,505,779	-	-	-	1,607,925
<b>Total Liabilities</b>	<b>\$ 1,281,011</b>	<b>\$ 39,324</b>	<b>\$ 1,511,059</b>	<b>\$ 352,227</b>	<b>\$ 18,406</b>	<b>\$ 1,407</b>	<b>\$ 3,203,434</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue - Property Taxes	\$ 691,732	\$ -	\$ -	\$ 477,214	\$ -	\$ 373,942	\$ 1,542,888
<b>Total Deferred Inflows of Resources</b>	<b>\$ 691,732</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 477,214</b>	<b>\$ -</b>	<b>\$ 373,942</b>	<b>\$ 1,542,888</b>
<b>FUND BALANCES</b>							
Restricted for:							
Audit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,636	\$ 4,636
Capital Improvements	-	-	1,336,331	-	-	-	1,336,331
Debt Service	-	-	-	-	-	42,997	42,997
Economic Development	-	-	-	593,848	-	72,581	666,429
Highways and Streets	-	-	-	-	-	285,152	285,152
Public Safety	-	-	-	-	-	43,147	43,147
Retirement	-	-	-	-	-	77,132	77,132
School Crossing Guard	18,407	-	-	-	-	-	18,407
Special Service Areas	-	-	-	-	-	194,391	194,391
Assigned for:							
Audit	-	-	-	-	-	5	5
Capital Improvements	-	1,474,041	160,946	-	808,670	-	2,443,657
Debt Service	-	-	-	-	-	332	332
Economic Development	-	-	-	13,056	-	168	13,224
Highways and Streets	-	-	-	-	-	37,289	37,289
Liability Insurance	-	-	-	-	-	117,520	117,520
Public Safety	-	-	-	-	-	246	246
Retirement	-	-	-	-	-	16,404	16,404
Special Service Areas	-	-	-	-	-	750	750
Unassigned	1,631,096	-	-	-	-	-	1,631,096
<b>Total Fund Balances</b>	<b>\$ 1,649,503</b>	<b>\$ 1,474,041</b>	<b>\$ 1,497,277</b>	<b>\$ 606,904</b>	<b>\$ 808,670</b>	<b>\$ 892,750</b>	<b>\$ 6,929,145</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balance</b>	<b>\$ 3,622,246</b>	<b>\$ 1,513,365</b>	<b>\$ 3,008,336</b>	<b>\$ 1,436,345</b>	<b>\$ 827,076</b>	<b>\$ 1,268,099</b>	<b>\$ 11,675,467</b>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 APRIL 30, 2015

Total Fund Balances - Governmental Funds		\$ 6,929,145
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Capital Assets, net of accumulated depreciation		15,451,691
Net IMRF Asset/Obligation is not included in the governmental funds.		(5,372)
Net Pension Asset/Obligation is not included in the governmental funds.		35,840
Net Other Post Employment Benefit Asset/Obligation is not included in the governmental funds.		(124,973)
Deferred charges and credits for debt issue discounts or premiums and other debt issue costs are not financial resources and therefore are not reported in the funds.		
Deferred Loss on Refunding	\$ 8,914	
Premium on Bonds Sold	<u>(8,110)</u>	
		804
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.		
Bonds and Notes Payable	\$ (2,948,250)	
Accrued Interest on Long-Term Debt	(57,123)	
Interest Rebate Receivable	<u>18,259</u>	
		<u>(2,987,114)</u>
Net Position of Governmental Activities		<u>\$ 19,300,021</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2015

	General Fund	General Capital Fund	Public Works Facility Bond Fund	Tax Increment Financing Fund	Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>							
Local Taxes							
Property Tax	\$ 661,614	\$ -	\$ -	\$ 529,984	\$ -	\$ 390,390	\$ 1,581,988
Utility Tax	133,492	83,351	-	-	-	-	216,843
Intergovernmental							
State Sales Tax	623,589	-	-	-	-	-	623,589
State Income Tax	489,020	-	-	-	-	-	489,020
State Replacement Tax	11,027	-	-	-	-	-	11,027
State Telecommunications Tax	119,661	-	-	-	-	-	119,661
State Motor Fuel Tax	-	-	-	-	-	118,979	118,979
State Grants	-	-	-	-	-	42,228	42,228
Interest Rebate	-	27,617	-	-	-	22,376	49,993
Other Local Sources							
Licenses, Permits, and Fees	146,364	239,569	-	-	-	-	385,933
Charges for Services	115,341	-	-	-	-	-	115,341
Fines and Forfeitures	162,642	-	-	-	665,866	9,866	838,374
Franchise Fees	83,373	-	-	-	-	-	83,373
Interest	46,017	3	116	861	50	345	47,392
Net Increase/(Decrease) in Fair Value of Investments							
Value of Investments	26,830	-	-	-	-	-	26,830
Gain/Loss on Sale of Investments	8,916	-	-	-	-	-	8,916
Miscellaneous							
Special Events	19,745	-	-	-	-	-	19,745
Other Miscellaneous	63,177	-	-	-	-	-	63,177
	<u>\$ 2,710,808</u>	<u>\$ 350,540</u>	<u>\$ 116</u>	<u>\$ 530,845</u>	<u>\$ 665,916</u>	<u>\$ 584,184</u>	<u>\$ 4,842,409</u>
<b>EXPENDITURES</b>							
Current							
General Government	\$ 364,438	\$ -	\$ -	\$ -	\$ -	\$ 300,792	\$ 665,230
Public Safety	1,244,715	-	-	-	312,149	290	1,557,154
Streets and Parks	495,994	-	-	-	-	12	496,006
Building and Zoning	52,394	-	-	8,159	-	15,272	75,825
Environment	-	-	-	-	-	20,968	20,968
Capital Outlay							
General Government	3,981	61,033	-	-	-	-	65,014
Public Safety	5,350	72,870	-	-	-	-	78,220
Streets and Parks	-	197,909	104,529	-	755,432	20,000	1,077,870
Building and Zoning	-	-	-	123,994	-	-	123,994
Debt Service							
Principal	-	23,250	-	233,251	-	180,000	436,501
Interest and Fees	-	88,352	-	118,674	-	71,177	278,203
	<u>\$ 2,166,872</u>	<u>\$ 443,414</u>	<u>\$ 104,529</u>	<u>\$ 484,078</u>	<u>\$ 1,067,581</u>	<u>\$ 608,511</u>	<u>\$ 4,874,985</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 543,936</u>	<u>\$ (92,874)</u>	<u>\$ (104,413)</u>	<u>\$ 46,767</u>	<u>\$ (401,665)</u>	<u>\$ (24,327)</u>	<u>\$ (32,576)</u>
<b>OTHER FINANCING SOURCES/(USES)</b>							
Transfers	\$ (165,471)	\$ 322,726	\$ -	\$ -	\$ -	\$ 78,645	\$ 235,900
Proceeds from Sale of Capital Assets	15,834	-	-	-	-	-	15,834
	<u>\$ (149,637)</u>	<u>\$ 322,726</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,645</u>	<u>\$ 251,734</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 394,299</u>	<u>\$ 229,852</u>	<u>\$ (104,413)</u>	<u>\$ 46,767</u>	<u>\$ (401,665)</u>	<u>\$ 54,318</u>	<u>\$ 219,158</u>
<b>FUND BALANCES - MAY 1, 2014</b>	<u>1,255,204</u>	<u>1,244,189</u>	<u>1,601,690</u>	<u>560,137</u>	<u>1,210,335</u>	<u>838,432</u>	<u>6,709,987</u>
<b>FUND BALANCES - APRIL 30, 2015</b>	<u>\$ 1,649,503</u>	<u>\$ 1,474,041</u>	<u>\$ 1,497,277</u>	<u>\$ 606,904</u>	<u>\$ 808,670</u>	<u>\$ 892,750</u>	<u>\$ 6,929,145</u>

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 YEAR ENDED APRIL 30, 2015

Net Change in Fund Balances - Total Governmental Funds \$ 219,158

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation expense in the current period.

Depreciation Expense	\$ (181,431)	
Capital Outlay	<u>363,376</u>	181,945

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in Net Position differs from the change in fund balance by the undepreciated balance of the capital assets sold.

Proceeds from Sale of Capital Assets	\$ (15,834)	
Gain/(Loss) on Sale of Capital Assets	<u>(186,606)</u>	(202,440)

The change in the IMRF Pension Asset/Obligation is not included in the governmental funds. (112)

The change in the Net Pension Asset/Obligation is not included in the governmental funds. 18,247

The change in the Net Other Post Employment Benefit Asset/Obligation is not included in the governmental funds. (15,017)

Long-term debt issuance costs decrease current financial resources in the governmental funds and are therefore shown as expenditures in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but debt issuance costs are amortized and reported as an asset in the Statement of Net Position and are therefore not reported in the Statement of Activities.

Amortization Expense		(200)
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Interest Rebate Receivable	\$ 573	
Accrued Interest on Long-Term Debt	<u>2,522</u>	3,095

Repayment of long-term debt requires the use of current financial resources of governmental funds and is therefore shown as an expenditure in the Statement of Revenues, Expenditures, and Changes in Fund Balances, but the repayment reduces long-term liabilities in the Statement of Net Position and is therefore not reported in the Statement of Activities.

Repayment of Long-Term Debt		<u>203,250</u>
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Change in Net Position of Governmental Activities		<u><u>\$ 407,926</u></u>
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VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 APRIL 30, 2015

	Enterprise Funds			Total
	Water and Sewer	Water and Sewer Capital	Other Enterprise Funds	
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents	\$ 252,591	\$ 1,891,763	\$ 100,727	\$ 2,245,081
Investments	135,201	-	-	135,201
Receivables (Net of Allowance of \$0)				
Accounts Receivable - Billed	115,116	-	-	115,116
Accounts Receivable - Unbilled	153,184	-	-	153,184
Interest Rebate	10,319	-	-	10,319
Due from Other Funds	1,482,500	-	-	1,482,500
	<u>\$ 2,148,911</u>	<u>\$ 1,891,763</u>	<u>\$ 100,727</u>	<u>\$ 4,141,401</u>
Non-Current Assets				
Capital Assets				
Land	\$ 294,112	\$ -	\$ -	\$ 294,112
Construction in Progress	5,598	-	-	5,598
Land Improvements	245,513	-	-	245,513
Buildings	3,493,784	-	-	3,493,784
Systems and Equipment	4,605,138	143,517	-	4,748,655
Vehicles	287,622	108,981	-	396,603
Less: Accumulated Depreciation	(5,566,486)	(12,702)	-	(5,579,188)
	<u>\$ 3,365,281</u>	<u>\$ 239,796</u>	<u>\$ -</u>	<u>\$ 3,605,077</u>
Total Assets	<u>\$ 5,514,192</u>	<u>\$ 2,131,559</u>	<u>\$ 100,727</u>	<u>\$ 7,746,478</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	\$ 21,559	\$ 1,605	\$ 284	\$ 23,448
Accrued Expenses	42,382	-	-	42,382
Due to Other Funds	-	5,591	-	5,591
Debt Certificates Payable - Current	69,750	-	-	69,750
	<u>\$ 133,691</u>	<u>\$ 7,196</u>	<u>\$ 284</u>	<u>\$ 141,171</u>
Non-Current Liabilities				
Debt Certificates Payable	<u>\$ 1,505,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,505,000</u>
	<u>\$ 1,505,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,505,000</u>
Total Liabilities	<u>\$ 1,638,691</u>	<u>\$ 7,196</u>	<u>\$ 284</u>	<u>\$ 1,646,171</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 3,124,940	\$ 239,796	\$ -	\$ 3,364,736
Unrestricted/(Deficit)	750,561	1,884,567	100,443	2,735,571
Total Net Position	<u>\$ 3,875,501</u>	<u>\$ 2,124,363</u>	<u>\$ 100,443</u>	<u>\$ 6,100,307</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED APRIL 30, 2015

	Enterprise Funds			Total
	Water and Sewer	Water and Sewer Capital	Other Enterprise Funds	
<b>OPERATING REVENUES</b>				
Charges for Services				
Water Sales	\$ 647,763	\$ 138,399	\$ -	\$ 786,162
Water Tap-in Fees	-	6,000	-	6,000
Sewer Charges	799,660	242,405	-	1,042,065
Parking Fees	-	-	70,498	70,498
Lawn Maintenance and Snow Removal	-	-	1,877	1,877
Miscellaneous	531	-	-	531
	<u>\$ 1,447,954</u>	<u>\$ 386,804</u>	<u>\$ 72,375</u>	<u>\$ 1,907,133</u>
<b>OPERATING EXPENSES</b>				
Water Department				
Personal Services	\$ 390,106	\$ -	\$ -	\$ 390,106
Commodities	68,507	2,431	-	70,938
Contractual Services	57,006	31,142	-	88,148
Retirement	40,556	-	-	40,556
Depreciation	36,536	5,869	-	42,405
Sewer Department				
Personal Services	351,516	-	-	351,516
Commodities	91,555	2,431	-	93,986
Contractual Services	95,759	31,141	-	126,900
Retirement	40,556	-	-	40,556
Depreciation	178,423	6,833	-	185,256
Parking				
Personal Services	-	-	19,600	19,600
Commodities	-	-	17,989	17,989
Contractual Services	-	-	99,861	99,861
	<u>\$ 1,350,520</u>	<u>\$ 79,847</u>	<u>\$ 137,450</u>	<u>\$ 1,567,817</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>\$ 97,434</u>	<u>\$ 306,957</u>	<u>\$ (65,075)</u>	<u>\$ 339,316</u>
<b>NON OPERATING REVENUE/(EXPENSE)</b>				
Interest Income	\$ 15,050	\$ -	\$ 273	\$ 15,323
Interest Rebate	28,547	-	-	28,547
Interest Expense	(90,895)	-	-	(90,895)
Gain/(Loss) on Sale of Fixed Asset	(213,212)	-	-	(213,212)
	<u>\$ (260,510)</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ (260,237)</u>
<b>INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS</b>	<u>\$ (163,076)</u>	<u>\$ 306,957</u>	<u>\$ (64,802)</u>	<u>\$ 79,079</u>
<b>TRANSFERS/(TO) FROM OTHER FUNDS</b>				
Transfers	(150,926)	72,026	(157,000)	(235,900)
<b>CHANGE IN NET POSITION</b>	<u>\$ (314,002)</u>	<u>\$ 378,983</u>	<u>\$ (221,802)</u>	<u>\$ (156,821)</u>
<b>NET POSITION - MAY 1, 2014</b>	<u>4,189,503</u>	<u>1,745,380</u>	<u>322,245</u>	<u>6,257,128</u>
<b>NET POSITION - APRIL 30, 2015</b>	<u>\$ 3,875,501</u>	<u>\$ 2,124,363</u>	<u>\$ 100,443</u>	<u>\$ 6,100,307</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED APRIL 30, 2015

	Enterprise Funds			
	Water and Sewer	Water and Sewer Capital	Other Enterprise Funds	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from Customers	\$ 1,428,551	\$ 386,804	\$ 72,375	\$ 1,887,730
Payments to Suppliers for Goods and Services	(340,599)	(65,540)	(120,187)	(526,326)
Payments to Employees for Services	(820,168)	-	(19,600)	(839,768)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 267,784</u>	<u>\$ 321,264</u>	<u>\$ (67,412)</u>	<u>\$ 521,636</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers from Other Funds	\$ (150,926)	\$ 72,026	\$ (157,000)	\$ (235,900)
Interfund Loans	100,586	5,591	-	106,177
Net Cash Provided/(Used) by Non-Capital Financing Activities	<u>\$ (50,340)</u>	<u>\$ 77,617</u>	<u>\$ (157,000)</u>	<u>\$ (129,723)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of Capital Assets	\$ (117,868)	\$ (252,498)	\$ -	\$ (370,366)
Interest Paid on Capital Debt	(92,026)	-	-	(92,026)
Interest Rebate Received on Capital Debt	27,617	-	-	27,617
Payment on Capital Debt	(69,750)	-	-	(69,750)
Net Cash Provided/(Used) by Capital and Related Financing Activities	<u>\$ (252,027)</u>	<u>\$ (252,498)</u>	<u>\$ -</u>	<u>\$ (504,525)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of Investments	\$ (135)	\$ -	\$ -	\$ (135)
Interest on Cash and Cash Equivalents and Investments	15,050	-	273	15,323
Net Cash Provided/(Used) by Investing Activities	<u>\$ 14,915</u>	<u>\$ -</u>	<u>\$ 273</u>	<u>\$ 15,188</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<u>\$ (19,668)</u>	<u>\$ 146,383</u>	<u>\$ (224,139)</u>	<u>\$ (97,424)</u>
<b>CASH AND CASH EQUIVALENTS BALANCE - MAY 1, 2014</b>	<u>272,259</u>	<u>1,745,380</u>	<u>324,866</u>	<u>2,342,505</u>
<b>CASH AND CASH EQUIVALENTS BALANCE - APRIL 30, 2015</b>	<u><u>\$ 252,591</u></u>	<u><u>\$ 1,891,763</u></u>	<u><u>\$ 100,727</u></u>	<u><u>\$ 2,245,081</u></u>
<b>RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>				
Operating Income/(Loss)	\$ 97,434	\$ 306,957	\$ (65,075)	\$ 339,316
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation Expense	214,959	12,702	-	227,661
Change in assets and liabilities:				
Receivables, net	(19,403)	-	-	(19,403)
Accounts and Other Payables	(25,206)	1,605	(2,337)	(25,938)
Net Cash Provided/(Used) by Operating Activities	<u>\$ 267,784</u>	<u>\$ 321,264</u>	<u>\$ (67,412)</u>	<u>\$ 521,636</u>

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 APRIL 30, 2015

	Police Pension Trust Fund	Agency Fund
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 81,950	\$ 85,909
Investments	1,206,073	-
Due from Other Funds	-	3,216
Receivables (Net of Allowance of \$0)		
Accrued Interest	7,054	-
Payroll Withholding	2,129	-
<b>TOTAL ASSETS</b>	<b>\$ 1,297,206</b>	<b>\$ 89,125</b>
 <b>LIABILITIES</b>		
Due to Other Funds	\$ 3,818	\$ -
Due to Developers	-	89,125
<b>TOTAL LIABILITIES</b>	<b>\$ 3,818</b>	<b>\$ 89,125</b>
 <b>NET POSITION HELD IN TRUST FOR PENSION BENEFITS</b>	 <b>\$ 1,293,388</b>	

The Notes to Financial Statements are an integral part of this statement.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED APRIL 30, 2015

	<u>Police Pension Trust Fund</u>
ADDITIONS	
Contributions	
Employer	\$ 325,359
Plan Members	53,043
Total Contributions	<u>\$ 378,402</u>
Investment Income	
Interest and Dividends	\$ 33,186
Net Increase/(Decrease) in Fair Value of Investments	5,793
	<u>\$ 38,979</u>
Less: Investment Management Fees	(5,946)
Net Investment Income	<u>\$ 33,033</u>
 TOTAL ADDITIONS	 <u>\$ 411,435</u>
 DEDUCTIONS	
Benefits	\$ 237,051
Refunds of Contributions	35,698
Disability Payments	114,431
Administrative Expenses	11,632
TOTAL DEDUCTIONS	<u>\$ 398,812</u>
 NET INCREASE/(DECREASE)	 \$ 12,623
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - MAY 1, 2014	 <u>1,280,765</u>
 NET ASSETS HELD IN TRUST FOR PENSION BENEFITS - APRIL 30, 2015	 <u><u>\$ 1,293,388</u></u>

The Notes to Financial Statements are an integral part of this statement.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Village of Fox River Grove's (Village) financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant accounting policies used by the Village are discussed below.

A. *Reporting Entity*

The accompanying financial statements comply with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*, in that the financial statements include all organizations, activities, and functions that comprise the Village. Component units are legally separate entities for which the Village (the primary entity) is financially accountable. Financial accountability is defined as the ability to appoint a voting majority of the organization's governing body and either (1) the Village's ability to impose its will over the organization or (2) the potential that the organization will provide a financial benefit to, or impose a financial burden on, the Village. Using these criteria, the Village has determined that the Police Pension Fund meets the above criteria. The Police Pension Fund is blended into the Village's primary government financial statements as a fiduciary fund although it remains a separate legal entity. In addition, the Village is not included as a component unit in any other governmental reporting entity as defined by GASB pronouncements.

B. *Basic Financial Statements – Government-Wide Financial Statements*

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund (reporting the Village's major funds) financial statements. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Village's general government, public safety, streets and parks, building and zoning, and environment services are classified as governmental activities. The Village's water, sewer, and parking services are classified as business-type activities.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Village's net position is reported in three parts – net investment in capital assets; restricted net position; and unrestricted net position. The Village first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Village's functions and business-type activities. The functions are also supported by general government revenues (property taxes, sales taxes, unrestricted investment earnings, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (public safety, streets and parks, building and zoning, etc.) or a business-type activity. Program revenues include charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment. Program revenues also include

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### B. *Basic Financial Statements – Government-Wide Financial Statements (Continued)*

grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property taxes, sales taxes, unrestricted investment earnings, etc.).

The Village does not allocate indirect costs.

This government-wide focus is more on the sustainability of the Village as an entity and the change in the Village's net position resulting from the current year's activities.

#### C. *Basic Financial Statements – Fund Financial Statements*

The financial transactions of the Village are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

The following fund types are used by the Village:

##### Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Village:

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

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Tax Increment Financing Fund includes revenues from property taxes along with expenditures related to the TIF district. The Capital Improvement Fund consists of RedSpeed revenue, related expenditures, and capital improvement expenditures.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of major capital facilities. The Public Works Facility Bond

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### C. *Basic Financial Statements – Fund Financial Statements (Continued)*

##### Governmental Funds (Continued)

###### Capital Projects Funds (Continued)

Fund consists of expenditures related to the construction of the new public works facility. The General Capital Fund consists of capital expenditures for the various departments of the Village.

Debt Services Funds – The Debt Services Fund is used to account for financial resources that are restricted, committed, or assigned to expenditures for the periodic payment of principal, interest and related fees on general long-term debt.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

##### Proprietary Fund Types

The focus of proprietary fund measurement is upon determination of operating income, changes in net position, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. The Village reports the following proprietary fund types:

Enterprise Funds – Enterprise Funds are used to account for operations for which a fee is charged to external users for goods or services and the activity is financed with debt that is solely secured by a pledge of the net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

##### Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Village programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

The Village's fiduciary funds are presented in the fiduciary fund financial statements by type (pension and agency). Since by definition these assets are being held for the benefit of a third party (pension participants and developers) and cannot be used to address activities or obligations of the Village, these funds are not incorporated into the government-wide statements.

#### D. *Basis of Accounting*

Basis of accounting refers to the point at which revenues or expenditures/expenses are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

##### 1. Accrual

The governmental and business-type activities in the government-wide financial statements and the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Property tax revenues are recognized in the

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### D. *Basis of Accounting* (Continued)

##### 1. Accrual (Continued)

period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements are met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

##### 2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. An exception was made to the 60 day recognition period for income tax revenues due to delayed payments from the State of Illinois. The exception was made to preserve the consistency of revenue recognition between years. Property tax revenues are recognized in the period for which levied provided they are also available. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures are recognized when the related liability is incurred. Exceptions to this general rule include principal and interest on general obligation long-term debt and employee vacation and sick leave, which are recognized when due and payable.

#### E. *Cash and Cash Equivalents and Investments*

Separate bank accounts are not maintained for all Village funds. Instead, the funds maintain their cash balances in a common money market account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. Such overdrafts in effect constitute cash borrowed from other Village funds and are, therefore, interfund loans that have not been authorized by Village Board action.

The General Fund had a cash overdraft at April 30, 2015.

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with an original maturity of three months or less from the date of acquisition.

Investments are stated at fair value. Fair value is determined by quoted market prices. Gains or losses on the sale of investments are recognized as they are incurred.

#### F. *Receivables*

All receivables are reported net of estimated uncollectible amounts.

#### G. *Inventories*

No inventory accounts are maintained to reflect the values of resale or supply items on hand. Instead, the costs of such items are charged to expense when purchased. The value of the Village's inventories is not deemed to be material.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### H. *Interfund Activity*

Interfund activity is reported either as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses.

Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

#### I. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line half-year basis over the following estimated useful lives:

Land Improvements	20 years
Buildings	50 - 101 years
Systems and Equipment	5 - 53 years
Vehicles	8 - 14 years
Infrastructure	20 - 50 years

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective as of May 1, 2004. Infrastructure assets include roads, bridges, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The Village is not required to retroactively report infrastructure.

#### J. *Deferred Outflows and Inflows of Resources*

In addition to assets and liabilities, the Balance Sheets and Statements of Net Position will sometimes report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resource until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resource until that time.

#### K. *Compensated Absences*

Vacation benefits are granted to employees in varying amounts to specified maximums depending on tenure with the Village. Sick leave is accumulated from year to year up to specified maximums, but is not paid upon termination. No compensated absence accrual has been recorded because vacation benefits do not accumulate from year to year and sick leave is not paid upon termination.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### L. *Long-Term Obligations*

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities and proprietary fund Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis. Bonds payable are reported net of the applicable bond premium or discount.

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 debt service expenditures.

#### M. *Government-Wide and Proprietary Fund Net Position*

Government-wide and proprietary fund net positions are divided into three components:

1. Net investment in capital assets – consists of capital assets (net of accumulated depreciation) reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted net position – consists of net position that is restricted by the Village's creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.
3. Unrestricted net position – all other net position is reported in this category.

#### N. *Governmental Fund Balances*

Governmental fund balances are divided between nonspendable and spendable.

Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

The spendable fund balances are arranged in a hierarchy based on spending constraints.

1. Restricted – Restricted fund balances are restricted when constraints are placed on the use by either (a) external creditors, grantors, contributors, or laws or regulations of other governments or (b) law through constitutional provisions or enabling legislation.
2. Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of constraints of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of action (e.g. legislation, resolution, ordinance). Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### N. *Governmental Fund Balances (Continued)*

3. Assigned – Assigned fund balances are amounts that are constrained by the Village's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by an appointed body (e.g. a budget or finance committee) or official to which the Board of Trustees has delegated the authority to assign, modify or rescind amounts to be used for specific purposes. The Village has not delegated this authority to an appointed body or official.

Assigned fund balances also include (a) all remaining amounts that are reported in governmental funds (other than the General Fund) that are not classified as nonspendable, restricted or committed, and (b) amounts in the General Fund that are intended to be used for a specific purpose. Specific amounts that are not restricted or committed in a special revenue fund are assigned for purposes in accordance with the nature of their fund type. Assignment within the General Fund conveys that the intended use of those amounts is for a specific purpose that is narrower than the general purpose of the Village itself. All other assigned fund balances are the residual amounts of the fund.

4. Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents the General Fund balance that has not been assigned to other funds, and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The Village permits funds to be expended in the following order: Restricted, Committed, Assigned and Unassigned.

#### O. *Property Tax Calendar and Revenues*

The Village's property tax is levied each calendar year on all taxable real property located in the Village's district on or before the last Tuesday in December. The 2014 levy was passed by the Board on December 4, 2014. Property taxes attach as an enforceable lien on property as of January 1 of the calendar year they are for and are payable in two installments early in June and early in September of the following calendar year. The Village receives significant distributions of tax receipts approximately one month after these dates.

#### P. *Defining Operating Revenues and Expenses*

The Village's proprietary funds distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses of the Village's water and sewer funds consist of charges for services (including tap fees for the water fund and systems development charges for the sewer fund) and the costs of providing those services, including depreciation and excluding interest cost. All other revenue and expenses are reported as nonoperating.

#### Q. *Estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS

Deposits with financial institutions are fully insured or collateralized by securities held in the Village's name.

The Village is allowed to invest in securities as authorized by the Illinois Compiled Statutes, Chapter 30, Act 235/Articles 2 and 6, and Chapter 40, Act 5/Article 4 – Pensions.

*Investments*

As of April 30, 2015, the Village had the following investments and maturities:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pools	\$ 162,030	\$ 162,030	\$ -	\$ -	\$ -
Federal Home Loan Mtg Corp	299,259	-	299,259	-	-
Federal Home Loan Bank	885,386	-	298,680	586,706	-
Government National Mtg Assn	730,706	-	-	-	730,706
Total	\$ 2,077,381	\$ 162,030	\$ 597,939	\$ 586,706	\$ 730,706

The fair value of investments in the State Investment Pools is the same as the value of pool shares. The State Investment Pools are not SEC-registered, but do have regulatory oversight through the State of Illinois.

*Interest Rate Risk.* The Village's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The Village is allowed to invest in any type of security allowed for in Illinois statutes regarding the investment of public funds limited to:

- Bonds, notes, certificates of indebtedness, treasury bills, or other securities backed by the full faith and credit of the government of the United States of America;
- Interest bearing savings accounts, certificates of deposits, or time deposits or any other investment constituting direct obligations of any institution as defined by the Illinois Banking Act and that is insured by the Federal Deposit Insurance Corporation; and
- Illinois Public Treasurer's Investment Pool

As of April 30, 2015, the Village's investments were rated as follows:

Investments	Credit Rating	Rating Source
State Investment Pools	AAAm	Standard and Poor's
Federal Home Loan Mtg Corp	Aaa	Moody's
Federal Home Loan Bank	Aaa	Moody's
Government National Mtg Assn	Not Rated	N/A

*Concentration of Credit Risk.* The Village places a limit of 50% on the amount the Village may invest in any one issuer. More than 5% of the Village's investments are in Government National Mortgage Association (35%), Federal Home Loan Bank (43%), and Federal Home Loan Mortgage Corporation (14%).

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015 was as follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

	Balance May 1, 2014	Increases	Decreases	Balance April 30, 2015
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 12,531,980	\$ 98,930	\$ -	\$ 12,630,910
Construction in Progress	190,331	5,599	190,331	5,599
Total Capital Assets not being depreciated	<u>\$ 12,722,311</u>	<u>\$ 104,529</u>	<u>\$ 190,331</u>	<u>\$ 12,636,509</u>
Other Capital Assets				
Land Improvements	\$ 656,563	\$ 8,109	\$ -	\$ 664,672
Buildings	2,462,270	15,454	-	2,477,724
Equipment	555,587	78,724	-	634,311
Vehicles	531,371	156,559	137,254	550,676
Infrastructure	969,229	-	-	969,229
Total Other Capital Assets at Historical Cost	<u>\$ 5,175,020</u>	<u>\$ 258,846</u>	<u>\$ 137,254</u>	<u>\$ 5,296,612</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 480,738	\$ 18,406	\$ -	\$ 499,144
Buildings	751,576	48,872	-	800,448
Equipment	393,174	37,766	-	430,940
Vehicles	443,742	38,724	125,146	357,320
Infrastructure	355,915	37,663	-	393,578
Total Accumulated Depreciation	<u>\$ 2,425,145</u>	<u>\$ 181,431</u>	<u>\$ 125,146</u>	<u>\$ 2,481,430</u>
Other Capital Assets, Net	<u>\$ 2,749,875</u>	<u>\$ 77,415</u>	<u>\$ 12,108</u>	<u>\$ 2,815,182</u>
Governmental Activities Capital Assets, Net	<u>\$ 15,472,186</u>	<u>\$ 181,944</u>	<u>\$ 202,439</u>	<u>\$ 15,451,691</u>
<b>Business-Type Activities</b>				
Capital Assets not being depreciated				
Land	\$ 195,182	\$ 98,930	\$ -	\$ 294,112
Construction in Progress	213,212	5,598	213,212	5,598
Total Capital Assets not being depreciated	<u>\$ 408,394</u>	<u>\$ 104,528</u>	<u>\$ 213,212</u>	<u>\$ 299,710</u>
Other Capital Assets				
Land Improvements	\$ 245,513	\$ -	\$ -	\$ 245,513
Buildings	3,493,784	-	-	3,493,784
Systems and Equipment	4,591,798	156,857	-	4,748,655
Vehicles	287,622	108,981	-	396,603
Total Other Capital Assets at Historical Cost	<u>\$ 8,618,717</u>	<u>\$ 265,838</u>	<u>\$ -</u>	<u>\$ 8,884,555</u>
Less Accumulated Depreciation for:				
Land Improvements	\$ 40,354	\$ 6,154	\$ -	\$ 46,508
Buildings	1,732,552	68,296	-	1,800,848
Systems and Equipment	3,339,261	117,846	-	3,457,107
Vehicles	239,360	35,365	-	274,725
Total Accumulated Depreciation	<u>\$ 5,351,527</u>	<u>\$ 227,661</u>	<u>\$ -</u>	<u>\$ 5,579,188</u>
Other Capital Assets, Net	<u>\$ 3,267,190</u>	<u>\$ 38,177</u>	<u>\$ -</u>	<u>\$ 3,305,367</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,675,584</u>	<u>\$ 142,705</u>	<u>\$ 213,212</u>	<u>\$ 3,605,077</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities</b>	
General Government	\$ 15,908
Public Safety	30,040
Streets and Parks	91,706
Unallocated	43,777
Total Governmental Activities Depreciation Expense	<u>\$ 181,431</u>
<b>Business-Type Activities</b>	
Water	\$ 42,405
Sewer	185,256
Total Business-Type Activities Depreciation Expense	<u>\$ 227,661</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 4 - TAX INCREMENT FINANCING

On February 17, 2000 the Village entered into a redevelopment agreement with Dominick's Finer Foods, Inc. The agreement calls for incremental real estate taxes and a formula based sales tax distribution to be used to fund the redevelopment project over the next 20 years.

On June 1, 2001, the Village signed a 20-year note to Dominick's Finer Foods, Inc. in the amount of \$1,600,003, which is the total cost to be reimbursed.

On February 1, 2003 and April 1, 2003 the Village signed two similar 20-year notes in the amount of \$475,000 to Fox River Grove Limited Partnership and \$294,820 to Coniston Consulting LLC and Phase II Partnership LLC.

On November 18, 2004 the Village signed another note for 18 years with Buchanan Property Group, LLC in the amount of \$1,500,000 funded via incremental real estate taxes only.

The interest rate for all of the above notes is 7.5% per annum. These notes are not a general obligation of the Village and will only be paid if there are incremental real estate taxes (paid from the Tax Increment Financing Fund) and sales taxes (paid from the General Fund) from which to pay it. Therefore, these do not show as a long-term liability of the Village. A calculation is performed each year to determine if the Village has any liability under these agreements for that year.

At April 30, 2015, the Village is obligated to pay the following for fiscal year 2015:

	Principal	Interest	Total
<u>TAX INCREMENT FINANCING FUND PAYABLE</u>			
Dominick's Finer Foods, Inc.	\$ 30,462	\$ 2,285	\$ 32,747
Fox River Grove Limited Partnership	91,068	6,830	97,898
Coniston Consulting LLC	55,861	7,203	63,064
Phase II Partnership LLC	55,860	7,203	63,063
Buchanan Property Group, LLC	-	95,153	95,153
	<u>\$ 233,251</u>	<u>\$ 118,674</u>	<u>\$ 351,925</u>
<u>GENERAL FUND PAYABLE</u>			
Dominick's Finer Foods, Inc.	\$ -	\$ -	\$ -

The above amounts have been included in accounts payable at April 30, 2015.

NOTE 5 - LONG-TERM LIABILITY ACTIVITY

Long-term liability activity for the year ended April 30, 2015 was as follows:

	Balance May 1, 2014	Additions	Retirements	Balance April 30, 2015	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General Obligation Bonds	\$ 1,600,000	\$ -	\$ 180,000	\$ 1,420,000	\$ 185,000
Unamortized Bond Premium	10,138	-	2,028	8,110	2,028
Debt Certificates	1,551,500	-	23,250	1,528,250	23,250
Total Bonds and Notes Payable	<u>\$ 3,161,638</u>	<u>\$ -</u>	<u>\$ 205,278</u>	<u>\$ 2,956,360</u>	<u>\$ 210,278</u>
Governmental Activities Long-Term Debt	<u>\$ 3,161,638</u>	<u>\$ -</u>	<u>\$ 205,278</u>	<u>\$ 2,956,360</u>	<u>\$ 210,278</u>
<b>Business-Type Activities</b>					
Bonds and Notes Payable					
Debt Certificates	\$ 1,644,500	\$ -	\$ 69,750	\$ 1,574,750	\$ 69,750
Total Bonds and Notes Payable	<u>\$ 1,644,500</u>	<u>\$ -</u>	<u>\$ 69,750</u>	<u>\$ 1,574,750</u>	<u>\$ 69,750</u>
Business-Type Activities Long-Term Debt	<u>\$ 1,644,500</u>	<u>\$ -</u>	<u>\$ 69,750</u>	<u>\$ 1,574,750</u>	<u>\$ 69,750</u>

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 5 - LONG-TERM LIABILITY ACTIVITY (Continued)

Bonds and debt certificates payable consisted of the following at April 30, 2015:

	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Amount</u>	<u>Carrying Amount</u>	<u>Interest Rebate Percentage</u>
<b>Governmental Activities</b>					
General Obligation Bond					
Dated 4/22/2010	12/15/2024	3.6% - 5.8%	\$ 1,238,000	\$ 955,000	45%
Refunding Bond					
Dated 4/1/2010	12/1/2018	2.0% - 3.375%	965,000	465,000	
Debt Certificates					
Dated 6/15/2006	12/15/2015	4.29%	116,250	23,250	
Dated 4/22/2010	12/15/2029	4.2% - 6.3%	1,505,000	1,505,000	35%
<b>Business-Type Activities</b>					
Debt Certificates					
Dated 6/15/2006	12/15/2015	4.29%	813,750	69,750	
Dated 4/22/2010	12/15/2029	4.2% - 6.3%	1,505,000	1,505,000	35%

At April 30, 2015 the annual debt service requirements to service long-term debt attributable to governmental activities are:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rebate</u>
2016	\$ 208,250	\$ 151,476	\$ 359,726	\$ 52,939
2017	270,000	144,877	414,877	51,724
2018	282,500	134,387	416,887	48,768
2019	287,500	122,844	410,344	45,550
2020	177,500	110,416	287,916	42,179
2021	185,000	101,362	286,362	38,547
2022	195,000	91,744	286,744	34,692
2023	210,000	80,814	290,814	30,287
2024	222,500	68,884	291,384	25,473
2025	232,500	56,029	288,529	20,306
2026	120,000	42,323	162,323	14,813
2027	127,500	35,123	162,623	12,293
2028	135,000	27,090	162,090	9,482
2029	142,500	18,585	161,085	6,505
2030	152,500	9,610	162,110	3,364
	<u>\$ 2,948,250</u>	<u>\$ 1,195,564</u>	<u>\$ 4,143,814</u>	<u>\$ 436,922</u>

At April 30, 2015 the annual debt service requirements to service long-term debt attributable to business-type activities are:

<u>Year Ending April 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rebate</u>
2016	\$ 69,750	\$ 88,828	\$ 158,578	\$ 30,028
2017	75,000	85,794	160,794	30,028
2018	77,500	82,644	160,144	28,926
2019	82,500	79,079	161,579	27,678
2020	87,500	75,078	162,578	26,277
2021	90,000	70,659	160,659	24,731
2022	95,000	65,934	160,934	23,077
2023	100,000	60,804	160,804	21,282
2024	107,500	55,254	162,754	19,339
2025	112,500	49,073	161,573	17,176
2026	120,000	42,323	162,323	14,813
2027	127,500	35,123	162,623	12,293
2028	135,000	27,090	162,090	9,482
2029	142,500	18,585	161,085	6,505
2030	152,500	9,610	162,110	3,364
	<u>\$ 1,574,750</u>	<u>\$ 845,878</u>	<u>\$ 2,420,628</u>	<u>\$ 294,999</u>

The Village did not receive the full amount of the interest rebate due to federal government budget reductions. The Village does anticipate receiving the full amount in the future.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 6 - INTERFUND BALANCES AND TRANSFERS

Interfund balances at April 30, 2015 consisted of the following:

Due To	Due From	Amount
Water and Sewer Fund	General Fund	\$ 32,147
General Fund	Police Pension Fund	3,818
Agency Fund	Water and Sewer Fund	3,216
Tax Increment Financing Fund	General Fund	64,381
Water and Sewer Fund	Public Works Facility Bond Fund	1,505,779
Other Governmental Funds	Water and Sewer Fund	56,055
Other Governmental Funds	General Capital Fund	5,591
Other Governmental Funds	Water and Sewer Capital Fund	5,591
Water and Sewer Fund	General Capital Fund	3,845

The interfund balances resulted from a time lag between the dates that (1) revenue was collected and remitted to the appropriate fund and (2) expenditures were incurred and reimbursed between funds.

Transferred From	Transferred To	Amount
Commuter Parking	General Fund Capital	\$ 157,000
Other Governmental Funds	Other Governmental Funds	28,181
General Fund	General Capital Fund	165,471
Other Governmental Funds	General Capital Fund	255
Water and Sewer Fund	Water and Sewer Capital Fund	72,026
Water and Sewer Fund	Other Governmental Funds	78,900

The purposes of the various transfers are shown below:

Transferred From	Transferred To	Purpose
Commuter Parking	General Fund Capital	Transfer of excess fund balance to cover planned capital expenditures
Other Governmental Funds	Other Governmental Funds	To close out Bond Highway Fund
General Fund	General Capital Fund	Transfer fund balance for anticipated capital projects
Other Governmental Funds	General Capital Fund	To close out Debt Service Fund
Water and Sewer Fund	Water and Sewer Capital Fund	Transfer fund balance for anticipated capital projects
Water and Sewer Fund	Other Governmental Funds	Transfer to cover a portion of the liability insurance

NOTE 7 - DEFICIT FUND BALANCES

No Village fund had a deficit fund balance at April 30, 2015.

NOTE 8 - PROPERTY TAXES

Property taxes receivable and unavailable revenue recorded in these financial statements are from the 2014 tax levy. The unavailable revenue is 100% of the 2014 tax levy. These taxes are unavailable as none of the taxes are collected before the end of the fiscal year and the Village does not consider the amounts to be available and does not budget for their use in fiscal year 2015. The Village has determined that 100% of the amounts collected for the 2013 levy are allocable for use in fiscal year 2015. Therefore, 100% of the amounts collected for the 2013 levy and any back taxes are recorded in these financial statements as property taxes revenue (\$1,581,988). A summary of the assessed valuation, rates, and extensions for the years 2014, 2013, and 2012 follows:

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 8 - PROPERTY TAXES (Continued)

McHenry County

Tax Year	2014		2013		2012	
Assessed Valuation	\$91,544,552		\$96,043,300		\$106,786,321	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
General	0.2192	\$ 200,709	0.1953	\$ 187,613	0.1117	\$ 119,329
Police Protection	0.0398	36,444	0.0382	36,643	0.0347	37,105
Crossing Guard	0.0019	1,781	0.0019	1,791	0.0017	1,814
Illinois Municipal Retirement	0.0274	25,106	0.0382	36,643	0.0430	45,868
Audit	0.0203	18,627	0.0187	17,915	0.0167	17,790
Liability Insurance	0.0796	72,889	0.0789	75,730	0.1313	140,173
Social Security	0.0774	70,864	0.0763	73,287	0.0782	83,488
Debt Service	0.1082	99,059	0.1019	97,827	0.0907	96,896
Police Pension	0.3017	276,166	0.2755	264,646	0.2279	243,396
	<u>0.8757</u>	<u>\$ 801,645</u>	<u>0.8247</u>	<u>\$ 792,095</u>	<u>0.7359</u>	<u>\$ 785,859</u>
Tax Increment Financing	-	\$ 477,214	-	\$ 530,094	-	\$ 550,114
Tax Increment Financing #2	-	\$ 6,798	-	\$ 6,162	-	\$ -
Road and Bridge (from Algonquin Township)	-	\$ 55,704	-	\$ 55,824	-	\$ 55,260
Gardner Terrace Special Service Area	-	\$ 2,446	-	\$ 2,470	-	\$ 2,528
Picnic Grove Special Service Area	-	\$ 1,000	-	\$ 1,000	-	\$ 1,000

Lake County

Tax Year	2014		2013		2012	
Assessed Valuation	\$21,491,495		\$21,902,910		\$22,722,988	
	Rates	Extensions	Rates	Extensions	Rates	Extensions
General	0.2192	\$ 47,119	0.1920	\$ 42,054	0.1120	\$ 25,450
Police Protection	0.0398	8,556	0.0390	8,542	0.0350	7,953
Crossing Guard	0.0019	418	0.0020	438	0.0020	455
Illinois Municipal Retirement	0.0274	5,894	0.0390	8,542	0.0430	9,771
Audit	0.0203	4,373	0.0190	4,162	0.0170	3,863
Liability Insurance	0.0796	17,112	0.0790	17,303	0.1320	29,994
Social Security	0.0774	16,636	0.0770	16,865	0.0790	17,951
Debt Service	0.1093	23,488	0.1030	22,560	0.0920	20,905
Police Pension	0.3017	64,834	0.2760	60,452	0.2280	51,808
	<u>0.8768</u>	<u>\$ 188,430</u>	<u>0.8260</u>	<u>\$ 180,918</u>	<u>0.7400</u>	<u>\$ 168,150</u>
Gardner Terrace Special Service Area	-	\$ 2,554	-	\$ 2,005	-	\$ 2,473
Hunters Farm Special Service Area	-	\$ 5,000	-	\$ 5,087	-	\$ 5,117
Talon Special Service Area	-	\$ 2,000	-	\$ 2,534	-	\$ 2,001

NOTE 9 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2015 the following funds had expenditures that exceeded the budget:

Fund	Budget	Actual	Excess of Actual Over Budget
General Fund	\$ 2,008,952	\$ 2,166,872	\$ 157,920
Audit Fund	22,000	22,825	825
Gardner SSA Fund	8,000	11,305	3,305
Capital Improvement Fund	908,572	1,067,581	159,009
Motor Fuel Tax Fund	148,613	149,325	712

The over-expenditures were covered by available fund balance.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - ILLINOIS MUNICIPAL RETIREMENT FUND

A. *Plan Description*

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

B. *Funding Policy*

As set by statute, the Village's Regular plan members are required to contribute 4.50% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2014 used by the Village was 8.23%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

C. *Annual Pension Cost and Net Pension Obligation*

For the calendar year ending December 31, 2014, the employer's actual contributions for pension cost for the Regular Plan were \$76,945, which was its required contribution for calendar year 2014. The following table shows the components of the annual pension cost for the current year:

Annual required contribution	\$ 76,945
Interest on net pension obligation	394
Adjustment to annual required contribution	<u>(282)</u>
Annual pension cost	\$ 77,057
Contributions made	<u>76,945</u>
Increase/(decrease) in net pension obligation	\$ 112
Net pension asset/obligation beginning of year	<u>5,260</u>
Net pension asset/obligation end of year	<u><u>\$ 5,372</u></u>

The required contribution for 2014 was determined as part of the December 31, 2012 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the Village's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability at December 31, 2012 is being amortized as a level percentage of projected payroll on an open 29 year basis.

Three-Year Trend Information for the Regular Plan

Calendar Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2014	\$ 77,057	100%	\$ 5,372
12/31/2013	77,234	100%	5,260
12/31/2012	63,806	100%	5,150

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 10 - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

D. *Funded Status and Funding Progress*

As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 92.66% funded. The actuarial accrued liability for benefits was \$3,050,393 and the actuarial value of assets was \$2,826,563, resulting in an underfunded actuarial accrued liability (UAAL) of \$223,830. The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$934,933 and the ratio of the UAAL to covered payroll was 24 percent.

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 11 - POLICE PENSION PLAN

A. *Plan Administration*

Full-time police sworn personnel of the Village are covered by the Police Pension Fund of the Village (Plan). Although this is a single-member pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 IL CS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Plan as a pension trust fund.

The Pension Board administers the Plan and the Illinois Department of Insurance is the oversight agency. The Board consists of five elected or appointed members.

B. *Plan Membership*

Membership in the Plan consisted of the following at April 30, 2015, the date of the most recent actuarial evaluation:

Inactive plan members or beneficiaries currently receiving benefits	8
Inactive plan members entitled to but not yet receiving benefits	2
Active plan members	10
Total	<u>20</u>

C. *Benefits Provided*

The Plan provides retirement, disability, and death benefits to Plan members and their beneficiaries. Chapter 40-Pensions-Act 5/Article 3 of the Illinois Compiled Statutes assigns the authority to establish and amend the benefit provisions of the Plan to the Illinois legislature.

D. *Contributions*

Employees are required by Illinois Compiled Statutes (ILCS) to contribute 9.91% of their base salary to the 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 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 Plan. For the year ended April 30, 2015 the Village's

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POLICE PENSION PLAN (Continued)

D. *Contributions* (Continued)

contribution was 59.27% of covered payroll. The Village contributions to the Plan are recognized when due and when the Village has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

E. *Investment Policy*

ILCS limit the Plan's investments to those allowable by ILCS and require the Plan's Board of Trustees to adopt an investment policy which can be amended by a majority vote of the Board of Trustees. The Plan's investment policy authorizes the Plan to make deposits/invest 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 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, investment grade corporate bonds and Illinois Funds. The Plan may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, Illinois insurance company general and separate accounts and mutual funds.

The Plan's investment policy in accordance with ILCS establishes the following target allocation across asset classes:

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	90.00%	2.42%
Domestic Equity	7.50%	1.97%
International Equity	2.50%	-2.21%

ILCS limits the Plan's investments in equities to 10% of total assets of the fund. Securities in any one company should not exceed 5% of the total fund.

The long-term expected rate of return on the Plan's investments was determined using an asset allocation study conducted by the Plan's investment management firm in April of 2015 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 asset 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 Plan's target asset allocation as of April 30, 2015 are listed in the table above.

F. *Investment Valuations*

All Investments in the Plan are stated at fair value and are recorded as of the trade date. Fair value is based on quoted market prices at April 30, 2015 for debt securities and mutual funds.

G. *Investment Concentrations*

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.0% or more of the Plan's investments.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POLICE PENSION PLAN (Continued)

H. *Investment Rate of Return*

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.60%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

I. *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 Plan's deposits may not be returned to it. The Plan's investment policy requires all bank balances to be covered by federal depository insurance.

J. *Interest Rate Risk*

The following table presents the investments and maturities of the Plan's debt securities as of April 30, 2015:

Investments	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
US Treasury Note	\$ 498,062	\$ 70,208	\$ 107,164	\$ 320,690	\$ -
US Treasury Bonds	59,855	-	59,855	-	-
US Treasury Strip	87,019	-	87,019	-	-
Federal National Mortgage Assn	209,847	112,376	43,900	53,571	-
Federal Home Loan Mortgage Corp	49,230	-	49,230	-	-
Government National Mortgage Assn	22,397	-	-	-	22,397
Mutual Funds	131,886	131,886	-	-	-
AT&T Inc. Corporate Bond	10,051	-	10,051	-	-
Bank of America Corporate Bond	10,304	-	10,304	-	-
CitiGroup Inc. Corporate Bond	10,148	-	10,148	-	-
General Electric Capital Corporate Bond	10,020	10,020	-	-	-
Goldman Sachs Corporate Bond	15,265	-	15,265	-	-
John Deere Corporate Bond	5,098	-	5,098	-	-
Oracle Corporation Corporate Bond	10,260	-	-	10,260	-
Pepsi Inc. Corporate Bond	10,205	10,205	-	-	-
Target Corporation - Corporate Bond	10,947	-	10,947	-	-
Teva Pharmaceuticals Corporate Bond	5,101	-	5,101	-	-
Verizon Communications Corporate Bond	15,000	15,000	-	-	-
Wal-Mart Stores Corporate Bond	10,014	-	10,014	-	-
Walt Disney Corporate Bond	15,157	-	15,157	-	-
Wells Fargo Corporate Bond	10,207	-	10,207	-	-
Total	\$ 1,206,073	\$ 349,695	\$ 449,460	\$ 384,521	\$ 22,397

In accordance with its investment policy, the Plan limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed for expected current cash flows. The investment policy does not limit the maximum maturity length of investments in the Plan.

K. *Credit Risk*

The Plan 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 obligations guaranteed by the United States Government, securities issued by agencies of the United States Government that are explicitly or implicitly guaranteed by the United States Government, and investment grade corporate bonds rated by at least one of the two largest rating services at the time of purchase. If subsequently downgraded below investment grade,

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POLICE PENSION PLAN (Continued)

K. *Credit Risk* (Continued)

the bonds must be liquidated by the manager from the portfolio within 90 days after being downgraded. However, certain fixed income securities are not rated. As of April 30, 2015, the Plan's investments were rated as follows:

Investments	Credit Rating	Rating Source
US Treasury Note	Aaa	Moody's
US Treasury Bonds	Aaa	Moody's
US Treasury Strip	Not Rated	N/A
Federal National Mortgage Assn	Aaa	Moody's
Federal Home Loan Mortgage Corp	Aaa	Moody's
Government National Mortgage Assn	Not Rated	N/A
Mutual Funds	Not Rated	N/A
AT&T Inc. Corporate Bond	Baa1	Moody's
Bank of America Corporate Bond	Baa2	Moody's
CitiGroup Inc. Corporate Bond	Baa1	Moody's
General Electric Capital Corporate Bond	A1	Moody's
Goldman Sachs Corporate Bond	Baa1	Moody's
John Deere Corporate Bond	A2	Moody's
Oracle Corporation Corporate Bond	A1	Moody's
Pepsi Inc. Corporate Bond	A1	Moody's
Target Corporation - Corporate Bond	A2	Moody's
Teva Pharmaceuticals Corporate Bond	A3	Moody's
Verizon Communications Corporate Bond	Baa1	Moody's
Wal-Mart Stores Corporate Bond	Aa2	Moody's
Walt Disney Corporate Bond	A2	Moody's
Wells Fargo Corporate Bond	A2	Moody's

L. *Net Pension Liability*

The components of the net pension liability of the Plan as of April 30, 2015, calculated in accordance with GASB Statement No. 67, were as follows:

Total Pension Liability	\$	7,478,107
Plan Fiduciary Net Position		1,293,388
Village's Net Pension Liability		6,184,719
Plan Fiduciary Net Position as a percentage of the Total Pension Liability		17.30%

See the Schedule of Changes in the Employer's Net Pension Liability and Related Ratios in the Required Supplementary Information for additional information related to the funded status of the Plan.

M. *Actuarial Assumptions*

The total pension liability above was determined by an actuarial valuation performed as of April 30, 2015 using the following actuarial methods and assumptions:

Actuarial Valuation Date	April 30, 2015
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.50%
Salary Increases	4.50%
Investment Rate of Return	6.50%
Asset Valuation Method	Market Value
Healthy Mortality Rate	RP-2000 Combined Healthy Mortality, with Blue Collar Adjustment
Disabled Mortality Rate	RP-2000 Disabled Retiree Mortality

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POLICE PENSION PLAN (Continued)

N. *Discount Rate*

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that 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 pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current 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.

O. *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 6.5% 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 (5.5%) or 1 percentage point higher (7.5%) than the current rate.

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net Pension Liability	\$ 7,164,369	\$ 6,184,719	\$ 5,371,908

P. *Annual Pension Cost and Net Pension Obligation*

The Village's annual pension cost and net pension asset/obligation to the Plan as of April 30, 2014 (the date the most current actuarial information is available) is as follows:

Annual required contribution	\$ 276,439
Interest on net pension obligation	(1,232)
Adjustment to annual required contribution	766
Annual pension cost	<u>\$ 275,973</u>
Contributions made	294,220
Increase/(decrease) in net pension obligation	\$ (18,247)
Net pension asset/obligation beginning of year	(17,593)
Net pension asset/obligation end of year	<u>\$ (35,840)</u>

The annual required contribution for the current year was determined as part of the April 30, 2014 actuarial valuation using the entry-age-normal actuarial cost method. The actuarial assumptions included (a) 6.75% investment rate of return (net of administrative expenses) and (b) projected salary increases of 5.0%, which includes an inflation allowance of 3.00% per year. The assumptions include postretirement benefit increases of 3%. The unfunded actuarial accrued liability is being amortized as a level percentage of pay on a closed period. The remaining amortization period at April 30, 2014 was 27 years.

Fiscal Year Ending	Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/2014	\$ 275,973	106.60%	\$ (35,840)
4/30/2013	267,794	100.10%	(17,593)
4/30/2012	235,895	107.40%	(17,458)

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 11 - POLICE PENSION PLAN (Continued)

Q. *Required Supplementary Information*

The information presented in the supplemental schedules was determined as part of the actuarial valuations at the dates indicated.

NOTE 12 - SOCIAL SECURITY

All employees are covered under Social Security. The Village paid the total required contribution for the current fiscal year.

NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS - RETIREE INSURANCE PLAN

A. *Plan Overview*

The Village provides post-employment benefits other than pensions (“OPEB”) to employees who meet certain criteria. The Plan, a single-employer defined benefit plan, provides pre- and post-Medicare postretirement healthcare benefits to all employees who work for the Village and receive a pension from the Village through IMRF or the Police Pension. The Plan does not issue a stand-alone financial report.

B. *Funding Policy*

The required contribution is based on projected pay-as-you-go financing requirements.

C. *Annual OPEB Cost and Net OPEB Obligation*

The Village’s annual OPEB cost (expense) is calculated based on annual required contributions (ARC) of the Village, an amount determined on an actuarially determined basis in accordance with the parameters of GASB Statement No. 45.

The ARC represents a level funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period of 30 years. The following shows the components of the Village’s annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Village’s net OPEB obligation to the plan:

Annual required contribution	\$	51,496
Interest on net OPEB obligation		5,498
Adjustment to annual required contribution		(5,458)
Annual OPEB cost	\$	51,536
Contributions made		36,519
Increase/(decrease) in net OPEB obligation	\$	15,017
Net OPEB asset/obligation beginning of year		109,956
Net OPEB asset/obligation end of year	\$	124,973

The Village’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year are as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contribution	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2015	\$ 51,536	\$ 36,519	70.86%	\$ 124,973
4/30/2014	49,813	35,433	71.13%	109,956
4/30/2013	48,791	33,112	67.86%	95,576

## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS - RETIREE INSURANCE PLAN (Continued)

#### D. *Funded Status and Funding Progress*

The Schedule of Funding Progress, presented as Required Supplementary Information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

#### E. *Actuarial Assumptions and Methods*

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend.

Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future.

The following includes actuarial assumptions and methods:

Actuarial Cost Method	Unit Credit (Alternative Measurement Method)
Amortization Period	Level Dollar - Open
Remaining Amortization Period	30 Years
Asset Valuation Method	N/A
Discount Rate	5%
Projected Salary Increases	N/A
Healthcare Inflation Rate	Initial – 8.3% Ultimate - 5%
Percentage of Active Employees Assumed to Elect Benefit	25% of IMRF and Police employees will elect coverage
Employer Provided Benefit	Eligible retirees may continue coverage into retirement on the Village plan on a pay-all basis. Active Police Personnel who were disabled during service may receive coverage only until attaining age 65.

### NOTE 14 - RISK MANAGEMENT

The Village is exposed to various risks related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees.

The Village is a member of the McHenry County Municipal Risk Management Agency (MCMRMA), a public entity risk pool through which property, general liability, automobile liability, crime, excess property, excess liability, and boiler and machinery coverage is provided in excess of specified limits for the members, acting as a single insurable unit.

The relationship between the Village and MCMRMA is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Village is contractually obligated to make all annual and supplementary contributions for MCMRMA, to report claims on a timely basis, cooperate with MCMRMA, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by MCMRMA. Members have a contractual obligation to fund any deficit of MCMRMA attributable to a membership year during which they were a member.

NOTES TO FINANCIAL STATEMENTS (Continued)

NOTE 14 - RISK MANAGEMENT (Continued)

MCMRMA is responsible for administering the self-insurance program and purchasing excess insurance according to the direction of the Board of Directors. MCMRMA also provides its members with risk management services, including the defense of and settlement of claims, and establishes reasonable and necessary loss of reduction and prevention procedures to be followed by the members. During fiscal year 2015 there was no significant reduction in insurance coverage for any category.

The Village is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended April 30, 2015, there were no significant adjustments in premiums based on actual experience.

NOTE 15 - COMMITMENTS

While the Village has a construction project in progress, as of April 30, 2015 there are no outstanding construction commitments related to this project.

NOTE 16 - CONTINGENCIES

The Village is not aware of any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 17 - LEGAL DEBT LIMITATION

The Illinois Compiled Statutes limits the amount of indebtedness to 8.625% of the most recent available equalized assessed valuation (EAV) of the Village.

2014 EAV	\$	113,036,047
	X	8.625%
Debt Margin	\$	9,749,359
Current Debt		2,948,250
Remaining Debt Margin	\$	6,801,109

NOTE 18 - CHANGE IN ACCOUNTING PRINCIPLE

Effective in the year ended April 30, 2015, the Village has implemented GASB statement No. 67, *Financial Reporting for Pension Plans* which amends or supersedes the accounting and financial reporting guidance for certain pension plans. The objective is to improve financial reporting by state and local governmental pension plans by providing useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

NOTE 19 - SUBSEQUENT EVENTS

The Village has evaluated subsequent events through November 11, 2015, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF FUNDING PROGRESS  
APRIL 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2014	\$ 2,826,563	\$ 3,050,393	\$ 223,830	92.66%	\$ 934,933	23.94%
12/31/2013	3,723,386	3,551,032	(172,354)	104.85%	894,948	0.00%
12/31/2012	3,478,117	3,456,824	(21,293)	100.62%	856,459	0.00%

On a market basis, the actuarial value of the assets as of December 31, 2014 is \$3,405,278. On a market basis, the funded ratio would be 111.63%

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2015

TOTAL PENSION LIABILITY	
Service Cost	\$ 150,617
Interest	468,226
Benefit Payments, Including Refunds of Member Contributions	(387,180)
Net Change in Total Pension Liability	<u>\$ 231,663</u>
Total Pension Liability - Beginning	<u>7,246,444</u>
Total Pension Liability - Ending	<u>\$ 7,478,107</u>
PLAN FIDUCIARY NET POSITION	
Contributions - Employer	\$ 325,362
Contributions - Member	53,043
Net Investment Income	33,030
Benefit Payments, Including Refunds of Member Contributions	(387,180)
Administrative Expenses	(11,632)
Net Change in Plan Fiduciary Net Position	<u>\$ 12,623</u>
Plan Net Position - Beginning	<u>1,280,765</u>
Plan Net Position - Ending	<u>\$ 1,293,388</u>
Village's Net Pension Liability	<u>\$ 6,184,719</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	17.30%
Covered-Employee Payroll	\$ 548,963
Employer's Net Position Liability as a percentage of Covered-Employee Payroll	1126.62%
 	<u>2015</u>
Annual Money-Weighted Rate of Return, Net of Investment Expenses	2.60%

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTION  
APRIL 30, 2015

	4/30/2015
Actuarial Determined Contributions	\$ 350,960
Contributions in relation to Actuarially Determined Contribution	325,362
Contribution deficiency/(excess)	\$ 25,598
Covered-Employee Payroll	\$ 548,963
Contributions as a percentage of Covered-Employee Payroll	59.27%

**Notes to the Schedule**

Valuation Date: May 1, 2014

Actuarially determined contribution rates are calculated as of May 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Funding Method	Entry Age Normal
Amortization Method	Normal cost, plus an additional amount (determined as a level percentage of payroll) to bring the plan's funded ratio to 90% by the end of fiscal year 2040.
Actuarial Asset Method	Investment gains and losses are recognized over a 5-year period
Interest Rate	6.75%
Interest Rate, Prior Fiscal Year	7.00%
Mortality Rates	RP 2000 Mortality Table (BCA, +1M, -4F, 2x>105), adjusted for future mortality improvement using 1-year setback after 15 years.
Decrements other than mortality:	Experience tables
Salary Increases:	5.00%
Payroll Growth:	5.00%
Cost of Living Adjustments	
Tier I	3.00%
Tier II	1.50%
Marital Status:	80% of Members are assumed to be married; male spouses are assumed to be 3 years older than female spouses.

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 POLICE PENSION PLAN  
 SCHEDULE OF FUNDING PROGRESS  
 APRIL 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2014	\$ 1,280,765	\$ 6,634,651	\$ 5,353,886	19.3%	\$ 548,963	975.3%
4/30/2013	1,461,503	6,299,469	4,837,966	23.2%	535,713	903.1%
4/30/2012	1,473,740	5,682,824	4,209,084	25.9%	496,999	846.9%

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 RETIREE INSURANCE PLAN  
 SCHEDULE OF FUNDING PROGRESS  
 APRIL 30, 2015

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2013	\$ -	\$ 527,142	\$ 527,142	0.00%	N/A	0.00%
4/30/2010	-	595,884	595,884	0.00%	N/A	0.00%

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2015

	Budgeted Amounts		Actual Amounts
	Original and Final		
<b>REVENUES</b>			
Local Taxes			
Property Tax	\$ 331,757	\$	661,614
Utility Tax	133,250		133,492
Intergovernmental			
State Sales Tax	597,151		623,589
State Income Tax	474,700		489,020
State Replacement Tax	9,500		11,027
State Telecommunications Tax	174,250		119,661
Other Local Sources			
Licenses, Permits, and Fees	88,750		146,364
Charges for Services	103,896		115,341
Fines and Forfeitures	144,000		162,642
Franchise Fees	76,875		83,373
Interest	42,750		46,017
Net Increase/(Decrease) in Fair Value of Investments	-		26,830
Gain/Loss on Sale of Investments	-		8,916
Miscellaneous			
Special Events	13,500		19,745
Other Miscellaneous	60,893		63,177
	\$ 2,251,272	\$	2,710,808
<b>EXPENDITURES</b>			
<b>CURRENT</b>			
<b>GENERAL GOVERNMENT</b>			
Board of Trustees/Commissions			
Personal Services	\$ 31,925	\$	31,445
Contractual Services	144,200		78,123
Miscellaneous	11,760		17,095
Administration			
Personal Services	183,105		182,683
Contractual Services	41,060		25,300
Commodities	34,805		28,554
Miscellaneous	1,500		1,238
	\$ 448,355	\$	364,438
<b>PUBLIC SAFETY</b>			
Police Department			
Personal Services	\$ 801,547	\$	810,230
Contractual Services	95,350		95,347
Commodities	28,500		13,779
Pension Contributions	-		325,359
	\$ 925,397	\$	1,244,715

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VILLAGE OF FOX RIVER GROVE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2015

	Budgeted Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
CURRENT (Continued)		
STREETS AND PARKS		
Streets and Parks		
Personal Services	\$ 258,329	\$ 248,444
Contractual Services	239,266	217,584
Commodities	67,550	29,966
	\$ 565,145	\$ 495,994
BUILDING AND ZONING		
Building Department		
Personal Services	\$ 50,000	\$ 41,774
Contractual Services	6,855	10,620
Commodities	800	-
Miscellaneous	500	-
	\$ 58,155	\$ 52,394
CAPITAL OUTLAY		
General Government	\$ 5,900	\$ 3,981
Public Safety	6,000	5,350
	\$ 11,900	\$ 9,331
TOTAL EXPENDITURES	\$ 2,008,952	\$ 2,166,872
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 242,320	\$ 543,936
OTHER FINANCING SOURCES/(USES)		
Transfers	\$ -	\$ (165,471)
Proceeds from Sale of Capital Assets	-	15,834
	\$ -	\$ (149,637)
NET CHANGE IN FUND BALANCE	\$ 242,320	\$ 394,299
FUND BALANCE - MAY 1, 2014	1,255,204	1,255,204
FUND BALANCE - APRIL 30, 2015	\$ 1,497,524	\$ 1,649,503

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - TAX INCREMENT FINANCING FUND  
 YEAR ENDED APRIL 30, 2015

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Local Taxes		
Property Tax	\$ 500,000	\$ 529,984
Other Local Sources		
Interest	1,000	861
	\$ 501,000	\$ 530,845
EXPENDITURES		
CURRENT		
BUILDING AND ZONING		
Contractual Services	\$ 25,100	\$ 8,159
CAPITAL OUTLAY		
Building and Zoning	\$ 51,000	\$ 123,994
DEBT SERVICE		
Principal	\$ 395,246	\$ 233,251
Interest and Fees	125,000	118,674
	\$ 520,246	\$ 351,925
TOTAL EXPENDITURES	\$ 596,346	\$ 484,078
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (95,346)	\$ 46,767
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (95,346)	\$ 46,767
FUND BALANCE - MAY 1, 2014	560,137	560,137
FUND BALANCE - APRIL 30, 2015	\$ 464,791	\$ 606,904

See Accompanying Independent Auditor's Report

VILLAGE OF FOX RIVER GROVE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 SPECIAL REVENUE FUND - CAPITAL IMPROVEMENT FUND  
 YEAR ENDED APRIL 30, 2015

	Budgeted Amounts	Actual Amounts
	Original and Final	
REVENUES		
Other Local Sources		
Fines and Forfeitures	\$ 475,000	\$ 665,866
Interest	750	50
Miscellaneous		
Donations	8,000	-
	\$ 483,750	\$ 665,916
EXPENDITURES		
CURRENT		
PUBLIC SAFETY		
Personal Services	\$ 15,450	\$ 15,450
Contractual Services	15,000	296,699
	\$ 30,450	\$ 312,149
CAPITAL OUTLAY		
Public Safety	\$ 4,000	\$ -
Streets and Parks	874,122	755,432
	\$ 878,122	\$ 755,432
TOTAL EXPENDITURES	\$ 908,572	\$ 1,067,581
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (424,822)	\$ (401,665)
OTHER FINANCING SOURCES/(USES)	-	-
NET CHANGE IN FUND BALANCE	\$ (424,822)	\$ (401,665)
FUND BALANCE - MAY 1, 2014	1,210,335	1,210,335
FUND BALANCE - APRIL 30, 2015	\$ 785,513	\$ 808,670

See Accompanying Independent Auditor's Report

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

NOTE 1 - BUDGETS

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual budgets are adopted by the Village Board for all funds except agency funds. All annual budgets lapse at fiscal year-end.

Budgeted expenditures are controlled at the departmental level with the Village Administrator's oversight. All transfers and any revision that change the total expenditures of any fund must be approved by the Village Board. All budget amendments must be approved by the Village Board.

The budget was approved on April 17, 2014.

NOTE 2 - EXCESS OF EXPENDITURES OVER BUDGET

For the year ended April 30, 2015, the following funds presented as Required Supplementary Information had expenditures that exceeded the budget:

Fund	Budget	Actual	Over Budget
General Fund	\$ 2,008,952	\$ 2,166,872	\$ 157,920
Capital Improvement Fund	908,572	1,067,581	159,009

The over-expenditures were covered by available fund balance.