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***VILLAGE OF SPRING GROVE, ILLINOIS***

***ANNUAL FINANCIAL REPORT***

***APRIL 30, 2020***

**eder, casella & co**

VILLAGE OF SPRING GROVE, ILLINOIS  
TABLE OF CONTENTS  
APRIL 30, 2020

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION	
Management's Discussion and Analysis	3
BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements	
Statement of Net Position	10
Statement of Activities	11
Fund Financial Statements	
Balance Sheet – Governmental Funds	12
Reconciliation of the Balance Sheet to the Statement of Net Position	13
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	14
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	15
Statement of Net Position – Proprietary Funds	16
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	17
Statement of Cash Flows – Proprietary Funds	18
Statement of Fiduciary Net Position – Fiduciary Funds	19
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	20
Notes to Financial Statements	21
REQUIRED SUPPLEMENTARY INFORMATION	
Illinois Municipal Retirement Fund – Schedule of Changes in the Employer's Net Pension Liability and Related Ratios	45
Illinois Municipal Retirement Fund – Schedule of Employer Contributions	46

VILLAGE OF SPRING GROVE, ILLINOIS  
TABLE OF CONTENTS  
APRIL 30, 2020

	PAGE
REQUIRED SUPPLEMENTARY INFORMATION (Continued)	
Police Pension Plan – Schedule of Changes in the Employer’s Net Pension Liability and Related Ratios	47
Police Pension Plan – Schedule of Employer Contributions	48
Other Post-Employment Benefit – Schedule of Changes in the Net OPEB Liability and Related Ratios	49
Other Post-Employment Benefit – Schedule of Employer Contributions	50
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Appropriations and Actual – General Fund	51
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Appropriations and Actual – Motor Fuel Tax Fund	54
Notes to Required Supplementary Information	55



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
 Village of Spring Grove  
 Spring 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 SPRING GROVE

as of and for the year ended April 30, 2020, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

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

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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&  
CO

## Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Spring Grove as of April 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

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



EDER, CASELLA & CO.  
Certified Public Accountants

McHenry, Illinois  
August 26, 2020

REQUIRED SUPPLEMENTARY INFORMATION

# **VILLAGE OF SPRING GROVE, ILLINOIS**

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

APRIL 30, 2020

As management of the Village of Spring Grove, Illinois (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, 2020. We encourage readers to consider the information presented here in conjunction with additional information found in the notes to the financial statements.

### **FINANCIAL HIGHLIGHTS**

Please find below highlights of fiscal year 2020:

- The assets and deferred outflows of resources of the Village exceed its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$10,999,764 (net position as of April 30, 2020). Of this amount, \$(488,123) represents a deficit unrestricted amount, and \$710,450 may be used to meet the Village's ongoing obligations to citizens and creditors for Business-Type Activities.
- Total net position increased by \$189,989.
- At April 30, 2020, the Village's governmental funds reported combined ending fund balances of \$5,057,410, an increase of \$221,257 in comparison with the prior year. Of this amount, \$2,830,881 is available for spending at the Village's discretion (unassigned fund balance).
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$2,830,881, or 87.8% of total General Fund expenditures.
- The Village's total debt decreased by \$173,207.

### **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. Both perspectives (government-wide and fund level financial statements) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

This report also contains other required 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 business. The Statement of Net Position presents information on all of the Village's assets and deferred outflows of resources, less its liabilities and deferred inflows of resources, with the difference between the two reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating when comparing year to year results.

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

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 administration, public works, public safety, parks and recreation, and development. The business-type activities of the Village include Water and Sewer services.

The government-wide financial statements include only the Village itself (known as the primary government) and not the Village's Police Pension Fund which is a component unit of the Village.

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 six 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, the Capital Fund, and the Motor Fuel Tax Fund, all of which are considered to be major funds. Data from the other three governmental funds are combined into a single, aggregated presentation. The other three funds include Police Special, Siren, and Special Service Area.

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

Proprietary Funds - The Village maintains one proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for the water and sewer services.

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 services.

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 those 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 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 44 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 appropriation to actual for the General and Motor Fuel Tax Funds. Required supplementary information can be found on pages 45 through 55 of this report.

## 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 \$10,999,764 at April 30, 2020.

	Governmental Activities		Business-Type Activities		Total	
	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020	4/30/2019
<b>Assets</b>						
Current and Other Assets	\$ 6,336,794	\$ 6,019,837	\$ 756,138	\$ 877,335	\$ 7,092,932	\$ 6,897,172
Capital Assets	7,133,827	7,409,408	2,905,102	2,955,202	10,038,929	10,364,610
<b>Total Assets</b>	<b>\$ 13,470,621</b>	<b>\$ 13,429,245</b>	<b>\$ 3,661,240</b>	<b>\$ 3,832,537</b>	<b>\$ 17,131,861</b>	<b>\$ 17,261,782</b>
<b>Deferred Outflows of Resources</b>						
Pensions - Police Pension	\$ 552,338	\$ 414,942	\$ -	\$ -	\$ 552,338	\$ 414,942
Pensions - IMRF	184,592	249,044	-	-	184,592	249,044
OPEB	74,241	81,251	-	-	74,241	81,251
<b>Total Deferred Inflows of Resources</b>	<b>\$ 811,171</b>	<b>\$ 745,237</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 811,171</b>	<b>\$ 745,237</b>
<b>Liabilities</b>						
Long-Term Liabilities Outstanding	\$ 3,834,498	\$ 4,033,324	\$ 412,659	\$ 585,866	\$ 4,247,157	\$ 4,619,190
Other Liabilities	436,481	359,060	45,688	11,791	482,169	370,851
<b>Total Liabilities</b>	<b>\$ 4,270,979</b>	<b>\$ 4,392,384</b>	<b>\$ 458,347</b>	<b>\$ 597,657</b>	<b>\$ 4,729,326</b>	<b>\$ 4,990,041</b>
<b>Deferred Inflows of Resources</b>						
Unavailable Revenue - Property						
Taxes	\$ 842,903	\$ 824,624	\$ -	\$ 129,776	\$ 842,903	\$ 954,400
Pensions - Police Pension	1,121,429	1,120,113	-	-	1,121,429	1,120,113
IMRF - Actuarial Report	249,524	132,592	-	-	249,524	132,592
OPEB	86	98	-	-	86	98
<b>Total Deferred Inflows of Resources</b>	<b>\$ 2,213,942</b>	<b>\$ 2,077,427</b>	<b>\$ -</b>	<b>\$ 129,776</b>	<b>\$ 2,213,942</b>	<b>\$ 2,207,203</b>
<b>Net Position</b>						
Net Investment in Capital Assets	\$ 7,052,600	\$ 7,328,181	\$ 2,492,443	\$ 2,369,336	\$ 9,545,043	\$ 9,697,517
Restricted	1,942,844	1,660,559	-	-	1,942,844	1,660,559
Unrestricted	(1,198,573)	(1,284,069)	710,450	735,768	(488,123)	(548,301)
<b>Total Net Position</b>	<b>\$ 7,796,871</b>	<b>\$ 7,704,671</b>	<b>\$ 3,202,893</b>	<b>\$ 3,105,104</b>	<b>\$ 10,999,764</b>	<b>\$ 10,809,775</b>

The largest portion of the Village's net position (87%) reflects its investment in capital assets (e.g., land, construction in progress, buildings, vehicles, equipment, land improvements, water and sewer treatment system, infrastructure); less any related debt used to acquire those assets that is still outstanding. 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 capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Village's net position (18%) represents resources that are subject to external restrictions on how they may be used. The balance of unrestricted net position is a deficit of \$488,123.

The Village's net position increased by \$189,989 during the current fiscal year.

**Governmental Activities** - Governmental activities increased the Village's net position by \$92,200. Key elements of this increase are as follows:

Village of Spring Grove, Illinois' Change in Net Position						
	Governmental Activities		Business-Type Activities		Total	
	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020	4/30/2019
Revenues						
Program Revenues						
Charges for Services	\$ 439,734	\$ 448,250	\$ 166,277	\$ 162,414	\$ 606,011	\$ 610,664
Operating Grants and Contributions	54,549	99,916	-	-	54,549	99,916
Capital Grants and Contributions	12,420	-	-	-	12,420	-
General Revenues						
Property Taxes	818,973	805,563	130,032	259,367	949,005	1,064,930
Sales Taxes	666,692	622,875	-	-	666,692	622,875
Other Taxes	1,604,410	1,608,208	-	-	1,604,410	1,608,208
Other	165,708	185,438	40,622	36,610	206,330	222,048
Total Revenues	<u>\$ 3,762,486</u>	<u>\$ 3,770,250</u>	<u>\$ 336,931</u>	<u>\$ 458,391</u>	<u>\$ 4,099,417</u>	<u>\$ 4,228,641</u>
Expenses						
Administration	\$ 676,780	\$ 476,683	\$ -	\$ -	\$ 676,780	\$ 476,683
Public Works	1,352,083	1,122,063	-	-	1,352,083	1,122,063
Public Safety	1,219,431	1,337,207	-	-	1,219,431	1,337,207
Parks and Recreation	255,315	308,092	-	-	255,315	308,092
Development	120,227	150,029	-	-	120,227	150,029
Interest and Fees on Long-Term Debt	-	7,845	-	-	-	7,845
Water and Sewer	-	-	285,592	288,205	285,592	288,205
Total Expenses	<u>\$ 3,623,836</u>	<u>\$ 3,401,919</u>	<u>\$ 285,592</u>	<u>\$ 288,205</u>	<u>\$ 3,909,428</u>	<u>\$ 3,690,124</u>
Increase/(Decrease) in Net Position Before Transfers	\$ 138,650	\$ 368,331	\$ 51,339	\$ 170,186	\$ 189,989	\$ 538,517
Transfers	(46,450)	(31,000)	46,450	31,000	-	-
Increase/(Decrease) in Net Position	\$ 92,200	\$ 337,331	\$ 97,789	\$ 201,186	\$ 189,989	\$ 538,517
Net Position - Beginning of Year	7,704,671	7,419,439	3,105,104	2,903,918	10,809,775	10,323,357
Net Position Adjustment	-	(52,099)	-	-	-	(52,099)
Net Position - End of Year	<u>\$ 7,796,871</u>	<u>\$ 7,704,671</u>	<u>\$ 3,202,893</u>	<u>\$ 3,105,104</u>	<u>\$ 10,999,764</u>	<u>\$ 10,809,775</u>

- Public Safety expenses decreased by \$117,776 due to lower depreciation and cost controls.

**Business-Type Activities** - Business-type activities increased the Village's net position by \$97,789.

## FINANCIAL ANALYSIS OF THE VILLAGE'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.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5,057,410, an increase of \$221,257 in comparison with the prior year. 56% of this total amount constitutes unassigned fund balance, which is available for spending at the Village's discretion. The remainder of the fund balance is restricted or assigned to indicate that it is not available for new spending because it has already been restricted or assigned for 1) maintenance of highways and streets (\$489,813); 2) future capital projects (\$708,157); 3) public safety (\$179,791); and 4) special service areas (\$565,083).

The General Fund is the chief operating fund of the Village. At April 30, 2020, unassigned fund balance of the General Fund was \$2,830,881. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance represents 87.8% of total General Fund expenditures.

The fund balance of the Village's General Fund decreased by \$90,711 during the year ended April 30, 2020.

**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, 2020 is \$710,450. The total increase in net position for the Water and Sewer Fund was \$97,789. Other factors concerning the finances of this fund have already been addressed in the discussion of the Village's business-type activities.

**Fiduciary Funds (Police Pension Fund)** – The Police Pension Fund net position increased from \$3,391,598 as of April 30, 2019 to \$3,726,005 as of April 30, 2020. This increase was due to an excess of investment earnings and contributions over pension benefits and administrative expenses.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village did not amend the budget and appropriations ordinance during the year ended April 30, 2020, therefore, there are no differences between the original and final appropriations.

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

- The difference between appropriated revenues and actual revenues was \$67,166 (favorable). This was primarily due to higher than expected revenues for state use taxes and interest.
- The difference between appropriated expenditures and actual expenditures was \$670,619 (favorable) and was mostly due to less than expected expenditures for personnel expenses, pension contribution, and public safety salaries.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** - The Village's investment in capital assets for its governmental and business-type activities as of April 30, 2020 amounts to \$10,038,929 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, vehicles, equipment, land improvements, water and sewer treatment system, and infrastructure.

Village of Spring Grove, Illinois' Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020	4/30/2019
Land	\$ 2,298,119	\$ 2,298,119	\$ 9,273	\$ 9,273	\$ 2,307,392	\$ 2,307,392
Construction in Progress	51,732	42,837	-	-	51,732	42,837
Buildings	1,633,026	1,712,635	-	-	1,633,026	1,712,635
Vehicles	362,569	471,659	-	-	362,569	471,659
Equipment	91,271	90,126	50,141	4,183	141,412	94,309
Land Improvements	323,542	293,663	17,691	-	341,233	293,663
Water and Sewer Treatment System	-	-	118,243	106,836	118,243	106,836
Infrastructure	2,373,568	2,500,369	2,709,754	2,834,910	5,083,322	5,335,279
Total	<u>\$ 7,133,827</u>	<u>\$ 7,409,408</u>	<u>\$ 2,905,102</u>	<u>\$ 2,955,202</u>	<u>\$ 10,038,929</u>	<u>\$ 10,364,610</u>

Major capital asset events during the year ended April 30, 2020 included the following:

- 3 new HVAC systems for \$8,667 each
- Police and Village Hall camera system for \$17,565
- A new 2020 Police Squad for \$39,915
- The Village disposed of 2 vehicles during the fiscal year

Additional information on the Village's capital assets can be found in note 4 on page 28 of this report.

**Long-Term Debt** - At April 30, 2020, the Village had total debt outstanding of \$493,870. Of this amount, \$227,860 comprises debt backed by the full faith and credit of the Village. The remainder of the Village's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds).

Village of Spring Grove, Illinois' Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	4/30/2020	4/30/2019	4/30/2020	4/30/2019	4/30/2020	4/30/2019
Thelen Park Loan	\$ 81,227	\$ 81,227	\$ -	\$ -	\$ 81,227	\$ 81,227
Revenue Bonds	-	-	317,876	439,233	317,876	439,233
Note Payable	-	-	94,783	146,633	94,783	146,633
Total	<u>\$ 81,227</u>	<u>\$ 81,227</u>	<u>\$ 412,659</u>	<u>\$ 585,866</u>	<u>\$ 493,886</u>	<u>\$ 667,093</u>

The Village's total debt decreased by \$173,223 (26%) during the year ended April 30, 2020. The key factor in this decrease was principal payments made on outstanding debt.

Additional information on the Village's long-term debt can be found in note 5 on page 29 of this report.

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

The Village continues to recover from the housing slowdown with total new home permits issued last year of nine. The revenue has seen some improvement in sales tax but continues to see a decrease in utility tax. The Village roads program has been affected by the cost of asphalt and has seen fewer replacement projects. Disruption caused by the COVID-19 outbreak in the United States is expected to be temporary, however there is uncertainty around the duration of time and the impact this will have on the Village. These factors were considered in preparing the Village's budget for the 2021 fiscal year.

## **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:

Finance Committee Chairperson  
Village of Spring Grove  
7401 Meyer Road  
Spring Grove, Illinois, 60081

## BASIC FINANCIAL STATEMENTS

VILLAGE OF SPRING GROVE, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 APRIL 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,632,908	\$ 154,182	\$ 2,787,090
Investments	2,494,000	554,000	3,048,000
Receivables (Net of Allowance for Estimated Uncollectible Amounts)			
Accounts Receivable	5,465	47,956	53,421
Property Taxes	842,903	-	842,903
Utility Taxes	48,232	-	48,232
Due from Other Governmental Units	313,286	-	313,286
Capital Assets			
Land, Construction in Progress, and Other Non-Depreciable Assets	2,349,851	9,273	2,359,124
Other Capital Assets, Net of Depreciation	4,783,976	2,895,829	7,679,805
<b>TOTAL ASSETS</b>	<b>\$ 13,470,621</b>	<b>\$ 3,661,240</b>	<b>\$ 17,131,861</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows Related to Pensions - Police Pension	\$ 552,338	\$ -	\$ 552,338
Deferred Outflows Related to Pensions - IMRF	184,592	-	184,592
Deferred Outflows Related to OPEB	74,241	-	74,241
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 811,171</b>	<b>\$ -</b>	<b>\$ 811,171</b>
<b>LIABILITIES</b>			
Accounts Payable	\$ 14,872	\$ 40,414	\$ 55,286
Accrued Expenses	48,030	3,580	51,610
Interfund Balances	-	1,694	1,694
Bond Liability	25,500	-	25,500
Due to Developer	348,079	-	348,079
Non-Current Liabilities			
Due Within One Year	81,227	178,136	259,363
Due in More Than One Year	3,753,271	234,523	3,987,794
<b>TOTAL LIABILITIES</b>	<b>\$ 4,270,979</b>	<b>\$ 458,347</b>	<b>\$ 4,729,326</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	\$ 842,903	\$ -	\$ 842,903
Deferred Inflows Related to Pensions - Police Pension	1,121,429	-	1,121,429
Deferred Inflows Related to IMRF	249,524	-	249,524
Deferred Inflows Related to OPEB	86	-	86
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 2,213,942</b>	<b>\$ -</b>	<b>\$ 2,213,942</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	\$ 7,052,600	\$ 2,492,443	\$ 9,545,043
Restricted for:			
Highways and Streets	489,813	-	489,813
Capital Projects	708,157	-	708,157
Public Safety	179,791	-	179,791
Special Service Areas	565,083	-	565,083
Unrestricted/(Deficit)	(1,198,573)	710,450	(488,123)
<b>TOTAL NET POSITION</b>	<b>\$ 7,796,871</b>	<b>\$ 3,202,893</b>	<b>\$ 10,999,764</b>

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 YEAR ENDED APRIL 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
Administration	\$ 676,780	\$ 121,173	\$ -	\$ -	\$ (555,607)	\$ -	\$ (555,607)
Public Works	1,352,083	-	42,748	-	(1,309,335)	-	(1,309,335)
Public Safety	1,219,431	206,328	11,801	-	(1,001,302)	-	(1,001,302)
Parks and Recreation	255,315	41,053	-	12,420	(201,842)	-	(201,842)
Development	120,227	71,180	-	-	(49,047)	-	(49,047)
	<u>\$ 3,623,836</u>	<u>\$ 439,734</u>	<u>\$ 54,549</u>	<u>\$ 12,420</u>	<u>\$ (3,117,133)</u>	<u>\$ -</u>	<u>\$ (3,117,133)</u>
Business-Type Activities							
Water and Sewer	\$ 285,592	\$ 166,277	\$ -	\$ -	\$ -	\$ (119,315)	\$ (119,315)
	<u>\$ 285,592</u>	<u>\$ 166,277</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (119,315)</u>	<u>\$ (119,315)</u>
Total Primary Government	<u>\$ 3,909,428</u>	<u>\$ 606,011</u>	<u>\$ 54,549</u>	<u>\$ 12,420</u>	<u>\$ (3,117,133)</u>	<u>\$ (119,315)</u>	<u>\$ (3,236,448)</u>
General Revenues							
Taxes							
Property Tax, Levied for General Purposes					\$ 818,973	\$ 130,032	\$ 949,005
State Sales Tax					666,692	-	666,692
State Income Tax					568,586	-	568,586
State Use Tax					203,618	-	203,618
State Motor Fuel Tax					213,218	-	213,218
Utility Taxes					549,237	-	549,237
Other Taxes					69,751	-	69,751
Unrestricted Investment Earnings					100,369	14,180	114,549
Gain/(Loss) on Sale of Capital Assets					6,307	-	6,307
Miscellaneous					59,032	26,442	85,474
Transfers					(46,450)	46,450	-
Total General Revenues and Transfers					<u>\$ 3,209,333</u>	<u>\$ 217,104</u>	<u>\$ 3,426,437</u>
Change in Net Position					\$ 92,200	\$ 97,789	\$ 189,989
Net Position - May 1, 2019					<u>7,704,671</u>	<u>3,105,104</u>	<u>10,809,775</u>
Net Position - April 30, 2020					<u>\$ 7,796,871</u>	<u>\$ 3,202,893</u>	<u>\$ 10,999,764</u>

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



VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET  
 GOVERNMENTAL FUNDS  
 APRIL 30, 2020

	General Fund	Capital Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 996,146	\$ 930,632	\$ 512,499	\$ 193,631	\$ 2,632,908
Investments	1,906,000	-	-	588,000	2,494,000
Receivables (Net of Allowance for Estimated Uncollectible Amounts)					
Accounts Receivable	5,465	-	-	-	5,465
Property Taxes	767,936	-	-	74,967	842,903
Utility Taxes	48,232	-	-	-	48,232
Due from Other Governmental Units	296,149	-	17,137	-	313,286
<b>TOTAL ASSETS</b>	<b>\$ 4,019,928</b>	<b>\$ 930,632</b>	<b>\$ 529,636</b>	<b>\$ 856,598</b>	<b>\$ 6,336,794</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 14,872	\$ -	\$ -	\$ -	\$ 14,872
Accrued Payroll	48,030	-	-	-	48,030
Interfund Balances	(15,370)	15,370	-	-	-
Bond Liability	25,500	-	-	-	25,500
Due to Developer	348,079	-	-	-	348,079
<b>TOTAL LIABILITIES</b>	<b>\$ 421,111</b>	<b>\$ 15,370</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 436,481</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes	\$ 767,936	\$ -	\$ -	\$ 74,967	\$ 842,903
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 767,936</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 74,967</b>	<b>\$ 842,903</b>
<b>FUND BALANCES</b>					
Restricted for:					
Highways and Streets	\$ -	\$ -	\$ 489,813	\$ -	\$ 489,813
Capital Projects	-	708,157	-	-	708,157
Public Safety	-	-	-	179,791	179,791
Special Service Areas	-	-	-	565,083	565,083
Assigned for:					
Highways and Streets	-	-	39,823	-	39,823
Capital Projects	-	207,105	-	-	207,105
Public Safety	-	-	-	6,626	6,626
Special Service Areas	-	-	-	30,131	30,131
Unassigned (Deficit)	2,830,881	-	-	-	2,830,881
<b>TOTAL FUND BALANCES</b>	<b>\$ 2,830,881</b>	<b>\$ 915,262</b>	<b>\$ 529,636</b>	<b>\$ 781,631</b>	<b>\$ 5,057,410</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 4,019,928</b>	<b>\$ 930,632</b>	<b>\$ 529,636</b>	<b>\$ 856,598</b>	<b>\$ 6,336,794</b>

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 RECONCILIATION OF THE BALANCE SHEET TO THE STATEMENT OF NET POSITION  
 APRIL 30, 2020

Total Fund Balances - Governmental Funds		\$ 5,057,410
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Capital Assets, net of accumulated depreciation		7,133,827
<p>Deferred pension costs in governmental activities are not financial resources and therefore are not reported in the funds.</p>		
Deferred Outflows - IMRF	\$ 184,592	
Deferred Inflows - IMRF	(249,524)	
Deferred Outflows - Police Pension	552,338	
Deferred Inflows - Police Pension	(1,121,429)	
Deferred Outflows - OPEB	74,241	
Deferred Inflows - OPEB	<u>(86)</u>	
		(559,868)
<p>Other items, including net pension/OPEB liabilities, are not due and payable in the current period and, therefore, are either deferred or not reported in the funds.</p>		
Net Pension Liability - IMRF	\$ (190,772)	
Net Pension Liability - Police Pension	(3,422,463)	
Net OPEB Liability/Asset	(140,036)	
Bonds and Notes Payable	<u>(81,227)</u>	
		<u>(3,834,498)</u>
Net Position of Governmental Activities		<u><u>\$ 7,796,871</u></u>

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 GOVERNMENTAL FUNDS  
 YEAR ENDED APRIL 30, 2020

	General Fund	Capital Fund	Motor Fuel Tax Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>					
Local Taxes					
Property Tax	\$ 750,358	\$ -	\$ -	\$ 68,615	\$ 818,973
Intergovernmental					
State Sales Tax	666,692	-	-	-	666,692
State Income Tax	568,586	-	-	-	568,586
State Replacement Tax	4,945	-	-	-	4,945
State Use Tax	203,618	-	-	-	203,618
State Motor Fuel Tax	-	-	213,218	-	213,218
Grants	11,581	12,420	29,395	220	53,616
Other Local Sources					
Utility Tax	549,237	-	-	-	549,237
Amusement Tax	64,806	-	-	-	64,806
Licenses and Permits	178,465	-	-	-	178,465
Fines and Forfeitures	191,111	1,098	-	16,723	208,932
Charges for Services	52,337	-	-	-	52,337
Interest	63,170	17,394	5,149	14,656	100,369
Rentals	8,180	2,387	-	-	10,567
Royalties	10,190	-	-	-	10,190
Miscellaneous					
Donations	-	13,353	-	-	13,353
Other Miscellaneous	33,190	1,111	2,182	1,792	38,275
	<u>\$ 3,356,466</u>	<u>\$ 47,763</u>	<u>\$ 249,944</u>	<u>\$ 102,006</u>	<u>\$ 3,756,179</u>
<b>EXPENDITURES</b>					
Current					
Administration	\$ 619,951	\$ -	\$ -	\$ -	\$ 619,951
Public Works	965,199	-	162,936	-	1,128,135
Public Safety	1,349,271	-	-	2,610	1,351,881
Parks and Recreation	81,381	-	-	-	81,381
Development	73,609	-	-	-	73,609
Capital Outlay	133,316	92,337	-	14,169	239,822
	<u>\$ 3,222,727</u>	<u>\$ 92,337</u>	<u>\$ 162,936</u>	<u>\$ 16,779</u>	<u>\$ 3,494,779</u>
<b>EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>\$ 133,739</u>	<u>\$ (44,574)</u>	<u>\$ 87,008</u>	<u>\$ 85,227</u>	<u>\$ 261,400</u>
<b>OTHER FINANCING SOURCES/(USES)</b>					
Proceeds from the Sale of Fixed Assets	\$ -	\$ 6,307	\$ -	\$ -	\$ 6,307
Transfers	(224,450)	178,000	-	-	(46,450)
	<u>\$ (224,450)</u>	<u>\$ 184,307</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (40,143)</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ (90,711)</u>	<u>\$ 139,733</u>	<u>\$ 87,008</u>	<u>\$ 85,227</u>	<u>\$ 221,257</u>
FUND BALANCES - MAY 1, 2019	<u>2,921,592</u>	<u>775,529</u>	<u>442,628</u>	<u>696,404</u>	<u>4,836,153</u>
FUND BALANCES - APRIL 30, 2020	<u>\$ 2,830,881</u>	<u>\$ 915,262</u>	<u>\$ 529,636</u>	<u>\$ 781,631</u>	<u>\$ 5,057,410</u>

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

VILLAGE OF SPRING 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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 221,257

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	\$ (406,286)	
Capital Outlays	130,705	
		(275,581)

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.

OPEB Expense	\$ (3,587)	
Pension Expense - IMRF	(48,729)	
Pension Expense - Police Pension	198,840	
		146,524

Change in Net Position of Governmental Activities \$ 92,200

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 APRIL 30, 2020

	<u>Enterprise Fund</u>
	<u>Water and Sewer</u>
<b>ASSETS</b>	
Current Assets	
Cash and Cash Equivalents	\$ 154,182
Investments	554,000
Receivables (Net of Allowance for Estimated Uncollectible Amounts)	
Accounts Receivable	47,956
	\$ 756,138
Non-Current Assets	
Capital Assets	
Land	\$ 9,273
Land Improvements	18,622
Water and Sewer Treatment System	3,164,487
Water Tower	1,085,452
Well House	761,016
Infrastructure	156,739
Equipment	87,789
Less: Accumulated Depreciation	(2,378,276)
	\$ 2,905,102
<b>TOTAL ASSETS</b>	<b>\$ 3,661,240</b>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	\$ 40,414
Accrued Interest	3,580
Interfund Balances	1,694
Bonds Payable - Current	178,136
	\$ 223,824
Non-Current Liabilities	
Bonds Payable (Net of Current Portion Shown Above)	\$ 234,523
<b>TOTAL LIABILITIES</b>	<b>\$ 458,347</b>
<b>NET POSITION</b>	
Net Investment in Capital Assets	\$ 2,492,443
Unrestricted/(Deficit)	710,450
<b>TOTAL NET POSITION</b>	<b>\$ 3,202,893</b>

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 PROPRIETARY FUNDS  
 YEAR ENDED APRIL 30, 2020

	<u>Enterprise Fund</u> <u>Water and Sewer</u>
OPERATING REVENUES	
Charges for Services	
Customer Fees	\$ 162,642
Water Meter Sales	135
	\$ 162,777
OPERATING EXPENSES	
Office Expenses	\$ 3,701
Operating Expenses	128,056
Depreciation	140,365
	\$ 272,122
OPERATING INCOME/(LOSS)	\$ (109,345)
NON-OPERATING REVENUE/(EXPENSE)	
Connection Fees	\$ 3,500
Interest Income	14,180
Rental Income	26,442
Property Taxes	130,032
Interest Expense	(13,470)
	\$ 160,684
INCOME/(LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	\$ 51,339
TRANSFERS (TO)/FROM OTHER FUNDS	46,450
CHANGE IN NET POSITION	\$ 97,789
NET POSITION - MAY 1, 2019	3,105,104
NET POSITION - APRIL 30, 2020	\$ 3,202,893

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 YEAR ENDED APRIL 30, 2020

	Enterprise Fund Water and Sewer
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 162,523
Payments to Suppliers for Goods and Services	(97,515)
Net Cash Provided/(Used) by Operating Activities	\$ 65,008
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES	
Transfers from Other Funds	\$ 46,450
Net Cash Provided/(Used) by Non-Capital Financing Activities	\$ 46,450
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Connection Fees	\$ 3,500
Purchase of Capital Assets	(90,264)
Interest Paid on Capital Debt	(14,961)
Principal Paid on Capital Debt	(173,207)
Other Receipts/(Payments)	157,619
Net Cash Provided/(Used) by Capital and Related Financing Activities	\$ (117,313)
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of Investments	\$ (6,000)
Interest on Cash and Cash Equivalents and Investments	14,180
Net Cash Provided/(Used) by Investing Activities	\$ 8,180
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 2,325
CASH AND CASH EQUIVALENTS - MAY 1, 2019	151,857
CASH AND CASH EQUIVALENTS - APRIL 30, 2020	\$ 154,182
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income/(Loss)	\$ (109,345)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation Expense	140,365
Change in assets and liabilities:	
Receivables, net	(254)
Accounts Payable	34,242
Net Cash Provided by Operating Activities	\$ 65,008

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

VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 APRIL 30, 2020

	<u>Police Pension Trust Fund</u>
ASSETS	
Cash and Cash Equivalents	\$ 142,470
Investments, at fair value	<u>3,583,535</u>
TOTAL ASSETS	<u>\$ 3,726,005</u>
 TOTAL LIABILITIES	 <u>\$ -</u>
 NET POSITION HELD IN TRUST FOR PENSION BENEFITS	 <u><u>\$ 3,726,005</u></u>

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



VILLAGE OF SPRING GROVE, ILLINOIS  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED APRIL 30, 2020

	Police Pension Trust Fund
ADDITIONS	
Contributions	
Employer	\$ 385,600
Plan Members	47,855
Total Contributions	\$ 433,455
Investment Income	
Interest Income	\$ 104,193
Unrealized Gain/(Loss)	61,192
Realized Gain/(Loss)	13,064
Net Investment Income	\$ 178,449
Miscellaneous Income	\$ 25
TOTAL ADDITIONS	\$ 611,929
DEDUCTIONS	
Benefits	\$ 255,479
Administrative Expenses	22,043
TOTAL DEDUCTIONS	\$ 277,522
NET INCREASE/(DECREASE)	\$ 334,407
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - MAY 1, 2019	3,391,598
NET POSITION HELD IN TRUST FOR PENSION BENEFITS - APRIL 30, 2020	\$ 3,726,005

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

VILLAGE OF SPRING GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2020

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

Village of Spring Grove, Illinois' (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 established in GAAP and used by the Village are discussed below.

*A. Reporting Entity*

The accompanying financial statements comply with the provisions of GASB statements, 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 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 administration, public works, public safety, parks and recreation, and development services are classified as governmental activities. The Village's water and sewer 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 works, public safety, parks and recreation, and development) 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 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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

#### 1. 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 Village reports these governmental funds and fund types:

- a. The General Fund is the Village's primary operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specified purposes. The Motor Fuel Tax Fund includes revenues from motor fuel tax and other state road grants along with the related expenditures.
- c. The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of capital projects.

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

#### 2. 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 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 net revenues. The activities reported in these funds are reported as business-type activities in the government-wide financial statements.

#### 3. 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

The Village's fiduciary fund is presented in the fiduciary fund financial statements by type (pension). Because, by definition, these assets are being held for the benefit of a third party (pension participants) and cannot be used to address activities or obligations of the Village, this fund is 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

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

#### 2. Modified Accrual

The governmental funds 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, which is recognized when due and payable.

### E. *Cash and Cash Equivalents*

The Village has defined cash and cash equivalents to include cash on hand, demand deposits, checking accounts, savings accounts, money market accounts, and short-term investments with an original maturity of less than three months.

### F. *Investments*

Investments, including those reported in the police pension trust fund, are stated at fair value (quoted market price or the best available estimate).

### G. *Receivables*

Property taxes receivable are recognized at the time they are levied. The property tax receivable allowance is equal to 0% of outstanding property taxes at April 30, 2020.

### H. *Inventories*

It is the Village's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the value of resale or supply items on hand.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### I. *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 funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

### J. *Capital Assets*

Capital assets purchased or acquired with an original cost of \$2,500 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date of donation. 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 basis over the following estimated useful lives:

Land	No Depreciation
Buildings and Improvements	7 - 40 years
Vehicles	5 - 10 years
Equipment	3 - 20 years
Land Improvements	5 - 50 years
Infrastructure	20 - 30 years
Wastewater Treatment System	40 years

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

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. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

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

In addition to assets and liabilities, the Balance Sheet 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 so 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 so will not be recognized as an inflow of resource until that time.

### 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, as well as issuance costs, 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. Bond issuance costs are reported as debt service expenditures.

## NOTES TO FINANCIAL STATEMENTS (Continued)

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 position is divided into three components:

- 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.
- 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.
- Unrestricted Net Position – all other net positions are 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:

- 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.
- Committed – Committed fund balances are amounts that can only be used for specific purposes as a result of a resolution of the Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by way of resolution. Committed fund balances differ from restricted balances because the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.
- 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. All assigned fund balances are the residual amounts of the fund.

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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

- 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. Unassigned fund balance in the General Fund also includes amounts levied and/or borrowed for working cash.

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

### O. *Revenue Recognition*

Substantially all shared revenue is recorded during the period when received by the collecting authority, the State of Illinois. Income from investments, bank accounts, and unbilled usage receivables are recognized when earned. Licenses and permits, fines and forfeits, fees and refunds, charges for services (other than enterprise funds), miscellaneous and other revenues are recorded as revenues when received in cash as they are generally not measurable until actually received.

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

The Village is responsible for levying property taxes, but the taxes are collected by the County. Taxes are levied on January 1 of each year on all taxable real property located in the Village. Property taxes attach as an enforceable lien on property as of January 1 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 within one month after these dates.

Property taxes receivable and unavailable revenue recorded in these financial statements, in the amount of \$842,903 in its governmental funds, are from the 2019 tax levy. The unavailable revenue is 100% of the 2019 levy, less allowance. 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 2020. The Village has determined that 100% of the amount collected for the 2018 levy is allocable for use in fiscal year 2020. Therefore, 100% of the amounts collected for the 2018 levy (\$949,005) are recorded in these financial statements as property taxes revenue.

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

The Village's proprietary fund distinguishes between operating and non-operating revenues and expenses. Operating revenues and expenses of the Village's Water and Sewer Fund consist of charges for services (including permit fees) and the costs for providing those services, including depreciation and excluding interest cost. All other revenues and expenses are reported as non-operating.

### R. *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.

## 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.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Investments

As of April 30, 2020, the Village had the following investments:

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
State Investment Pool	\$ 946,978	\$ 946,978	\$ -	\$ -	\$ -

The fair value of investments in the State Investment Pool is the same as the value of pool shares. The State Investment Pool is not SEC-registered but does 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* – State law limits investments based on credit risk. The Village has no investment policy that would further limit its investment choices. As of April 30, 2020, the Village’s investments were rated as follows:

Investment	Credit Rating	Rating Source
State Investment Pool	AAAm	Standard and Poor’s

*Concentration of Credit Risk.* The Village places no limit on the amount the Village may invest in any one issuer. More than 5% of the Village’s investments are in State Investment Pool (100%).

### NOTE 3 - FAIR VALUE MEASUREMENTS

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Village has the following recurring fair value measurements as of April 30, 2020:

Village Investments by fair value level	4/30/2020	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)
Debt Securities:			
Certificates of Deposit	\$ 3,048,000	\$ -	\$ 3,048,000
Total Debt Securities	\$ 3,048,000	\$ -	\$ 3,048,000
Total Investments by fair value level	\$ 3,048,000	\$ -	\$ 3,048,000

  

Pension Investments by fair value level	4/30/2020	Fair Value Measurements Using:	
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Observable Inputs (Level 2)
Debt Securities:			
U.S. Treasury Securities	\$ 196,974	\$ 196,974	\$ -
Municipal Bonds	213,900	-	213,900
Corporate Bonds	335,125	335,125	-
Mutual Funds	1,474,889	1,474,889	-
Total Debt Securities	\$ 2,220,888	\$ 2,006,988	\$ 213,900
Equity Securities:			
Agency Securities	\$ 1,362,649	\$ -	\$ 1,362,649
Total Debt Securities	\$ 1,362,649	\$ -	\$ 1,362,649
Total Investments by fair value level	\$ 3,583,537	\$ 2,006,988	\$ 1,576,549



## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2020 was as follows:

	Balance May 1, 2019	Increases	Decreases	Balance April 30, 2020
<b>Governmental Activities</b>				
Capital Assets not being depreciated				
Land	\$ 2,298,119	\$ -	\$ -	\$ 2,298,119
Construction in Progress	42,837	8,895	-	51,732
Total Capital Assets not being depreciated	<u>\$ 2,340,956</u>	<u>\$ 8,895</u>	<u>\$ -</u>	<u>\$ 2,349,851</u>
Other Capital Assets				
Buildings	\$ 3,041,205	\$ -	\$ -	\$ 3,041,205
Vehicles	1,924,278	48,416	48,435	1,924,259
Equipment	1,234,317	27,094	-	1,261,411
Land Improvements	417,705	46,300	-	464,005
Infrastructure	3,833,638	-	-	3,833,638
Total Other Capital Assets at Historical Cost	<u>\$ 10,451,143</u>	<u>\$ 121,810</u>	<u>\$ 48,435</u>	<u>\$ 10,524,518</u>
Less Accumulated Depreciation for				
Buildings	\$ 1,328,570	\$ 79,609	\$ -	\$ 1,408,179
Vehicles	1,452,619	157,506	48,435	1,561,690
Equipment	1,144,191	25,949	-	1,170,140
Land Improvements	124,042	16,421	-	140,463
Infrastructure	1,333,269	126,801	-	1,460,070
Total Accumulated Depreciation	<u>\$ 5,382,691</u>	<u>\$ 406,286</u>	<u>\$ 48,435</u>	<u>\$ 5,740,542</u>
Other Capital Assets, Net	<u>\$ 5,068,452</u>	<u>\$ (284,476)</u>	<u>\$ -</u>	<u>\$ 4,783,976</u>
Governmental Activities Capital Assets, Net	<u>\$ 7,409,408</u>	<u>\$ (275,581)</u>	<u>\$ -</u>	<u>\$ 7,133,827</u>
<b>Business-Type Activities</b>				
Capital Assets not being depreciated				
Land	\$ 9,273	\$ -	\$ -	\$ 9,273
Total Capital Assets not being depreciated	<u>\$ 9,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,273</u>
Other Capital Assets				
Land Improvements	\$ -	\$ 18,622	\$ -	\$ 18,622
Water and Sewer Treatment System	5,010,956	-	-	5,010,956
Equipment	35,033	52,756	-	87,789
Infrastructure	137,853	18,886	-	156,739
Total Other Capital Assets at Historical Cost	<u>\$ 5,183,842</u>	<u>\$ 90,264</u>	<u>\$ -</u>	<u>\$ 5,274,106</u>
Less Accumulated Depreciation for				
Land Improvements	\$ -	\$ 931	\$ -	\$ 931
Water and Sewer Treatment System	2,176,045	125,157	-	2,301,202
Equipment	30,850	6,798	-	37,648
Infrastructure	31,017	7,479	-	38,496
Total Accumulated Depreciation	<u>\$ 2,237,912</u>	<u>\$ 140,365</u>	<u>\$ -</u>	<u>\$ 2,378,277</u>
Other Capital Assets, Net	<u>\$ 2,945,930</u>	<u>\$ (50,101)</u>	<u>\$ -</u>	<u>\$ 2,895,829</u>
Business-Type Activities Capital Assets, Net	<u>\$ 2,955,203</u>	<u>\$ (50,101)</u>	<u>\$ -</u>	<u>\$ 2,905,102</u>

Depreciation expense was charged to functions as follows:

<b>Governmental Activities:</b>	
Administration	\$ 16,996
Public Works	229,498
Public Safety	68,731
Parks and Recreation	58,978
Development	32,083
Total Governmental Activities Depreciation Expense	<u>\$ 406,286</u>
<b>Business-Type Activities:</b>	
Water and Sewer	\$ 140,365
Total Business-Type Activities Depreciation Expense	<u>\$ 140,365</u>

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 5 - LONG-TERM LIABILITY ACTIVITY**

Long-term liability activity for the year ended April 30, 2020 was as follows:

	Balance May 1, 2019	Additions	Retirements	Balance April 30, 2020	Amounts Due Within One Year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
Thelen Park Loan	\$ 81,227	\$ -	\$ -	\$ 81,227	\$ 81,227
Total Bonds and Notes Payable	<u>\$ 81,227</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 81,227</u>	<u>\$ 81,227</u>
Other Long-Term Obligations:					
Net Pension and OPEB Liabilities	\$ 3,952,097	\$ -	\$ 198,826	\$ 3,753,271	\$ -
Total Governmental Activities Long-Term Liabilities	<u>\$ 4,033,324</u>	<u>\$ -</u>	<u>\$ 198,826</u>	<u>\$ 3,834,498</u>	<u>\$ 81,227</u>
<b>Business-Type Activities</b>					
Bonds Payable:					
Revenue Bonds	\$ 439,233	\$ -	\$ 121,357	\$ 317,876	\$ 124,623
Note Payable	146,633	-	51,850	94,783	53,513
Total Bonds Payable	<u>\$ 585,866</u>	<u>\$ -</u>	<u>\$ 173,207</u>	<u>\$ 412,659</u>	<u>\$ 178,136</u>
Business-Type Activities Long-Term Liabilities	<u>\$ 585,866</u>	<u>\$ -</u>	<u>\$ 173,207</u>	<u>\$ 412,659</u>	<u>\$ 178,136</u>

Bonds and notes payable consisted of the following at April 30, 2020:

	Maturity Date	Interest Rate	Face Amount	Carrying Amount
<b>Governmental Activities:</b>				
Thelen Park Loan	2/1/2022	3.150%	\$ 362,034	\$ 81,227
<b>Business-Type Activities:</b>				
Revenue Bonds	7/1/2022	2.675%	\$ 2,000,000	\$ 317,876
Note Payable	11/1/2021	3.150%	470,559	94,783

At April 30, 2020 the annual debt service requirements to service long-term debt attributable to governmental activities are:

Year Ending April 30	Principal	Interest	Total
2021	\$ 81,227	\$ 2,905	\$ 84,132
	<u>\$ 81,227</u>	<u>\$ 2,905</u>	<u>\$ 84,132</u>

At April 30, 2020 the annual debt service requirements to service long-term debt attributable to business-type activities are:

Year Ending April 30	Principal	Interest	Total
2021	\$ 178,136	\$ 10,032	\$ 188,168
2022	169,232	4,971	174,203
2023	65,291	873	66,164
	<u>\$ 412,659</u>	<u>\$ 15,876</u>	<u>\$ 428,535</u>

**NOTE 6 - INTERFUND BALANCES**

Interfund balances at April 30, 2020 consisted of the following:

Due to General Fund from:	
Capital Fund	<u>\$ 15,370</u>

All interfund balances resulted from a time lag between the dates that expenditures were incurred and reimbursed between funds.

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**NOTE 7 - DEFICIT FUND BALANCES**

There were no funds which reflected a deficit fund balance as of April 30, 2020.

**NOTE 8 - PROPERTY TAXES**

The 2019 levy was passed by the Board on November 20, 2019. A summary of the assessed valuations, rates, and extensions for the years 2019, 2018, and 2017 follows:

Tax Year Assessed Valuation	2019 \$198,571,459		2018 \$190,801,574		2017 \$181,259,857	
	Rate	Extension	Rate	Extension	Rate	Extension
Corporate	0.1702	\$ 337,871	0.1685	\$ 321,579	0.1773	\$ 321,459
Police Pension	0.1938	384,881	0.2021	385,526	0.2028	367,526
	<u>0.3640</u>	<u>\$ 722,752</u>	<u>0.3706</u>	<u>\$ 707,105</u>	<u>0.3801</u>	<u>\$ 688,985</u>
Road and Bridge (from Townships)	-	\$ 45,184	-	\$ 44,845	-	\$ 43,259
Special Service Area #1	-	\$ -	-	\$ 129,776	-	\$ 259,552
Special Service Area #8	-	21,981	-	21,981	-	21,675
Special Service Area #9	-	24,705	-	24,120	-	24,824
Special Service Area #11	-	4,112	-	3,944	-	2,786
Special Service Area #13	-	9,440	-	9,024	-	9,024
Special Service Area #15	-	10,121	-	9,657	-	10,324
Special Service Area #24	-	4,608	-	3,948	-	4,528
	<u>-</u>	<u>\$ 74,967</u>	<u>-</u>	<u>\$ 202,450</u>	<u>-</u>	<u>\$ 332,713</u>

**NOTE 9 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

As of April 30, 2020, there were no funds in which the expenditures exceeded the appropriation.

**NOTE 10 - OPERATING LEASES**

The Village leases copier and laptop equipment under operating leases. Total lease expense for fiscal year 2020 was \$12,362. Annual requirements to cover outstanding lease agreements at April 30, 2020 are:

Year Ending April 30	Total Payments
2021	\$ 9,268
2022	4,584
2023	4,584
2024	4,584
2025	2,292
	<u>\$ 25,312</u>

**NOTE 11 - 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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF’s pension benefits is provided in the “Benefits Provided” section of this document. Details of all benefits are available from IMRF. 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 Comprehensive Annual Financial Report that includes financial statements,

## NOTES TO FINANCIAL STATEMENTS (Continued)

detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

### B. *Benefits Provided*

IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. Employees hired **before** January 1, 2011 are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last ten years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

Employees hired **on or after** January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last ten years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

### C. *Employees Covered by Benefit Terms*

All appointed employees of a participating employer who are employed in a position normally requiring 600 hours (1,000 hours for certain employees hired after 1981) or more of work in a year are required to participate. As of December 31, 2019, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	4
Inactive plan members entitled to but not yet receiving benefits	6
Active plan members	10
Total	<u>20</u>

### D. *Contributions*

As set by statute, the Village's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar year 2019 was 8.66%. For the fiscal year ended April 30, 2020, the Village contributed \$47,088 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

## NOTES TO FINANCIAL STATEMENTS (Continued)

### E. *Net Pension Liability*

The components of the net pension liability of the IMRF actuarial valuation performed as of December 31, 2019, and a measurement date as of December 31, 2019, calculated in accordance with GASB Statement No. 68, were as follows:

Total Pension Liability	\$ 1,934,198
IMRF Fiduciary Net Position	1,743,426
Village's Net Pension Liability	190,772
IMRF Fiduciary Net Position as a Percentage of the Total Pension Liability	90%

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

### F. *Actuarial Assumptions*

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

#### Assumptions

Inflation	2.50%
Salary Increases	3.35% - 14.25% including inflation
Interest Rate	7.25%
Asset Valuation Method	Market Value of Assets
Projected Retirement Age	Experience-based table of rates, specific to the type of eligibility condition, last updated for the 2017 valuation according to an experience study from years 2014 to 2016

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

### G. *Long-Term Expected Rate of Return*

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2019:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Asset Class	Target Allocation	Projected Return
Equities	37.0%	5.75%
International Equities	18.0%	6.50%
Fixed Income	28.0%	3.25%
Real Estate	9.0%	5.20%
Alternatives	7.0%	
Private Equity		7.60%
Hedge Funds		N/A
Commodities		3.60%
Cash Equivalents	1.0%	1.85%
	100.0%	

### H. *Single Discount Rate*

The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this discount rate, the expected rate of return on pension plan investments is 7.25%; the municipal bond rate is 3.71%; and resulting single discount rate is 7.25%.

### I. *Changes in the Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
	\$ 1,842,930	\$ 1,519,503	\$ 323,427
Balances at December 31, 2018			
Changes for the year:			
Service Cost	\$ 52,240	\$ -	\$ 52,240
Interest on the Total Pension Liability	133,197	-	133,197
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(30,461)	-	(30,461)
Changes of Assumptions	-	-	-
Contributions - Employer	-	47,088	(47,088)
Contributions - Employee	-	24,469	(24,469)
Net Investment Income	-	266,033	(266,033)
Benefit Payments, including Refunds of Employee Contributions	(63,708)	(63,708)	-
Other (Net Transfer)	-	(49,959)	49,959
Net Changes	\$ 91,268	\$ 223,923	\$ (132,655)
Balances at December 31, 2019	\$ 1,934,198	\$ 1,743,426	\$ 190,772

### J. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher than the current rate:

**NOTES TO FINANCIAL STATEMENTS (Continued)**

	1% Decrease 6.25%	Current Single Discount Rate 7.25%	1% Increase 8.25%
Net Pension Liability	\$ 478,851	\$ 190,772	\$ (40,738)

**K. Pension Expense/(Income) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2020, the Village recognized pension expense of \$97,294. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Expense in Future Periods</b>	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 17,584	\$ 38,780	\$ (21,196)
Changes of assumptions	40,393	37,928	2,465
Net difference between projected and actual earnings on pension plan investments	108,200	172,816	(64,616)
Total deferred amounts to be recognized in pension expense in future periods	\$ 166,177	\$ 249,524	\$ (83,347)
Pension contributions made subsequent to the measurement date	18,415	-	18,415
Total deferred amounts related to pensions	<u>\$ 184,592</u>	<u>\$ 249,524</u>	<u>\$ (64,932)</u>

The deferred outflows of resources related to pensions resulting from the Village’s contributions in fiscal year 2020 subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ended April 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

December 31	Net Deferred Outflows of Resources
2020	\$ (21,706)
2021	(23,171)
2022	281
2023	(34,927)
2024	(2,709)
Thereafter	(1,115)
	<u>\$ (83,347)</u>

**NOTE 12 - POLICE PENSION PLAN**

**A. Plan Administration**

Full-time police sworn personnel of the Village are covered by The Spring Grove Police Pension Fund of the Village of Spring Grove (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 5/4-1) 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**

At April 30, 2020, the date of the latest actuarial valuation, Plan participation consisted of:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Inactive plan members or beneficiaries currently receiving benefits	5
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	6
Total	<u>11</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, 2020 the Village's contribution was 61.5% of covered payroll.

### 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, mutual funds and corporate equity securities.

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	60.0%	1.2%
Large Capital Domestic Equity	28.0%	6.2%
Small Capital Domestic Equity	8.0%	8.0%
International Equity	4.0%	6.7%

ILCS limits the Plan's investments in equities to 65% of total assets of the fund. Securities in any one company should not exceed 5% of the total fund. The blended asset class is comprised of all other asset classes to allow for rebalancing the portfolio. The Estimated Annual Inflation Rate (CPI) assumption used is 2.5%. 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 December of 2014 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 December 31, 2014 are listed in the table above.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### 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, 2020 for debt securities, equity 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.

### H. *Investment Rate of Return*

For the year ended April 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.25%. 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, 2020.

Investment	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 - 5	5 - 10	More Than 10
Mutual Funds	\$ 1,474,889	\$ 1,474,889	\$ -	\$ -	\$ -
Fannie Mae	45,281	34,346	10,935	-	-
FFCB	949,636	-	275,431	639,227	34,978
FHLB	312,250	20,148	101,640	190,462	-
Freddie Mac	27,072	-	27,072	-	-
Tennessee Valley Auth.	28,410	-	-	28,410	-
Idaho Power Co.	12,308	12,308	-	-	-
Target Corp	26,243	-	26,243	-	-
JPMorgan Chase	26,206	-	26,206	-	-
General Dynamics	25,876	-	25,876	-	-
Illinois Tool	25,787	-	25,787	-	-
Blackrock, Inc.	27,559	-	16,440	11,119	-
Visa, Inc.	48,313	-	-	48,313	-
Exxon Mobil	10,727	-	-	10,727	-
Berkshire Hathaway	5,514	-	-	5,514	-
Mastercard Inc.	27,702	-	-	27,702	-
Microsoft Corp.	22,750	-	-	22,750	-
Apple Inc.	22,454	-	-	22,454	-
Pepsico Incorporate	22,022	-	-	22,022	-
Honeywell Internet	10,905	-	-	10,905	-
The Coca Cola Company	20,759	-	-	20,759	-
US Treasury Notes	196,974	25,307	139,403	32,264	-
Municipal Bonds	213,900	15,443	88,099	85,125	25,233
	<u>\$ 3,583,537</u>	<u>\$ 1,582,441</u>	<u>\$ 763,132</u>	<u>\$ 1,177,753</u>	<u>\$ 60,211</u>

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

## NOTES TO FINANCIAL STATEMENTS (Continued)

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, 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, 2020, the Plan's investments were rated as follows:

Investment	Credit Rating	Rating Source
Mutual Funds	NR	Standard and Poor's
Fannie Mae	AA+	Standard and Poor's
FFCB	AA+	Standard and Poor's
FHLB	AA+	Standard and Poor's
Freddie Mac	AA+	Standard and Poor's
Tennessee Valley Auth.	AA+	Standard and Poor's
Idaho Power Co.	A-	Standard and Poor's
Target Corp	A	Standard and Poor's
JPMorgan Chase	A-	Standard and Poor's
General Dynamics	A	Standard and Poor's
Illinois Tool	A+	Standard and Poor's
Blackrock, Inc.	AA-	Standard and Poor's
Visa, Inc.	AA-	Standard and Poor's
Exxon Mobil	AA	Standard and Poor's
Berkshire Hathaway	AA	Standard and Poor's
Mastercard Inc.	A+	Standard and Poor's
Microsoft Corp.	AAA	Standard and Poor's
Apple Inc.	AA+	Standard and Poor's
Pepsico Incorporate	A+	Standard and Poor's
Honeywell Internet	A	Standard and Poor's
The Coca Cola Company	A+	Standard and Poor's
US Treasury Notes	NR	Moody's Investors Service
Municipal Bonds	AAA-AA/Aaa-Aa3	Standard and Poor's/Moody's Investors Service

### L. Net Pension Liability

The components of the net pension liability of the Plan as of April 30, 2020 calculated in accordance with GASB Statement No. 68 were as follows:

Total Pension Liability	\$ 7,148,468
Plan Fiduciary Net Position	3,726,005
Village's Net Pension Liability	3,422,463
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52%

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, 2018 using the following actuarial methods and assumptions:

## NOTES TO FINANCIAL STATEMENTS (Continued)

Actuarial Valuation Date	April 30, 2020
Actuarial Cost Method	Entry Age Normal (Level %)
Assumptions	
Inflation	2.50%
Salary Increases (Includes COLA)	3.5% - 8.28%
Interest Rate	5%
Asset Valuation Method	Market Value

Mortality rates were based on the RP-2014 Mortality Table (BCHA) projected to 2017 using improvement scale MP-2016. The other non-economic actuarial assumptions used in the April 30, 2020 valuation were based on a review of assumptions in the L&A 2016 study for Illinois Police Officers.

### N. *Discount Rate*

The discount rate used in the determination of the Total Pension Liability was 4.73%. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investments is used to determine the portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments.

### O. *Changes in the Net Pension Liability*

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A)-(B)
Balances at April 30, 2019	\$ 6,876,822	\$ 3,391,599	\$ 3,485,223
Changes for the year:			
Service Cost	\$ 178,466	\$ -	\$ 178,466
Interest on the Total Pension Liability	331,380	-	331,380
Changes of Benefit Terms	15,343	-	15,343
Differences Between Expected and Actual Experience of the Total Pension Liability	(255,343)	-	(255,343)
Changes of Assumptions	257,279	-	257,279
Contributions - Employer	-	385,600	(385,600)
Contributions - Employee	-	47,855	(47,855)
Net Investment Income	-	167,782	(167,782)
Benefit Payments, including Refunds of Employee Contributions	(255,479)	(255,479)	-
Administrative Expense	-	(11,352)	11,352
Net Changes	\$ 271,646	\$ 334,406	\$ (62,760)
Balances at April 30, 2020	\$ 7,148,468	\$ 3,726,005	\$ 3,422,463

### P. *Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 4.73%, as well as what the plan's net pension liability would be if it were calculated using a single Discount Rate that is 1% lower or 1% higher:

	1% Decrease 3.73%	Current Discount Rate 4.73%	1% Increase 5.73%
Employer Net Pension Liability	\$ 4,588,259	\$ 3,422,463	\$ 2,491,597

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**Q. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended April 30, 2020, the Village recognized pension expense of \$186,760. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Expense in Future Periods	Outflows of Resources	Inflows of Resources	Net Outflows of Resources
Differences between expected and actual experience	\$ 99,501	\$ 1,048,814	\$ (949,313)
Assumption changes	440,667	47,580	393,087
Net difference between projected and actual earnings on pension investments	12,170	25,035	(12,865)
Total deferred amounts related to pensions	<u>\$ 552,338</u>	<u>\$ 1,121,429</u>	<u>\$ (569,091)</u>

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

Year Ending April 30	Net Deferred Outflows of Resources
2021	\$ (134,948)
2022	(135,337)
2023	(131,822)
2024	(71,090)
2025	(42,391)
Thereafter	(53,503)
	<u>\$ (569,091)</u>

**NOTE 13 - POST EMPLOYMENT BENEFIT COMMITMENTS – RETIREE PAID INSURANCE**

**A. Plan Overview**

In addition to the retirement plans described in Note 11 and Note 12, 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 the following coverage:

Medical Coverage

Retirees and their eligible dependents can remain on Village's medical insurance plan provided that they pay the entire premium. Coverage can continue for Medicare eligibility ages. Full-time Police Officers that suffer a catastrophic injury or are killed in the line of duty receive free lifetime coverage for the employee, their spouse, and each eligible dependent under the Public Safety Employee Benefits Act.

**B. Eligibility**

Employees of the Village are eligible for retiree health benefits as listed below:

Regular Plan Tier 1 (Enrolled in IMRF Prior to January 1, 2011)

- At least 55 years old and at least 8 years of credited service (reduced pension)
- At least 60 years old and at least 8 years of credited service (full pension)

Regular Plan Tier 2 (Enrolled in IMRF On or After January 1, 2011)

- At least 62 years old and at least 10 years of credited service (reduced pension)
- At least 67 years old and at least 10 years of credited service (full pension)

## NOTES TO FINANCIAL STATEMENTS (Continued)

### Police Officers (Hired on or Before January 1, 2011)

- Full Benefit: Age 50 or older with at least 20 years of service, or
- Reduced Benefit: Age 60 or older with at least 8 years of service but less than 20 years of service.

### Police Officers (Hired After January 1, 2011)

- Full Benefit: Age 55 or older with at least 10 years of service, or
- Reduced Benefit: Age 50 or older with at least 10 years of service.

Membership in the plan consisted of the following at April 30, 2020, the date of the latest actuarial valuation:

Active Employees	16
Inactive Employees Entitled to but not yet Receiving Benefits	-
Inactive Employees Currently Receiving Benefits	2
Total	<u>18</u>

### C. *Contribution*

The required contribution is based on projected pay-as-you-go financing requirements. Employees are not required to contribute to the plan.

### D. *Total OPEB Liability*

The Village's total OPEB liability was measured as of April 30, 2020, and the total OPEB liability was determined by an actuarial valuation as of May 1, 2019.

### E. *Actuarial Assumptions*

The total OPEB liability in the April 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Method	Entry Age Normal
Discount rate	2.85%
Salary Rate Increase	4.00%
Expected long-term investment rate of return	N/A
Health Care Trend	

	Insurance Year Trends			Fiscal Year Trends		
	Period	PPO	HMO	Period	PPO	HMO
(1) Known rate	IY17-IY18	-6.39% <sup>(1)</sup>	3.86% <sup>(1)</sup>	FY17-FY18	-1.23%	5.17%
	IY18-IY19	6.00%	7.00%	FY18-FY19	5.95%	6.91%
	IY19-IY20	5.89%	6.78%	FY19-FY20	5.84%	6.69%
	IY20-IY21	5.78%	6.56%	FY20-FY21	5.73%	6.46%
	IY21-IY22	5.67%	6.33%	FY21-FY22	5.62%	6.24%
	IY22-IY23	5.56%	6.11%	FY22-FY23	5.51%	6.02%
	IY23-IY24	5.44%	5.89%	FY23-FY24	5.40%	5.80%
	IY24-IY25	5.33%	5.67%	FY24-FY25	5.29%	5.57%
	IY25-IY26	5.22%	5.44%	FY25-FY26	5.18%	5.35%
	IY26-IY27	5.11%	5.22%	FY26-FY27	5.06%	5.13%
	IY27-IY28	5.00%	5.00%	FY27-FY28	5.00%	5.00%
	Subsequent	5.00%	5.00%	Subsequent	5.00%	5.00%

Retiree Contribution Trend

Same as Health Care Trend

Mortality

RP-2014 Combined Annuitant Mortality Table for males and females.

The Mortality Table reflects recent rates developed by the Society of Actuaries.

## NOTES TO FINANCIAL STATEMENTS (Continued)

Disability Rates	None									
Average Retirement Age	IMRF Tier 1: Age 60 IMRF Tier 2: Age 65									
Termination/Turnover Rates	Age-based Turnover Rates developed based on Probability of Remaining Employed until Assumed Retirement Age.									
Starting Per Capita Costs	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Retiree</u></th> <th style="text-align: center;"><u>Spouse</u></th> </tr> </thead> <tbody> <tr> <td>PPO Plan</td> <td style="text-align: right;">\$ 22,402</td> <td style="text-align: right;">\$ 18,368</td> </tr> <tr> <td>HMO Plan</td> <td style="text-align: right;">14,890</td> <td style="text-align: right;">13,020</td> </tr> </tbody> </table>		<u>Retiree</u>	<u>Spouse</u>	PPO Plan	\$ 22,402	\$ 18,368	HMO Plan	14,890	13,020
	<u>Retiree</u>	<u>Spouse</u>								
PPO Plan	\$ 22,402	\$ 18,368								
HMO Plan	14,890	13,020								
Retiree Contributions	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;"><u>Retiree</u></th> <th style="text-align: center;"><u>Spouse</u></th> </tr> </thead> <tbody> <tr> <td>PPO Plan</td> <td style="text-align: right;">\$ 11,058</td> <td style="text-align: right;">\$ 9,067</td> </tr> <tr> <td>HMO Plan</td> <td style="text-align: right;">7,350</td> <td style="text-align: right;">6,427</td> </tr> </tbody> </table>		<u>Retiree</u>	<u>Spouse</u>	PPO Plan	\$ 11,058	\$ 9,067	HMO Plan	7,350	6,427
	<u>Retiree</u>	<u>Spouse</u>								
PPO Plan	\$ 11,058	\$ 9,067								
HMO Plan	7,350	6,427								
Election at Retirement	20% of active employees are assumed to elect coverage at retirement									
Marital Status	40% of active employees are assumed to be married and elect spousal coverage upon retirement. Males are assumed to be three years older than females.									
Retiree Lapse Rate	0.00%									

There is no long-term expected rate of return on OPEB plan investments because the Village does not have a trust dedicated exclusively to the payment of OPEB benefits.

### F. Discount Rate

The Village does not have a dedicated trust to pay retiree healthcare benefits. Per GASB 75, the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale).

A rate of 2.85% is used, which is the S&P Municipal Bond 20-Year High-Grade Rate Index as of April 30, 2020.

### G. Changes in the Total OPEB Liability

	Increase/(Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at April 30, 2019	\$ 143,447	\$ -	\$ 143,447
Changes for the year:			
Service Cost	\$ 5,833	\$ -	\$ 5,833
Interest on Total OPEB Liability	4,331	-	4,331
Actuarial Experience	-	-	-
Assumption Changes	3,173	-	3,173
Benefit Payments	(17,042)	-	(17,042)
Other Changes	294	-	294
Net Changes	\$ (3,411)	\$ -	\$ (3,411)
Balances at April 30, 2020	\$ 140,036	\$ -	\$ 140,036

### H. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

Plan's Total OPEB Liability/(Asset)		
1% Increase	Valuation Rate	1% Decrease
\$ 132,578	\$ 140,036	\$ 148,177

**NOTES TO FINANCIAL STATEMENTS (Continued)**

**I. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the total OPEB liability of the Village, as well as what the Village's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

Plan's Total OPEB Liability/(Asset)		
Healthcare Cost		
1% Increase	Valuation Rate	1% Decrease
\$ 150,624	\$ 140,036	\$ 130,779

**J. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the fiscal year ended April 30, 2020, the Village recognized OPEB expense of \$20,629. At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Inflows of Resources
Differences Between Expected and Actual Experience	\$ 51,885	\$ -	\$ 51,885
Changes of Assumptions	22,356	86	22,270
Total	\$ 74,241	\$ 86	\$ 74,155

Changes in total OPEB liability related to the difference in actual and expected experience, or changes in assumptions regarding future events, are recognized in OPEB expense over the expected remaining service life of all employees (9.06 years, active and retired) in the postretirement plan.

Amounts reported as deferred outflows of resources related to OPEB will be recognized as future OPEB expense as follows:

Year ending May 31	Net Inflows of Resources
2021	\$ 10,465
2022	10,465
2023	10,465
2024	10,465
2025	10,465
2026	10,465
2027	10,465
2028	900
	\$ 74,155

**NOTE 14 - SOCIAL SECURITY**

All employees, except full-time police officers, are covered under Social Security. The Village paid the total required contribution for the current fiscal year.

**NOTE 15 - INTERFUND TRANSFERS**

Interfund transfers for the year ended April 30, 2020 consisted of the following:

Transfers from General Fund to:	
Water and Sewer Fund	\$ 46,450
Capital Fund	178,000

## **NOTES TO FINANCIAL STATEMENTS (Continued)**

The transfer from the General Fund to the Water and Sewer Fund was made to cover operating expenses. The transfer from the General Fund to the Capital Fund was made to pay for assets purchased by the Capital Fund.

### **NOTE 16 - 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.

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.

The Village participates in the Intergovernmental Personnel Benefit Cooperative.

Intergovernmental Personnel Benefit Cooperative (IPBC) is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical and life insurance coverage) offered by these members to their officers and employees and to the officers and employees of certain governmental, quasigovernmental, and nonprofit service entities. IPBC receives, processes, and pays such claims as may come within the benefit program of each member. Management consists of a Board of Directors comprised of one appointed representative, along with an alternate, from each member. In addition, there are two officers; a chairperson and a Treasurer. The Village does not exercise any control over the activities of IPBC beyond its representation on the Board of Directors.

Complete financial statement, the latest available dated June 30, 2018, may be obtained directly from IPBC's administrative offices at 800 Roosevelt Road, Building C, Suite 312, Glen Ellyn, Illinois 60137.

During the year ended April 30, 2020, there were no significant reductions in insurance coverage. Also, there have been no settlement amounts that have exceeded insurance coverage in any of the past three years. 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, 2020, there were no significant adjustments in premiums based on actual experience.

### **NOTE 17 - CONTINGENCIES**

The Village is not aware of any litigation which might have a material adverse effect on the Village's financial position.



## NOTES TO FINANCIAL STATEMENTS (Continued)

### NOTE 18 - LEGAL DEBT LIMITATION

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

2019 EAV	\$	198,571,459
	X	<u>8.625%</u>
Debt Margin	\$	17,126,788
Current Governmental Activities Debt		<u>(81,227)</u>
Remaining Debt Margin	\$	<u>17,045,561</u>

### NOTE 19 - TAX ABATEMENT AGREEMENTS

In 2003, the Village entered into an economic incentive agreement with Jewel Food Stores, Inc. As a result of this agreement, in exchange for Jewel providing economic assistance in constructing a water tower, the Village rebates fifty percent of its share of sales tax collected by Jewel. The abatement ends after 20 years, or when Jewel recoups the value of the water tower, whichever occurs first. In the fiscal year ending April 30, 2020, the Village rebated sales tax in the amount of \$135,620.

The Village is not subject to any tax abatement agreements entered into by other governmental entities.

### NOTE 20 - COMMITMENTS

During fiscal year ending April 30, 2020, the Village signed a contract for Village of Spring Grove Downtown Street & Parking Project in the amount of \$375,750. There were no amounts paid in fiscal year ending April 30, 2020.

### NOTE 21 - SUBSEQUENT EVENTS

The Village has evaluated subsequent events through August 26, 2020, the date on which the financial statements were available to be issued.

Prior to the date of this report, the COVID-19 outbreak in the United States has created disruptions in various businesses and will continue to impact these organizations. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of time. The extent of the impact on the Village is uncertain and cannot be reasonably estimated at this time.

In addition to this, on December 18, 2019, Governor JB Pritzker signed SB 1300. The law, Public Act (P.A.) 101-0610, represents the culmination of more than a decade of work by the Illinois Municipal League (IML). The law consolidates the assets of the state's more than 650 downstate and suburban public safety pension funds into two consolidated investment funds, one for police officers (Article 3) and one for firefighters (Article 4), which will improve investment returns, eliminate unnecessary and redundant administrative costs, ensure more money is available to fund pension benefits and reduce the burden on local taxpayers. The law was effective as of January 1, 2020. All pension fund assets, currently reported within the fiduciary fund statements of the Village, will be transferred to Police pension investment fund no later than 30 months after the effective date. This is likely to change the reporting of the pension fund as a fiduciary fund in future financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF SPRING GROVE, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2020

	4/30/2020 *	4/30/2019 *	4/30/2018 *	4/30/2017 *	4/30/2016 *
<b>TOTAL PENSION LIABILITY</b>					
Service Cost	\$ 52,240	\$ 53,628	\$ 60,747	\$ 59,466	\$ 60,637
Interest on the Total Pension Liability	133,197	123,265	119,964	112,362	104,372
Differences Between Expected and Actual Experience	(30,461)	24,970	(11,899)	(9,147)	(3,407)
Changes of Assumptions	-	57,361	(59,678)	(2,627)	-
Benefit Payments, Including Refunds of Member Contributions	(63,708)	(66,025)	(57,092)	(65,596)	(43,074)
Net Change in Total Pension Liability	<u>\$ 91,268</u>	<u>\$ 193,199</u>	<u>\$ 52,042</u>	<u>\$ 94,458</u>	<u>\$ 118,528</u>
Total Pension Liability - Beginning	<u>1,842,930</u>	<u>1,649,731</u>	<u>1,597,689</u>	<u>1,503,231</u>	<u>1,384,703</u>
Total Pension Liability - Ending	<u>\$ 1,934,198</u>	<u>\$ 1,842,930</u>	<u>\$ 1,649,731</u>	<u>\$ 1,597,689</u>	<u>\$ 1,503,231</u>
<b>PLAN FIDUCIARY NET POSITION</b>					
Contributions - Employer	\$ 47,088	\$ 56,200	\$ 57,193	\$ 57,073	\$ 55,545
Contributions - Member	24,469	24,794	25,060	25,154	24,080
Net Investment Income	266,033	(60,979)	215,721	83,355	6,093
Benefit Payments, Including Refunds of Member Contributions	(63,708)	(66,025)	(57,092)	(65,596)	(43,074)
Other (Net Transfers)	(49,959)	28,308	(8,183)	7,879	(46,304)
Net Change in Plan Fiduciary Net Position	<u>\$ 223,923</u>	<u>\$ (17,702)</u>	<u>\$ 232,699</u>	<u>\$ 107,865</u>	<u>\$ (3,660)</u>
Plan Net Position - Beginning	<u>1,519,503</u>	<u>1,537,205</u>	<u>1,304,506</u>	<u>1,196,641</u>	<u>1,200,301</u>
Plan Net Position - Ending	<u>\$ 1,743,426</u>	<u>\$ 1,519,503</u>	<u>\$ 1,537,205</u>	<u>\$ 1,304,506</u>	<u>\$ 1,196,641</u>
Village's Net Pension Liability	<u>\$ 190,772</u>	<u>\$ 323,427</u>	<u>\$ 112,526</u>	<u>\$ 293,183</u>	<u>\$ 306,590</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.14%	82.45%	93.18%	81.65%	79.60%
Covered-Valuation Payroll	\$ 543,744	\$ 550,976	\$ 556,896	\$ 558,987	\$ 535,112
Employer's Net Pension Liability as a Percentage of Covered-Valuation Payroll	35.08%	58.70%	20.21%	52.45%	57.29%

\* This information presented is based on the actuarial valuation performed as of the December 31 year end prior to the fiscal year end listed above.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF SPRING GROVE, ILLINOIS  
ILLINOIS MUNICIPAL RETIREMENT FUND  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
APRIL 30, 2020

	4/30/2020 *	4/30/2019 *	4/30/2018 *	4/30/2017 *	4/30/2016 *
Actuarial-Determined Contribution	\$ 47,088	\$ 56,200	\$ 57,193	\$ 57,073	\$ 55,545
Contributions in Relation to Actuarially-Determined Contribution	47,088	56,200	57,193	57,073	55,545
Contribution Deficiency/(Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Valuation Payroll	\$ 543,744	\$ 550,976	\$ 556,896	\$ 558,987	\$ 535,112
Contributions as a Percentage of Covered-Valuation Payroll	8.66%	10.20%	10.27%	10.21%	10.38%

**Notes to Schedule:**

**Actuarial Method and Assumptions Used on the Calculation of the 2019 Contribution Rate \***

Actuarially determined contribution rates are calculated as of December 31 each year, which are 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Actuarial Cost Method:** Aggregate Entry Age Normal

**Amortization Method:** Level percentage of payroll, closed

**Remaining Amortization Period:** 24-year closed period

**Asset Valuation Method:** 5-year smoothed market; 20% corridor

**Wage Growth:** 3.25%

**Price Inflation:** 2.5%, approximate; No explicit price inflation assumption is used in this valuation.

**Salary Increases:** 3.35% to 14.25%, including inflation

**Investment Rate of Return:** 7.50%

**Retirement Age:** Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.

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

\*Based on Valuation Assumptions used in the December 31, 2017 actuarial valuation; note two year lag between valuation and rate setting.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF SPRING GROVE, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET PENSION  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2020

	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
<b>TOTAL PENSION LIABILITY</b>						
Service Cost	\$ 178,466	\$ 226,844	\$ 222,453	\$ 211,860	\$ 192,048	\$ 244,858
Interest	331,380	337,592	317,980	328,937	322,278	307,104
Changes in Benefit Terms	15,343	-	-	-	-	-
Differences Between Expected and Actual Experience	(255,343)	(492,380)	163,284	(482,536)	(629,688)	-
Changes in Assumptions	257,279	(59,673)	158,894	(6,867)	324,689	-
Benefit Payments, Including Refunds of Member Contributions	(255,479)	(192,436)	(330,659)	(210,405)	(178,193)	(154,138)
Net Change in Total Pension Liability	\$ 271,646	\$ (180,053)	\$ 531,952	\$ (159,011)	\$ 31,134	\$ 397,824
Total Pension Liability - Beginning	6,876,822	7,056,875	6,524,923	6,683,934	6,652,800	6,254,976
Total Pension Liability - Ending	\$ 7,148,468	\$ 6,876,822	\$ 7,056,875	\$ 6,524,923	\$ 6,683,934	\$ 6,652,800
<b>PLAN FIDUCIARY NET POSITION</b>						
Contributions - Employer	\$ 385,600	\$ 367,526	\$ 338,500	\$ 332,000	\$ 332,003	\$ 295,297
Contributions - Member	47,855	48,780	48,380	51,014	51,533	56,429
Net Investment Income	167,782	196,197	124,296	128,317	83,344	51,935
Benefit Payments, Including Refunds of Member Contributions	(255,479)	(192,436)	(330,659)	(210,405)	(178,192)	(210,568)
Administrative Expenses	(11,352)	(11,860)	(11,492)	(10,651)	(10,587)	(6,341)
Net Change in Plan Fiduciary Net Position	\$ 334,406	\$ 408,207	\$ 169,025	\$ 290,275	\$ 278,101	\$ 186,752
Plan Net Position - Beginning	3,391,599	2,983,392	2,814,367	2,524,092	2,245,991	2,059,239
Plan Net Position - Ending	\$ 3,726,005	\$ 3,391,599	\$ 2,983,392	\$ 2,814,367	\$ 2,524,092	\$ 2,245,991
Village's Net Pension Liability	\$ 3,422,463	\$ 3,485,223	\$ 4,073,483	\$ 3,710,556	\$ 4,159,842	\$ 4,406,809
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.12%	49.32%	42.28%	43.13%	37.76%	33.76%
Covered-Employee Payroll	\$ 484,000	\$ 598,049	\$ 525,988	\$ 594,671	\$ 580,059	\$ 411,705
Employer's Net Pension Liability as a Percentage of Covered-Employee Payroll	707.12%	582.77%	774.44%	623.97%	717.14%	1070.38%
Annual Money-Weighted Rate of Return, Net of Investment Expenses	2020 6.25%	2019 6.25%	2018 4.36%	2017 4.85%	2016 2.38%	2015 2.00%

Note:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
POLICE PENSION PLAN  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
APRIL 30, 2020

	4/30/2020	4/30/2019	4/30/2018	4/30/2017	4/30/2016	4/30/2015
Actuarially-Determined Contribution	\$ 400,084	\$ 408,363	\$ 394,326	\$ 359,046	\$ 331,957	\$ 296,699
Contributions in Relation to Actuarially-Determined Contribution	385,600	367,526	338,500	332,000	332,003	295,297
Contribution Deficiency/(Excess)	<u>\$ 14,484</u>	<u>\$ 40,837</u>	<u>\$ 55,826</u>	<u>\$ 27,046</u>	<u>\$ (46)</u>	<u>\$ 1,402</u>
Covered-Employee Payroll	\$ 484,000	\$ 598,049	\$ 525,988	\$ 594,671	\$ 580,059	\$ 411,705
Contributions as a Percentage of Covered-Employee Payroll	79.67%	61.45%	64.36%	55.83%	57.24%	71.73%

Notes:

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
OTHER POST-EMPLOYMENT BENEFIT  
SCHEDULE OF CHANGES IN THE EMPLOYER'S NET OPEB  
LIABILITY AND RELATED RATIOS  
APRIL 30, 2020

	<u>4/30/2020</u>	<u>4/30/2019</u>
TOTAL OPEB LIABILITY		
Service Cost	\$ 5,833	\$ 5,643
Interest	4,331	1,952
Differences Between Expected and Actual Experience	-	66,591
Benefit Payments	(17,042)	(18,267)
Changes in Assumptions	3,173	17,291
Other Changes	294	7,344
Net Change in Total OPEB Liability	<u>\$ (3,411)</u>	<u>\$ 80,554</u>
Total OPEB Liability - Beginning	<u>143,447</u>	<u>62,894</u>
Total OPEB Liability - Ending	<u>\$ 140,036</u>	<u>\$ 143,448</u>
OPEB PLAN FIDUCIARY NET POSITION		
Contributions - Employer	\$ -	\$ -
Contributions - Member	-	-
Contributions - Other	-	-
Net Investment Income	-	-
Benefit Payments	-	-
Administrative Expense	-	-
Net Change in OPEB Plan Net Position	<u>\$ -</u>	<u>\$ -</u>
OPEB Plan Net Position - Beginning	<u>-</u>	<u>-</u>
OPEB Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>
Village's Net OPEB Plan Liability	<u>\$ 140,036</u>	<u>\$ 143,448</u>
OPEB Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	0.00%	0.00%
Covered-Employee Payroll	\$ 928,145	\$ 928,145
Employer's Net OPEB Liability as a Percentage of Covered-Valuation Payroll	15.09%	15.46%

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.

VILLAGE OF SPRING GROVE, ILLINOIS  
 OTHER POST-EMPLOYMENT BENEFIT  
 SCHEDULE OF EMPLOYER CONTRIBUTION  
 APRIL 30, 2020

	4/30/2020	4/30/2019
Actuarially-Determined Contribution	N/A	N/A
Contributions in Relation to Actuarially-Determined Contribution	-	-
Contribution Deficiency/(Excess)	N/A	N/A
Covered-Employee Payroll	\$ 928,145	\$ 928,145
Contributions as a Percentage of Covered-Employee Payroll	0.00%	0.00%

**Notes to Schedule:**

There is no ADC or employer contribution in relation to the ADC, as the total OPEB liabilities are currently an unfunded obligation.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, information is presented for those years for which information is available.



VILLAGE OF SPRING GROVE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2020

	Appropriated Amounts	Actual Amounts
	<u>Original and Final</u>	<u></u>
<b>REVENUES</b>		
Local Taxes		
Property Tax	\$ 750,200	\$ 750,358
Intergovernmental		
State Sales Tax	620,000	666,692
State Income Tax	565,600	568,586
State Replacement Tax	4,000	4,945
State Use Tax	150,000	203,618
Grants	12,000	11,581
Other Local Sources		
Utility Tax	610,000	549,237
Amusement Tax	65,000	64,806
Licenses and Permits	171,000	178,465
Fines and Forfeitures	197,000	191,111
Charges for Services	59,500	52,337
Impact Fees	-	-
Interest	53,000	63,170
Rentals	6,000	8,180
Royalties	13,000	10,190
Miscellaneous	13,000	33,190
<b>Total Revenues</b>	<b>\$ 3,289,300</b>	<b>\$ 3,356,466</b>
<b>EXPENDITURES</b>		
Current		
Administration		
Personnel Salaries	\$ 242,400	\$ 202,811
Payroll Taxes	18,600	14,792
Retirement and Benefits	25,080	20,567
Contract Services	37,920	37,795
Professional Fees	83,700	93,475
Insurance	100,800	80,573
Dues and Subscriptions	9,000	6,493
Supplies	1,200	1,000
Printing	1,800	1,383
Office Expense	9,120	6,147
Communications	13,200	11,029
Special Events	10,200	7,199
Revenue Sharing	168,000	135,620
Miscellaneous Expenses	900	1,067
	<b>\$ 721,920</b>	<b>\$ 619,951</b>
Public Works		
Personnel Salaries	\$ 385,200	\$ 288,627
Payroll Taxes	30,600	22,298
Retirement and Benefits	69,000	43,619

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2020

	Appropriated Amounts	Actual Amounts
	<u>Original and Final</u>	<u>                    </u>
EXPENDITURES (Continued)		
Current (Continued)		
Public Works (Continued)		
Contract Services	\$ 600	\$ 335
Engineering Fees	30,000	38,180
Fuel	24,000	17,193
Small Tools	4,200	2,444
Seminars and Dues	1,200	280
Supplies	15,600	12,727
Rentals	6,000	9,528
Utilities	3,600	4,921
Maintenance and Repairs	162,300	202,838
Road Maintenance	355,200	235,392
Snowplowing	54,000	83,416
Communications	3,600	1,880
Miscellaneous Expenses	1,440	1,521
	<u>\$ 1,146,540</u>	<u>\$ 965,199</u>
Public Safety		
Personnel Salaries	\$ 786,630	\$ 622,698
Payroll Taxes	20,400	14,304
Retirement and Benefits	102,600	82,257
Pension Contribution	481,404	385,600
Contract Services	99,120	80,544
Professional Fees	61,200	50,288
Communications	19,200	11,721
Supplies	16,800	12,982
Conferences and Dues	7,200	9,028
Training and Education	9,600	9,506
Maintenance and Repairs	22,800	20,371
Printing	5,880	2,458
Office Expense	12,480	11,430
Fuel	30,000	21,201
Miscellaneous Expenses	19,200	14,883
	<u>\$ 1,694,514</u>	<u>\$ 1,349,271</u>
Parks and Recreation		
Personnel Salaries	\$ 31,260	\$ 20,679
Payroll Taxes	2,496	1,573
Instructional Fees	13,200	9,505
Supplies	7,080	5,031
Park Maintenance	61,560	32,295
Contract Services	9,000	6,911
Special Events	3,312	4,543
Utilities	1,200	825
Miscellaneous	240	19
	<u>\$ 129,348</u>	<u>\$ 81,381</u>

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
GENERAL FUND  
YEAR ENDED APRIL 30, 2020

	Appropriated Amounts	Actual Amounts
	Original and Final	
EXPENDITURES (Continued)		
Current (Continued)		
Development		
Personnel Salaries	\$ 39,600	\$ 35,825
Payroll Taxes	4,320	3,448
Retirement and Benefits	6,264	11,292
Contract Services	18,360	15,893
Communications	1,200	765
Maintenance and Repairs	600	478
Seminars and Dues	2,400	1,416
Supplies	1,440	278
Utilities	4,200	3,961
Miscellaneous Expenses	1,200	253
	\$ 79,584	\$ 73,609
Capital Outlay		
Public Safety	\$ 40,800	\$ 46,712
Parks and Recreation	64,440	72,069
Development	16,200	14,535
	\$ 121,440	\$ 133,316
Total Expenditures	\$ 3,893,346	\$ 3,222,727
EXCESS OR (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (604,046)	\$ 133,739
OTHER FINANCING SOURCES/(USES)		
Transfers	-	(224,450)
NET CHANGE IN FUND BALANCE	\$ (604,046)	\$ (90,711)
FUND BALANCE - MAY 1, 2019		2,921,592
FUND BALANCE - APRIL 30, 2020		\$ 2,830,881

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - APPROPRIATIONS AND ACTUAL  
 MOTOR FUEL TAX FUND  
 YEAR ENDED APRIL 30, 2020

	Appropriated Amounts	Actual Amounts
	Original and Final	
<b>REVENUES</b>		
Intergovernmental		
State Motor Fuel Tax	\$ 150,000	\$ 213,218
Grants	-	29,395
Other Local Sources		
Interest	-	5,149
Miscellaneous		
Other Miscellaneous	-	2,182
Total Revenues	\$ 150,000	\$ 249,944
<b>EXPENDITURES</b>		
Current		
Public Works		
Motor Fuel Expenses	\$ 435,000	\$ 162,936
	\$ 435,000	\$ 162,936
Total Expenditures	\$ 435,000	\$ 162,936
NET CHANGE IN FUND BALANCE	\$ (285,000)	\$ 87,008
FUND BALANCE - MAY 1, 2019		442,628
FUND BALANCE - APRIL 30, 2020		\$ 529,636

See Accompanying Independent Auditor's Report

VILLAGE OF SPRING GROVE, ILLINOIS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
APRIL 30, 2020

**NOTE 1 - APPROPRIATIONS**

Appropriations are adopted on a basis consistent with generally accepted accounting principles. Annual appropriations are adopted for all funds except agency funds. All annual appropriations lapse at fiscal year-end.

Appropriated expenditures are controlled at the departmental level with the Finance Committee Chairperson's oversight. All transfers and any revisions that change the total expenditures not contemplated of any fund must be approved by the Board of Trustees. All appropriation amendments must be approved by the Board of Trustees.

The appropriation ordinance was approved on May 7, 2019 and was not amended.

**NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended April 30, 2020, none of the funds presented as Required Supplementary Information had expenditures that exceeded the appropriations ordinance.