

VILLAGE OF LONG GROVE

Long Grove, Illinois

FINANCIAL STATEMENTS

Including Independent Auditors' Report

April 30, 2010

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VILLAGE OF LONG GROVE

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INDEPENDENT AUDITORS' REPORT

To the Village Board
Village of Long Grove
Long Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Long Grove, Illinois, as of and for the year ended April 30, 2010, which collectively comprise the village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Long Grove's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Long Grove, Illinois, as of April 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison and pension information as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it. The Village of Long Grove, Illinois, has not presented the management's discussion and analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The village created a water utility fund in 2009. These transactions are being reported in the business-type activities and special service area-water enterprise fund.

To the Village Board
Village of Long Grove

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Long Grove's basic financial statements. The combining financial statement and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining financial statement and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Baker Silly Virchow Krauss, CP

Madison, Wisconsin
February 7, 2011

VILLAGE OF LONG GROVE

STATEMENT OF NET ASSETS April 30, 2010

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 2,367,054	\$ 839,736	\$ 3,206,790
Taxes receivable	585,690	-	585,690
Accounts receivable	366,349	-	366,349
Special assessments receivable	-	1,847,700	1,847,700
Internal balances	326,353	(326,353)	-
Capital Assets			
Land	16,330,223	116,801	16,447,024
Construction work in progress	7,560	326,828	334,388
Other capital assets, net of depreciation	3,740,969	-	3,740,969
Total Assets	<u>23,724,198</u>	<u>2,804,712</u>	<u>26,528,910</u>
LIABILITIES			
Accounts payable and accrued expenses	646,227	-	646,227
Unearned revenue	-	2,361,083	2,361,083
Total Liabilities	<u>646,227</u>	<u>2,361,083</u>	<u>3,007,310</u>
NET ASSETS			
Invested in capital assets	20,078,752	443,629	20,522,381
Restricted for:			
Road projects	56,966	-	56,966
Open space	2,832,511	-	2,832,511
Unrestricted	109,742	-	109,742
TOTAL NET ASSETS	<u>\$ 23,077,971</u>	<u>\$ 443,629</u>	<u>\$ 23,521,600</u>

VILLAGE OF LONG GROVE

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2010

Functions/Programs	Program Revenues				Net Expenses (Revenues) and Changes in Net Assets		Business-type Activities	Totals
	Expenses	Charges for Services	Operating		Governmental Activities	Business-type Activities		
			Grants and Contributions	Capital Grants and Contributions				
Governmental Activities								
General government	\$ 1,140,856	\$ 543,624	\$ -	\$ -	\$ (597,232)	\$ -	\$ -	\$ (597,232)
Public safety	556,637	106,956	-	-	(449,681)	-	-	(449,681)
Public works	929,386	-	-	175,360	(754,026)	-	-	(754,026)
Culture, recreation and education	18,098	13,879	-	-	(4,219)	-	-	(4,219)
Conservation and development	651,333	44,084	165,010	-	(442,239)	-	-	(442,239)
Total Governmental Activities	<u>3,296,310</u>	<u>708,543</u>	<u>165,010</u>	<u>175,360</u>	<u>(2,247,397)</u>	<u>-</u>	<u>-</u>	<u>(2,247,397)</u>
Business-type Activities								
Special Service Area - Water	-	-	-	443,026	-	-	443,026	443,026
Totals	<u>\$ 3,296,310</u>	<u>\$ 708,543</u>	<u>\$ 165,010</u>	<u>\$ 618,386</u>	<u>(2,247,397)</u>	<u>443,026</u>	<u>(1,804,371)</u>	<u>(1,804,371)</u>
General Revenues								
Taxes								
Income					510,564	-	-	510,564
Sales					1,300,851	-	-	1,300,851
Increment					21,913	-	-	21,913
Other taxes					114,299	-	-	114,299
Investment income					2,841	603	603	3,444
Miscellaneous					108,060	-	-	108,060
Total General Revenues					<u>2,058,528</u>	<u>603</u>	<u>603</u>	<u>2,059,131</u>
Change in Net Assets					(188,869)	443,629	443,629	254,760
NET ASSETS - Beginning of Year					23,266,840	-	-	23,266,840
NET ASSETS - END OF YEAR					<u>\$ 23,077,971</u>	<u>\$ 443,629</u>	<u>\$ 443,629</u>	<u>\$ 23,521,600</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2010

	General Fund	Open Spaces	Motor Fuel Tax	Downtown TIF	Totals
ASSETS					
Cash and investments	\$ 277,460	\$ 2,018,985	\$ 70,609	\$ -	\$ 2,367,054
Receivables					
Taxes	585,690	-	-	-	585,690
Accounts	91,990	29,447	14,609	230,303	366,349
Due from other funds	326,676	-	-	-	326,676
Advance to other funds	2,482,290	784,229	-	-	3,266,519
TOTAL ASSETS	\$ 3,764,106	\$ 2,832,661	\$ 85,218	\$ 230,303	\$ 6,912,288
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 383,350	\$ -	\$ 28,079	\$ 234,798	646,227
Deferred revenues	355,669	-	-	-	355,669
Due to other funds	-	150	173	-	323
Advance from other funds	-	-	-	3,266,519	3,266,519
Total Liabilities	739,019	150	28,252	3,501,317	4,268,738
Fund Balances					
Reserved for long-term advance	2,482,290	784,229	-	-	3,266,519
Reserved for encumbrances	41,288	-	-	274,771	316,059
Unreserved, reported in:					
General fund undesignated	501,509	-	-	-	501,509
Special revenue funds undesignated (deficit)	-	2,048,282	56,966	(3,545,785)	(1,440,537)
Total Fund Balances	3,025,087	2,832,511	56,966	(3,271,014)	2,643,550
TOTAL LIABILITIES AND FUND BALANCES	\$ 3,764,106	\$ 2,832,661	\$ 85,218	\$ 230,303	

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note II.A.

20,078,752

Some receivables that are not currently available are reported as deferred revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.

355,669

NET ASSETS OF GOVERNMENTAL ACTIVITIES

\$ 23,077,971

VILLAGE OF LONG GROVE

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended April 30, 2010

	General Fund	Open Spaces	Motor Fuel Tax	Downtown TIF	Total Governmental Funds
REVENUES					
Taxes	\$ 2,070,356	\$ -	\$ -	\$ 21,913	\$ 2,092,269
Intergovernmental	-	-	175,360	-	175,360
Fees, licenses and permits	567,008	15,346	-	-	582,354
Fines, forfeitures and penalties	89,240	-	-	-	89,240
Public charges for services	36,949	-	-	-	36,949
Investment income	77,836	1,269	154	-	79,259
Miscellaneous	108,060	-	-	-	108,060
Total Revenues	<u>2,949,449</u>	<u>16,615</u>	<u>175,514</u>	<u>21,913</u>	<u>3,163,491</u>
EXPENDITURES					
Current					
General government	970,123	64,781	-	87,949	1,122,853
Public safety	540,085	-	-	-	540,085
Public works	586,988	-	-	-	586,988
Conservation and development	283,003	-	-	-	283,003
Capital Outlay	1,625,845	-	127,318	1,565,046	3,318,209
Debt service					
Interest on advance	-	-	-	76,416	76,416
Total Expenditures	<u>4,006,044</u>	<u>64,781</u>	<u>127,318</u>	<u>1,729,411</u>	<u>5,927,554</u>
Net Change in Fund Balance	(1,056,595)	(48,166)	48,196	(1,707,498)	(2,764,063)
FUND BALANCES (DEFICIT) - Beginning of Year	<u>4,081,682</u>	<u>2,880,677</u>	<u>8,770</u>	<u>(1,563,516)</u>	<u>5,407,613</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 3,025,087</u>	<u>\$ 2,832,511</u>	<u>\$ 56,966</u>	<u>\$ (3,271,014)</u>	<u>\$ 2,643,550</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2010

Net change in fund balances - total governmental funds \$ (2,764,063)

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 net assets the cost of these assets is capitalized and they are
depreciated over their estimated useful lives and reported as depreciation expense
in the statement of activities.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	3,318,209
Some items reported as capital outlay were not capitalized	(593,600)
Depreciation is reported in the government-wide statements	(169,783)

Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements	<u>20,368</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ (188,869)

VILLAGE OF LONG GROVE

STATEMENT OF NET ASSETS - PROPRIETARY FUND April 30, 2010

	<u>Special Service Area - Water</u>
ASSETS	
Current Assets	
Cash and investments	\$ 839,736
Noncurrent Assets	
Special assessments receivable	1,847,700
Capital assets	
Land	116,801
Construction work in progress	<u>326,828</u>
Total Capital Assets	<u>443,629</u>
Total Noncurrent Assets	<u>2,291,329</u>
Total Assets	<u>3,131,065</u>
LIABILITIES	
Current Liabilities	
Due to other funds	<u>326,353</u>
Noncurrent Liabilities	
Unearned revenues	<u>2,361,083</u>
Total Liabilities	<u>2,687,436</u>
NET ASSETS	
Invested in capital assets	443,629
Unrestricted	<u>-</u>
TOTAL NET ASSETS	\$ <u>443,629</u>

VILLAGE OF LONG GROVE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND
NET ASSETS - PROPRIETARY FUND
For the Year Ended April 30, 2010

	<u>Special Service Area - Water</u>
NONOPERATING REVENUES	
Investment income	\$ 603
Total Nonoperating Revenues	<u>603</u>
Income before contributions	603
Capital contributions	<u>443,026</u>
Change in Net Assets	443,629
TOTAL NET ASSETS - Beginning of Year	<u>-</u>
TOTAL NET ASSETS - ENDING OF YEAR	<u>\$ 443,629</u>

VILLAGE OF LONG GROVE

STATEMENT OF CASH FLOWS - PROPRIETARY FUND For the Year Ended April 30, 2010

	<u>Special Service Area - Water</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Special assessments received	\$ 839,608
Acquisition and construction of capital assets	<u>(475)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>839,133</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>603</u>
Net Cash Flows From Investing Activities	<u>603</u>
Net Change in Cash and Cash Equivalents	839,736
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>-</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 839,736</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES	
Land contribution	<u>\$ 116,801</u>

VILLAGE OF LONG GROVE

STATEMENT OF NET ASSETS
FIDUCIARY FUNDS

April 30, 2010

	<u>Agency</u>
ASSETS	
Cash and investments	\$ 297,700
Accounts receivable	<u>92,286</u>
TOTAL ASSETS	<u>\$ 389,986</u>
LIABILITIES	
Liabilities	
Accounts payable	<u>\$ 389,986</u>
TOTAL LIABILITIES	<u>\$ 389,986</u>

See accompanying notes to financial statements.

VILLAGE OF LONG GROVE

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April 30, 2010

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VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Long Grove, Illinois conform to generally accepted accounting principles as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. REPORTING ENTITY

This report includes all of the funds of the Village of Long Grove. The reporting entity for the village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any component units.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements

The statement of net assets and statement of activities display information about the reporting government as a whole. The statements distinguish between governmental and business-type activities. They include all funds of the reporting entity except for fiduciary funds. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The village does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, net assets/fund equity, revenues, and expenditure/expenses.

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

Funds are organized as major funds or non-major funds within the governmental and proprietary statements. An emphasis is placed on major funds. A fund is considered major if it is the primary operating fund of the village or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental fund that the village believes is particularly important to financial statement users may be reported as a major fund.

The Village of Long Grove reports the following major governmental funds:

- General Fund – Accounts for the village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.
- Open Spaces Special Revenue Fund – Accounts for resources legally restricted to supporting expenditures for the open space program.
- Motor Fuel Tax Special Revenue Fund – Accounts for specific revenue sources that are legally restricted to expenditures for local road and related improvements.
- Downtown Tax Incremental Financing (TIF) Special Revenue Fund – Accounts for resources legally restricted to supporting expenditures for the Downtown TIF fund.

The Village of Long Grove reports the following major enterprise fund:

- Special Service Area-Water Fund – Accounts for resources to support the development and maintenance of a deep water well.

In addition, the village reports the following fund types:

Agency funds are used to account for assets held by the village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Interagency Control Fees
- Builders' Refundable Bonds
- Fees Refundable to Others

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

Government-Wide Financial Statements

The government-wide statement of net assets and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Taxes receivable for the following year are recorded as receivables and deferred revenue. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments, if any, are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

The business-type activities follow all pronouncements of the *Governmental Accounting Standards Board*, and have elected not to follow *Financial Accounting Standards Board* pronouncements issued after November 30, 1989.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the village is entitled the resources and the amounts are available. Amounts owed to the village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include sales and income taxes, property tax increment, miscellaneous taxes, public charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

VILLAGE OF LONG GROVE
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements (cont.)

The village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes earned in the current year which are not collected until the subsequent year. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. The village reported \$355,669 of taxes receivable that was unavailable, and therefore deferred, as of April 30, 2010.

The enterprise funds follow all pronouncements of the Governmental Accounting Standards Board, and have elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

All Financial Statements

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

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

1. Deposits and Investments

Investment of village funds is restricted by state statutes. Available investments are limited to:

1. Time deposits in any bank, savings bank, trust company or savings and loan association which are insured.
2. U.S. Treasury, agencies and instrumentalities.
3. Illinois State Treasurer's Investment Pool.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

4. Any commercial paper Grade A-1 and P-1 as determined by at least two standard rating services
5. Repurchase agreements with public depositories, with certain conditions.
6. Banker's acceptances.
7. Illinois Metropolitan Investment Fund.

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

The village has deposits and investments subject to custodial credit risk. The village's investment policy requires all deposits and investments to be securitized by insurance or collateral.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit.

See Note IV.A. for further information.

2. Receivables

Accounts receivable have been shown net of an allowance for uncollectible accounts. The amount recorded as accounts receivable has been reduced by an allowance for uncollectible accounts of \$35,550.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets.

3. Capital Assets

Government-Wide Statements

In the government-wide financial statements, fixed assets are accounted for as capital assets. Capital assets are defined by the government as assets with an initial cost of more than \$1,000 for general capital assets and \$15,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

3. Capital Assets (cont.)

Government-Wide Statements (cont.)

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. There was no interest capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	40 Years
Machinery and Equipment	5-10 Years
Infrastructure	10-50 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

4. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. The benefits do not vest to the employee and cannot be carried over and paid out; therefore, there are no amounts accrued in these financial statements.

5. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE I – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

6. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

- a. Invested in capital assets, net of related debt – Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
b. Restricted net assets – Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
c. Unrestricted net assets – All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

NOTE II – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUND BALANCE SHEET AND THE STATEMENT OF NET ASSETS

The governmental funds balance sheet includes a reconciliation between total fund balance and net assets of governmental activities as reported in the government-wide statement of net assets. The reconciliation explains that "capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds." The details of this difference are as follows:

Table with 2 columns: Description and Amount. Rows include Land (\$16,330,223), Construction in progress (7,560), Land Improvements (3,604,485), Buildings (205,630), Machinery and equipment (164,257), Infrastructure (148,853), Less: Accumulated depreciation ((382,256)), and Adjustment for Capital Assets (\$20,078,752).

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE III – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note I. C.

A budget has been adopted for all funds.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The village may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds board action. There were no supplemental appropriations during the year.

Appropriations lapse at year end unless specifically carried over. Carryovers to the following year were \$-0-. Budgets are adopted at the departmental level of expenditure.

B. EXCESS EXPENDITURES OVER APPROPRIATIONS

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General Fund	\$ 2,509,750	\$ 4,006,044	\$ 1,496,294
Open Spaces Fund	-	64,781	64,781

The village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the village's year-end budget to actual report.

C. DEFICIT BALANCES

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2010, the following individual fund held a deficit balance:

Fund	Amount	Reason
Downtown TIF fund	\$ 3,271,014	Expenditures in excess of revenues

The TIF district deficit is anticipated to be funded with future incremental taxes levied over the life of the district.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

The village's cash and investments at year end were comprised of the following:

	<u>Carrying Value</u>	<u>Bank Balance</u>	<u>Associated Risks</u>
Demand deposits	\$ 391,890	\$ 413,769	Custodial credit risk
Money market	3,112,350	3,112,350	Custodial credit risk
Petty cash	250	-	N/A
 Total Cash and Investments	 <u>\$ 3,504,490</u>	 <u>\$ 3,526,119</u>	
 Reconciliation to financial statements			
Per statement of net assets			
Unrestricted cash and investments	\$ 3,206,790		
Per statement of net assets –			
Fiduciary			
Agency	<u>297,700</u>		
 Total Cash and Investments	 <u>\$ 3,504,490</u>		

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Custodial Credit Risk

Deposits – Custodial credit risk is the risk that in the event of a financial institution failure, the village's deposits may not be returned to the village.

As of April 30, 2010, the village's deposits were exposed to custodial credit risk as follows:

<u>Deposits</u>	
Uninsured and uncollateralized	<u>\$ 3,050,582</u>

B. RECEIVABLES

Accounts receivable are reported net of uncollectible amounts. Uncollectible amounts related to tree replacement revenues totaled \$35,500.

All receivables are expected to be collected within one year.

VILLAGE OF LONG GROVE
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2010 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 16,330,223	\$ -	\$ -	\$ 16,330,223
Construction work in progress	887,436	7,560	887,436	7,560
Total Capital Assets Not Being Depreciated	17,217,659	7,560	887,436	16,337,783
Capital assets being depreciated				
Land improvements	-	3,604,485	-	3,604,485
Buildings	205,630	-	-	205,630
Machinery and equipment	164,257	-	-	164,257
Bridges	148,853	-	-	148,853
Total Capital Assets Being Depreciated	518,740	3,604,485	-	4,123,225
Less: Accumulated depreciation for				
Land improvements	(-)	(144,179)	-	(144,179)
Buildings	(49,864)	(5,570)	-	(55,434)
Machinery and equipment	(97,409)	(5,149)	-	(102,558)
Bridges	(65,200)	(14,885)	-	(80,085)
Total Accumulated Depreciation	(212,473)	(169,783)	-	(382,256)
Governmental Activities Capital Assets, Net of Depreciation	\$ 17,523,926	\$ 3,442,262	\$ 887,436	\$ 20,078,752

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 10,585
Public works	15,705
Culture and recreation	17,610
Conservation and development	125,883
Total Governmental Activities Depreciation Expense	\$ 169,783

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

C. CAPITAL ASSETS (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Business-type Activities				
Capital assets not being depreciated				
Land	\$ -	\$ 116,801	\$ -	\$ 116,801
Construction in progress	-	326,828	-	326,828
Total Capital Assets				
Not Being Depreciated	-	443,629	-	443,629
 Business-type Capital Assets, Net of Depreciation	\$ -			\$ 443,629

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS

The following is a schedule of interfund receivables and payables:

Receivable Fund	Payable Fund	Amount
General fund	Open spaces fund	\$ 150
General fund	Motor fuel tax fund	173
General fund	Special service area	326,353
Total – Fund Financial Statements		326,676
Less: Fund eliminations		(323)
Total Internal Balances – Government-Wide Statement of Net Assets		\$ 326,353
Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 326,353
Business-type Activities	Governmental Activities	-
Total		\$ 326,353

The principal purpose of these interfunds is to record amounts paid by the general fund on behalf of the other funds.

All amounts will be repaid within one year.

For the statement of net assets, interfund balances which are owed within the governmental activities or business-type activities are netted and eliminated.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

D. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)

Advances

The general fund is advancing funds to the Downtown TIF special revenue fund. The amount advanced at April 30, 2010 was \$2,482,290. The advance is the combination of three amounts: 1) \$1,563,516 from funds advanced prior to December 8, 2009; 2) \$842,358 from funds advanced subsequent to December 8, 2009, the date upon which Ordinance No. 2009-O-44 was approved by the village board. This ordinance provided for the borrowing of up to \$3,000,000 between the general fund and TIF at a rate of 4% with scheduled principal payments; 3) \$76,416 of interest being charged on the advance. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the TIF district 4% interest on the entire advance.

In addition, the open spaces fund has advanced funds for Downtown TIF costs. The entire amount advanced between the general fund and the open spaces fund, \$784,229, occurred subsequent to December 8, 2009. Therefore, all of the advanced funds are according to Ordinance No. 2009-O-43 providing for the borrowing of up to \$1,500,000 between the open spaces fund and the general fund. A repayment schedule has been established by this ordinance and the rate being charged is 4%.

The following is a schedule of the interfund advances:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General fund	Downtown TIF	\$ 2,482,290
Open spaces fund	Downtown TIF	<u>784,229</u>
Total – Fund Financial Statements		3,266,519
Less: Fund eliminations		<u>(3,266,519)</u>
Total Interfund Advances – Government-Wide Statement of Net Assets		<u>\$ -</u>

E. LEASE DISCLOSURES

The village has no material leases as lessee or lessor.

F. NET ASSETS/FUND BALANCES

Net assets reported on the government wide statement of net assets at April 30, 2010 includes the following:

Governmental Activities

Invested in capital assets	
Land	\$ 16,330,223
Construction work in progress	7,560
Other capital assets, net of accumulated depreciation	<u>3,740,969</u>
Total Invested in Capital Assets	<u>20,078,752</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE IV – DETAILED NOTES ON ALL FUNDS (cont.)

F. NET ASSETS/FUND BALANCES (cont.)

Governmental Activities (cont.)

Restricted	
Road projects	\$ 56,966
Open spaces	2,832,511
Total Restricted	<u>2,889,477</u>
Unrestricted	<u>109,742</u>
Total Governmental Activities Net Assets	<u>\$ 23,077,971</u>

Governmental fund balances reported on the fund financial statements at April 30, 2010 include the following:

Reserved	
Major Fund	
General Fund	
Long-term advance	\$ 2,482,290
Encumbrances	41,288
Open Spaces Fund	
Long-term advance	784,229
Downtown TIF Fund	
Encumbrances	<u>274,771</u>
Total	<u>\$ 3,582,578</u>
 Unreserved – undesignated (deficit)	
Major Funds	
General fund	<u>\$ 501,509</u>
Open spaces special revenue fund	<u>\$ 2,048,282</u>
Motor fuel tax fund special revenue fund	<u>\$ 56,966</u>
Downtown TIF special revenue fund	<u>\$ (3,545,785)</u>
 Business-type Activities	
Invested in capital assets, net of related debt	
Capital assets	\$ 116,801
Construction in progress	<u>326,828</u>
Total Invested in Capital Assets	<u>\$ 443,629</u>
Unrestricted	<u>\$ -</u>

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE V – OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

The village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is an agent multiple employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.5% of their annual covered salary. The member rate is established by state statute. The employer is required to contribute at an actuarially determined rate. The employer rate for calendar year 2009 was 10.48%. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2009 was 25 years.

For December 31, 2009, the employer's annual pension cost of \$42,223 was equal to the employer's required and actual contributions. The required contribution was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.0% per year attributable to inflation, (c) additional projected salary increased ranging from 0.4% to 10% per year attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor.

TREND INFORMATION

The village began participating in the plan in January, 2003. Therefore, trend information prior to January, 2003 is not applicable.

<u>Actuarial Valuation Date</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/09	\$ 42,223	100%	\$ -
12/31/08	41,032	100%	-
12/31/07	36,585	100%	-
12/31/06	33,500	100%	-
12/31/05	28,884	100%	-
12/31/04	27,900	100%	-
12/31/03	25,446	100%	-

On a market value basis, the actuarial value of assets as of December 31, 2009 is \$354,207. On a market basis, the funded ratio would be 63.84%.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) –Entry Age	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/09	\$ 361,100	\$ 554,835	65.08%	\$ 193,735	\$ 402,889	48.09%
12/31/08	297,646	457,372	65.08%	159,726	396,446	40.29%
12/31/07	239,673	369,393	64.88%	129,720	362,224	35.81%
12/31/06	177,378	296,465	59.83%	119,087	352,256	33.81%
12/31/05	125,181	209,003	59.89%	83,822	309,251	27.10%
12/31/04	79,906	118,399	67.49%	38,493	302,607	12.72%
12/31/03	39,741	80,904	49.12%	41,163	275,983	14.92%

B. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

C. COMMITMENTS AND CONTINGENCIES

From time to time, the village is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is of the opinion of management and the village attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the village's financial position or results of operations.

The Downtown TIF fund has incurred costs of \$230,303 at April 30, 2010 for the initial development costs of a project within the TIF district. The village has entered into a Redevelopment Agreement with the developer that requires the developer to reimburse the village for these costs if certain items within the agreement are not met. If conditions are met, the village is required to waive specified maximum amounts as stipulated in the agreement.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS

April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE

Description of Joint Venture

The village is a member of the Solid Waste Agency of Lake County ("SWALCO"), which consists of area municipalities. SWALCO is a municipal corporation and public body politic and corporate established pursuant to the Constitution Act of the State of Illinois, as amended (the "Act"). SWALCO is empowered under the Act to plan, construct, finance, operate, and maintain a solid waste disposal system to serve its members.

The members of SWALCO and their percentage shares based on formulas contained in SWALCO's agreement are:

	% Share		% Share
Antioch	1.06%	Lincolnshire	1.74%
Beach Park	1.65	Lindenhurst	1.45
Deer Park	.74	Long Grove	1.42
Deerfield	4.25	Mundelein	4.12
Grayslake	1.46	North Barrington	.66
Green Oaks	.47	North Chicago	3.13
Gurnee	3.11	Park City	.86
Hawthorne Woods	1.07	Riverwoods	.94
Highland Park	8.03	Round Lake	.61
Kildeer	.67	Round Lake Beach	2.55
Lake Barrington	1.16	Round Lake Park	.64
Lake Bluff	1.61	Third Lake	.24
Lake County	19.88	Vernon Hills	3.36
Lake Forest	6.13	Wadsworth	.39
Lake Villa	.55	Wauconda	1.31
Lake Zurich	3.21	Waukegan	12.15
Libertyville	4.38	Winthrop Harbor	1.08
		Zion	3.92
		Total	100.00%

These percentages are subject to change in future years due to changes in population and equalized assessed valuation of the municipalities.

VILLAGE OF LONG GROVE

NOTES TO FINANCIAL STATEMENTS April 30, 2010

NOTE V – OTHER INFORMATION (cont.)

D. JOINT VENTURE (cont.)

Description of Joint Venture (cont.)

SWALCO is governed by a Board of Directors, which consists of one appointed mayor or president, trustee, or chief administrative officer from each member municipality. Each director has an equal vote. The officers of SWALCO are appointed by the Board of Directors. The Board of Directors determines the general policy of SWALCO, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of Bonds or Notes by SWALCO, adopts by-laws, rules and regulations, and exercises such powers and performs such duties as may be prescribed in SWALCO Agreement or the by-laws.

SWALCO generates revenue from user charges. The village paid \$2,349 to SWALCO during the year.

Complete financial statements for SWALCO can be obtained from SWALCO's administrative office at 1311 N. Estes Street, Gurnee, Illinois 60031-2125.

E. SUBSEQUENT EVENTS

The village has issued \$4,450,000 of Limited Obligation Tax Increment Revenue Bonds dated September 29, 2010. The proceeds of the bonds will be used to fund certain improvements within the Downtown/IL Rte 83 Redevelopment project area. The bonds mature on January 1, 2030.

The principal and interest due on amounts advanced from the general fund and the open spaces fund to the TIF fund were not able to be repaid on December 1, 2010 as required by Ordinances No. 2009-O-44 (general fund and TIF) and No. 2009-O-43 (open spaces and TIF). Principal amounts due and not repaid to the general and open spaces funds were \$250,000 and \$150,000, respectively. Amounts are expected to be repaid when future increments and other taxes become available to the TIF fund.

F. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*; Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; and Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Application of these standards may restate portions of these financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2010

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Taxes	\$ 1,935,200	\$ 2,070,356	\$ 135,156
Fees, licenses and permits	411,000	567,008	156,008
Fines, forfeitures and penalties	76,500	89,240	12,740
Public charges for services	19,000	36,949	17,949
Investment income	24,000	77,836	53,836
Miscellaneous revenues	-	108,060	108,060
Total Revenues	<u>2,465,700</u>	<u>2,949,449</u>	<u>483,749</u>
EXPENDITURES			
Current			
General government	934,500	970,123	(35,623)
Public safety	551,000	540,085	10,915
Public works	501,250	586,988	(85,738)
Conservation and development	108,500	283,003	(174,503)
Capital outlay	414,500	1,625,845	(1,211,345)
Total Expenditures	<u>2,509,750</u>	<u>4,006,044</u>	<u>(1,496,294)</u>
Net Change in Fund Balance	(44,050)	(1,056,595)	(1,012,545)
FUND BALANCE - Beginning of Year	<u>4,081,682</u>	<u>4,081,682</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 4,037,632</u>	<u>\$ 3,025,087</u>	<u>\$ (1,012,545)</u>

See independent auditors' report and accompanying notes to required supplementary information.

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - OPEN SPACES For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Fees, licenses and permits	\$ 12,855	\$ 15,346	\$ 2,491
Investment income	28,437	1,269	(27,168)
Total Revenues	<u>41,292</u>	<u>16,615</u>	<u>(24,677)</u>
EXPENDITURES			
General government	-	64,781	(64,781)
Total Expenditures	-	<u>64,781</u>	<u>(64,781)</u>
Net Change in Fund Balance	41,292	(48,166)	(89,458)
FUND BALANCE - Beginning of Year	<u>2,880,677</u>	<u>2,880,677</u>	-
FUND BALANCE - END OF YEAR	<u>\$ 2,921,969</u>	<u>\$ 2,832,511</u>	<u>\$ (89,458)</u>

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - MOTOR FUEL TAX For the Year Ended April 30, 2010

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES			
Intergovernmental	\$ 202,180	\$ 175,360	\$ (26,820)
Investment income	1,263	154	(1,109)
Total Revenues	<u>203,443</u>	<u>175,514</u>	<u>(27,929)</u>
EXPENDITURES			
Capital outlay	<u>220,000</u>	<u>127,318</u>	<u>92,682</u>
Net Change in Fund Balance	(16,557)	48,196	64,753
FUND BALANCE - Beginning of Year	<u>8,770</u>	<u>8,770</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (7,787)</u>	<u>\$ 56,966</u>	<u>\$ 64,753</u>

VILLAGE OF LONG GROVE

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - DOWNTOWN TIF For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ -	\$ 21,913	\$ 21,913
EXPENDITURES			
General government	20,000	87,949	67,949
Capital outlay	1,965,773	1,565,046	400,727
Debt service			
Interest on advance	-	76,416	(76,416)
Total Expenditures	<u>1,985,773</u>	<u>1,729,411</u>	<u>392,260</u>
Net Change in Fund Balance	(1,985,773)	(1,707,498)	(370,347)
FUND BALANCE - Beginning of Year	<u>(1,563,516)</u>	<u>(1,563,516)</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ (3,549,289)</u>	<u>\$ (3,271,014)</u>	<u>\$ (370,347)</u>

VILLAGE OF LONG GROVE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT PLAN

April 30, 2010

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) --Entry Age	Funded Ratio	Unfunded AAL (UAAL)	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/09	\$ 361,100	\$ 554,835	65.08%	\$ 193,735	\$ 402,889	48.09%
12/31/08	297,646	457,372	65.08%	159,726	396,446	40.29%
12/31/07	239,673	369,393	64.88%	129,720	362,224	35.81%
12/31/06	177,378	296,465	59.83%	119,087	352,256	33.81%
12/31/05	125,181	209,003	59.89%	83,822	309,251	27.10%
12/31/04	79,906	118,399	67.49%	38,493	302,607	12.72%
12/31/03	39,741	80,904	49.12%	41,163	275,983	14.92%

VILLAGE OF LONG GROVE

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT PLAN
April 30, 2010

<u>Actuarial Valuation Date</u>	<u>Employer Contributions</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage Contributed</u>
12/31/09	\$ 42,223	\$ 42,223	100%
12/31/08	41,032	41,032	100%
12/31/07	36,585	36,585	100%
12/31/06	33,500	33,500	100%
12/31/05	28,884	28,884	100%
12/31/04	27,900	27,900	100%
12/31/03	25,446	25,446	100%

VILLAGE OF LONG GROVE

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION April 30, 2010

BUDGETARY INFORMATION

Budgetary information is derived from the annual operating budget and is presented using generally accepted accounting principles and the modified accrual basis of accounting.

Excess expenditures over appropriations are as follows:

	<u>Original and Final Budget</u>	<u>Expenditures</u>	<u>Excess</u>
<u>General Fund</u>			
General government	\$ 934,500	\$ 970,123	\$ (35,623)
Public works	501,250	586,988	(85,738)
Conservation and development	108,500	283,003	(174,503)
Capital outlay	414,500	1,625,845	(1,211,345)
<u>Open Spaces</u>			
General government	-	64,781	(64,781)

SUPPLEMENTARY INFORMATION

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VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance with Final Budget
TAXES			
Sales tax	\$ 1,240,000	\$ 1,391,144	\$ 151,144
Income tax	584,000	398,739	(185,261)
Road and bridge tax	50,000	45,735	(4,265)
Telecommunications tax	55,000	63,018	8,018
County aid - Business and community partnership	-	165,010	165,010
Other taxes	6,200	6,710	510
TOTAL TAXES	\$ 1,935,200	\$ 2,070,356	\$ 135,156
FEES, PERMITS AND LICENSES			
Franchise fees	\$ 115,000	\$ 124,079	\$ 9,079
Permits	256,000	407,081	151,081
Licenses	40,000	35,848	(4,152)
TOTAL FEES, PERMITS AND LICENSES	\$ 411,000	\$ 567,008	\$ 156,008
FINES, FORFEITURES AND PENALTIES			
Citations	\$ 75,000	\$ 89,240	\$ 14,240
Fines	1,500	-	(1,500)
TOTAL FINES, FORFEITURES AND PENALTIES	\$ 76,500	\$ 89,240	\$ 12,740
PUBLIC CHARGES FOR SERVICES			
Security	\$ 5,000	\$ 2,370	\$ (2,630)
Long Grove Commons	14,000	13,879	(121)
Tree replacement	-	20,700	20,700
TOTAL PUBLIC CHARGES FOR SERVICES	\$ 19,000	\$ 36,949	\$ 17,949
INVESTMENT INCOME			
Investment income	\$ 24,000	\$ 1,420	\$ (22,580)
Interest on advance to TIF fund	-	76,416	76,416
TOTAL INVESTMENT INCOME	\$ 24,000	\$ 77,836	\$ 53,836
MISCELLANEOUS REVENUES			
Other	\$ -	\$ 108,060	\$ 108,060
TOTAL GENERAL FUND REVENUES	\$ 2,465,700	\$ 2,949,449	\$ 483,749

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2010

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
GENERAL GOVERNMENT			
Employee Compensation			
Salaries and wages	\$ 423,000	\$ 422,327	\$ 673
Fringe benefits	<u>147,900</u>	<u>147,354</u>	<u>546</u>
Total Employee Compensation	<u>570,900</u>	<u>569,681</u>	<u>1,219</u>
Office			
Utilities	11,600	14,383	(2,783)
Supplies	32,300	23,062	9,238
Equipment leases and maintenance	6,000	6,497	(497)
Other maintenance	<u>-</u>	<u>2,928</u>	<u>(2,928)</u>
Total Office	<u>49,900</u>	<u>46,870</u>	<u>3,030</u>
Administrative and Professional			
Insurance	30,000	28,067	1,933
Dues, memberships and travel	2,500	2,816	(316)
Professional development and training	1,000	2,896	(1,896)
Legal	105,000	144,480	(39,480)
Bookkeeping	20,000	20,108	(108)
Audit	24,000	20,722	3,278
Inspections	60,000	66,200	(6,200)
Bridge supplement	26,150	9,563	16,587
Computer consultant	4,000	4,943	(943)
Internet home page	2,000	1,310	690
Administrative services	-	9,968	(9,968)
Legal notices and subscriptions	<u>1,250</u>	<u>1,454</u>	<u>(204)</u>
Total Administrative and Professional	<u>275,900</u>	<u>312,527</u>	<u>(36,627)</u>
Miscellaneous			
Donations	-	5,000	(5,000)
Mosquito abatement	33,000	32,577	423
Other	<u>4,800</u>	<u>3,468</u>	<u>1,332</u>
Total Miscellaneous	<u>37,800</u>	<u>41,045</u>	<u>(3,245)</u>
 TOTAL GENERAL GOVERNMENT	 <u>\$ 934,500</u>	 <u>\$ 970,123</u>	 <u>\$ (35,623)</u>
 PUBLIC SAFETY			
Village security	<u>\$ 551,000</u>	<u>\$ 540,085</u>	<u>\$ 10,915</u>

VILLAGE OF LONG GROVE

DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended April 30, 2010

	Original and Final Budget	Actual	Variance with Final Budget
PUBLIC WORKS			
Snow removal and salting	\$ 350,000	\$ 339,439	\$ 10,561
Mowing	45,000	31,130	13,870
Road signs and traffic calming	5,000	3,163	1,837
Utilities - grading and maintenance	12,000	19,804	(7,804)
Engineering	78,000	182,949	(104,949)
Supplies	-	1,257	(1,257)
SWALCO	5,250	2,349	2,901
Planting/Trees	2,000	4,101	(2,101)
Vehicle maintenance - gas and oil	4,000	2,796	1,204
TOTAL PUBLIC WORKS	<u>\$ 501,250</u>	<u>\$ 586,988</u>	<u>\$ (85,738)</u>
CONSERVATION AND DEVELOPMENT			
Community development grant	\$ 50,000	\$ 50,000	\$ -
Business and community partnership	-	165,010	(165,010)
Park district grant	50,000	50,000	-
CERT	2,500	11,098	(8,598)
Forestry	6,000	6,895	(895)
TOTAL CONSERVATION AND DEVELOPMENT	<u>\$ 108,500</u>	<u>\$ 283,003</u>	<u>\$ (174,503)</u>
CAPITAL OUTLAY			
Village owned property - 3853 Old McHenry Road	\$ 2,000	\$ 2,350	\$ (350)
Office equipment	3,500	5,224	(1,724)
Office building improvements	10,000	16,578	(6,578)
Road, culvert and ditch	185,000	188,717	(3,717)
Bridge repair	10,000	7,174	2,826
Sidewalk/pathway installation	-	29	(29)
Open space maintenance	-	488	(488)
Menards athletic fields	201,500	350,149	(148,649)
Landscaping	2,500	26,509	(24,009)
Infrastructure - Archer lot and road	-	1,028,627	(1,028,627)
TOTAL CAPITAL OUTLAY	<u>\$ 414,500</u>	<u>\$ 1,625,845</u>	<u>\$ (1,211,345)</u>
TOTAL GENERAL FUND EXPENDITURES	<u>\$ 2,509,750</u>	<u>\$ 4,006,044</u>	<u>\$ (1,496,294)</u>

VILLAGE OF LONG GROVE

COMBINING STATEMENT OF FIDUCIARY NET ASSETS AGENCY FUNDS Friday, April 30, 2010

	Agency			Totals
	Interagency Control Fees	Builders' Refundable Bonds	Fees Refundable to Others	
ASSETS				
Cash and investments	\$ 46,742	\$ 245,552	\$ 5,406	\$ 297,700
Accounts receivable	-	-	92,286	92,286
TOTAL ASSETS	<u>\$ 46,742</u>	<u>\$ 245,552</u>	<u>\$ 97,692</u>	<u>\$ 389,986</u>
LIABILITIES				
Liabilities				
Accounts payable	\$ 46,742	\$ 245,552	\$ 97,692	\$ 389,986
TOTAL LIABILITIES	<u>\$ 46,742</u>	<u>\$ 245,552</u>	<u>\$ 97,692</u>	<u>\$ 389,986</u>