

Government-wide Statement of Net Position Exercise

Calculation of Net Investment in Capital Assets	
Example #1	
Capital assets	\$
- Accumulated depreciation	
+ Capital-related deferred outflows	
- Capital-related borrowings	
+ Capital-related debt proceeds not yet expended	
- Capital-related retainage payable/accounts payable	
- Capital-related deferred inflows	
Net investment in capital assets	\$
Example #2	
Capital assets	\$
- Accumulated depreciation	
+ Capital-related deferred outflows	
- Capital-related borrowings	
+ Capital-related debt proceeds not yet expended	
- Capital-related retainage payable/accounts payable	
- Capital-related deferred inflows	
Net investment in capital assets	\$

EXAMPLE 1

STATEMENT OF NET POSITION

April 30, 2015

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 11,349,919	\$ 5,680,573	\$ 17,030,492
Receivables (Net Where Applicable of Allowance for Uncollectibles)			
Property Taxes	3,961,988	-	3,961,988
Intergovernmental	448,601	-	448,601
Accounts	54,410	241,255	295,665
Interest	17,034	4,444	21,478
Other	222,185	-	222,185
Prepaid Expenses	73,075	9,838	82,913
Deposits	7,876	969	8,845
Internal Balances	(25,000)	25,000	-
Net Pension Asset	53,090	-	53,090
Capital Assets not Being Depreciated	5,700,281	159,222	5,859,503
Capital Assets Being Depreciated (Net of Accumulated Depreciation)	11,331,201	8,701,912	20,033,113
Total Assets	33,194,660	14,823,213	48,017,873
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized Charge on Refunding	61,814	-	61,814
Total Deferred Outflows of Resources	61,814	-	61,814
Total Assets and Deferred Outflows of Resources	33,256,474	14,823,213	48,079,687
LIABILITIES			
Accounts Payable * Includes \$49,000 in retainage payable for capital projects	513,626	190,079	703,705
Interest Payable	43,892	-	43,892
Accrued Payroll	115,750	8,167	123,917
Unearned Revenue	26,327	26,010	52,337
Refundable Deposits	556,252	-	556,252
Other Liabilities	39,170	21,500	60,670
Long-Term Liabilities			
Due Within One Year	396,503	81,892	478,395
Due in More than One Year	4,181,929	1,187,432	5,369,361
Total Liabilities	5,873,449	1,515,080	7,388,529
DEFERRED INFLOWS OF RESOURCES			
Deferred Revenue - Property Taxes	3,961,988	-	3,961,988
Total Deferred Inflows of Resources	3,961,988	-	3,961,988
Total Liabilities and Deferred Inflows of Resources	9,835,437	1,515,080	11,350,517
NET POSITION			
Net Investment in Capital Assets			
Restricted for			
Public Safety			
Highways and Streets			
Debt Service			
Economic Development			
Special Service Areas			
Unrestricted			
TOTAL NET POSITION	\$	\$	\$

See accompanying notes to financial statements.

EXAMPLE 1

NOTES TO FINANCIAL STATEMENTS

(Continued)

4. CAPITAL ASSETS (Continued)

Depreciation expense was charged to the governmental activities functions/programs as follows:

GOVERNMENTAL ACTIVITIES

General Government	\$ 279,265
Public Safety	254,020
Public Works, Including Depreciation of General Infrastructure Assets	<u>80,817</u>

TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES \$ 614,102

Depreciation expense was charged to the business-type activities functions/programs as follows:

BUSINESS-TYPE ACTIVITIES

Water	\$ 335,451
Parking	<u>23,491</u>

TOTAL DEPRECIATION EXPENSE - BUSINESS-TYPE ACTIVITIES \$ 358,942

5. LONG-TERM DEBT

a. Governmental Activities (**Assume all outstanding long-term bonds are capital-related**)

The following is a summary of long-term debt transactions in the governmental activities for the year ended April 30, 2015:

	Balances May 1, 2014	Additions	Maturities and Retirements	Balances April 30, 2015	Current Portion
Accrued Compensated Absences	\$ 298,616	\$ 26,273	\$ 29,862	\$ 295,027	\$ 29,503
Net Pension Obligation	181,982	3,195	-	185,177	-
Unamortized Premium on Bonds	36,274	17,843	3,297	50,820	-
Unamortized Discount on Bonds	(16,808)	-	(1,216)	(15,592)	-
2009 Series General Obligation Alternate Revenue Source Bonds	289,000	-	21,000	268,000	22,000
2011 Series General Obligation Alternate Revenue Source Bonds	455,000	-	30,000	425,000	30,000
2012 Series Debt Certificates	2,030,000	-	225,000	1,805,000	230,000
2012A Series General Obligation Alternate Revenue Source Bonds	475,000	-	30,000	445,000	30,000
2013 Series General Obligation Alternate Revenue Source Bonds	440,000	-	20,000	420,000	25,000
2014 Series General Obligation Alternate Revenue Source Bonds	-	700,000	-	700,000	30,000
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,189,064</u>	<u>\$ 747,311</u>	<u>\$ 357,943</u>	<u>\$ 4,578,432</u>	<u>\$ 396,503</u>

EXAMPLE 1

NOTES TO FINANCIAL STATEMENTS

(Continued)

5. LONG-TERM DEBT (Continued)

a. Governmental Activities (Continued)

The net pension obligation is the cumulative difference between the annual pension cost and the actual employer contribution and is being repaid by the general fund, as is the noncurrent accrued compensated absences.

The 2009 Series General Obligation Alternate Revenue Source Bonds were issued to fund the costs of Special Service Area #15 improvements and are funded by the taxes specifically designated in the Special Service Area Funds with the public benefit portion funded by a transfer from the Village's capital projects fund.

The 2011 Series General Obligation Alternate Revenue Source Bonds were issued to finance certain capital improvements of Special Service Areas #18, 19, 20, 21, 22 and 23 and are funded by the taxes specifically designated in the Special Service Area Funds, motor vehicle license fees, and ad valorem taxes levied against all taxable property within the Village.

The 2012 Series Debt Certificates were issued to refund the 2002 Series Debt Certificates and to refund a portion of the 2005 Series Debt Certificates. The proceeds of the 2012 Series Debt Certificates were placed in an irrevocable trust to provide for the payment of the old Certificates. Accordingly, the trust account assets and liability for the refunded bonds are not included in the financial statements.

The 2012A Series General Obligation Alternate Revenue Source Bonds were issued to pay the costs of certain road improvements within the Village's Special Service Areas #17 and 24 and to pay the costs of issuance of the bonds. Repayment of the debt is funded by the taxes specifically designated in the Special Service Area funds.

The 2013 Series General Obligation Alternate Revenue Source Bonds were issued to pay the costs of certain road improvements within the Village's Special Service Areas #25 and to pay the costs of issuance of the bonds. Repayment of the debt is funded by taxes specifically designated in the Special Service Area fund.

The 2014 Series General Obligation Alternate Revenue Source Bonds were issued to pay the costs of certain road improvements within the Village's Special Service Areas #26 and to pay the costs of issuance of the bonds. Repayment of the debt is funded by taxes specifically designated in the Special Service Area fund.

EXAMPLE 1
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. LONG-TERM DEBT (Continued)

b. Other Long-Term Debt

The following is a summary of long-term debt transactions of the business-type activities for the year ended April 30, 2015:

	Balances May 1, 2014	Additions	Maturities and Retirements	Balances April 30, 2015	Current Portion
IEPA Loan	\$ 1,351,216	\$ -	\$ 81,892	\$ 1,269,324	\$ 81,892
TOTAL BUSINESS-TYPE ACTIVITIES	\$ 1,351,216	\$ -	\$ 81,892	\$ 1,269,324	\$ 81,892

The Village, through the Illinois Environmental Protection Agency (IEPA), received 0% interest loans for the construction of various water main replacement projects payable from water fees. Debt service to maturity for the IEPA Loan is as follows:

Year Ending April 30,	Principal
2016	\$ 81,892
2017	81,892
2018	81,892
2019	81,892
2020	81,892
2021-2025	409,460
2026-2030	409,460
2031	40,944
TOTAL	\$ 1,269,324

EXAMPLE 2
Statement of Net Position
June 30, 2015

	<u>Primary Government</u>			<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>ABC Board</u>
Assets				
Current assets:				
Cash and cash equivalents	\$ 62,094,170	\$ 12,217,920	\$ 74,312,090	\$ 1,386,464
Restricted cash and cash equivalents	19,545,671	-	19,545,671	-
Receivables, net	3,515,013	1,181,021	4,696,034	-
Due from other governments	8,204,188	93,221	8,297,409	-
Inventories	-	81,378	81,378	678,014
Total current assets	<u>93,359,042</u>	<u>13,573,540</u>	<u>106,932,582</u>	<u>2,064,478</u>
Noncurrent Assets:				
Investments, long-term restricted cash	3,215,487	-	3,215,487	-
Net pension asset	2,787,480	483,467	3,270,947	50,778
Land, improvements	14,680,709	11,666,868	26,347,577	340,687
Other Capital Assets, net of depreciation	101,621,529	16,802,688	118,424,217	575,783
Total noncurrent assets	<u>122,305,205</u>	<u>28,953,023</u>	<u>151,258,228</u>	<u>967,248</u>
Total Assets	<u><u>215,664,247</u></u>	<u><u>42,526,563</u></u>	<u><u>258,190,810</u></u>	<u><u>3,031,726</u></u>
Deferred Outflows of Resources	1,805,391	352,751	2,158,142	57,725
Liabilities				
Current liabilities:				
Accounts payable	7,332,173	181,053	7,513,226	288,457
Accrued wages and benefits	122,502	92,641	215,143	-
Other accrued expenses	842,127	-	842,127	167,389
Due within one year	5,830,134	261,625	6,091,759	-
Total current liabilities	<u>14,126,936</u>	<u>535,319</u>	<u>14,662,255</u>	<u>455,846</u>
Long Term liabilities:				
Due in more than one year	68,487,438	7,686,757	76,174,195	56,748
Total liabilities	<u>82,614,374</u>	<u>8,222,076</u>	<u>90,836,450</u>	<u>512,594</u>
Deferred Inflows of Resources	6,763,800	1,636,986	8,400,786	123,756
Net Position				
Net investment in capital assets				
Restricted for:				
General government				
Future debt obligations				
Capital improvements				
Public safety				
Education				
Stabilization by State Statute				
Permanent fund-Senior Center				
Working capital				
Unrestricted				
Total net position	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>	<u><u>\$</u></u>

The notes to the financial statements are an integral part of this statement.

EXAMPLE 2

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

\$5,581,068 reported as landfill closure and postclosure care liability at June 30, 2015, represents a cumulative amount reported to-date based on a financial assurance calculation using the remaining life of the pre-subtitle D landfill section, totaling \$2,162,625 and \$3,418,443 based on a financial assurance calculation using the remaining life of the Phases I, II and III of the new lined landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$8,530,782 amortized over the remaining years of the life of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2015. Overall, all planned phases of this landfill are expected to close in the year 2053. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements.

4. Deferred Outflows and Inflows of Resources (Total Primary Government)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions - difference between expected and actual experience		
LGERS	\$ -	\$ 333,580
Register of Deeds	2,002	-
Pensions - difference between projected and actual investment earnings	-	7,108,211
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions	-	25,703
Contributions to pension plan in 2014-2015 fiscal year	2,156,140	-
Prepaid taxes not yet earned (General)	-	227,227
Prepaid taxes not yet earned (Special Revenue)	-	1,021
Taxes receivable, net, less penalties (Special Revenue)	-	249,599
Deferred fee and grant revenue (Business)	-	455,445
	\$ 2,158,142	\$ 8,400,786

EXAMPLE 2

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

Governmental activities:

The installment financing agreements are as follows:

\$15,000,000 installment financing agreement, principal due October, 2025 with approximately equal annual sinking fund payments beginning October, 2012. Interest will be paid semi-annually at 4.33% annum. County will receive interest subsidy payments from the U.S. Treasury because the payments are designated as QSCB. Results in a 0% effective interest rate.	\$ 15,000,000
\$9,493,000 installment financing agreement to be paid semi-annually beginning October, 2012 with interest at 1.63% per annum, secured by real property. Final payment due October, 2018.	5,066,000
\$38,452,000 installment financing agreement to be paid annually beginning August, 2015 with interest at 3.55% per annum, secured by real property. Final payment due August, 2034.	38,452,000
	\$ 58,518,000

For the County, the future minimum payments as of June 30, 2015 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2016	\$ 3,341,000	\$ 2,051,432	\$ 5,392,432
2017	3,314,000	1,960,272	5,274,272
2018	3,089,000	1,871,166	4,960,166
2019	3,014,000	1,784,505	4,798,505
Thereafter	45,760,000	12,956,454	58,716,454
Total	\$ 58,518,000	\$ 20,623,829	\$ 79,141,829

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$6,375,720.

d. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2015:

EXAMPLE 2

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

	Balance July 01, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Governmental activities:					
Installment purchase contract	\$21,511,000	\$38,452,000	\$ 1,445,000	\$ 58,518,000	\$ 3,341,000
Promissory note payable	3,069,192	-	613,838	2,455,354	613,838
Other postemployment benefits	10,416,997	958,819	-	11,375,816	-
Net pension obligation	96,430	-	3,324	93,106	-
Net pension liability (LGERS)	5,312,907	-	5,312,907	-	-
Compensated absences	1,794,655	1,875,296	1,794,655	1,875,296	1,875,296
Total governmental activities	<u>\$42,201,181</u>	<u>\$41,286,115</u>	<u>\$ 9,169,724</u>	<u>\$ 74,317,572</u>	<u>\$ 5,830,134</u>

	Balance July 01, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Business-type activities:					
Solid Waste Disposal:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	5,231,131	349,937	-	5,581,068	-
Other postemployment benefits	383,650	53,013	-	436,663	-
Net pension liability (LGERS)	213,587	-	213,587	-	-
Compensated absences	83,767	89,647	83,767	89,647	89,647
Total governmental activities	<u>\$ 5,912,135</u>	<u>\$ 492,597</u>	<u>\$ 297,354</u>	<u>\$ 6,107,378</u>	<u>\$ 89,647</u>

	Balance July 01, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Business-type activities:					
Sewer:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Other postemployment benefits	11,871	2,742	-	14,613	-
Net pension liability (LGERS)	7,159	-	7,159	-	-
Compensated absences	-	-	-	-	-
Total governmental activities	<u>\$ 19,030</u>	<u>\$ 2,742</u>	<u>\$ 7,159</u>	<u>\$ 14,613</u>	<u>\$ -</u>

	Balance July 01, 2014	Increases	Decreases	Balance June 30, 2015	Current Portion of Balance
Business-type activities:					
Emergency Medical Services:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Other postemployment benefits	1,200,316	175,805	-	1,376,121	-
Net pension liability (LGERS)	638,572	-	638,572	-	-
Compensated absences	162,140	158,473	162,140	158,473	158,473
Total governmental activities	<u>\$ 2,001,028</u>	<u>\$ 334,278</u>	<u>\$ 800,712</u>	<u>\$ 1,534,594</u>	<u>\$ 158,473</u>

EXAMPLE 2

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

	Balance			Balance	Current
	July 01, 2014	Increases	Decreases	June 30, 2015	Portion of
					Balance
Business-type activities:					
EMS Nonemergency Trans:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Other postemployment benefits	227,970	30,637	-	258,607	-
Net pension liability (LGERS)	121,823	-	121,823	-	-
Compensated absences	13,998	11,203	13,998	11,203	11,203
Total governmental activities	\$ 363,791	\$ 41,840	\$ 135,821	\$ 269,810	\$ 11,203
Business-type activities:					
Airport:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Other postemployment benefits	16,571	3,114	-	19,685	-
Net pension liability (LGERS)	18,548	-	18,548	-	-
Compensated absences	1,740	2,302	1,740	2,302	2,302
Total governmental activities	\$ 36,859	\$ 5,416	\$ 20,288	\$ 21,987	\$ 2,302
Business-type activities:					
Combined:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Accrued landfill closure and post-closure care costs	5,231,131	349,937	-	5,581,068	-
Other postemployment benefits	1,840,378	265,311	-	2,105,689	-
Net pension liability (LGERS)	999,689	-	999,689	-	-
Compensated absences	261,645	261,625	261,645	261,625	261,625
Total governmental activities	\$ 8,332,843	\$ 876,873	\$ 1,261,334	\$ 7,948,382	\$ 261,625

The LGERS plan had a net pension asset as of June 30, 2015: however, the plan had a net pension liability at the beginning of the fiscal year.

At June 30, 2015, the County had no unissued bonds and a legal debt margin of \$565,710,793.

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking time as it is earned.

Other postemployment benefits for governmental activities typically have been liquidated in the general fund.

EXAMPLE 2

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2015

e. Debt Used for Capital Purposes

	Governmental Activities	Business- type Activities	Total Debt
Promissory Note Payable	\$ 2,455,354	\$ -	\$ 2,455,354
Installment Purchase Contracts	58,518,000	-	58,518,000
	\$ 60,973,354	\$ -	\$ 60,973,354

C. Interfund Balances and Activity

Transfers to/from other funds

Transfers to/from other funds at June 30, 2015 consist of the following:

Description	Amount
From the General Fund to Emergency Services fund to provide resources for emergency operations.	\$ 2,362,318
From the General Fund to Solid Waste fund to provide resources for operations.	20,768
From the General Fund to Sewer fund to provide resources for operations.	574
From the General Fund to Emergency Services, NET fund to provide resources for emergency operations.	6,172
From the General Fund to Airport fund to provide resources for operations.	93,016
Total General Fund Transfers (Exhibit 2)	\$ 2,482,848
From the General Fund to the County Capital Project fund to accumulate resources for capital projects.	\$ (11,980,459)
From the General Fund to Emergency Services fund to provide resources for emergency operations.	(2,362,319)
From the General Fund to Solid Waste fund to provide resources for operations.	(20,768)
From the General Fund to Sewer fund to provide resources for operations.	(574)
From the General Fund to Emergency Services, NET fund to provide resources for emergency operations.	(6,172)
From the General Fund to Airport fund to provide resources for operations.	(93,016)
From the General Fund to Emergency Telephone Service Fund to provide resources for emergency telephone services.	(7,891)
From the General Fund to County Capital Reserve Project Fund to accumulate resources for future capital projects.	(3,339,903)
From the General Fund to County Public School Capital Project Fund - School Buildings to provide resources for new public schools.	(4,726,563)