

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2005

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

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INTRODUCTORY SECTION

This section includes miscellaneous data regarding the Village of North Riverside including: List of Principal Officials, Organization Chart, Certificate of Achievement for Excellence in Financial Reporting, and Letter of Transmittal from the Village Treasurer.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

List of Principal Officials

April 30, 2005

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Richard N. Scheck, Mayor

Tom Corgiat
Randy Czajka
Ken Krockmal

Joan Sargent
James R. Votava
Gary Wittbrodt

Charmaine M. Kutt, Village Clerk

ADMINISTRATIVE

Guy Belmonte, Jr. , Village Administrator

Susan M. Scarpiniti
Treasurer

Anthony M. Garvey
Police Department

Raymond A. Martinek
Fire Department

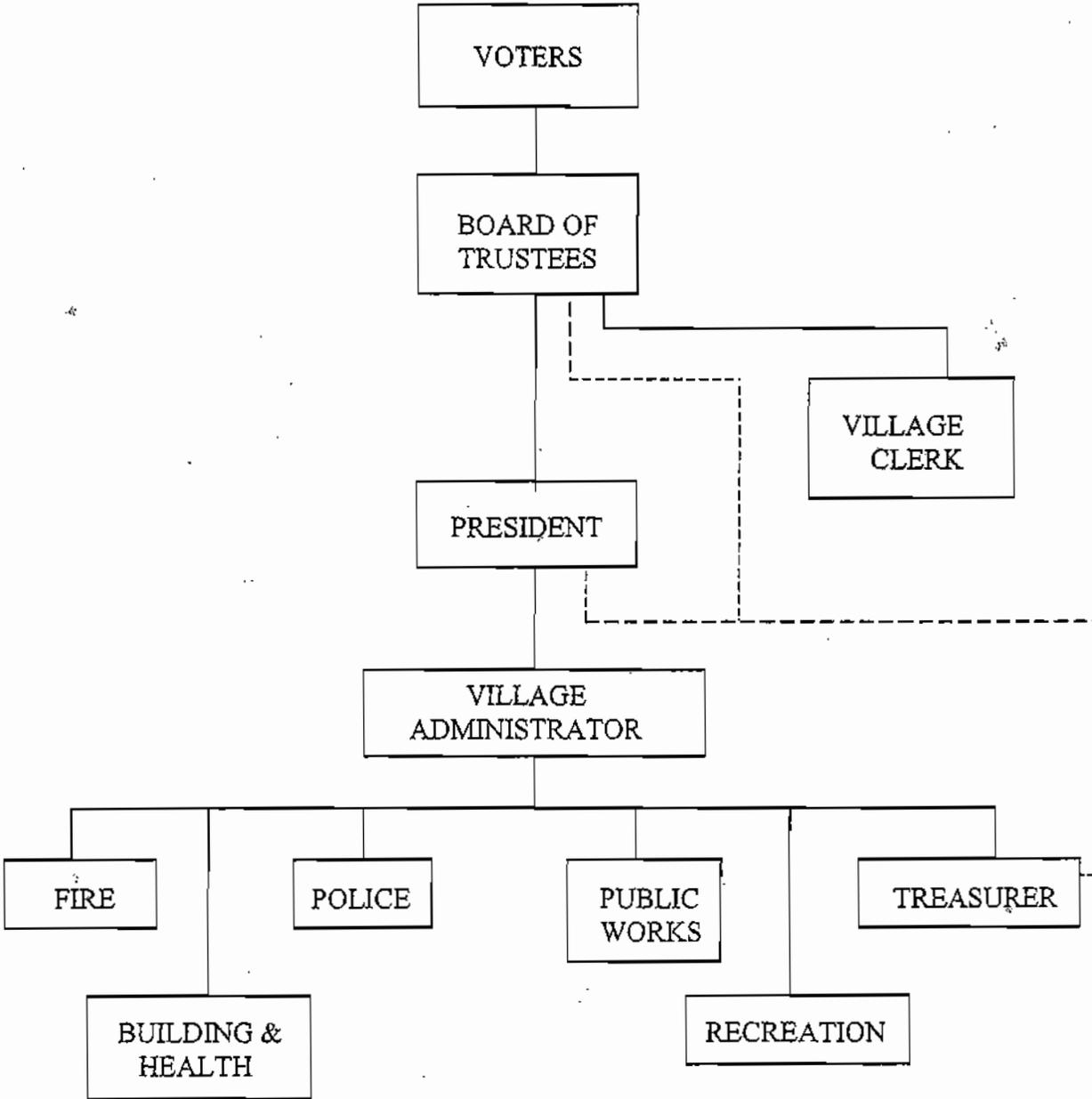
Tim Kutt
Public Works Department

Dave Skurkis
Building Commissioner
Health Commissioner

Sue Frampton
Recreation Department

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

ORGANIZATION CHART



Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of North Riverside,
Illinois

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
April 30, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Nancy L. Zielke

President

Jeffrey R. Emmer

Executive Director

December 13, 2005

The Honorable Mayor Richard N. Scheck
Members of the Board of Trustees
Citizens of the Village of North Riverside

The Comprehensive Annual Financial Report of the Village of North Riverside (the "Village") for the fiscal year ended April 30, 2005, is hereby submitted as mandated by both local ordinances and Illinois Compiled Statutes. The aforementioned ordinances and statutes require the Village to issue an annual report on its financial position and activity presented in conformance with generally accepted accounting principles in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Village of North Riverside. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive framework of internal controls that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village of North Riverside's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive frame of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

The Village has implemented GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, excluding the retroactive reporting of infrastructure assets. The Village has the option to implement all infrastructure reporting by the fiscal year ended April 30, 2008. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Lauterbach & Amen, LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of North Riverside for the fiscal year ended April 30, 2005, are free of material misstatement. The

independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended April 30, 2005, are fairly presented in conformity to GAAP. The independent auditor's report is presented in the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

Profile of the Village of North Riverside

Incorporated in 1923, the Village of North Riverside is located in the central portion of Cook County, approximately 10 miles west of the City of Chicago's downtown "Loop" area and serves a population of 6,688. In general, the Village is very mature in its residential and commercial base. With the 2000 Census Information, the Village experienced a shift in its residential composition from a once predominantly older community to a much younger population base. This shift has provided greater balance in the demographics of the village as well as increased residential construction activity over the past five years.

The resale value of residential property continues to rise rapidly within the Village as homes for sale remain on the market for only a very short period of time. Although there are only a few vacant lots available for the construction of new homes, the Village has experienced an increasing trend in its residential construction activity to include homeowners expanding their existing homes to include sizable rear and second story additions, thus, demonstrating the Village's level of desirability.

The Village operates under the Board/Administrator form of government. Policy-making and legislative authority are vested in a governing board consisting of a President and six Trustees. The Village Board is responsible, among other things, for setting public policy through the passage of ordinances and the adoption of the annual appropriation and tax levy. The Mayor, with concurrence of the Village Board, appoints a Village Administrator, who is responsible for carrying out the policies and ordinances of the Village Board and overseeing the day-to-day operations of the Village. Village Trustees are elected at-large to four-year staggered terms with three Board members elected every two years. The Mayor is elected at-large to a four-year term.

The Village provides a full range of public services, including, but are not limited to, public safety (police and fire protection), sanitation services, construction and

maintenance of parks, water distribution, streets and other infrastructure, and cultural and recreational activities. The Board of Trustees exercises, or has the ability to exercise, oversight of the various boards, commissions and departments as depicted in the Village's organizational chart, as well as the police and firefighters' pension funds. Accordingly, these activities are included in the reporting entity. The local library, elementary and high school districts, as well as other special taxing districts, are legally separate public entities and thus, not included in this comprehensive annual financial report.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit budget requests to the Village Administrator and Treasurer by early March of each year; these requests are used as the starting point for developing a proposed budget. The Village Administrator and Treasurer present a proposed budget to the Village Board for review in May of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final appropriation no later than July 31st of each year. The appropriated budget is prepared by fund, function (e.g., public safety), and activity (e.g., police), and includes comparative information from four prior fiscal years, current year estimates, department's original requests as well as the final recommended appropriations for the next fiscal year.

The level of budgetary control, that is the level at which expenditures cannot legally exceed the budgeted amount, is established at the fund level. The Village Treasurer, at the recommendation of each Department Head and with the approval of the Village Administrator, has the authority to transfer funds between expenditure line items and functions of like activity. However, budget adjustments between departments or transfers that alter the total expenditures of any fund must be approved by the Village Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted.

Major Initiatives

Village staff, following specific directives of the Village Board and Village Administrator, has been involved in a variety of projects throughout the year; projects which reflect the Village's continued commitment to ensuring that its citizens are able to live and work in an enviable environment. The most significant of these projects are discussed below.

- Continued the Village Board's long-standing practice of *not* increasing property taxes and seeking alternate revenue sources to fund existing and new services and programs with the least impact to Village residents.
- Annexed into the Village's corporate boundaries 40 acres commonly known as the North Riverside National Guard Armory located on the northwest corner of First Avenue and Cermak Road, thereby ending a twelve year long project and setting the foundation for future economic growth should the Federal Government vacate the property.

- Worked in partnership with a local developer to develop 1.4 acres of vacant land on the northeast corner of First Avenue and Cermak Road, thereby, adding to the Village sales tax base.
- Installed a village-wide wireless system allowing increased communication and functionality for police and fire related activities.
- Enhanced public safety and strengthened community relations with the continued support of the mall security detail whereby police officers conduct regular on-foot patrol inside the North Riverside Park Mall.
- Coordinated and sponsored the 2nd Annual Senior Fair within the Village whereby a number of vendors experienced in the area of health care, financial assistance and assisted and alternative living facilities were on site to provide information as well as counseling to senior citizens in the community. This event was well received and attended by approximately 500 participants.
- Continued support of residential services for senior citizens and disabled residents within the Village through the snow removal and handyman programs.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

Local economy

The Village has experienced a moderate recovery in the local economy similar to what has been the experience throughout the State and the Country. The region has a varied commercial and light manufacturing base, which adds to the relative stability of the unemployment rate in relation to the state and national unemployment rate. The Village's commercial base consists of the North Riverside Park Mall (a large regional shopping center consisting of three national department stores and 114 specialty stores), a national distributor of foodservice equipment and supplies, two major automobile dealers, and several large retail strip centers. With the continued commitment by the Mayor and Village Board to aggressively promote economic development and revitalization of its commercial sector, the Village has been able to enhance the diversification of its largest revenue source, sales tax, thereby reducing some volatility in the revenue generated by the Village.

Long-term Financial Planning

The Mayor's Economic Development Committee continuously reviews the activity of the North Riverside Park Mall, a central shopping location for residents of surrounding communities. This committee actively works with local commercial developers to attract and lease space to new businesses, attract and fill existing tenant vacancies, redevelop barren parcels within the Village and develop new parcels that would be suitable to enhance the Village's sales tax base.

In the past, the Village has developed close partnerships with several large businesses within the community to promote redevelopment through the issuance of business grants

and funding of infrastructure related improvements. These financial incentives have proven very successful to the Village, adding more than \$.5 million annually to the Village's sales tax base. In fiscal year 2006, the Village intends to continue its community presence by awarding its third economic development grant to a large retailer looking to expand its operations and establish long-term residency within the community. This grant will not only allow the Village to expand its sales tax base, but will also ensure that one of the Village's top revenue producers continues to operate within the community for many years to come.

The Village also continues to actively lobby within the federal and state governments for available grant funds and issues that directly impact local municipalities. Over the past seven years, these lobbying efforts yielded approximately \$5 million dollars in available grant funding for infrastructure and capital related purchases. During the course of the next four years, the Village will concentrate its efforts to provide safe travel within the community through the construction of a village wide bicycle path and installation of several municipal parking lots. This multi-year project is being funded with a \$1.92 million federal transportation grant and will allow residents to safely travel between the east and west sides of the Village.

Over the next two years, the Village will continue its aggressive street maintenance program. During that time, it is anticipated that the Village will spend approximately \$1.0 million in street related improvements to keep its roadways at their "very good" rating.

Cash management policies and practices

Cash temporarily idle during the year was invested in the Illinois State Treasurer's Pool (commonly known as Illinois Funds), money market mutual funds, and U.S. government securities. The Village's investment policy strives to minimize credit and market risk while maintaining competitive yields on its portfolio. Accordingly, all deposits and investments were either insured by federal depository insurance or collateralized. All collateral on deposits were held by the Village's agent or a financial institution's trust department in the Village's name.

Risk management

The Village participates in the Municipal Insurance Cooperative Agency (MICA) through which it insures workers' compensation claims, first party property losses, third party liability claims and public official's liability claims. Coverage for loss of sales tax revenue due to a catastrophic business loss is also covered under this policy. Meetings of staff of the (15) member Public Entities to review and improve procedures to reduce risk occurrences, as well as aggressive settlement of workmen's compensation claims, have resulted in stabilizing the cost of coverage.

Pension and other post-employment benefits

The Village sponsors a single-employer defined benefit pension plan for both its police officers and firefighters. Each year, an independent actuary engaged by the Village calculates the amount of the annual contribution that the Village must make to each

respective pension plan to ensure that the plans will be able to fully meet their obligations to retired and disabled employees in a timely manner. At this time, the actuarial review for the 2005 fiscal year is being performed. As of April 30, 2004, the Village had funded approximately 79.4% and 71.7% of the actuarial accrued liabilities of the firefighter's pension and police pension funds, respectively. The remaining un-funded amounts are being systematically funded over 29 years as part of the annual required contribution calculated by the actuary for each pension fund.

The Village also provides pension benefits for all other employees (other than those covered by the Police and Firefighters' Pension Plans) hired in positions that meet or exceed the prescribed annual hourly standard of 1,000 hours. These benefits are provided through an agent-multiple-employer defined pension plan managed by the Illinois Municipal Retirement Fund (IMRF). The Village has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payments to IMRF.

Additional information on the Village of North Riverside's pension arrangements can be found in Note 4, Employee Retirement System – Defined Benefit Pension Plans.

In addition to providing pension benefits, the Village also provides post-employment health care and life insurance benefits to all employees who have retired or are on permanent disability leave. Currently, 33 retired and disabled employees meet the eligibility requirements as determined by the Village Board and outlined in the Village's personnel policy manual. Village pays approximately 73 percent of the cost of health and life insurance benefits for these employees.

Additional information on the Village of North Riverside's post-employment benefits can be found in Note 4, Post-employment Benefits.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village for its comprehensive annual financial report for the fiscal year ended April 30, 2004. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the Village must publish an easily readable and efficiently organized comprehensive annual financial report (CAFR), whose content conforms to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable requirements.

A Certificate of Achievement is valid for a period of one year only. The Village has received a Certificate of Achievement for the last twenty (20) consecutive years. We

believe our current report continues to conform to the Certificate of Achievement program requirements, and therefore, we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of the comprehensive annual financial report was made possible by the dedicated service of the entire staff of the finance department. Each member of the department has my sincere appreciation for the contributions made in preparation of this report. In closing, without the leadership and the support of the Mayor, the Village Board of Trustees and the Village Administrator the preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, reading "Susan M. Scarpiniti". The signature is written in a cursive style with a large initial "S" and a long horizontal stroke at the end.

Susan M. Scarpiniti
Village Treasurer

FINANCIAL SECTION

This section includes:

- Independent Auditors' Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Required Supplementary Information
- Combining and Individual Fund Statements and Schedules

INDEPENDENT AUDITORS' REPORT

This section includes the opinion of the Village's independent auditing firm.

INDEPENDENT AUDITORS' REPORT

December 13, 2005

The Honorable Village President
Members of the Board of Trustees
Village of North Riverside, Illinois

We have audited the accompanying basic financial statements of the Village of North Riverside, Illinois as of and for the year ended April 30, 2005, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village of North Riverside, Illinois' management. Our responsibility is to express an opinion on these basic 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 opinion.

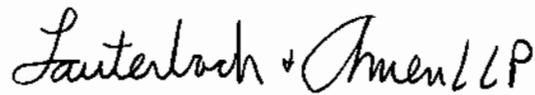
In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Village of North Riverside, Illinois as of April 30, 2005, and the results of its operations and the cash flows of its business type activities for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Village has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments*, Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – For State and Local Governments: Omnibus*, Statement No. 38, *Certain Financial Statement Note Disclosures* and Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*, and of May 1, 2004. This results in a change in the Village's method of accounting for certain non-exchange revenues and a change in the format and content of the basic financial statements and notes to financial statements.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund schedules, as well as the information listed as supplemental and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of North Riverside, Illinois. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is presented fairly, in all material respects, in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and the other required supplementary information listed in the accompanying table of contents are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical information listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.


LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis April 30, 2005

As management of the Village of North Riverside (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of its financial activity for the fiscal year ended April 30, 2005. This Management Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify changes in the Village's financial position (its ability to address current and future years service needs and challenges), (4) identify any material deviations from the Village's financial plan (the approved budget), and (5) identify individual fund issues or concerns. Readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal beginning on page iv and the Village's financial statements, which begin on page 17.

Since this is the first year that the Village of North Riverside is implementing GASB Statement No. 34, the Village is not required to restate prior periods for the purpose of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of government-wide information will be presented.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

In the past, the primary focus of the financial statements for local governments has been to summarize fund type information using the current financial resources measurement focus. This approach has been modified with the implementation of GASB Statement No. 34, and for the first time, the Village's financial statements present two distinct types of financial statements, each designed to provide readers with a different snapshot of the Village's finances as a whole (government-wide) as well as by major individual funds. Both perspectives (government-wide and major fund) 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.

The Statement of Net Assets and the Statement of Activities (on pages 17 - 20) provide information about the activities of the Village of North Riverside as a whole and present a longer-term view of the Village's finances. Financial statements for the individual funds begin on page 21. For governmental activities, these statements tell the reader how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Village's operation in more detail than the government-wide statements by providing information about the Village's most significant funds.

Government-Wide Financial Statements

The government-wide financial statements (on pages 17 - 20) are designed to provide readers with a broad overview of the Village's finances, in a manner similar to private sector business.

The *Statement of Net Assets* presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. This statement combines and consolidates governmental fund's current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and the economic resources measurement focus. Over time, increases or decreases in the unrestricted net

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005

assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The *Statement of Activities* presents information on how the Village's net assets have changed during the most recent fiscal year. All changes in net assets 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 reported in this statement may relate to cash flows in future fiscal periods (e.g., earned but unused sick and vacation leave). The *Statement of Activities* also reports the extent to which various expenses for governmental or business-type functions are dependent upon user charges, grant sources, general taxes and other revenues.

Both of the government-wide financial statements distinguish functions of the Village which are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions which 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 reflect basic services, including police, fire, emergency medical services, streets, infrastructure improvements, building inspection and code enforcement, sanitation, economic development, and culture and recreation. The business-type activities of the Village include operation of the Village's water system.

Excluded from the government-wide financial statements are fiduciary fund types (e.g. North Riverside Police and Firefighter's Pension Funds). Fiduciary funds are used to report net assets held in a trustee or agency capacity for others (e.g. retired police officers and firefighters) and therefore, cannot be used to support the Village's programs and operations.

The government-wide financial statements can be found on pages 17 through 20 of this report.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements to be more familiar with the focus of presentation on major funds rather than individual fund types. 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 balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2005

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 government'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 7 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, Debt Service Fund, and Capital Projects Fund, all of which are considered to be "major" funds. Data from the other 4 governmental funds are combined into a single, aggregate presentation in these financial statements. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements located on pages 77 through 80 of this report.

The Village adopts an annual appropriated budget for all of the governmental funds, excluding the foreign fire insurance fund. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 21 – 26 of this report.

Proprietary Funds

The Village maintains two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements and uses the economic resources management focus and the accrual basis of accounting, similar to private-sector businesses. The Village utilizes enterprise funds to account for the operation of its water system.

Internal service funds are an accounting device used to accumulate and allocate costs internally among other Village funds. The Village uses internal service funds to account for its self-funded health insurance program and working cash fund. Because the Village's costs for these items relate primarily to governmental rather than business-type functions, the internal service funds has been included within governmental activities in the government-wide financial statements.

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 Fund, which is considered to be a major fund of the Village. Activities of the Health Insurance Fund and Working Cash fund are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for both enterprise and internal services funds, including budget compliance and comparisons, are provided in combining and individual fund financial statements section of this report.

The basic proprietary fund financial statements can be found on pages 27 – 29 of this report.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2005

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. 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 Village maintains two fiduciary funds, which account for the resources of both the Police Pension and Firefighters' Pension Funds.

The basic fiduciary fund financial statements can be found on pages 30 – 31 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 32 – 62 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to required employee retirement plans. Required supplementary information can be found on pages 63 – 68 of this report.

The combining statements referred to earlier in connection with major and non-major governmental funds, major enterprise funds, and internal service funds are presented immediately following the required supplementary information on employee retirement plans. Combining and individual fund statements and schedules can be found on pages 69 – 92 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

As noted earlier, net assets may serve over time as a useful indicator of the Village's financial position. The following table presents a condensed Statement of Net Assets as of April 30, 2005.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005

	Statement of Net Assets (in Millions)		
	Governmental Activities	Business-type Activities	Total Primary Government
Current and Other Assets	\$ 2.77	\$ 0.78	\$ 3.55
Capital Assets	7.77	2.40	10.17
Total Assets	10.54	3.18	13.72
Long-Term Liabilities	(5.03)	(0.04)	(5.07)
Other Liabilities	(1.89)	(0.13)	(2.02)
Total Liabilities	(6.92)	(0.17)	(7.09)
Net Assets			
Invested in Capital Assets, Net of Debt	2.35	2.40	4.75
Restricted	0.01	-	0.01
Unrestricted (Deficit)	1.25	0.61	1.86
Total Net Assets	\$ 3.61	\$ 3.01	\$ 6.62

By far, the largest portion of the Village's net assets (72%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens and therefore, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be used to liquidate these liabilities.

Less than 1% of the Village's net assets represent resources that are subject to external restrictions on how they may be used. The remaining 27%, or \$1.86 million, represents unrestricted net assets that may be used to meet the government's ongoing day-to-day obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net assets; both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year. The net assets of the business-type activities, however, decreased slightly from \$3.15 million in fiscal year 2004 to \$3.01 million in fiscal year 2005. This decrease was the direct result of the Village absorbing additional costs for the maintenance of the water supply system as well as an additional water rate increase on the purchase of water from the Brookfield-North Riverside Water Commission rather than passing these increased costs on to its water users. The annual operating cost of the Village's water system is approximately \$1.4 million per year and in future years a water rate increase will be required to fund water operations.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)
April 30, 2005

For more detailed information, please see the Statement of Net Assets on pages 17 - 18.

Statement of Activities (Changes in Net Assets)

The following table summarizes the revenues and expenses of the Village's activities for the fiscal year ended April 30, 2005.

	Changes in Net Assets (in Millions)		
	Governmental Activities	Business-Type Activities	Total Primary Government
Revenues			
Program Revenues			
Charges for Services	\$ 1.79	\$ 1.19	\$ 2.98
Capital Grants/Contributions	0.07	-	0.07
General Revenues			
Property Taxes	0.73	-	0.73
Sales Taxes	6.53	-	6.53
Other Taxes	0.72	-	0.72
Intergovernmental	0.76	-	0.76
Other General Revenues	0.30	0.09	0.39
Total Revenues	10.90	1.28	12.18
Expenses			
General Government	0.85	-	0.85
Public Safety	7.44	-	7.44
Culture and Recreation	0.88	-	0.88
Public Works	1.32	-	1.32
Building, Health and Zoning	0.18	-	0.18
Sanitation	0.48	-	0.48
Interest on Long-Term Debt	0.12	-	0.12
Water	-	1.42	1.42
Total Expenses	11.27	1.42	12.69
Change in Net Assets	(0.37)	(0.14)	(0.51)
Net Assets, May 1	3.98	3.15	7.13
Net Assets, April 30	\$ 3.61	\$ 3.01	\$ 6.62

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2005

Governmental Activities

For the fiscal year ended April 30, 2005, revenues from governmental activities totaled \$10.9 million. Sales tax continues to be the major source of revenue for the Village, contributing a combined total of \$6.53 million to the Village's overall revenue base. Sales tax is comprised of two components in the Village of North Riverside; the 1% municipal share of the state's retailer's occupation tax and the ½ of 1% for the Village's newly enacted non-home rule sales tax, and generated revenue of \$4.65 million and \$1.88 million respectively.

The Village extends a tax on electricity and natural gas consumption as well as on telecommunication services. These tax revenues are primarily used to support the maintenance, design and construction of Village capital infrastructure assets such as roadways, storm sewers and sidewalks. Revenue generated from utility and telecommunication taxes remained relatively unchanged compared to the prior fiscal year.

The Village receives a share of State income tax collections that are distributed to Illinois municipalities on a per capita basis. Income tax receipts are an important revenue source to the Village's General Fund and governmental activities. Collections of income taxes during the fiscal year have finally showed some signs of recovery following three consecutive years of decline. Decreases in this revenue source over the past several years were the result of declines in general economic conditions, increases in State unemployment rates as well as some actions by the State to "redirect" available income tax funds to help pay off their backlogged tax refunds.

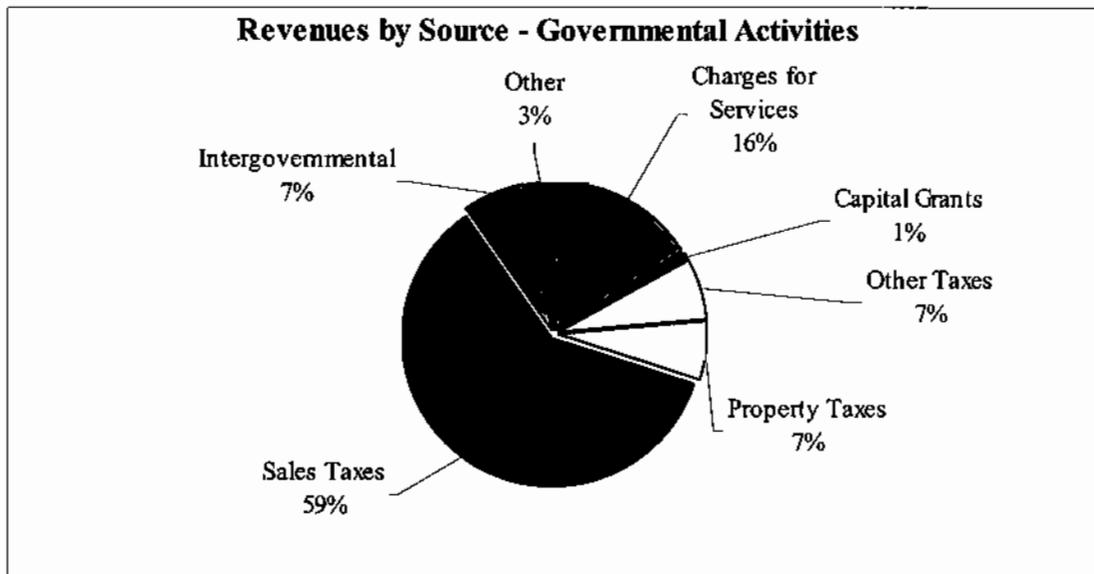
Sales tax revenues combined with local utility taxes, telecommunication taxes, and state shared local use and income taxes totaled more than \$7.77 million and represented 71.3% of the total Governmental Fund revenue.

During the fiscal year, the Mayor and Village Board continued their commitment to not raise property taxes, as the Village's general corporate levy remained frozen for the 17th consecutive year. This demonstrates the Village's long-term commitment of seeking alternate revenue sources other than property taxes to fund vital services and programs. As a result, only \$730,639 was collected in property taxes government-wide, thereby comprising 7% of the Village's total Governmental Fund revenue. The Village's equalized assessed valuation increased 3.3% from \$253,417,023 in 2003 to \$261,828,507 in 2004.

The following chart graphically depicts the major revenue sources of the Village for the fiscal year ended April 30, 2005 and clearly demonstrates the Village's heavy reliance on sales taxes to fund governmental activities.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005

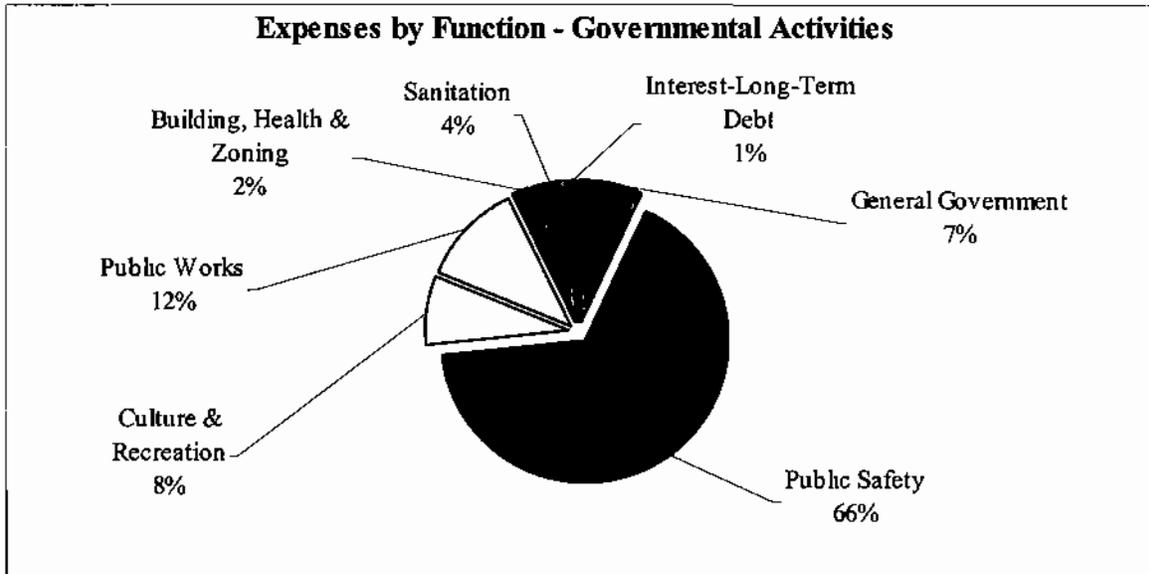


Expenses for governmental activities for the fiscal year ended April 30, 2005 totaled \$11.27 million. For the most part, increases in governmental expenses closely paralleled inflation and growth in the demand for services. No new programs or services were instituted during the fiscal year, as departments maintained a truly operational only budget for the year. North Riverside's largest share of costs allocated to governmental activities was in the area of public safety, accounting for 66% of total governmental expenses or a combined expense of \$7,437,597. Public safety activities include the costs associated with the full-time operation of both the Village's fire and police departments, in addition to maintenance of a central emergency dispatch unit, year-round foot-patrol by police officers at the North Riverside Park Mall, and institution of annual fire inspections for all commercial and multi-family dwellings.

Public works activities make up the second largest function within the Village, accounting for 12% of total governmental expenses. Public works activities include the costs associated with the Village's Public Works administrative, engineering and parks and streets division staff, regular street maintenance activities such street sweeping, parkway tree maintenance, snow removal, storm sewer cleaning, and other maintenance activities.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005



Business-type activities

Revenues of the Village's business-type activities increased 8.75% from \$1.05 million in fiscal year 2004 to \$1.19 million in 2005. This increase was the result of receiving one full year of collections on water usage since water rates were increased to all customers in March of 2004. This was the first water rate increase to residential customers in over 17 years. No new rate increases were instituted for either commercial or residential customers in fiscal year 2005. Business-type expenses increased by \$128,000 from the prior year primarily due to increased maintenance costs on the water distribution system attributed to an unusually high number of water main breaks during the year as well as an increase in the cost to purchase water from the Brookfield-North Riverside Water Commission.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

As noted earlier, the Village of North Riverside 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. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported a combined ending fund balance of \$637,328, a decrease of \$285,402 from the beginning of the year's total balance of \$922,730. This decrease in fund balance is mainly attributed to the following factors. For the past three years, the Village has witnessed a reduction in its largest revenue source, the

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2005

municipal sales tax, caused by the economic slowdown within its business sector and well as temporary vacancies of major retailers within the mall. This, combined with dwindling state shared revenues and the unexpected loss of property tax revenue resulting from the successful tax appeals of numerous large businesses over the past seven tax years left the Village with a shortfall of operating revenues during the fiscal year. As a result, the Mayor and Village Board elected to draw down the Village's reserves during the fiscal year in order to maintain existing services and programs to its residents and commercial businesses without raising user costs for such services.

Proprietary funds

The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but include long-term outflows and capital assets.

The Village reports the Water Fund as a major proprietary fund. This fund accounts for all of the operations of the municipal water distribution system. Water is purchased from the Brookfield-North Riverside Water Commission (the "Commission") at a rate of \$2.05 per thousand gallons. Water is sold to residential and commercial customers at a rate of \$3.43 and \$6.90 per thousand gallons respectively. The spread between the purchase price and respective sale rates is intended to finance the operations of the water system, including labor costs, supplies, and infrastructure maintenance.

For the past four out of five years, the Village has received an annual 3% to 4% water rate increase on the purchase of water from the Commission. Since 1987, however, the Village has received approximately ten water rate increases from the Commission, totaling 35% over the entire period, while only passing one of those increases on to its residential customers. Commercial water rates have increased a total of six times during that same period. The cost to fund the Village's water operations have increased steadily throughout the past 17 years with only minimal increases in funding from its users.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Mayor and Village Board approved one amendment to the fiscal year 2005 annual appropriation. This amendment allowed the Village to shift budgeted amounts within line items across all departments without altering the total appropriation for the Village.

Actual expenditures to appropriations were \$772,173 below the final budget amounts in the Village's General Fund, the main operating fund of the Village. Requested to provide a purely operational only budget for the current year, departments instituted numerous cost-control measures during the year to keep increases in costs to a minimal. In addition, several long-time employees retired from the Village during the year and were subsequently not replaced, thus, creating some cost savings in salaries and benefits.

Even with the cost savings measures implemented on the expenditure side for the year, resources available for appropriations were \$390,224 below the final budgeted amounts, thereby, leaving

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005

the General Fund, after operating transfers to the Refuse and Capital Projects Funds, with a current year short fall of \$321,477.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for its governmental and business type activities as of April 30, 2005 was \$10.17 million (net of accumulated depreciation). This investment in capital assets includes land and land improvements, buildings and improvements, vehicles, equipment and furniture, and water system assets. The total increase in the Village's investment in capital assets for the current fiscal year was \$301,987 or 2.1 percent over the prior year.

	Capital Assets As of April 30, 2005 (in millions)		
	Governmental Activities	Business-type Activities	Total
Land	\$ 2.34	\$ 0.22	\$ 2.56
Buildings and Improvements	7.96	0.19	8.15
Vehicles	1.92	0.05	1.97
Equipment and Furniture	2.20	-	2.2
Water System	-	2.65	2.65
	14.42	3.11	17.53
Less: Accumulated Depreciation	(6.65)	(0.71)	(7.36)
Total	\$ 7.77	\$ 2.40	\$ 10.17

Major capital asset activities during the fiscal year included the following:

- Purchase of non-contiguous sections of 25th Street from multiple private citizens, thereby, giving the Village ownership rights over the entire street.
- Purchase of a village-wide wireless communications system for police and fire vehicles. This system will enhance communication efforts between central dispatch and individual police and fire vehicles as well neighboring communities.
- Purchase of a new prisoner transport van for added security and enhanced public safety at the North Riverside Park Mall.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2005

- Replacement of two pieces of heavy equipment, a front wheel-loader and backhoe, for the Public Works department.

Additional information on the Village of North Riverside's capital assets can be found in note 3 on pages 48 – 50 of this report.

Long-Term Debt

As of April 30, 2005, the Village had total outstanding bonded debt of \$1.86 million as compared to \$1.99 million the previous year, a decrease of 6.8 percent. This entire amount of outstanding debt has been issued in the form of General Obligation Alternate Revenue Source Bonds, payment of which is pledged by the full faith and taxing authority of the Village.

The Village's property taxes and corresponding tax rate for its long-term bonded debt for the last 6 years is shown in the table below.

Tax Year	Property Tax Rate*	Property Taxes Extended
2004	\$ 0.0953	\$ 249,523
2003	0.0992	251,390
2002	0.1006	252,719
2001	0.1181	253,566
2000	0.1264	261,975
1999	0.1164	245,952

* Per \$100 of assessed valuation

In addition to the general obligations bonds outstanding at April 30, 2005, the Village also currently maintains two installment contracts in the total amount of \$101,736 that were issued to fund various equipment purchases. During the year, the Village retired two installment contracts in the total amount of \$346,737 and issued one contract in the total amount of \$25,555 to fund three pieces of Public Works equipment. The two remaining installment contracts are due to mature in calendar years 2006 and 2007 respectively.

The Village maintains an A1 rating from Moody's Investors Services for general obligation debt. This rating has not changed in the past five years. The Village, under its non-home rule authority, has a legal debt margin at April 30, 2005 of \$20.7 million. Under Illinois Compiled Statutes, installment contracts not backed by the full faith and taxing authority of the Village are not subject to debt limitations. Accordingly, the Village is well under the legal debt margin, with

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2005

only \$1.9 million subject to the legal debt limits. Additional information on the Village of North Riverside long-term debt can be found in Note 3 on pages 51 – 54 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

During fiscal year 2005, the Village showed some signs of economic strengthening as compared to prior years. The assessed valuation of North Riverside properties has increased by 4.2% over the past three years. Building activity during the year in terms of the number of building permits issued and pre-sale inspections conducted were at a five year high with more than 1,500 permits issued and 120 pre-sale inspections performed.

North Riverside enjoys a stable and diversified commercial and retail sales base with a large regional shopping center consisting of three national department stores and 114 specialty stores, two major automobile dealers, a national distributor of foodservice equipment and supplies, two leading grocery/drug stores, and several large retail strip centers. Heavily dependent on local sales taxes, the Village largest revenue source grew by approximately 1.3% during the year indicating an upturn in the local economy.

A portion of North Riverside's revenues is also received from State income tax distributions, which are allocated to Illinois communities on a per-capita basis each month. The State unemployment rate has impacted the Village's receipt of these state-shared revenues over the past several years. The State average unemployment rate for calendar year 2005 as of November, 2005 was 5.3% and shows some improvement in State unemployment levels. As a result, the Village's receipt of State income taxes has shown positive growth of 3.6% compared to the prior fiscal year. However, State income tax receipts for fiscal year 2005 still remain 4.5% below receipts received four years ago in fiscal year 2001.

Calendar Year	State Unemployment Rate
2005*	5.3%
2004	6.2%
2003	6.7%
2002	6.5%
2001	5.4%
2000	4.5%

* Rate reflected as of November 30, 2005

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)
April 30, 2005

REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Questions concerning any of the information provided in this report or requests for additional information should be directed to the Village Treasurer, Village of North Riverside, 2401 S. Desplaines Avenue, North Riverside, Illinois 60546.

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-wide Financial Statements
- Fund Financial Statements
 - Governmental Funds
 - Proprietary Funds
 - Fiduciary Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Statement of Net Assets
April 30, 2005

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Net Assets
April 30, 2005**

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 689,522	\$ 237,342	\$ 926,864
Receivables - Net			
Property Taxes	383,444	-	383,444
Accounts	67,543	262,840	330,383
Accrued Interest	3,686	-	3,686
Other	77,511	82,500	160,011
Prepays and Inventories	45,114	-	45,114
Due from Other Governments	1,691,288	-	1,691,288
Internal Balances	(194,344)	194,344	-
	<u>2,763,764</u>	<u>777,026</u>	<u>3,540,790</u>
Capital Assets			
Nondepreciable	2,338,583	215,500	2,554,083
Depreciable	12,089,896	2,895,430	14,985,326
Accumulated Depreciation	(6,654,706)	(709,234)	(7,363,940)
	<u>7,773,773</u>	<u>2,401,696</u>	<u>10,175,469</u>
Total Assets	<u>10,537,537</u>	<u>3,178,722</u>	<u>13,716,259</u>

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

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	327,798	67,315	395,113
Accrued Payroll	28,557	1,699	30,256
Interest Payable	10,180	-	10,180
Deposits Payable	206,524	47,538	254,062
Claims Payable	134,960	-	134,960
Unearned Revenues	793,764	-	793,764
Current Portion of Long-Term Debt	390,406	9,385	399,791
	<u>1,892,189</u>	<u>125,937</u>	<u>2,018,126</u>
Noncurrent Liabilities			
Net Pension Obligation	2,483,227	-	2,483,227
Compensated Absences Payable	788,099	37,540	825,639
Installment Contracts Payable	53,355	-	53,355
General Obligation Bonds Payable	1,710,000	-	1,710,000
	<u>5,034,681</u>	<u>37,540</u>	<u>5,072,221</u>
Total Liabilities	<u>6,926,870</u>	<u>163,477</u>	<u>7,090,347</u>
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	2,348,686	2,401,696	4,750,382
Restricted			
Debt Service	9,560	-	9,560
Public Safety	2,730	-	2,730
Unrestricted			
	<u>1,249,691</u>	<u>613,549</u>	<u>1,863,240</u>
Total Net Assets	<u>\$ 3,610,667</u>	<u>\$ 3,015,245</u>	<u>\$ 6,625,912</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Statement of Activities
Year Ended April 30, 2005

	Expenses	Program Revenues	
		Charges for Services	Capital Grants/Contribution
Primary Government			
Governmental Activities			
General Government	\$ 856,085	\$ 386,001	\$ -
Public Safety	7,437,597	502,822	68,623
Culture and Recreation	878,353	400,758	-
Public Works	1,319,721	17,101	-
Building, Health and Zoning	185,216	304,835	-
Sanitation	477,436	182,371	-
Interest on Long-Term Debt	118,519	-	-
Total Governmental Activities	<u>11,272,927</u>	<u>1,793,888</u>	<u>68,623</u>
Business-Type Activities			
Water	1,421,153	1,194,889	-
	<u>\$ 12,694,080</u>	<u>\$ 2,988,777</u>	<u>\$ 68,623</u>

General Revenues
Taxes
Property
Municipal and Non-Home Rule Sales
Telecommunication
Utility
Other
Intergovernmental
Income Tax
Replacement Tax
Local Use Tax
Other Taxes
Disposal of Capital Assets
Investment Earnings
Miscellaneous
Change in Net Assets
Net Assets - Beginning as Restated
Net Assets - Ending

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

Net Expense/Revenue		
Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (470,084)	\$ -	\$ (470,084)
(6,866,152)	-	(6,866,152)
(477,595)	-	(477,595)
(1,302,620)	-	(1,302,620)
119,619	-	119,619
(295,065)	-	(295,065)
(118,519)	-	(118,519)
<u>(9,410,416)</u>	<u>-</u>	<u>(9,410,416)</u>
-	(226,264)	(226,264)
<u>\$ (9,410,416)</u>	<u>\$ (226,264)</u>	<u>\$ (9,636,680)</u>
7,980,585		
\$ 730,639	\$ -	\$ 730,639
6,526,120	-	6,526,120
264,667	-	264,667
453,746	-	453,746
5,413	-	5,413
452,775	-	452,775
31,709	-	31,709
72,234	-	72,234
199,703	-	199,703
105,000	-	105,000
15,693	-	15,693
184,269	87,361	271,630
<u>9,041,968</u>	<u>87,361</u>	<u>9,129,329</u>
(368,448)	(138,903)	(507,351)
3,979,115	3,154,148	7,133,263
<u>\$ 3,610,667</u>	<u>\$ 3,015,245</u>	<u>\$ 6,625,912</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Governmental Funds - Balance Sheet
April 30, 2005

	<u>General</u>
ASSETS	
Cash and Investments	\$ 39,912
Receivables - Net of Allowances	
Property Taxes	258,188
Accounts	3,967
Accrued Interest	3,686
Other	77,511
Due from Other Funds	857,994
Due from Other Governments	1,675,409
Prepays	24,593
Inventories	17,321
	<hr/>
Total Assets	\$ 2,958,581
	<hr/> <hr/>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 250,548
Accrued Payroll	28,557
Deposits Payable	176,577
Unearned Revenues	556,048
Due to Other Funds	1,063,369
Total Liabilities	2,075,099
	<hr/>
Fund Balances	
Reserved - Inventories	17,321
Reserved - Prepays	24,593
Reserved - Debt Service	-
Reserved - Public Safety	2,730
Unreserved - General	838,838
Total Fund Balances	883,482
	<hr/>
Total Liabilities and Fund Balances	\$ 2,958,581
	<hr/> <hr/>

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

Debt Service	Capital Projects	Nonmajor Governmental	Totals
\$ 132,200	\$ -	\$ 517,410	\$ 689,522
125,256	-	-	383,444
-	7,500	56,076	67,543
-	-	-	3,686
-	-	-	77,511
-	-	-	857,994
-	-	15,879	1,691,288
-	-	-	24,593
-	-	-	17,321
\$ 257,456	\$ 7,500	\$ 589,365	\$ 3,812,902
\$ -	\$ -	\$ 77,250	\$ 327,798
-	-	-	28,557
-	-	29,947	206,524
237,716	-	-	793,764
-	755,562	-	1,818,931
237,716	755,562	107,197	3,175,574
-	-	-	17,321
-	-	-	24,593
19,740	-	-	19,740
-	-	-	2,730
-	(748,062)	482,168	572,944
19,740	(748,062)	482,168	637,328
\$ 257,456	\$ 7,500	\$ 589,365	\$ 3,812,902

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Reconciliation of Total Governmental Fund Balance to the
Statement of Net Assets - Governmental Activities**

April 30, 2005

Total Governmental Fund Balances \$ 637,328

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

Capital assets used in governmental activities are not financial
resources and therefore, are not reported in the funds. 7,773,773

Internal service funds are used by the Village to charge the costs of
vehicle and equipment management to individual funds.
The assets and liabilities of the internal service funds are included
in the governmental activities in the Statement of Net Assets. 634,833

Long-term liabilities are not due and payable in the current
period and therefore are not reported in the funds.

Net Pension Obligation Payable	(2,483,227)
Compensated Absences Payable	(985,124)
Installment Contracts Payable	(101,736)
General Obligation Bonds Payable	(1,855,000)
Accrued Interest Payable	<u>(10,180)</u>

Net Assets of Governmental Activities \$ 3,610,667

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2005**

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2005**

	<u>General</u>
Revenues	
Taxes	\$ 7,732,763
Licenses and Permits	595,914
Intergovernmental	642,442
Charges for Services	688,565
Fines and Forfeits	235,029
Investment Earnings	15,686
Miscellaneous	184,269
Total Revenues	<u>10,094,668</u>
Expenditures	
Current	
General Government	472,777
Public Safety	7,191,001
Culture and Recreation	862,582
Public Works	913,569
Building, Health and Zoning	185,216
Sanitation	-
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>9,625,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>469,523</u>
Other Financing Sources (Uses)	
Sale of Capital Assets	-
Proceeds from Debt Issuance	-
Transfers In	-
Transfers Out	(791,000)
	<u>(791,000)</u>
Net Change in Fund Balances	(321,477)
Fund Balances - Beginning as Restated	<u>1,204,959</u>
Fund Balances - Ending	<u>\$ 883,482</u>

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

Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ 242,409	\$ -	\$ 5,413	\$ 7,980,585
-	-	-	595,914
-	-	199,703	842,145
-	-	257,279	945,844
-	-	-	235,029
-	-	7	15,693
-	-	-	184,269
242,409	-	462,402	10,799,479
-	-	-	472,777
-	-	64,418	7,255,419
-	-	-	862,582
-	-	182,996	1,096,565
-	-	-	185,216
-	-	477,436	477,436
-	216,967	-	216,967
135,000	389,933	-	524,933
106,125	17,416	-	123,541
241,125	624,316	724,850	11,215,436
1,284	(624,316)	(262,448)	(415,957)
-	105,000	-	105,000
-	25,555	-	25,555
-	495,000	296,000	791,000
-	-	-	(791,000)
-	625,555	296,000	130,555
1,284	1,239	33,552	(285,402)
18,456	(749,301)	448,616	922,730
\$ 19,740	\$ (748,062)	\$ 482,168	\$ 637,328

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities - Governmental Activities**

Year Ended April 30, 2005

Net Change in Fund Balances - Total Governmental Funds \$ (285,402)

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.

Capital Outlays	301,987
Depreciation Expense	(442,223)
Disposals - Cost net of Accumulated Depreciation	(138,834)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal on long-term
debt consumes the current financial resources of the governmental funds.

Additions to Net Pension Obligation Payable	(285,055)
Additions to Compensated Absences Payable	(23,936)
Issuance of Debt	(25,555)
Retirement of Debt	524,933

Changes to Accrued Interest on Long-Term Debt in the Statement of Activities
does not Require the use of Current Financial Resources and, therefore, are not
Reported as Expenditures in the Governmental Funds.

5,022

Internal service funds are used by the Village to charge the costs of liability
insurance and vehicle and equipment management to individual funds.
The net revenue of certain activities of internal service funds is
reported with governmental activities.

615

Changes in Net Assets of Governmental Activities \$ (368,448)

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Net Assets - Proprietary Funds
April 30, 2005**

ASSETS	Business-Type Activities - Enterprise Water	Governmental Activities Internal Service
Current Assets		
Cash and Investments	\$ 237,342	\$ -
Receivables		
Accounts	262,840	-
Due from Other Funds	194,344	869,025
Due from Other Governments	82,500	-
Prepays	-	3,200
	<u>777,026</u>	<u>872,225</u>
Capital Assets		
Nondepreciable	215,500	-
Depreciable	2,895,430	-
Accumulated depreciation	(709,234)	-
	<u>2,401,696</u>	<u>-</u>
Total Assets	<u>3,178,722</u>	<u>872,225</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 67,315	\$ -
Accrued Payroll	1,699	-
Deposits Payable	47,538	-
Claims Payable	-	134,960
Due to Other Funds	-	102,432
Compensated Absences Payable	9,385	-
	<u>125,937</u>	<u>237,392</u>
Long-Term Liabilities		
Compensated Absences Payable	37,540	-
Total Liabilities	<u>163,477</u>	<u>237,392</u>
NET ASSETS		
Invested in Capital Assets - Net of Related Debt	2,401,696	-
Unrestricted	613,549	634,833
Total Net Assets	<u>\$ 3,015,245</u>	<u>\$ 634,833</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Revenues, Expenses, and Changes in Net Assets - Proprietary Funds
Year Ended April 30, 2005**

	Business-Type Activities - Enterprise <u>Water</u>	Governmental Activities <u>Internal Service</u>
Operating Revenues		
Charges for Services	\$ 1,194,889	\$ 1,633,240
Operating Expenses		
Administration	-	32,001
Operations	1,355,942	1,600,624
Depreciation and Amortization	65,211	-
Total Operating Expenses	<u>1,421,153</u>	<u>1,632,625</u>
Operating Income (Loss)	(226,264)	615
Nonoperating Revenues (Expenses)		
Other Income	<u>87,361</u>	-
Change in Net Assets	(138,903)	615
Net Assets - Beginning as Restated	<u>3,154,148</u>	634,218
Net Assets - Ending	<u>\$ 3,015,245</u>	<u>\$ 634,833</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Cash Flows - Proprietary Funds
Year Ended April 30, 2005**

	Business-Type Activities - Enterprise <u>Water</u>	Governmental Activities <u>Internal Service</u>
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 1,030,575	\$ -
Payments to Suppliers	(879,640)	(125,013)
Payments to Employees	(435,732)	-
Net Change in Cash and Cash Equivalents	(284,797)	(125,013)
Cash and Cash Equivalents		
Beginning of Year	522,139	125,013
End of Year	\$ 237,342	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (178,903)	\$ 615
Adjustments to Reconcile Operating Income Income to Net Cash		
Provided by (used in) Operating Activities:		
Other Income	40,000	-
Depreciation and Amortization Expense	65,211	-
(Increase) Decrease in Current Assets	(211,674)	44,974
Increase (Decrease) in Current Liabilities	569	(170,602)
Net Cash Provided by Operating Activities	\$ (284,797)	\$ (125,013)

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Fiduciary Funds - Statement of Net Assets
April 30, 2005**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 918,743
Investments	
U.S. Government and Agency Obligations	13,185,998
Mutual Funds	3,490,185
Common Stock	2,586,796
Receivables	
Accrued Interest	<u>112,157</u>
Total Assets	<u>20,293,879</u>
NET ASSETS	
Held in Trust for Pension Benefits (A Schedule of Funding Progress is Presented Following the Notes to the Financial Statements)	<u>\$ 20,293,879</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Fiduciary Funds - Statement of Changes in Net Assets
Year Ended April 30, 2005**

	Pension Trust
Additions	
Contributions - Employer	\$ -
Contributions - Employee	330,149
Total Contributions	<u>330,149</u>
Investment Income	
Interest Earned	692,838
Net Change in Fair Value	269,450
	<u>962,288</u>
Less Investment Expenses	79,028
	<u>883,260</u>
Total Additions	<u>1,213,409</u>
Deductions	
Administration	14,682
Benefits and Refunds	901,437
Total Deductions	<u>916,119</u>
Change in Net Assets	297,290
Net Assets - Beginning	<u>19,996,589</u>
Net Assets - Ending	<u><u>\$ 20,293,879</u></u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

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VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

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VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of North Riverside is a municipal corporation governed by an elected President and six-member Board of Trustees. The Village's major operations include police protection and fire safety, highway and street maintenance and reconstruction, building code enforcement, public improvements, economic development, planning and zoning, water and sanitation services, and general administrative services.

The government-wide financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB Pronouncements. Although the Village has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Village has chosen not to do so. The more significant of the Village's accounting policies established in GAAP and used by the Village are described below.

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. For the first time the financial statements include:

A Management Discussion and Analysis (MD&A) section providing an analysis of the Village's overall financial position and results of operations.

Financial statements prepared using full accrual accounting for all of the Village's activities, including infrastructure (roads, bridges, etc.).

A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including notes to financial statements). The Village has elected to implement the provisions of Statement No. 34 in the current year, except the retroactive reporting of infrastructure, which is subject to an extended implementation period. If the Village chooses to retroactively report infrastructure, it would be required to do so by the fiscal year ending April 30, 2008.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of North Riverside
Blended Component Units:	Police Pension Employees Retirement System Firefighters' Pension Employees Retirement System

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 14, "The Financial Reporting Entity," and includes all component units that have a significant operational or financial relationship with the Village.

Blended Component Units - Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Village Board or the Component unit provides services entirely to the Village. These component units' funds are blended into those of the Village's by appropriate activity type to compose the primary government presentation.

Blended Component Unit

Police Pension Employees Retirement System

The Village's sworn police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the PPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's police employees. The PPERS is reported as a pension trust fund.

Firefighters' Pension Employees Retirement System

The Village's sworn firefighters participate in the Firefighters' Pension Employees Retirement System (FPERS). FPERS functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney and Fire Chief, one elected pension beneficiary and three elected firefighters constitute the pension board. The participants are required to contribute a percentage of salary as established by state statute and the Village is obligated to fund all remaining FPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it is legally separate from the Village, the FPERS is reported as if it were part of the primary government because its sole purpose is to provide retirement benefits for the Village's sworn firefighters. The FPERS is reported as a pension trust fund.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION

Government-Wide Statements

The Village's basic financial statements include both government-wide (reporting the Village as a whole) and fund financial statements (reporting the Village's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The Village's police protection and fire safety, highway and street maintenance and reconstruction, forestry, building code enforcement, public improvements, economic development, planning and zoning, and general administrative services are classified as governmental activities. The Village's water services are classified as business-type activities.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are: (a) presented on a consolidated basis by column, and (b) 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 assets are reported in three parts: invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. 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 (general government, public safety, public works, etc.) The functions are supported by general government revenues (property, sales and use taxes, certain intergovernmental revenues, fines, permits and charges, 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 (general government, public safety, public works, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants.

The net costs (by function or business-type activity) are normally covered by general revenue (property tax, sales tax, intergovernmental revenues, interest income, etc).

The Village allocates indirect costs to other funds for personnel who perform administrative services for those funds, along with other indirect costs deemed necessary for their operations, but are paid for through the General Fund.

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

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 comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Nonmajor funds by category are summarized into a single column. GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The Village electively added funds, as major funds, which either had debt outstanding or specific community focus. The nonmajor funds are combined in a column in the fund financial statements. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and

Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the Village:

Governmental Funds

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

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

Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Village maintains four nonmajor special revenue funds.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Governmental Funds – Continued

Debt service funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The Debt Service Fund is treated as a major fund and is used to account for the accumulation of resources and payment of general obligation bond and installment contract principal and interest from governmental resources.

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds). The Capital Projects Fund is treated as a major fund and is used to account for resources to be used for infrastructure improvements and the acquisition or construction of major capital assets other than those financed by proprietary funds.

Proprietary Funds

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

Enterprise funds are required to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of the net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) establishes fees and charges based on a pricing policy designed to recover similar costs. The Village maintains one major enterprise fund, the Water Fund, which is used to account for resources used to provide services to the general public on a user charge basis exclusively for water supply.

Internal service funds are used to account for the financing of goods or services provided by an activity to other departments, funds or component units of the Village on a cost-reimbursement basis. The Village maintains two internal service funds, the Working Cash Fund and the Health Insurance Fund. The Working Cash Fund is used to account for transactions related to working cash loans provided to other funds. The Health Insurance Fund is used to account for all of the diverse health and term insurance purchases for the government with the costs allocated to the other funds and departments on a per employee basis.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Fiduciary Funds

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 assets and changes in net assets and is reported using accounting principles similar to proprietary funds.

Pension Trust Funds are used to account for assets held in a trustee capacity for pension benefit payments. The Police and Firefighters' Pension Funds account for money received from nonenterprise fund sources and held by a governmental unit in the capacity of trustee for individuals, entities and nonpublic organizations. The pension trust funds' assets, by definition, are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the Village, therefore, these funds are not incorporated into the government-wide statements.

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Assets and the Statement of Activities, both governmental and business-like activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

All proprietary and pension trust funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Proprietary and pension trust fund equity is classified as net assets.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting

In the government-wide Statement of Net Assets and Statement of Activities, both governmental and business-like activities are presented using 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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year-end. The Village recognizes property taxes when they become both measurable and available in accordance with GASB Codification Section P70. A sixty day availability period is used for revenue recognition for all other governmental fund revenues. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are recognized when due.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are property taxes, sales, non-home rule sales, simplified telecommunication, motor fuel taxes collected or due, franchise fees, amusement taxes, utility taxes licenses, investment earnings, and charges for services. All other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

All proprietary and pension trust funds utilize 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.

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 Village’s enterprise fund, and of the Village’s internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service 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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents on the Statement of Net Assets are considered to be cash on hand, demand deposits, cash with fiscal agent. For the purpose of the proprietary funds "Statement of Cash Flows", cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and all highly liquid investments with an original maturity of three months or less.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Interfund Receivables, Payables and Activity

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Inventories

Inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The cost of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

Prepays

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaids.

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. Major receivables balances for governmental activities include property taxes, sales and use taxes, franchise taxes, and grants. Business-type activities report utility charges as their major receivables.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets

Capital assets purchased or acquired with an original cost of \$25,000 to \$250,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the Village as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement costs.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation bases for proprietary fund capital assets are the same as those used for the general capital assets. Donated capital assets are capitalized at estimated fair market value on the date donated.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Land Improvements	15 – 20 Years
Buildings	45 Years
Building Improvements	10 – 30 Years
Vehicles	3 – 10 Years
Machinery and Equipment	5 – 30 Years
Computers	4 Years
Furniture and Fixtures	5 – 20 Years
Infrastructure	20 – 50 Years

GASB Statement No. 34 requires the Village to report and depreciate new infrastructure assets effective with the beginning of the current year. Infrastructure assets include roads, sidewalks, underground pipe (other than related to utilities), traffic signals, etc. These infrastructure assets are the largest asset class of the Village. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period; the Village has the option to implement all infrastructure reporting by the fiscal year ended April 30, 2008.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Compensated Absences

The Village accrues accumulated unpaid vacation and associated employee-related costs when earned (or estimated to be earned) by the employee. In accordance with GASB Statement No. 16, no liability is recorded for nonvesting accumulation rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulated sick leave that is estimated to be taken as “terminal leave” prior to retirement. All vacation pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types 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.

Unearned Revenue

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned.

Fund Equity

In the government-wide financial statements, equity is classified as net assets and displayed in three components:

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 of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Fund Equity – Continued

Restricted net assets—Consists of net assets with constraints placed on the 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 legislations.

Unrestricted net assets—All other net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt”.

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue (except the foreign fire insurance fund), debt service, capital projects, enterprise and internal service funds. Operating budgets are adopted for the pension trust funds. All annual appropriations lapse at fiscal year end.

All departments of the Village submit requests for appropriation to the Village Administrator and Treasurer so that a budget may be prepared. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The Village Administrator and Treasurer are authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, supplementary appropriations were made and are reflected in the financial statements.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is not used.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

DEFICIT FUND EQUITY

The following funds had deficit fund equity for the fiscal year.

<u>Fund</u>	<u>Deficit</u>
Capital Projects	\$ 748,062
Health Insurance	314,192

EXCESS OF ACTUAL EXPENDITURES/EXPENSES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures/expenses, exclusive of depreciation, over budget for the fiscal year.

<u>Fund</u>	<u>Excess</u>
911 Telephone Surcharge	\$ 5,209
Health Insurance	31,625

NOTE 3 – DETAIL NOTES ON ALL FUNDS

DEPOSITS AND INVESTMENTS

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

Permitted Deposits and Investments - Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds, and the Illinois Metropolitan Investment Fund. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. The Illinois Funds and the Illinois Metropolitan Investment Fund are external investment pools regulated by state statutes; the pools value participant's shares on a fair value basis.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Deposits

At year-end the carrying amount of the Village's deposits totaled \$817,582 and the bank balances totaled \$943,400.

	<u>Bank Balances</u>
Category 1	
Deposits covered by federal depository insurance, or by collateral held by the Village, or its agent, in the Village's name.	\$ 943,400
Category 2	
Deposits covered by collateral held by the pledging financial institution's trust department, or by its agent, in the Village's name.	-
Category 3	
Deposits covered by collateral held by the pledging financial institution, or its trust department, or its agent but not in the Village's name, and deposits which are uninsured and uncollateralized.	<u>-</u>
Total Deposits	<u>\$ 943,400</u>

For pension trust funds the types of deposits authorized and the mix of credit risk categories do not differ significantly from other funds of the Village.

Investments

The Village's investments are categorized to give an indication of the level of risk assumed by the entity at year-end. Category 1 includes investments that are insured or registered or for which the Village or its agent in the Village's name holds the securities. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the Village's name, and uninsured and unregistered investments.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Investments – Continued

	Fair Value			Totals
	Category			
	1	2	3	
U.S. Government and				
U.S. Government Securities	\$ 14,256,415	\$ -	\$ -	\$ 14,256,415
Equities	2,407,567	-	-	2,407,567
U.S. Government Securities	\$ 16,663,982	\$ -	\$ -	16,663,982
Non-categorizable				
Illinois Funds				560,680
Mutual Funds				3,066,342
Total Investments				\$ 20,291,004

The pension trust funds own approximately 98% of the investments in Category 1.

Reconciliation to Government-Wide Statement of Net Assets

Statement of Net Assets	
Cash and Investments - Primary Government	\$ 926,864
Deposits and Investments	
Deposits at Carrying Amount	817,582
Investment at Fair Value	20,291,004
Fiduciary Funds	(20,181,722)
	\$ 926,864

PROPERTY TAXES

Property taxes for 2004 attach as an enforceable lien on January 1, 2004, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2005 and July 1, 2005, and are payable in two installments, on or about March 1, 2005, and September 1, 2005. The County collects such taxes and remits them periodically.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

PROPERTY TAXES – Continued

The 2004 levy was adopted in December 2004 and the uncollected amount at April 30 is recorded as a receivable with the full levy recorded as deferred revenues since it is intended to finance the Village's subsequent fiscal year.

The 2005 tax levy, which attached as an enforceable lien on property as of January 1, 2005, has not been recorded as a receivable as of April 30, 2005, as the tax has not yet been levied by the Village and will not be levied until December 2005, and, therefore, the levy is not measurable at April 30, 2005.

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances As Restated	Increases	Decreases	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 2,252,169	\$ 86,414	\$ -	\$ 2,338,583
Depreciable Capital Assets				
Buildings and Improvements	7,964,185	-	-	7,964,185
Vehicles	1,889,876	35,026	-	1,924,902
Equipment and Furniture	2,193,826	180,547	173,564	2,200,809
	<u>12,047,887</u>	<u>215,573</u>	<u>173,564</u>	<u>12,089,896</u>
Less Accumulated Depreciation				
Buildings and Improvements	3,498,841	176,805	-	3,675,646
Vehicles	1,103,216	152,400	-	1,255,616
Equipment and Furniture	1,645,156	113,018	34,730	1,723,444
	<u>6,247,213</u>	<u>442,223</u>	<u>34,730</u>	<u>6,654,706</u>
Total Depreciable Capital Assets	<u>5,800,674</u>	<u>(226,650)</u>	<u>138,834</u>	<u>5,435,190</u>
Total Capital Assets	<u>\$ 8,052,843</u>	<u>\$ (140,236)</u>	<u>\$ 138,834</u>	<u>\$ 7,773,773</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Governmental Activities – Continued

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 74,932
Public Safety	267,198
Culture and Recreation	15,771
Public Works	84,322
	<u>442,223</u>
	<u>\$ 442,223</u>

Business-Type Activities

Business-type capital asset activity for the year was as follows:

	Beginning Balances As Restated	Increases	Decreases	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 215,500	\$ -	\$ -	\$ 215,500
Depreciable Capital Assets				
Buildings	187,982	-	-	187,982
Water System	2,652,750	-	-	2,652,750
Vehicles	54,698	-	-	54,698
	<u>2,895,430</u>	<u>-</u>	<u>-</u>	<u>2,895,430</u>
Less Accumulated Depreciation				
Buildings	7,049	4,700	-	11,749
Water System	582,276	60,511	-	642,787
Vehicles	54,698	-	-	54,698
	<u>644,023</u>	<u>65,211</u>	<u>-</u>	<u>709,234</u>
Total Depreciable Capital Assets	<u>2,251,407</u>	<u>(65,211)</u>	<u>-</u>	<u>2,186,196</u>
Total Capital Assets	<u>\$ 2,466,907</u>	<u>\$ (65,211)</u>	<u>\$ -</u>	<u>\$ 2,401,696</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities – Continued

Depreciation expense was charged to business-type as follows:

Water	<u>\$ 65,211</u>
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INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Balances

The composition of interfund balances as of the date of this report, is as follows:

Receivable Fund	Payable Fund	Amount
General	Capital Projects	\$ 755,562
General	Health Insurance	102,432
Working Cash	General	869,025
Water	General	<u>194,344</u>
		<u>\$ 1,921,363</u>

Interfund balances are advances in anticipation of receipts.

Interfund Transfers

Interfund transfers for the year consisted of the following:

Transfer In	Transfer Out	Amount
Refuse	General	\$ 296,000
Capital Projects	General	<u>495,000</u>
		<u>\$ 791,000</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Installment Contracts

The Village has established installment contracts payable as follows:

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
\$500,000 installment contract payable, dated March 4, 2002, due in semi-annual installments of \$84,415 to including interest at 4.44% through March 1, 2005	Capital Projects	\$ 287,154	\$ -	\$ 287,154	\$ -
\$172,229 installment contract payable, dated September 7, 2001, due in annual installments of \$61,868, including interest at 3.83% through September 7, 2004	Capital Projects	59,583	-	59,583	-
\$120,000 installment contract payable, dated June 27, 2003, due in annual installments of \$42,391, including interest at 2.96% through July 11, 2006	Capital Projects	120,000	-	38,839	81,161
\$25,555 installment contract payable, dated July 12, 2004, due in annual installments of \$3,537 to \$8,996, including interest at 3.50% through August 25, 2007	Capital Projects	-	25,555	4,980	20,575
		<u>\$ 466,737</u>	<u>\$ 25,555</u>	<u>\$ 390,556</u>	<u>\$ 101,736</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

General Obligation Bonds

The Village has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

Issue	Fund Debt Retired By	Balances May 1	Issuances	Retirements	Balances April 30
\$2,415,000 General Obligation (Alternate Revenue Source) Bonds, Series 2000A, due in annual installments of \$50,000 to \$235,000 plus interest at 4.65% to 5.60% through April 1, 2015.	Debt Service	\$ 1,990,000	\$ -	\$ 135,000	\$ 1,855,000

Long-Term Liability Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances As Restated	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Obligation	\$ 2,198,172	\$ 285,055	\$ -	\$ 2,483,227	\$ -
Compensated Absences	961,188	47,872	23,936	985,124	197,025
Installment Contracts	466,114	25,555	389,933	101,736	48,381
General Obligation Bonds	1,990,000	-	135,000	1,855,000	145,000
	<u>\$ 5,615,474</u>	<u>\$ 358,482</u>	<u>\$ 548,869</u>	<u>\$ 5,425,087</u>	<u>\$ 390,406</u>
Business-type Activities					
Compensated Absences	\$ 44,409	\$ 5,032	\$ 2,516	\$ 46,925	\$ 9,385

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

Payments on the net pension obligation are made by the General Fund. The Capital Projects Fund make payments on the installment contracts. Payments on the general obligation bonds are made by the Debt Service Fund. Also, for the governmental activities, compensated absences are generally liquidated by the general fund.

Debt Service Requirements to Maturity

The annual debt service requirements to maturity, including principal and interest, are as follows:

Fiscal Year Ending April 30	Governmental Activities			
	Installment Contracts		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2006	\$ 145,000	\$ 99,308	\$ 48,381	\$ 3,007
2007	150,000	91,912	49,862	1,526
2008	160,000	84,188	3,493	44
2009	170,000	75,867	-	-
2010	180,000	66,943	-	-
2011	185,000	57,402	-	-
2012	200,000	47,505	-	-
2013	210,000	36,705	-	-
2014	220,000	25,260	-	-
2015	235,000	13,160	-	-
	<u>\$ 1,855,000</u>	<u>\$ 598,250</u>	<u>\$ 101,736</u>	<u>\$ 4,577</u>

Legal Debt Margin

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979".

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Legal Debt Margin – Continued

Assessed Valuation - 2004	<u>\$ 261,828,507</u>
Bonded Debt Limit - 8.625% of Assessed Value	22,582,709
Amount of Debt Applicable to Limit	<u>1,855,000</u>
Legal Debt Margin	<u>20,727,709</u>

FUND BALANCE/NETASSETS RESTATEMENTS

Beginning fund balance of \$1,180,459 in the General Fund was increased by \$24,500, resulting in restated beginning fund balance of \$1,204,959, to reflect an error in recognition of payroll related expenditures in the prior year. Beginning net assets of \$3,281,687 in the Water Fund were decreased by \$127,539, resulting in restated beginning net assets of \$3,154,148, to reflect an error in recognition of capital assets.

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

The Village participates in the Municipal Insurance Cooperative Agency (MICA). MICA is a public entity risk pool whose members are Illinois municipalities. Each member is represented on the governing board of MICA, who are responsible for the operation of the pool. MICA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials' liability claims of its members. Each member is responsible for the first \$1,000 per claim with MICA responsible for the remainder – subject to certain limits. The Village's payments to MICA are displayed on the financial statements as expenditures/expenses in appropriate funds. The Village is not aware of any additional contributions required by MICA at of April 30, 2005 for prior claim years.

The Village has established a Health Insurance Fund (an internal service fund) to account for the self-insured health insurance provided to current, disabled and retired employees. The Village has purchased specific and aggregate excess coverage policies to limit its exposure to these risks. The specific coverage limits losses to \$50,000 per person per policy year and the aggregate limit of all losses is \$1,652,992 per policy year.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

RISK MANAGEMENT – Continued

Each participating fund makes payments to the Health Insurance Fund for amounts which are determined based on historical trends and current occurrences. Such payments are displayed on the financial statements as revenues and expenditures/expenses (quasi-external transactions). A liability for claims incurred as well as claims incurred but not yet reported has been reported in the internal service Health Insurance Fund as claims payable based on claims paid and historical experience. A reconciliation of claims payable for the fiscal years 2005 and 2004 is as follows:

	Year Ended April 30	
	2005	2004
Claims Payable - Beginning	\$ 113,463	\$ 206,440
Incurred Claims	1,288,368	973,019
Claims Paid	(1,266,871)	(1,065,996)
Claims Payable - Ending	<u>\$ 134,960</u>	<u>\$ 113,463</u>

POSTEMPLOYMENT BENEFITS

In addition to provided pension benefits, the Village provides postemployment health care and life insurance benefits, in accordance with the personnel policy manual, to all employees who have retired or have disability leave. Currently, 33 retirees and disabled employees meet those eligibility requirements. The Village pays approximately 73 percent of the cost of health and life insurance for the employees. Expenditures for postemployment health care and life insurance benefits are recognized as insurance premiums are paid. Accordingly, no liability has been recorded for postemployment health care benefits. During the year, expenditures of approximately \$100,094 were recognized for postemployment benefits.

CONTINGENT LIABILITIES

Litigation

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

CONTINGENT LIABILITIES – Continued

Grants

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

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighters' Pension Plan, which is also a single-employer pension plan. Separate reports are issued for the Police and Firefighters' Pension Plans and may be obtained by writing to the Village at 2401 South DesPlaines Avenue, North Riverside, Illinois 60546. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly.

Plan Descriptions, Provisions and Funding Policies

Illinois Municipal Retirement System

All employees (other than those covered by the Police and Firefighters' Pension plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer rate for calendar year 2004 was 12.83 percent.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan

The Police Pension Plan is a single-employer defined benefit pension plan that covers all sworn police personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	16
Current Employees Vested and Nonvested	<u>28</u>
	<u>44</u>

The following is a summary of the Police Pension Plan as provided for in Illinois State Statutes.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Firefighters' Pension Plan

The Firefighters' Pension Plan is a single-employer defined pension plan that covers all sworn fire personnel. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois State Statutes and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At fiscal year end the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	12
Current Employees Vested and Nonvested	<u>21</u>
	<u>33</u>

The following is a summary of the Firefighters' Pension Plan as provided for in Illinois State Statutes.

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly pension of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan, including administrative costs, as actuarially determined by an enrolled actuary. By the year 2033 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions, and Funding Policies – Continued

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value.

Significant Investments

There are no significant investments (other than U.S. Government - guaranteed obligations) in any one organization that represent 5 percent or more of plan net assets available for benefits for either the Police or Firefighters' Pension Plans, except as listed below. Information for IMRF is not available.

<u>Plan</u>	<u>Organization</u>	<u>Amount</u>
Police Pension	Vanguard Fund	\$ 965,819
Police Pension	Selected American Shares Fund	629,401
Firefighters' Pension	Oakmark Funds	810,746

Related Party Transactions

There are no securities of the employer or any other related parties included in plan assets.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2005**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation

The pension liability was determined in accordance with GASB Statement No. 27, “Accounting for Pensions by State and Local Governmental Employers.” There was no net pension obligation for the IMRF Plan. The amount of the pension liability for the Police Pension and Firefighters’ Pension plans are as follows:

	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 285,442	\$ 175,793	\$ 461,235
Interest on the NPO	113,499	73,346	186,845
Adjustment to the ARC	(71,093)	(45,942)	(117,035)
Annual Pension Cost	327,848	203,197	531,045
Actual Contribution	(184,462)	(61,528)	(245,990)
Increase in the NPO	143,386	141,669	285,055
NPO Beginning of Year	1,335,280	862,892	2,198,172
NPO End of Year	<u>\$ 1,478,666</u>	<u>\$ 1,004,561</u>	<u>\$ 2,483,227</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Annual Pension Cost and Net Pension Obligation – Continued

The Village annual required contribution for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Contribution Rates			
Employer	12.83%	9.96%	4.58%
Employee	4.50%	9.91%	8.46%
Annual Pension Cost	\$209,278	\$327,848	\$203,197
Contributions Made	\$209,278	\$0	\$0
Actuarial Valuation Date	12/31/2004	4/30/04	4/30/04
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	28 Years	29 Years	29 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	8.50% Compounded Annually	8.50% Compounded Annually
Projected Salary Increases	.4 to 11.6%	5.00%	5.00%
Inflation Rate Included	4.00%	3.00%	3.00%
Cost-of-Living Adjustments	3.00%	3.00%	3.00%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2005

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows: The NPO is the cumulative difference between the ARC and the contributions actually made.

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2002	\$ 94,996	\$ 279,108	\$ 187,072
	2003	164,476	327,848	203,197
	2004	209,278	327,848	203,197
Actual Contributions	2002	\$ 94,996	\$ 144,143	\$ 159,697
	2003	164,476	184,462	61,528
	2004	209,278	-	-
Percentage of APC Contributed	2002	100.00%	51.64%	85.37%
	2003	100.00%	56.26%	30.28%
	2004	100.00%	0.00%	0.00%
Net Pension Obligation	2002	\$ -	\$ 1,335,280	\$ 862,892
	2003	-	1,478,666	1,004,561
	2004	-	1,478,666	1,004,561

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures that are required by the GASB but are not considered a part of the basic financial statements. Such information includes:

- **Schedule of Funding Progress**
 - **Illinois Municipal Retirement Fund**
 - **Police Pension Fund**
 - **Firefighters' Pension Fund**

- **Employer Contributions**
 - **Illinois Municipal Retirement Fund**
 - **Police Pension Fund**
 - **Firefighters' Pension Fund**

- **Budgetary Comparison Schedule – General Fund**

Notes to the Required Supplementary Information

Budgetary Information – Budgets are adopted on a basis consistent with generally accepted accounting principles.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Illinois Municipal Retirement Fund

**Required Supplementary Information
Schedule of Funding Progress
April 30, 2005**

Actuarial Valuation Date January 1	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
1999	\$ 3,082,588	\$ 2,846,811	108.28%	\$ (235,777)	\$ 1,105,111	-21.34%
2000	3,634,040	3,376,098	107.64%	(257,942)	1,248,976	-20.65%
2001	3,119,743	3,481,782	89.60%	362,039	1,447,650	25.01%
2002	2,918,228	3,600,612	81.05%	682,384	1,461,481	46.69%
2003	3,315,272	3,971,400	83.48%	656,128	1,476,442	44.44%
2004	3,678,155	4,621,461	79.59%	943,306	1,631,161	57.83%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress
April 30, 2005**

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
1999	\$ 10,946,638	\$ 10,943,746	100.03%	\$ (2,892)	\$ 1,465,784	-0.20%
2000	11,210,616	11,846,808	94.63%	636,192	1,597,702	39.82%
2001	11,236,159	13,320,669	84.35%	2,084,510	1,617,023	128.91%
2002	11,177,379	13,972,914	79.99%	2,795,535	1,691,710	165.25%
2003	11,130,659	15,505,008	71.79%	4,374,349	1,730,111	252.84%
2004	11,987,689	16,718,101	71.70%	4,730,412	1,851,273	255.52%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information
 Schedule of Funding Progress
 April 30, 2005

Actuarial Valuation Date April 30	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Funded Ratio (1) ÷ (2)	(4) Unfunded (Overfunded) Actuarial Accrued Liability (2) - (1)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) Actuarial Accrued Liability as a Percentage of Covered Payroll (4) ÷ (5)
1999	\$ 6,445,840	\$ 6,758,623	95.37%	\$ 312,783	\$ 992,593	31.51%
2000	6,293,042	7,303,589	86.16%	1,010,547	1,014,149	99.64%
2001	7,169,690	7,997,118	89.65%	827,428	1,131,704	73.11%
2002	7,694,487	8,747,943	87.96%	1,053,456	1,148,440	91.73%
2003	8,095,829	9,447,319	85.69%	1,351,490	1,271,878	106.26%
2004	8,008,900	10,088,327	79.39%	2,079,427	1,342,697	154.87%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Illinois Municipal Retirement Fund

Required Supplementary Information

Employer Contributions

April 30, 2005

Calendar Year	Employer Contributions	Annual Required Contribution	Percent Contributed
1999	\$ 100,896	\$ 100,896	100.00%
2000	93,548	93,548	100.00%
2001	85,267	85,267	100.00%
2002	94,996	94,996	100.00%
2003	164,476	164,476	100.00%
2004	209,278	209,278	100.00%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Employer Contributions
April 30, 2005**

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ -	\$ 138,182	0.00%
2001	103,338	142,153	72.69%
2002	144,268	183,283	78.71%
2003	144,143	279,108	51.64%
2004	184,462	379,791	48.57%
2005	-	406,110	0.00%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Firefighters' Pension Fund

Required Supplementary Information

Employer Contributions

April 30, 2005

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2000	\$ -	\$ 142,019	0.00%
2001	119,390	146,405	81.55%
2002	159,750	186,991	85.43%
2003	159,697	187,072	85.37%
2004	61,528	204,495	30.09%
2005	-	255,205	0.00%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 8,110,000	\$ 8,110,000	\$ 7,732,763
Licenses and Permits	517,500	517,500	595,914
Intergovernmental	550,667	550,667	642,442
Charges for Services	765,500	765,500	688,565
Fines and Forfeits	229,100	229,100	235,029
Investment Earnings	110,525	110,525	15,686
Miscellaneous	201,600	201,600	184,269
Total Revenues	<u>10,484,892</u>	<u>10,484,892</u>	<u>10,094,668</u>
Expenditures			
General Government	591,900	591,900	472,777
Public Safety	7,672,182	7,664,182	7,191,001
Culture and Recreation	909,938	909,938	862,582
Public Works	1,019,608	1,019,608	913,569
Building, Health and Zoning	211,690	211,690	185,216
Total Expenditures	<u>10,405,318</u>	<u>10,397,318</u>	<u>9,625,145</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	79,574	87,574	469,523
Other Financing (Uses)			
Transfers out	(916,000)	(916,000)	(791,000)
Net Change in Fund Balance	<u>\$ (836,426)</u>	<u>\$ (828,426)</u>	(321,477)
Fund Balance - Beginning as Restated			<u>1,204,959</u>
Fund Balance - Ending			<u>\$ 883,482</u>

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Budgetary Comparison Schedules – Major Governmental Funds
- Combining Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Combining Schedules – Enterprise Funds
- Budgetary Comparison Schedules – Enterprise Funds
- Budgetary Comparison Schedules – Internal Service Fund
- Combining Schedules – Pension Trust Funds
- Combining Schedules – Fiduciary Funds
- Budgetary Comparison Schedules – Pension Trust Funds

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

GENERAL FUND

The General Fund accounts for all financial resources except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital projects funds) that are legally restricted to expenditure for specified purposes.

Motor Fuel Tax Fund

The Motor Fuel Tax Fund is used to account for the improvements to streets and infrastructure and for the maintenance of streets and infrastructure. Financing is provided by the government's share of state gasoline taxes and any interest earnings. State law requires these gasoline taxes be used to maintain streets and associated infrastructure.

Refuse Fund

The Refuse Fund is used to account for the government's provision to remove refuse, yard waste and recyclable materials. Financing is provided by charges for service and contributions from the General Fund. Funds are used to furnish waste pickup for all three activities.

911 Telephone Services Fund

The 911 Telephone Services Fund is used to account for the emergency service provided through a centralized phone number (911). Financing is provided through charges added to each phone users monthly bill. Funds are used to provide equipment and telephone connections with the local phone company.

Foreign Fire Insurance Fund

The Foreign Fire Insurance Fund is used to account for the expenditures of a 2% tax on premiums for fire insurance policies covering property in the Village that are sold by insurance companies not incorporated in Illinois.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond and installment contract principal and interest from governmental resources.

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for resources to be used for infrastructure improvements and the acquisition or construction of major capital assets other than those financed by proprietary funds.

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where it has been decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

Water Fund

The Water Fund is used to account for resources used to provide services to the general public on a user charge basis exclusively for water supply.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies other governmental unit, or to other governmental units, on a cost-reimbursement basis.

Working Cash Fund

The Working Cash Fund is used to account for transactions related to working cash loans provided to other funds.

Health Insurance Fund

The Health Insurance Fund is used to account for all of the diverse health and term insurance purchases for the government with the costs allocated to the other funds and departments on a per employee basis.

TRUST AND AGENCY FUNDS

PENSION TRUST FUNDS

Police Pension Fund

The Police Pension Fund is used to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the government through a general fund contribution.

Firefighters' Pension Fund

The Firefighters' Pension Fund is used to account for the accumulation of resources to pay pension costs. Resources are contributed by fire personnel members at rates fixed by state statutes and by the government through a general fund contribution.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Revenues - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Taxes			
Property	\$ 490,500	\$ 490,500	\$ 488,230
Municipal Sales	5,165,000	5,165,000	4,650,057
Non Home Rule Sales	1,784,500	1,784,500	1,876,063
Simplified Municipal Telecommunications	220,000	220,000	264,667
Utility	450,000	450,000	453,746
	<u>8,110,000</u>	<u>8,110,000</u>	<u>7,732,763</u>
Licenses and Permits			
Liquor Licenses	34,000	34,000	42,242
Vehicle Licenses	7,500	7,500	8,169
Business Licenses	135,000	135,000	159,593
Television Franchise Fee	45,000	45,000	49,432
Telephone Franchise Fee	15,000	15,000	14,005
Amusement Taxes	90,000	90,000	70,471
Building Permits	110,000	110,000	147,346
Electrical Permits	14,500	14,500	18,420
Contractor Registration	50,000	50,000	61,400
Other Licenses and Permits	16,500	16,500	24,836
	<u>517,500</u>	<u>517,500</u>	<u>595,914</u>
Intergovernmental			
State Income	380,000	380,000	452,775
Local Use	60,000	60,000	72,234
Personal Property Replacement	25,000	25,000	31,709
Fire and Police Training Reimbursement	500	500	-
Grants - Bullet Proof Vests	52,000	52,000	51,956
Grants - Laptop Computers	16,667	16,667	16,667
IDOT Street Maintenance Reimbursement	16,500	16,500	17,101
	<u>550,667</u>	<u>550,667</u>	<u>642,442</u>
Charges for Services			
Recreation Fees	377,500	377,500	400,758
Ambulance Fees	280,100	280,100	145,538
Advertising-Bus Shelter	15,000	15,000	13,401
Elevator Inspections	14,500	14,500	24,725
Pre-Sale Inspections	27,500	27,500	24,984

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended April 30, 2005

	Budget		Actual
	Original	Final	
Charges for Services - Continued			
Sign Inspections	\$ 17,500	\$ 17,500	\$ 27,960
Firing Range Fees	3,000	3,000	250
Security Alarm Connections	25,000	25,000	27,472
Fire Inspections	1,000	1,000	19,625
Other Charges for Services	4,400	4,400	3,852
	<u>765,500</u>	<u>765,500</u>	<u>688,565</u>
Fines and Forfeitures			
Circuit Court Fines	95,000	95,000	120,017
Parking and Compliance Fines	125,000	125,000	101,412
False Alarm Fines	9,100	9,100	13,600
	<u>229,100</u>	<u>229,100</u>	<u>235,029</u>
Investment Earnings	<u>110,525</u>	<u>110,525</u>	<u>15,686</u>
Miscellaneous			
Donations	13,750	13,750	16,906
Reimbursements	157,800	157,800	134,095
Miscellaneous	30,050	30,050	33,268
	<u>201,600</u>	<u>201,600</u>	<u>184,269</u>
Total Revenues	<u>\$ 10,484,892</u>	<u>\$ 10,484,892</u>	<u>\$ 10,094,668</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
General Government			
General Administration			
Salaries - Elected Officials	\$ 37,200	\$ 37,200	\$ 37,200
Expenses - Elected Officials	3,500	3,500	3,480
Salaries and Wages	297,000	297,000	289,525
Overtime Pay	8,000	8,000	5,318
Payroll Taxes and Benefits	134,850	134,850	138,164
Employee Expenses	14,800	21,300	17,280
General Liability Insurance	8,000	8,000	7,404
Audit Fees	21,000	21,000	19,865
Other Professional and Outside Services	191,200	194,200	156,369
Civic and Recreational Programs	9,000	9,000	7,898
Operational Costs	52,100	52,100	36,653
Building Maintenance and Utilities	63,000	63,000	49,035
Equipment Operation and Maintenance	28,050	33,550	20,641
Equipment and Furniture	28,000	28,000	2,745
Allocation to Other Departments and to Enterprise Fund	(303,800)	(318,800)	(318,800)
Total General Government	591,900	591,900	472,777
Public Safety			
Police Protection			
Salaries and Wages	2,382,575	2,480,500	2,480,335
Overtime Pay	390,000	400,000	391,755
Part-Time and Temporary Wages	110,000	115,000	101,394
Payroll Taxes and Benefits	1,253,046	1,097,621	922,470
Employee Expenses	61,100	61,100	43,587
Professional and Outside Services	48,300	52,300	30,666
Civic and Recreational Programs	2,000	2,000	-
Operational Costs	57,250	57,750	50,811
Building Maintenance and Utilities	77,000	81,000	71,745
Equipment Operation and Maintenance	102,600	118,600	102,486
Equipment and Furniture	108,126	118,126	107,126
Badge Grant	52,000	52,000	49,561
Allocation from General Administration	140,000	140,000	140,000
	4,783,997	4,775,997	4,491,936

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Public Safety - Continued			
Fire and Emergency Services			
Salaries and Wages	\$ 1,481,100	\$ 1,496,400	\$ 1,484,468
Overtime Pay	52,000	77,000	81,076
Part-Time and Temporary Wages	3,500	4,500	3,824
Payroll Taxes and Benefits	667,945	592,645	483,083
Employee Expenses	45,000	46,000	36,080
Professional and Outside Services	371,340	386,340	360,054
Operational Costs	36,900	36,900	33,167
Building Maintenance and Utilities	32,600	40,600	32,114
Equipment Operation and Maintenance	76,300	86,300	75,946
Equipment and Furniture	34,000	34,000	21,753
Allocation from General Administration	87,500	87,500	87,500
	<u>2,888,185</u>	<u>2,888,185</u>	<u>2,699,065</u>
Total Public Safety	<u>7,672,182</u>	<u>7,664,182</u>	<u>7,191,001</u>
Culture and Recreation			
Administration			
Salaries and Wages	191,600	184,250	184,211
Overtime Pay	5,500	8,650	6,049
Part-Time and Temporary Wages	92,500	100,500	93,893
Payroll Taxes and Benefits	115,088	115,088	116,133
Employee Expenses	2,600	2,800	1,905
Professional and Outside Services	78,050	78,050	77,708
Civic and Recreational Programs	293,500	299,600	273,215
Operational Costs	47,700	44,000	36,858
Building Maintenance and Utilities	44,300	43,800	40,555
Equipment Operation and Maintenance	8,000	7,000	6,305
Equipment and Furniture	17,600	12,700	12,250
Allocation from General Administration	13,500	13,500	13,500
	<u>909,938</u>	<u>909,938</u>	<u>862,582</u>
Total Culture and Recreation	<u>909,938</u>	<u>909,938</u>	<u>862,582</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Public Works			
Administration			
Salaries and Wages	\$ 260,650	\$ 259,650	\$ 253,245
Overtime Pay	38,500	51,000	46,899
Part-Time and Temporary Wages	57,750	57,750	62,677
Payroll Taxes and Benefits	168,772	170,372	172,963
Employee Expenses	9,790	9,800	8,215
Professional and Outside Services	61,248	58,058	32,458
Civic and Recreational Programs	825	825	825
Operational Costs	17,930	17,930	10,801
Building Maintenance and Utilities	18,000	18,000	17,933
Equipment Operation and Maintenance	41,965	43,815	33,616
Recurring Infrastructure Maintenance	317,500	307,500	252,789
Equipment and Furniture	6,603	4,833	1,073
Allocation from General Administration	20,075	20,075	20,075
Total Public Works	1,019,608	1,019,608	913,569
Building, Health and Zoning			
Administration			
Salaries and Wages	74,500	74,500	74,506
Part-Time and Temporary Wages	43,000	43,000	42,160
Payroll Taxes and Benefits	37,590	37,590	37,680
Employee Expenses	3,500	4,200	3,361
Professional and Outside Services	30,100	29,550	13,413
Operational Costs	6,800	6,650	4,997
Equipment Operation and Maintenance	7,700	7,700	1,599
Equipment and Furniture	1,000	1,000	-
Allocation from General Administration	7,500	7,500	7,500
Total Buildings	211,690	211,690	185,216
Total Expenditures	\$ 10,405,318	\$ 10,397,318	\$ 9,625,145

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Debt Service Fund

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 245,100	\$ 245,100	\$ 242,409
Expenditures			
Debt Service			
Principal Retirement	135,000	135,000	135,000
Interest and Fiscal Charges	106,725	106,725	106,125
Total Expenditures	241,725	241,725	241,125
Net Change in Fund Balance	\$ 3,375	\$ 3,375	1,284
Fund Balance - Beginning			18,456
Fund Balance - Ending			\$ 19,740

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Capital Projects - Capital Projects Fund

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Revenues			
Investment Earnings	\$ -	\$ -	\$ -
Expenditures			
Capital Outlay	323,456	323,600	216,967
Debt Service			
Principal Retirement	394,539	394,395	389,933
Interest and Fiscal Charges	18,340	18,340	17,416
Total Expenditures	736,335	736,335	624,316
Excess (Deficiency) of Revenues Over (Under) Expenditures	(736,335)	(736,335)	(624,316)
Other Financing Sources (Uses)			
Sale of Capital Assets	105,000	105,000	105,000
Issuance of Installment Contracts	25,456	25,456	25,555
Transfers In	606,000	606,000	495,000
	736,456	736,456	625,555
Net Change in Fund Balance	\$ 121	\$ 121	1,239
Fund Balance - Beginning			(749,301)
Fund Balance - Ending			\$ (748,062)

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2005

	<u>Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ 280,888
Receivables - Net	
Accounts	-
Due from Other Governments	<u>15,879</u>
 Total Assets	 <u><u>\$ 296,767</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ -
Deposits Payable	<u>-</u>
 Total Liabilities	 <u>-</u>
Fund Balances	
Unreserved	<u>296,767</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 296,767</u></u>

Refuse	911 Telephone Services	Foreign Fire Insurance	Totals
\$ 84,487	\$ 145,645	\$ 6,390	\$ 517,410
49,821	6,255	-	56,076
-	-	-	15,879
<u>\$ 134,308</u>	<u>\$ 151,900</u>	<u>\$ 6,390</u>	<u>\$ 589,365</u>
\$ 76,572	\$ 678	\$ -	\$ 77,250
29,947		-	29,947
<u>106,519</u>	<u>678</u>	<u>-</u>	<u>107,197</u>
27,789	151,222	6,390	482,168
<u>\$ 134,308</u>	<u>\$ 151,900</u>	<u>\$ 6,390</u>	<u>\$ 589,365</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

**Combining Schedule of Revenues, Expenditures, and Changes in Fund Balances
Year Ended April 30, 2005**

	<u>Motor Fuel Tax</u>
Revenues	
Taxes	\$ -
Intergovernmental	199,703
Charges for Services	-
Investment Earnings	-
Total Revenues	<u>199,703</u>
Expenditures	
Public Works	182,996
Sanitation	-
Public Safety	-
Total Expenditures	<u>182,996</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	16,707
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	16,707
Fund Balances - Beginning	<u>280,060</u>
Fund Balances - Ending	<u><u>\$ 296,767</u></u>

Refuse	911 Telephone Service	Foreign Fire Insurance	Totals
\$ -	\$ -	\$ 5,413	\$ 5,413
-	-	-	199,703
182,371	74,908	-	257,279
-	-	7	7
182,371	74,908	5,420	462,402
-	-	-	182,996
477,436	-	-	477,436
-	62,709	1,709	64,418
477,436	62,709	1,709	724,850
(295,065)	12,199	3,711	(262,448)
296,000	-	-	296,000
935	12,199	3,711	33,552
26,854	139,023	2,679	448,616
\$ 27,789	\$ 151,222	\$ 6,390	\$ 482,168

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Motor Fuel Tax - Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 190,000	\$ 190,000	\$ 199,703
Grants	150,000	150,000	-
Total Revenues	<u>340,000</u>	<u>340,000</u>	199,703
Expenditures			
Public Works			
Maintenance and Improvements of Infrastructure	<u>175,750</u>	<u>183,750</u>	182,996
Net Change in Fund Balance	<u>\$ 164,250</u>	<u>\$ 156,250</u>	16,707
Fund Balance - Beginning			<u>280,060</u>
Fund Balance - Ending			<u>\$ 296,767</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Refuse - Special Revenue Fund

**Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Refuse Fees	\$ 177,000	\$ 177,000	\$ 182,371
Expenditures			
Sanitation			
Refuse Disposal Charges	467,000	467,000	457,348
Refuse Bags	20,000	20,000	20,088
Total Expenditures	487,000	487,000	477,436
Excess (Deficiency) of Revenues Over (Under) Expenditures	(310,000)	(310,000)	(295,065)
Other Financing Sources			
Transfers In	310,000	310,000	296,000
Net Change in Fund Balance	\$ -	\$ -	935
Fund Balance - Beginning			26,854
Fund Balance - Ending			\$ 27,789

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

911 Telephone Surcharge - Special Revenue Fund

Schedule of Revenues, Expenditures, and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2005

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services	\$	\$	\$
911 Fees	76,000	76,000	74,908
Expenditures			
Public Safety			
Telephone	7,500	8,500	8,129
Equipment Operation and Maintenance	50,000	49,000	54,580
Total Expenditures	57,500	57,500	62,709
Net Change in Fund Balance	\$ 18,500	\$ 18,500	12,199
Fund Balance - Beginning			139,023
Fund Balance - Ending			\$ 151,222

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses, and Changes in
Net Assets - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,271,000	\$ 1,271,000	\$ 1,194,889
Operating Expenses			
Operations			
Cost of Water Purchases	705,000	705,000	700,888
Salaries and Benefits	472,635	472,635	474,221
Contractual Services	50,437	50,437	45,430
Supplies and Materials	14,995	14,995	11,549
Repairs and Maintenance	132,635	132,635	105,930
Capital Outlay	3,272	3,272	1,499
Allocated Costs and Administrative Charge by the General Fund	16,425	16,425	16,425
Depreciation and Amortization	-	-	65,211
Total Operating Expenses	1,395,399	1,395,399	1,421,153
Operating Income (Loss)	(124,399)	(124,399)	(226,264)
Nonoperating Revenues			
Investment Earnings	15,000	15,000	-
Grants	82,500	82,500	-
Other Income	109,000	109,000	87,361
	206,500	206,500	87,361
Change in Net Assets	\$ 82,101	\$ 82,101	(138,903)
Net Assets - Beginning as Restated			3,154,148
Net Assets - Ending			\$ 3,015,245

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Combining Schedule of Net Assets

Internal Service Funds

April 30, 2005

	Working Cash	Health Insurance	Totals
ASSETS			
Current Assets			
Cash and Investments	\$ -	\$ -	\$ -
Due from Other Funds	869,025	-	869,025
Prepays	-	3,200	3,200
	<hr/>		
Total Assets	869,025	3,200	872,225
	<hr/>		
LIABILITIES			
Current Liabilities			
Claims Payable	-	134,960	134,960
Due to Other Funds	-	102,432	102,432
	<hr/>		
Total Liabilities	-	237,392	237,392
	<hr/>		
NET ASSETS			
Unrestricted	\$ 869,025	\$ (234,192)	\$ 634,833

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Combining Schedule of Revenues, Expenses and Changes in Net Assets

**Internal Service Funds
Year Ended April 30, 2005**

	Working Cash	Health Insurance	Totals
Operating Revenues			
Charges for Services	\$ -	\$ 1,633,240	\$ 1,633,240
Operating Expenses			
Administration	-	32,001	32,001
Operations	-	1,600,624	1,600,624
Total Operating Expenses	-	1,632,625	1,632,625
Change in Net Assets	-	615	615
Net Assets - Beginning	869,025	(234,807)	634,218
Net Assets - Ending	\$ 869,025	\$ (234,192)	\$ 634,833

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Combining Schedule of Cash Flows

Internal Service Funds

Year Ended April 30, 2005

	Working Cash	Health Insurance	Totals
Cash Flows from Operating Activities			
Payment to suppliers	\$ (125,013)	\$ -	\$ (125,013)
Net Change in Cash and Cash Equivalents	(125,013)	-	(125,013)
Cash and Cash Equivalents			
Beginning	125,013	-	125,013
Ending	\$ -	\$ -	\$ -
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ -	\$ 615	\$ 615
Adjustments to reconcile operating income to net cash provided by (used in) operating activities			
Depreciation expense	-	-	-
(Increase) decrease in current assets	-	44,974	44,974
Increase (decrease) in current liabilities	(125,013)	(45,589)	(170,602)
Net Cash Provided by Operating Activities	\$ (125,013)	\$ -	\$ (125,013)

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Health Insurance - Internal Service Fund

**Schedule of Revenues, Expenses, and Changes in
Net Assets - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 1,603,000	\$ 1,603,000	\$ 1,633,240
Operating Expenses			
Administration			
Administrative Fees	41,000	33,000	32,001
Operations			
Claims Incurred	960,000	963,000	986,650
Prescription Drugs	235,000	259,000	280,221
Term and Reinsurer Premiums	365,000	346,000	333,753
Total Operating Expenses	1,601,000	1,601,000	1,632,625
Change in Net Assets	\$ 2,000	\$ 2,000	615
Net Assets - Beginning			(234,807)
Net Assets - Ending			\$ (234,192)

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Pension Trust Funds

**Combining Schedule of Net Plan Assets
April 30, 2005**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 386,678	\$ 532,065	\$ 918,743
Investments			
U.S. Government and Agency Obligations	6,581,432	6,604,566	13,185,998
Mutual Funds	3,490,185	-	3,490,185
Common Stock	1,776,050	810,746	2,586,796
Receivables			
Accrued Interest	59,878	52,279	112,157
 Total Assets	 12,294,223	 7,999,656	 20,293,879
NET ASSETS			
Held in Trust for Pension Benefits			
(A schedule of funding progress is presented following the notes to the financial statements.)	\$ 12,294,223	\$ 7,999,656	\$ 20,293,879

VILLAGE OF NORTH RIVERSIDE, ILLINOIS**Pension Trust Funds****Combining Schedule of Changes in Net Plan Assets
Year Ended April 30, 2005**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ -	\$ -	\$ -
Contributions - Employee	196,489	133,660	330,149
Total Contributions	196,489	133,660	330,149
Investment Income			
Interest Earned	367,696	325,142	692,838
Net Change in Fair Value	367,211	(97,761)	269,450
	734,907	227,381	962,288
Less Investment Expenses	57,919	21,109	79,028
Net Investment Income	676,988	206,272	883,260
Total Additions	873,477	339,932	1,213,409
Deductions			
Administration	6,949	7,733	14,682
Benefits and Refunds	559,994	341,443	901,437
Total Deductions	566,943	349,176	916,119
Change in Net Assets	306,534	(9,244)	297,290
Net Assets - Beginning	11,987,689	8,008,900	19,996,589
Net Assets - Ending	\$ 12,294,223	\$ 7,999,656	\$ 20,293,879

VILLAGE OF NORTH RIVERSIDE, ILLINOIS**Police Pension - Pension Trust Fund****Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 379,791	\$ 379,791	\$ -
Contributions - Employee	200,000	200,000	196,489
Total Contributions	<u>579,791</u>	<u>579,791</u>	<u>196,489</u>
Investment Income			
Interest Earned	369,950	369,950	367,696
Net Change in Fair Value	125,000	125,000	367,211
	<u>494,950</u>	<u>494,950</u>	<u>734,907</u>
Less Investment Expenses	65,000	65,000	57,919
Net Investment Income	<u>429,950</u>	<u>429,950</u>	<u>676,988</u>
Total Additions	<u>1,009,741</u>	<u>1,009,741</u>	<u>873,477</u>
Deductions			
Administration	8,500	8,500	6,949
Benefits and Refunds	639,000	639,000	559,994
Total Deductions	<u>647,500</u>	<u>647,500</u>	<u>566,943</u>
Change in Net Assets	<u>\$ 362,241</u>	<u>\$ 362,241</u>	306,534
Net Assets - Beginning			<u>11,987,689</u>
Net Assets - Ending			<u>\$ 12,294,223</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Firefighters' Pension - Pension Trust Fund

**Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended April 30, 2005**

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 204,945	\$ 204,945	\$ -
Contributions - Employee	140,000	140,000	133,660
Total Contributions	<u>344,945</u>	<u>344,945</u>	<u>133,660</u>
Investment Income			
Interest Earned	307,000	307,000	325,142
Net Change in Fair Value	32,500	32,500	(97,761)
	<u>339,500</u>	<u>339,500</u>	<u>227,381</u>
Less Investment Expenses	25,000	25,000	21,109
Net Investment Income	<u>314,500</u>	<u>314,500</u>	<u>206,272</u>
Total Additions	<u>659,445</u>	<u>659,445</u>	<u>339,932</u>
Deductions			
Administration	9,500	9,500	7,733
Benefits and Refunds	344,000	344,000	341,443
Total Deductions	<u>353,500</u>	<u>353,500</u>	<u>349,176</u>
Change in Net Assets	<u>\$ 305,945</u>	<u>\$ 305,945</u>	(9,244)
Net Assets - Beginning			<u>8,008,900</u>
Net Assets - Ending			<u>\$ 7,999,656</u>

STATISTICAL SECTION

(Unaudited)

This section includes selected financial and demographic information, generally presented on a multi-year basis.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Governmental Revenues by Source
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Governmental Revenues by Source
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	1996	1997	1998	1999
Taxes				
Sales	\$ 4,273,022	\$ 4,351,668	\$ 4,356,263	\$ 4,563,567
Non-Home Rule Sales	-	-	-	-
Real Estate	488,632	1,217,696	736,573	710,978
Utility	543,496	547,780	527,082	525,538
Licenses and permits	464,657	664,809	604,947	533,661
Intergovernmental	640,051	613,637	739,983	664,272
Charges for services	493,603	603,370	534,057	594,575
Fines and forfeitures	181,472	236,436	331,096	284,598
Investment Income	188,942	223,744	258,021	244,202
Miscellaneous	117,877	371,868	56,249	205,043
Total	\$ 7,391,752	\$ 8,831,008	\$ 8,144,271	\$ 8,326,434

Includes General, Special Revenue, Debt Service and Capital Projects Funds for the primary government.

Data Source: Village Records

	2000	2001	2002	2003	2004	2005
\$	4,887,203	\$ 4,861,059	\$ 4,731,460	\$ 4,832,252	\$ 4,853,755	\$ 4,650,057
	-	-	-	-	1,588,282	1,876,063
	742,265	702,341	772,036	626,708	663,634	730,639
	546,752	656,706	559,319	637,546	690,110	718,413
	578,622	668,316	644,023	578,044	642,864	595,914
	943,912	1,191,557	868,251	1,280,056	700,170	842,145
	612,040	674,165	629,078	631,019	779,288	945,844
	281,745	244,281	204,927	231,442	243,844	235,029
	49,140	506,467	244,670	126,511	14,041	15,693
	78,924	439,724	73,483	147,993	255,645	189,682
\$	8,720,603	\$ 9,944,616	\$ 8,727,247	\$ 9,091,571	\$ 10,431,633	\$ 10,799,479

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Governmental Expenditures by Function
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	1996	1997	1998	1999
General Administration	\$ 391,573	\$ 399,133	\$ 452,263	\$ 409,339
Police Protection (1)	2,612,257	2,814,479	2,877,778	2,901,755
Fire and Emergency Service (2)	1,640,517	1,782,215	1,792,113	1,907,550
Culture and Recreation	455,674	507,131	563,843	745,003
Maintenance and Improvement of Infrastructure	657,920	775,706	1,376,693	1,054,421
Sanitation	384,616	389,107	393,574	401,486
Emergency 911 Service	31,434	25,627	35,202	23,434
Capital Outlay	426,255	434,853	1,006,265	777,410
Debt Service	722,893	801,065	913,715	914,301
Total	\$ 7,323,139	\$ 7,929,316	\$ 9,411,446	\$ 9,134,699

(1) Reflects contribution to Police Pension Trust for years 2001 - 2005

(2) Reflects contribution to Firefighters' Pension Trust for years 2001 - 2005

Includes General, Special Revenue, Debt Service and Capital Projects Funds for the primary government.

Data Source: Village Records

	2000	2001	2002	2003	2004	2005
\$	493,316	\$ 812,400	\$ 558,107	\$ 538,064	\$ 491,859	\$ 472,777
	3,025,021	3,466,598	3,652,469	3,764,628	4,102,512	4,491,936
	1,926,337	2,214,771	2,396,614	2,577,457	2,588,596	2,700,774
	673,695	728,589	684,342	754,629	822,332	862,582
	1,328,528	1,078,947	1,194,855	1,359,830	1,191,467	1,281,781
	438,377	457,194	462,572	456,804	464,525	477,436
	388,620	70,029	50,883	42,403	45,834	62,709
	927,359	1,357,479	464,091	1,244,794	233,260	216,967
	145,111	323,592	370,706	512,392	482,775	648,474
\$	9,346,364	\$ 10,509,599	\$ 9,834,639	\$ 11,251,001	\$ 10,423,160	\$ 11,215,436

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Summary of Changes in Fund Balances of the Governmental Fund Types
Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	Current		Revenue Over (Under) Current Expenditures		Expenditures		Other Financing Sources (Uses)			Net Increase (Decrease) in Fund Balance
	Revenues	Expenditures	Capital Outlay	Debt Service	Operating Transfer/ Sale of Capital Assets	Capital Project Bond Issue	Revenue		Capital Project Bond Issue	
							Over (Under) Total	Over (Under) Total		
1996	\$ 7,391,752	\$ 6,173,991	\$ 426,255	\$ 722,893	\$ 68,613	\$ -	\$ -	\$ -	\$ -	\$ 68,613
1997	8,831,008	6,693,398	434,853	801,065	901,692	15,975	-	-	-	917,667
1998	8,144,271	7,491,466	1,006,265	913,715	(1,267,175)	65,874	446,000	-	-	(755,301)
1999	8,326,434	7,442,988	777,410	914,301	(808,265)	10,845	-	-	-	(797,420)
2000	8,720,603	8,273,894	927,359	145,111	(625,761)	145,564	1,191,733	-	-	711,536
2001	9,944,616	8,828,528	1,357,479	323,592	(564,983)	1,179,364	-	-	-	614,381
2002	8,727,247	8,999,842	464,091	370,706	(1,107,392)	28,250	672,309	-	-	(406,833)
2003	9,091,571	9,493,815	1,244,794	512,392	(2,159,430)	7,100	-	-	-	(2,152,330)
2004	10,431,633	9,707,125	233,260	482,775	8,473	12,035	120,000	-	-	140,508
2005	10,799,479	10,349,995	216,967	648,474	(415,957)	105,000	25,555	-	-	(285,402)

Data Source: Village Records

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Property Tax Rates

Last Ten Fiscal Years

April 30, 2005 (Unaudited)

Fiscal Year	Corporate	Police Protection	Fire Protection	Audit	Total	Debt Service	Total
1996	0.0977	0.0496	0.1220	0.0052	0.2745	0.4218	0.6963
1997	0.0915	0.0468	0.1191	-	0.2574	0.1295	0.3869
1998	0.0924	0.0468	0.1191	-	0.2583	0.1277	0.3860
1999	0.0901	0.0497	0.1173	-	0.2571	0.1268	0.3839
2000	0.0828	0.0497	0.1077	-	0.2402	0.1164	0.3566
2001	0.0844	0.0493	0.1098	-	0.2435	0.1264	0.3699
2002	0.0815	0.0476	0.1060	-	0.2351	0.1181	0.3532
2003	0.0693	0.0410	0.0906	-	0.2009	0.1006	0.3015
2004	0.0687	0.0406	0.0898	-	0.1991	0.0992	0.2983
2005	0.0663	0.0393	0.0871	-	0.1927	0.0953	0.2880

Statutory Limits:

(a)Corporate levy - 0.2500 without referendum.

(b)Police protection levy - 0.0500 withouth referendum.

(c)Fire protection levy - 0.2000; fire protection tax levy limit was approved by referendum, October 14, 1967.

(d)Roads, streets and bridges - 0.0600; tax rate may be increased to 0.1000 upon the vote of three-fourths of the Village's Board of Trustees.

(e)Police and firefighters' pension funds - maximum pension benefits.

(f)Debt service - principal and interest payments schedule per general obligation bond ordinance on file with Cook County Clerk's office pursuant to statutory limits.

(g)Other levies - actual expenditures.

Property tax rates are per \$100 of assessed valuation.

Data Source: Office of the County Clerk

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Property Tax Levies and Collections
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	(1) Gross Amount of Tax Levy	(2) Current Tax Collections	Total Tax Collections	Uncollected Levy Balance	Percent of Total Extension Collected
1996	\$ 1,246,478	\$ -	\$ 1,225,431	\$ -	98.31 %
1997	725,665	-	736,573	-	101.50
1998	724,648	-	660,258	-	91.11
1999	724,243	-	737,525	-	101.83
2000	724,243	-	701,066	-	96.80
2001	739,466	-	742,505	-	100.41
2002	731,538	-	626,185	-	85.60
2003	758,659	-	665,304	-	87.69
2004	729,375	358,350	728,967	-	99.94
2005	756,044	344,272	-	411,772	54.46

Notes:

- (1) Tax levies are for the previous calendar year.
- (2) Current tax collections are receipts of the previous calendar year levy. The second installment of the levy is not due until August 1 of the year subsequent to the calendar year of the levy.
- (3) Although some individual receipts may in fact be delinquent, the Village has generally received approximately 100% of the levy balance due to the 3% added by Cook County for losses and costs of collection.

Data Source: Gross amount of tax levy - North Riverside Tax Levy Ordinance.
Current tax collections and uncollected levy balance - Cook County, Illinois Collector.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	(1) Assessed Value (in thousands)	(2) Estimated Actual Value (in thousands)	Assessed Value as a Percentage of Estimated Value	Equalization Factor
1996	\$ 179,026	\$ 537,078	33.33	2.1243
1997	191,147	573,441	33.33	2.1517
1998	192,888	578,664	33.33	2.1489
1999	194,010	582,030	33.33	2.1799
2000	211,299	633,897	33.33	2.2505
2001	207,259	621,777	33.33	2.2235
2002	214,705	644,115	33.33	2.3098
2003	251,212	753,636	33.33	2.4689
2004	253,417	760,251	33.33	2.4598
2005	261,829	785,487	33.33	2.5757

Data Source: (1) Office of the County Clerk (2) North Riverside Building Department

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Property Tax Rates - Direct and Overlapping Governments
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	Village of North Riverside			School Districts	County	Other	Total
	General Fund	Debt Service	Total				
1996	0.2745	0.4218	0.6963	4.8710	1.0660	1.0390	7.6723
1997	0.2574	0.1295	0.3869	5.0370	1.0630	0.9930	7.4799
1998	0.2583	0.1277	0.3860	5.3500	0.9930	0.9870	7.7160
1999	0.2571	0.1268	0.3839	5.3480	0.9910	0.9450	7.6679
2000	0.2372	0.1164	0.3536	4.9980	0.9550	0.8950	7.2016
2001	0.2435	0.1264	0.3699	4.5230	0.9010	0.9680	6.7619
2002	0.2351	0.1181	0.3532	4.5760	0.8520	0.9610	6.7422
2003	0.2009	0.1006	0.3015	3.7600	0.7570	0.9330	5.7515
2004	0.1991	0.0992	0.2983	5.0360	0.7220	0.9600	7.0163
2005	0.1927	0.0953	0.2880	5.0660	0.6540	0.9580	6.9660

Property tax rates are per \$100 of assessed valuation

Data Source: Office of the County Clerk

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Ratio of Net General Obligation Debt to Assessed Value and
Net General Obligation Debt Per Capita
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	(1) Population	(2) Assessed Value	(3) Gross Debt	Debt Service Fund Balance	Net Bonded Debt	Debt to Assessed Value	Net Debt Per Capita
1996	6,180	\$ 179,026,000	\$ 2,975,000	\$ -	\$ 2,975,000	\$ 1.66	\$ 481.39
1997	6,180	191,147,000	2,390,000	138,586	2,251,414	1.18	364.31
1998	6,180	192,888,000	2,226,000	116,860	2,109,140	1.09	341.28
1999	6,180	194,010,000	1,515,591	83,047	1,432,544	0.74	231.80
2000	6,180	211,299,000	2,696,009	1,944	2,694,065	1.28	435.93
2001	6,688	207,259,000	2,557,037	56,805	2,500,232	1.21	373.84
2002	6,688	214,705,000	3,015,676	75,220	2,940,456	1.37	439.66
2003	6,688	251,212,000	2,673,014	40,016	2,632,998	1.05	393.69
2004	6,688	253,417,000	2,454,759	18,456	2,436,303	0.96	364.28
2005	6,688	261,828,507	1,956,736	19,740	1,936,996	0.74	289.62

Data Source:

(1) U.S. Department of Commerce, Bureau of Census

(2) Office of the County Clerk

(3) Includes all long-term debt, except special assessment bonds and special assessment vouchers, accrued compensated absences and pensions.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Direct and Overlapping Bonded Debt

April 30, 2005 (Unaudited)

Governmental Unit	(1) Gross Debt	(2) *Percentage of Debt Applicable to Village	(3) **Village's Share of Debt
Village of North Riverside	\$ 1,990,000	100.00%	\$ 1,990,000
Cook County (a)	2,778,045,000	0.22%	6,111,699
Cook County Forest Preserve District	37,355,000	0.22%	82,181
Water Reclamation Distric of Greater Chicago (a)	1,365,545,000	0.22%	3,004,199
School District 209	60,255,000	0.89%	536,270
Township High School District 208	1,500,000	33.90%	508,500
School District 96	1,350,000	38.64%	521,640
School District 91	9,035,000	7.01%	633,354
School District 94	1,560,000	46.92%	731,952
Village of North Riverside Public Library	4,545,000	100.00%	4,545,000
	<u>4,259,190,000</u>	<u>228.02%</u>	<u>16,674,794</u>
Total Direct and Overlapping Bonded Debt	\$ 4,261,180,000	328.02%	\$ 18,664,794

* Determined by the ratio of assessed value of property in the Village of North Riverside subject to taxation by the Governmental Unit to the total assessed value of property of the Governmental Unit.

** Amount in column (2) multiplied by amount in column (1).

(a) Excludes General Obligation Notes issued in lieu of tax anticipation warrants and notes issued to provide interim construction financing.

Data Source: Office of the County Clerk

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Legal Debt Margin

April 30, 2005 (Unaudited)

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

Assessed Valuation - 2004 (Most Recent Available)	\$ 261,828,507
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 22,582,709
Amount of Debt Applicable to Debt Limit	
General Obligation (Alternate Revenue) Bonds, Series 2000	<u>1,855,000</u>
Legal Debt Margin	<u>\$ 20,727,709</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Ratio of Annual Debt Service Expenditures for General Obligation
Bonded Debt to Total General Governmental Expenditures
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	Principal	Interest	Total Debt Service	Total General Governmental Expenditures	Ratio of Debt Service to General Governmental Expenditures
1996	\$ 560,000	\$ 162,893	\$ 722,893	\$ 7,323,139	9.87%
1997	586,500	131,490	717,990	7,929,316	9.05%
1998	610,000	97,965	707,965	9,411,446	7.52%
1999	630,000	73,260	703,260	9,134,699	7.70%
2000	-	23,873	23,873	9,346,364	0.26%
2001	50,000	137,272	187,272	10,509,599	1.78%
2002	120,000	124,388	244,388	9,834,639	2.48%
2003	125,000	119,288	244,288	11,251,001	2.17%
2004	130,000	112,625	242,625	10,423,160	2.33%
2005	135,000	106,125	241,125	11,215,436	2.15%

Data Source: Village Records

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Demographic Statistics
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	Population	Elementary School Enrollment
1996	6,180	492
1997	6,180	491
1998	6,180	492
1999	6,180	466
2000	6,180	555
2001	6,688	501
2002	6,688	502
2003	6,688	545
2004	6,688	547
2005	6,688	547

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Property Value and Construction
Last Ten Fiscal Years**

April 30, 2005 (Unaudited)

Fiscal Year	Estimated Actual Property Value (in thousands)	New Construction Permits Value (in thousands)
1996	\$ 537,078	\$ 5,259
1997	573,441	11,788
1998	578,664	150,000
1999	582,030	11,085
2000	633,897	9,224
2001	621,777	8,970
2002	644,115	10,800
2003	753,636	7,836
2004	760,251	7,427
2005	785,487	17,806

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Principal Taxpayers

April 30, 2005 (Unaudited)

Name of Taxpayer	Nature of Business		2004 Equalized Assessed Valuation	Percentage of Village' 2004 Assessed Valuation
Urban Retail Property Co.	Retail Sales	\$	25,402,822	9.70%
Federal Center, Inc.	Retail Sales		8,360,000	3.19%
J. C. Penney Company	Retail Sales		6,755,965	2.58%
Carson Pirie Scott	Retail Sales		5,317,197	2.03%
Sears	Retail Sales		5,345,748	2.04%
Riverside Association East	Retail Sales		4,775,836	1.82%
MB Financial Bank	Banking		3,013,928	1.15%
Edward Don & Company	Wholesale		2,576,558	0.98%
Joe Rizza Fod	Auto Dealership		1,827,122	0.70%
S.M. Property Management	Retail Sales		1,595,811	0.61%
Total		\$	64,970,987	24.81%

Data Source: Office of the County Clerk

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Miscellaneous Statistics

April 30, 2005 (Unaudited)

Date of Incorporation	1923
Form of Government	Mayor/Board of Trustees/ Appointed Administrator
Area	2.50 Square Miles
Miles of Streets	35
Fire Protection	
Number of Stations	1
Number of Firefighters and Officers (Exclusive of Paid on Call Firefighters)	20
Number of Full-Time Paramedics (Provided under Agreement with Independent Contractor)	6
Police Protection	
Number of Stations	1
Number of Police Officers	29
Municipal Water Department	
Number of Customers	2,419
Average Daily Consumption	936,184 gallons
Water Mains	31 miles
Sewers	
Sanitary Sewers	29 miles
Storm Sewers	6 miles
Building Permits Issued	2,551
Parks and Recreation	
Number of Parks	3 totalling 35.1 acres
Employees	
Full-Time	78
Exempt - Village Board	8
Part-Time	72

Data Source: Village Records