

**VILLAGE OF
NORTH RIVERSIDE, ILLINOIS**



**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**FOR THE YEAR ENDED
APRIL 30, 2012**

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED APRIL 30, 2012

Prepared by
Susan M. Scarpiniti
Finance Director/Treasurer

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, Letter of Transmittal from the Village Treasurer, and Certificate of Achievement for Excellence in Financial Reporting.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**List of Principal Officials
April 30, 2012**

LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Kenneth Krochmal, Mayor

Tom Corgiat
Randy Czajka
Hubert Hermanek, Jr.

Rocco J. DeSantis
H. Bob Demopoulos
Vera A. Wilt

Dr. Queenella Miller, Village Clerk

ADMINISTRATIVE

Guy Belmonte, Jr., Village Administrator

Susan M. Scarpiniti
Finance Director/Treasurer

Anthony M. Garvey
Police Department

Kenneth Rouleau
Fire Department

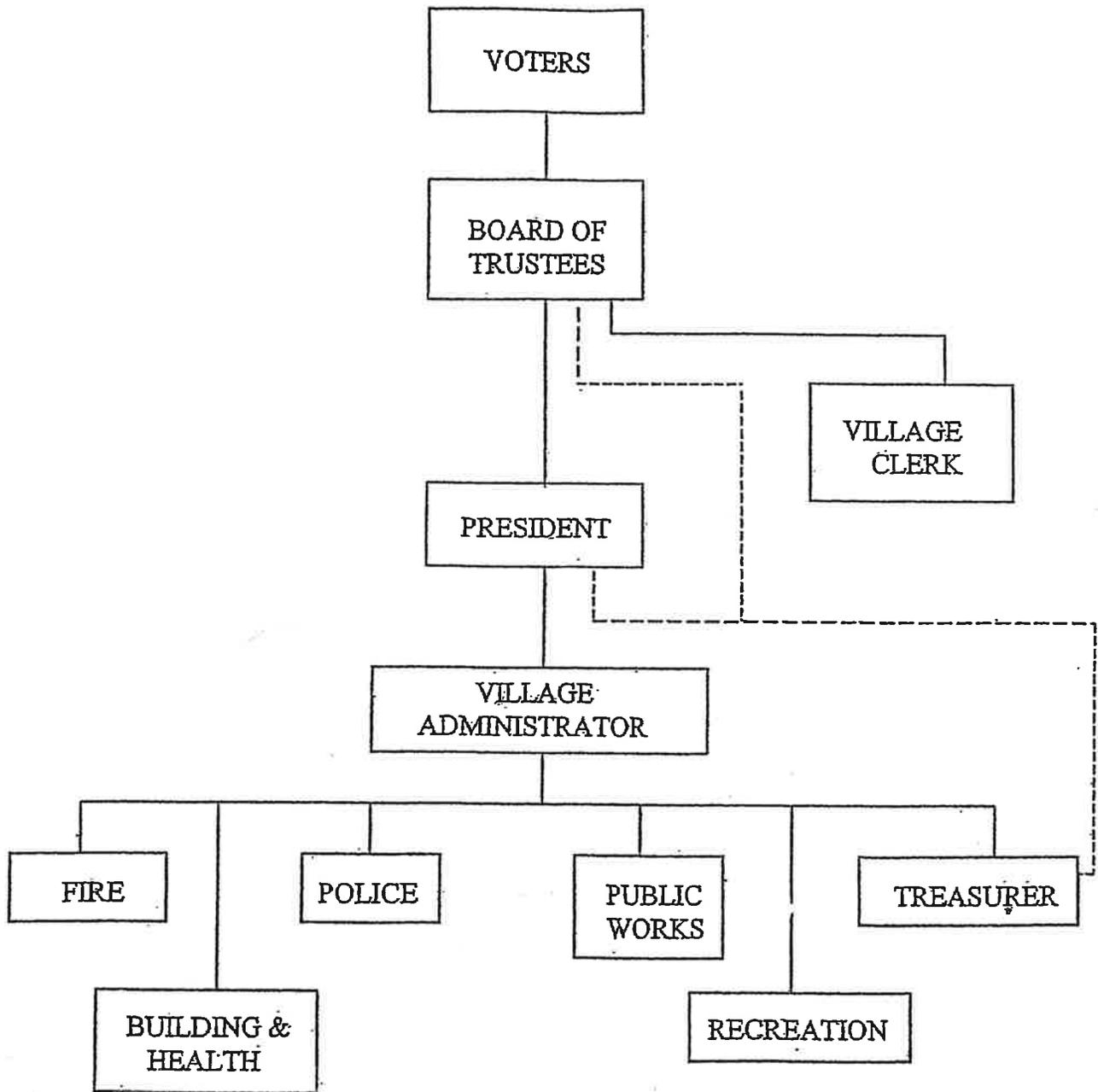
Tim Kutt
Public Works Department

Sue Frampton
Recreation Department

Karyn Byrne
Code Enforcement Officer

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

ORGANIZATION CHART





Kenneth Krochmal
Mayor

Dr. Queenella Miller
Village Clerk

October 9, 2012

Trustees:
Thomas Corgiat
Randall Czajka
H. Bob Demopoulos
Rocco J. DeSantis
Hubert E. Hermanek, Jr.
Vera A. Wilt

The Honorable Mayor Kenneth Krochmal
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, 2012, is hereby submitted. Illinois Compiled Statutes require the Village to publish within six months of the close of each fiscal year a complete set of financial statements 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. 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 reliable financial data for the preparation of the Village's financial statements in conformity with GAAP. Internal controls are designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived; and (2) the evaluation of the costs and benefits requires estimates and judgments on the part of management.

As a recipient of federal and state financial assistance, the Village is also responsible for providing adequate internal controls to ensure and document compliance with all applicable laws and regulations related to these programs. These internal controls are subject to periodic evaluation by management. 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 independent 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, 2012, 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, 2012, are fairly presented in conformity with 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 a non-home rule community and is located in the central portion of Cook County, approximately 10 miles west of the City of Chicago's downtown "Loop" area. The population of North Riverside is 6,672 according to the 2010 US Census. In general, the Village is very mature in its residential and commercial base. The Village continues to experience 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.

The Village operates under the Board/Administrator form of government. Policy-making and legislative authority are vested in a governing board consisting of the Village President and six Trustees. Village Trustees are elected at-large to four-year staggered terms with three Board members elected every two years. The Village President is elected at-large to a four-year term. The Village President, 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. The Village employs 65 full-time employees, including 26 sworn police officers and 17 sworn firefighters.

The Village provides a full range of public services, including public safety (police and fire protection), water treatment and distribution, sanitation services, construction and maintenance of parks, streets and infrastructure, planning and zoning, building and code enforcement, cultural and recreational activities and general administrative services. 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 process serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit requests for appropriation to the Village Administrator and Finance Director by early February of each year. These requests act as the foundation for developing a recommended budget. The Village Administrator and Finance Director present a proposed operating budget to the Village Board for review in May 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 two prior fiscal years, current year estimates, final recommended appropriations for the next fiscal year and projections for the upcoming two fiscal years beyond the year being budgeted for. The operating budget serves as a planning and operating tool that guides management's use of available resources during the year. The legal authority and maximum limits for spending are derived from a separately adopted appropriation ordinance. The appropriation ordinance is based upon the annual operating budget and is approved by the Village Board prior to the end of the first quarter of the fiscal year as provided by State Statute.

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 Finance Director, 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, any budget adjustment 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 and activities throughout the year; projects and activities 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 and activities are discussed below.

- Continued the Village Board's long-standing practice of *not* increasing property taxes by utilizing alternate revenue sources to fund and maintain existing services and programs.
- Sustained the Village's commitment to its local business economy by working in partnership with new businesses to locate within the Village's central business district along Harlem and Cermak Roads and to actively market vacant properties throughout the Village.

North Riverside continues to prove as an attractive location for large, national retailers and restaurants to call home. Among the list of new businesses added to the Village's central business district during the year were Lane Bryant, Carters, Justice for Girls, Five Below, Crazy 8, Fanzz and Taco Bell. In addition, several large retailers underwent large remodeling projects within the North Riverside Park Mall,

thereby, expanding their businesses and displaying an increased commitment to the community.

- Continued the Village's focus on implementing effective cost cutting measures in order to operate within projected available revenues. The adopted budget for fiscal year 2012 included staff reductions equal to approximately 10% of the Village's total workforce. These reductions in personnel costs were generated from the voluntary early retirement incentive offered to long time employees at the end of the prior fiscal year.
- Conducted an in-depth financial feasibility and affordability study for replacement of a village wide water meter infrastructure system. Based upon this analysis, the Village issued \$1 million in Debt Certificates in December of 2011 to upgrade its obsolete water metering system, thereby, anticipating an increase in billing accountability of approximately 40%.
- Successfully refunded the 2000A General Obligation Alternate Revenue Bonds in December of 2011, thereby, reducing the Village's total debt service by \$34,817 and generating an economic gain equal to \$50,455.
- Completed the first of a three year phase in to upgrade and replace the in-car video camera systems within the police department fleet. Replacement of this equipment will enhance public accountability and officer safety within the community.
- Secured federal grant funding in the amount of \$1.92 million for the multi-year construction of a village wide bicycle path. Preliminary engineering and design of the bicycle path began in April of 2008. Phase 1 of the project was completed during the 2010 and 2011 fiscal years and included resurfacing of 26th Street (a major thoroughfare within the Village) and repaving of all municipal parking lots. Phase 2 of the project included the actual design and construction of the bicycle path from the west side of town to Commons Park and was completed during the 2012 fiscal year. Final completion of the village wide bicycle path is anticipated to occur within the next two fiscal years.

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 global economic recession that started in December of 2007 continues to be a growing burden on the Village's overall financial condition. We continue to live in a time of instability and a national and local economy that is slow in recovery. A steep decline in the valuation of the local real estate market, an unprecedented number of bank foreclosures within the Greater Chicago metropolitan area, national and state unemployment levels still teetering around nine percent, global economic instability and a continuing recession in the U.S. economy are among the many factors which have led to significant declines in retail and automotive sales, construction activity and restaurant

sales. Furthermore, increasing pension obligations continue to add to the financial burden of the Village. As sales tax and state shared revenues remain volatile in this economic climate, management is continually monitoring their impact on the budget and making decisions accordingly.

Despite the continuing economic recession and fiscal pressures from the State of Illinois, the Village is well positioned for an economic recovery. State shared sales tax revenue, one major indicator of economic growth, has steadily increased across all sectors of retail sales since June of 2010. North Riverside continues to attract new businesses to locate within its corporate limits by offering tax incentives in the form of sales tax rebates and maintains a business retention program that is designed to work with existing businesses willing to make a long-term commitment to the Village through the use of economic development assistance grants. With the increased commitment by the Mayor and Village Board to aggressively promote economic development and revitalization of its commercial sector, the Village has witnessed a moderately low retail vacancy rate of under 10% village wide despite the volatility in sales tax receipts experienced over the past several years. Currently, the North Riverside Park Mall, a regional shopping center anchored by three national department stores and an enticing cross-section of specialty stores, flanks the Village's central business district and maintains a 96% occupancy rate.

Knowing that sales tax revenue is the largest single revenue source which supports governmental activities in North Riverside, the Village is very diligent in protecting and promoting its sales tax base. The Village is extremely committed to following and opposing any pending legislation that would diminish these revenues and jeopardize the Village's ability to delivery basic governmental services.

As long as the Village exercises sound financial management by adhering closely to its financial policies and programs designed to strengthen and diversify its current revenue base and continues to carefully monitor operating expenditures and identify further efficiencies of scale, the Village of North Riverside should be able to sustain itself during these difficult economic times.

Long-term Financial Planning

In order to meet the financial challenges that lay ahead, the Village must remain fiscally prudent and continue to adhere to its long term goals of seeking alternative revenue sources whenever possible in order to continue to provide the high quality of services and programs that its residents have grown accustomed to receiving, sustain economic vitality throughout the Village, and fund ongoing infrastructure improvements without the reliance on property taxes.

During the fiscal year, the Village began an in-depth review of all its financial policies and practices, with the Village Board and executive staff conducting its first strategic planning session geared towards redefining the goals and objectives of Village for the next several years. While it remains uncertain when the general economy will emerge in strength, the Village must remain diligent in its financial planning and continue to prioritize spending decisions and look to growth of existing revenue sources to avoid deteriorating financial performance. As such, financial forecasting and bench mark reporting on a multi-year basis has become more heavily relied upon with the objective to

obtain a broader perspective of the financial position of the Village beyond the current year's budgetary goals. The forecast attempts to blend existing and projected operational costs with all foreseeable capital projects on a five year basis, thus, providing a more comprehensive perspective of the financial position of the Village. Revenue sources are conservatively forecasted and matched against projected expenditures.

A detailed five year Capital Improvements Plan is prepared on an annual basis and reviewed as part of the budget preparation process. Historically, the Capital Projects Fund has been funded by surpluses generated by the General Fund. For the past several years, all major capital projects not funded through the receipt of state or federal grant revenue have been placed on a hold status until sufficient operating reserves could be re-established within the Capital Projects Fund. During the 2012 fiscal year, the final operating transfer was made to the Capital Projects Fund in the amount of \$700,000, thereby, re-establishing a positive ending fund balance for the first time in over five consecutive fiscal years. Additional surplus balances will be needed in the future to fund the Village's outlined capital plan on a long-term basis.

In the past, the Village has developed close partnerships with its local businesses to promote redevelopment through the issuance of business assistance grants and funding of infrastructure related improvements. These financial incentives have proven very successful to the Village in the years past, adding more than \$5.7 million annually to the Village's sales tax base and demonstrates the Village's commitment to ensure a solid foundation within the community for many years to come. Although the Mayor and Village Board decided to suspend all further business assistance grants to local businesses, it has looked to other incentives such as the waiver of one-time building permit fees for new businesses that meet established revenue criteria. This decision was based upon the current financial position of the Village as well as the economic climate experienced over the course of the last several fiscal years. Once the Village is able to re-establish its reserve funds to a level that is more suited to handle future contingencies and emergencies, it will return to its practice of providing economic development assistance grants to qualifying businesses as a way to promote future development.

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 ten years, these lobbying efforts yielded approximately \$8.7 million dollars in available grant funding for infrastructure and capital related purchases. In the upcoming fiscal year, the Village will be the recipient of an additional \$250,000 in state and federal grant funds for the replacement of aging infrastructure and capital assets

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, 2011. The Certificate of Achievement is a prestigious national award, recognizing

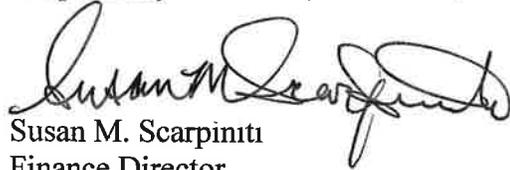
conformance with the highest standards for preparation of state and local government financial reports.

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-seven (27) 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, Village Trustees, and Village Administrator, the preparation of this report would not have been possible.

Respectfully submitted,


Susan M. Scarpiniti
Finance Director

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, 2011

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.



Linda C. Sandison

President

Jeffrey R. Snow

Executive Director

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

October 9, 2012

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Riverside, Illinois as of and for the year ended April 30, 2012, which collectively comprise the Village's basic financial statements as listed in the accompanying table of contents. These financial statements are the responsibility of the Village of North Riverside, Illinois' management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of North Riverside, Illinois as of April 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

Our audit was conducted for the purposes of forming opinions on the financial statements that collectively comprise the Village of North Riverside, Illinois' financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules and other information listed as schedules and other supplementary information in the accompanying table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.



LAUTERBACH & AMEN, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis

April 30, 2012

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, 2012. 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.

Since this MD&A is designed to focus on the current year's activities, resulting changes, and currently known facts, readers are encouraged to consider the information presented here in conjunction with additional information furnished in the Letter of Transmittal and the Village's financial statements.

USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT

The focus of the financial statements is on both the Village as a whole (government-wide) as well as on the 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.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to 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. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. 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 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 are reported in this statement for some items that will only result in 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. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or the subsidy to various business-type activities.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

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 3 through 6 of this report.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation to be more familiar; with the focus on major funds rather than 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.

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 seven 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 four

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

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 elsewhere in 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 7 through 12 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 an enterprise fund 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 has one internal service fund which is used to account for its self-funded health insurance program. Because the cost of the Village's health program relates primarily to governmental rather than business-type functions, the internal service fund 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, and the Health Insurance Fund. Individual fund data for both the enterprise and internal services funds, including budget compliance and comparisons, are provided in the combining and individual fund financial statements section of this report.

The basic proprietary fund financial statements can be found on pages 13 through 15 of this report.

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 Firefighter's Pension Funds.

The basic fiduciary fund financial statements can be found on pages 16 through 17 of this report.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

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 18 through 57 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 and other postemployment benefit plans as well as the budgetary comparison schedule for the General Fund. Required supplementary information can be found on pages 58 through 62 of this report.

The combining statements referred to earlier in connection with major and non-major governmental funds, the enterprise fund, the internal service fund and fiduciary 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 63 through 83 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

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

**Statement of Net Assets
As of April 30, 2012**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and Other Assets	\$ 7,319,063	\$ 6,053,228	\$ 672,983	\$ (80,692)	\$ 7,992,046	\$ 5,972,536
Capital Assets	12,631,541	12,845,941	2,453,537	2,540,888	15,085,078	15,386,829
Total Assets	<u>19,950,604</u>	<u>18,899,169</u>	<u>3,126,520</u>	<u>2,460,196</u>	<u>23,077,124</u>	<u>21,359,365</u>
Long-Term Liabilities	14,958,010	12,326,500	1,091,714	49,060	16,049,724	12,375,560
Other Liabilities	2,463,892	4,286,228	204,792	195,838	2,668,684	4,482,066
Total Liabilities	<u>17,421,902</u>	<u>16,612,728</u>	<u>1,296,506</u>	<u>244,898</u>	<u>18,718,408</u>	<u>16,857,626</u>
Net Assets						
Invested in Capital Assets, Net of Debt	11,593,104	11,662,320	2,436,514	2,540,888	14,029,618	14,203,208
Restricted	1,152,230	92,553	-	-	1,152,230	92,553
Unrestricted (Deficit)	(10,216,632)	(9,468,432)	(606,500)	(325,590)	(10,823,132)	(9,794,022)
Total Net Assets	<u>\$ 2,528,702</u>	<u>\$ 2,286,441</u>	<u>\$ 1,830,014</u>	<u>\$ 2,215,298</u>	<u>\$ 4,358,716</u>	<u>\$ 4,501,739</u>

The Village's total net assets decreased from \$4.50 million in fiscal year 2011 to \$4.36 million in fiscal year 2012. The net assets for the governmental activities increased \$.24 million (10.60%)

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

while business-type activities dropped \$.38 million (17.39%) for a reduction in total net assets equal to \$.14 million or 3.18% over the prior fiscal year.

For the first time in four consecutive fiscal years, the Village experienced a slight increase in the net assets for the governmental activities. This increase is mainly attributed to rebounding sales tax and other state shared revenues as well as the implementation of cost cutting measures throughout the year that just outpaced the growing unfunded pension and other post-employment benefit obligations still plaguing the Village.

During fiscal year 2012, the Village made its first partial payment of its annual employer contribution to both the Police and Firefighters' Pension Funds in two years, thereby, slowing the rate of increase in its net pension obligation payable to \$.73 million over the prior year. This lack of consistent funding has been an on-going problem for the Village as it struggles to manage the growing burden of funding its public pension plans in the unstable economic climate that continues to persist. The required annual employer contribution for both public safety pension funds totals approximately \$1.5 million annually and encompasses around 16% of the total public safety costs.

Since the Village also provides post-employment health care and life insurance benefits to all employees who have retired with 20 years or more of continuous service or who are on a permanent duty related disability leave on a pay as you go basis, the Village's net assets for governmental activities further decreased during fiscal year 2012 to reflect the additional \$.62 million liability to fund these benefits. Currently, retirees contribute approximately 9% of the actuarially determined premium to the plan, with the Village responsible for the remaining balance.

However, a monumental shift in the Village's policy towards other post-employment benefits (OPEB) occurred within the fiscal year as the Village successfully negotiated with the Firefighter's Union the elimination of post employment health care and life insurance benefits for all new hires after May 1, 2011. In addition, the Village passed similar changes to its OPEB policy for all non-union employees hired after January 1, 2011. The intention of the Village is to negotiate similar changes to the OPEB policy for the two remaining unions (police and telecommunications) in their upcoming collective bargaining agreements; thereby, stabilizing the long-term financial position of the Village and reducing its future OPEB liabilities.

With a reduction in net assets for governmental activities during the year caused by the Village's rapidly growing pension and OPEB liabilities as well as decreases in the capital asset balances due to annual depreciation expense, the Village was able to offset this negative change in net assets by retiring \$2.83 million in existing debt service with an attractive debt refinancing program during the year and reducing payables in compensated absences through a voluntary separation program targeted at the Village's most senior employees. Further cost costing measures implemented across all departments during the year in combination with the decision to not replace recently vacated positions created from the voluntary program, left the Village with a positive net change in fund balance across all governmental funds and supplemented the increase in net assets at year end.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

The net assets of the business-type activities continued to decline for the fifth straight year from \$2.21 million in fiscal year 2011 to \$1.83 million in fiscal year 2012. This decrease is primarily attributable to the growing loss of accountability in metering water consumption by users resulting from aging and inaccurate water meters. As addressed by the Village's long term capital improvements plan, the Mayor and Village Board issued \$1.05 million in Debt Certificates in December of 2011 to fund a long overdue Village-wide meter replacement program. The meter replacement program began just after fiscal year end close and will allow the Village to more accurately bill consumers for the actual gallons of water used on their premises and purchased by the Village from the Brookfield-North Riverside Water Commission in the upcoming year. The Village anticipates up to a 40% increase in the accountability of actual water consumption billed with the new water meters. Until this new system is in place, the Village continued to subsidize a portion of the actual costs for the purchase of Lake Michigan water from the Commission each year rather than passing those costs onto consumers on their quarterly water bills.

For more detailed information, please see the Statement of Net Assets on pages 3 through 4.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)
April 30, 2012

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, 2012.

	Changes in Net Assets					
	For the Fiscal Year Ended April 30, 2012 and 2011					
	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues						
Charges for Services	\$2,881,082	\$2,818,167	\$1,457,288	\$1,485,365	\$4,338,370	\$4,303,532
Capital Grants/ Contributions	143,572	137,217	-	-	143,572	137,217
General Revenues						
Property Taxes	722,279	705,687	-	-	722,279	705,687
Sales Taxes	8,479,401	8,105,362	-	-	8,479,401	8,105,362
Other Taxes	971,816	898,988	-	-	971,816	898,988
Intergovernmental	878,463	865,469	-	-	878,463	865,469
Other General Revenues	351,895	163,081	66,734	65,707	418,629	228,788
Total Revenues	<u>14,428,508</u>	<u>13,693,971</u>	<u>1,524,022</u>	<u>1,551,072</u>	<u>15,952,530</u>	<u>15,245,043</u>
Expenses:						
General Government	1,277,436	979,149	-	-	1,277,436	979,149
Public Safety	10,015,909	11,332,637	-	-	10,015,909	11,332,637
Culture and Recreation	892,684	757,686	-	-	892,684	757,686
Public Works	1,078,364	1,144,736	-	-	1,078,364	1,144,736
Building, Health and Zoning	165,990	241,274	-	-	165,990	241,274
Sanitation	591,076	576,065	-	-	591,076	576,065
Interest on Long-Term Debt	164,788	124,237	-	-	164,788	124,237
Water	-	-	1,909,306	1,840,708	1,909,306	1,840,708
Total Expenses	<u>14,186,247</u>	<u>15,155,784</u>	<u>1,909,306</u>	<u>1,840,708</u>	<u>16,095,553</u>	<u>16,996,492</u>
Changes in Net Assets	242,261	(1,461,813)	(385,284)	(289,636)	(143,023)	(1,751,449)
Net Assets, May 1	<u>2,286,441</u>	<u>3,748,254</u>	<u>2,215,298</u>	<u>2,504,934</u>	<u>4,501,739</u>	<u>6,253,188</u>
Net Assets, April 30	<u>\$2,528,702</u>	<u>\$2,286,441</u>	<u>\$1,830,014</u>	<u>\$2,215,298</u>	<u>\$4,358,716</u>	<u>\$4,501,739</u>

Governmental Activities

As is typical for governmental activities of local governments, program revenues generally cover a very small percentage of program expenses, with general revenues covering the majority of expenses. During the 2012 fiscal year, governmental program expenses decreased \$.97 million from the prior year from \$15.16 million to \$14.19 million and revenues surpassed expenses by \$.24 million, thus, creating the first excess of revenues over expenses in over four years. Stronger than projected sales tax growth and increasing state shared revenues act as early indicators of a modest economic recovery in the Village's core revenues and were major contributors as to why revenues outpaced expenses during the year.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

For the fiscal year ended April 30, 2012, total combined revenues from all governmental activities increased 5.36% over the prior year from \$13.69 million to \$14.43 million, a level more consistent with historical trends and an optimistic sign of economic strengthening. Sales tax continues to be the largest single source of revenue for the Village (59% of all governmental revenues), contributing a combined total of \$8.48 million to the Village's overall revenue base. Sales tax receipts collected in FY12 grew for the second straight year and reflects an increase of 4.61% over the prior year, exceeding original budget estimates for the year by \$.15 million. Sales tax is comprised of two components in the Village of North Riverside; a 1% municipal share of the state's retailer's occupation tax and a 1% local non-home rule sales tax, and generated revenue of \$4.81 million and \$3.69 million, respectively. With the addition of only a few new retailers to the Village's tax base during the fiscal year, the majority of this increase can be attributed to an upturn in the local economy.

In addition to the local sales tax, the Village first initiated a 1% places for eating tax beginning in August of 2010. The places for eating tax is a separate tax on the gross receipts received for prepared food sold at retail and was created in response to the unprecedented revenue declines stemming from the extended recession. During the first full year of collection, the Village realized approximately \$96,000 more in additional tax revenue and easily surpassed the revenue projections budgeted for the fiscal year based upon prior year sales. Combined with losses reported by the telecommunications and utility taxes, the places for eating tax accounted for the entire 8.10% increase in other taxes over the prior fiscal year.

Charges for services, the second largest source of revenue for the Village and accounting for approximately 20% of the Village's total governmental revenues, remained flat during the year increasing \$.06 million or 2.23% over the prior fiscal year from \$2.82 to \$2.88 million.

Even in tough economic conditions, however, the Mayor and Village Board continued their commitment to not raise property taxes, as the Village's general corporate levy remained frozen for the 23rd consecutive year. Property taxes account for 5% of the Village's total governmental fund revenues with \$.72 million in collections. Although the Village is not heavily reliant upon property taxes to fund its operations, the increasing number of successful tax appeals by commercial and industrial property owners coupled with the untimely settlement of those appeals has made it increasingly more difficult for taxed capped communities to anticipate the amount of property tax revenue necessary to be levied and collected on an annual basis. This, in addition to the Village's growing public pension obligation, has forced the Village to look at raises in its property tax levy in the upcoming fiscal years in order to continue to meet existing service needs.

The Village receives a number of state shared revenues which are distributed to Illinois municipalities on a per capita basis and reflected as intergovernmental revenues. Amongst these state shared revenues are income taxes, local use taxes, personal property replacement taxes and motor fuel taxes which are all key revenue sources and used to support basic governmental services. The Village's share of state income taxes increased 4.26% over the prior year and represents the first positive sign of recovery in our local and state economy since mid 2008.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

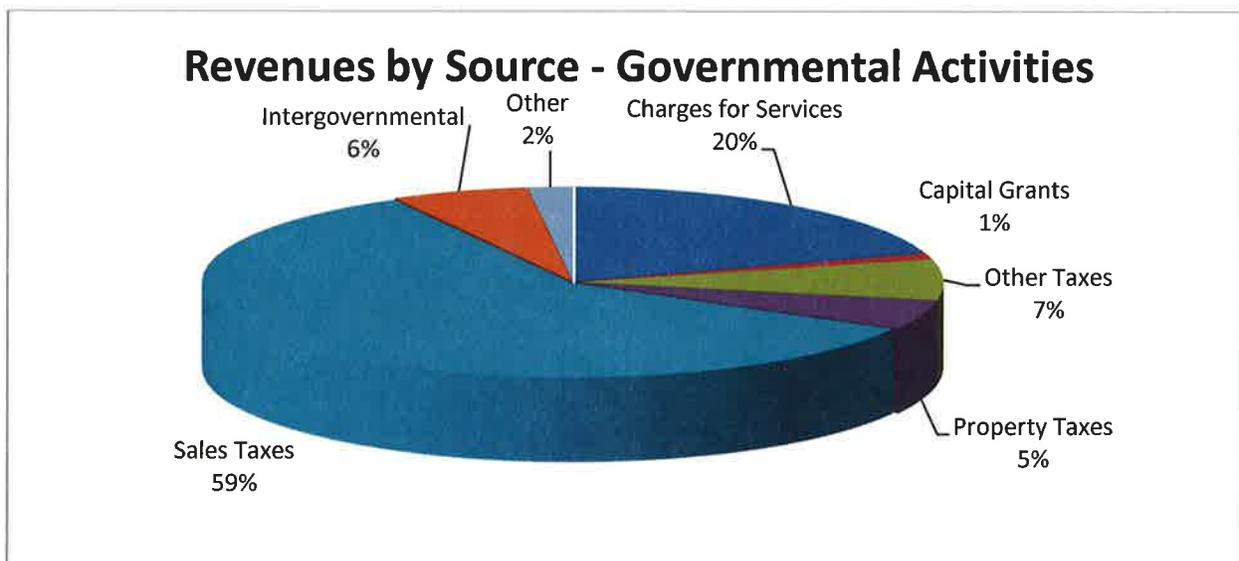
Management's Discussion and Analysis (Continued)

April 30, 2012

North Riverside also levies a 5% tax on telecommunication services. Collections of telecommunications taxes are performed at the state level and distributed to Illinois municipalities in a manner similar to the local share of sales tax and other state shared revenues. Revenues generated from the telecommunications tax continued to tumble for the sixth straight year as emerging technologies and bundling of services with cable and internet service providers appear to be changing the landscape of traditional land-line based telecommunication services. As technology continues to evolve at a lightning fast pace, it seems likely that this revenue stream will further erode in future years and make it necessary for the Village to investigate different revenue sources to make up this difference.

Other general revenues, comprising of 2% of the total governmental activities revenues, more than doubled during the year increasing 115.78% from \$.16 million in fiscal year 2011 to \$.35 million in fiscal year 2012. This increase is mainly attributed to the Village selling a long term perpetual lease for easement rights with a local telecommunications provider and resulted in the receipt of a one time revenue source equal to approximately \$250,000 during the year. The proceeds from the sale of perpetual lease were earmarked to fund a portion of the employer's annual contribution to the police and firefighters' pension funds during the fiscal year.

The following chart graphically depicts the major revenue sources of the Village for the fiscal year ended April 30, 2012 and clearly demonstrates the Village's heavy reliance on sales taxes to fund governmental activities.



Expenses for the governmental activities for the fiscal year ended April 30, 2012 decreased \$.97 million from \$15.16 million to \$14.17 million. No new programs or services were instituted during the fiscal year, as departments once again maintained a truly operational only budget for the sixth straight year. Capital purchases during the fiscal year were prioritized by each department and limited to only those items necessary to maintain current operations. In addition to each department being asked to cut their operating costs by 5%, the Village also offered eligible employees within the organization a voluntary separation program in early 2011. This

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

program resulted in the retirement of seven employees throughout the organization and reduced the Village's total workforce by 9.5% (the lowest staffing levels on record since 2003). Total savings in personnel costs during the year amounted to approximately \$250,000.

North Riverside's largest share of costs allocated to governmental activities was in the area of public safety, accounting for 71% of total governmental expenses. 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 continuation of annual fire inspections for all commercial and multi-family dwellings. Total expenses allocated to the public safety function decreased \$1.32 million or 11.62% from the prior year from \$11.33 million to \$10.01 million. This decrease was primarily attributed to changes in the state pension law to shift the actuarial costing method from entry-age normal to projected unit credit beginning this fiscal year and to extend the amortization period of the unfunded pension liability from 23 years to 30 years. As a result, the Village's net pension obligation payable increased \$.73 million during the year as compared to the \$2.8 million increase experienced in fiscal year 2011 despite the Village not fully funding its annual pension costs. This marks the third straight year the Village failed to fully fund its public pensions as it struggled throughout the year to increase general revenues in this current economic climate and cut budgeted expenditures/expenses without further draw downs on its available cash reserves. Funding of the Village's long-term pension liabilities will need to be addressed in the immediate future as this increasing liability poses a potential risk to the Village's long term financial stability. As such, public pension funding has proven to be the greatest fiscal challenge facing North Riverside for several years to come.

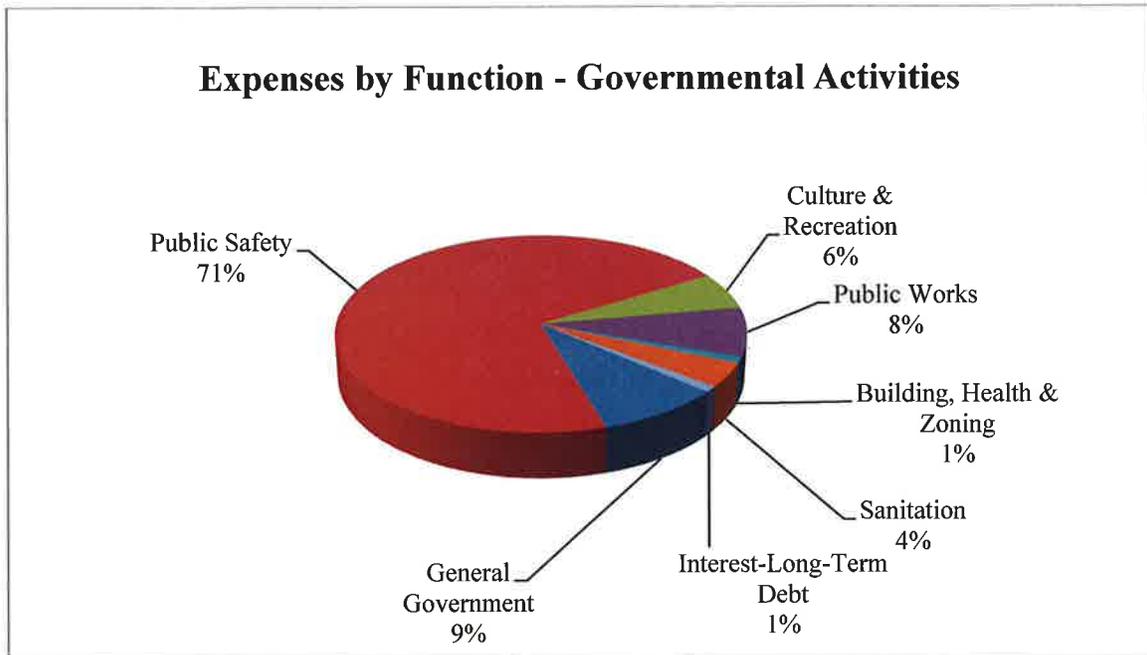
The public works and general government activities make up the next two largest functions within the Village, accounting for 8% and 9%, respectively, of total governmental expenses. Public works activities include the costs associated with the Village's Public Works administration, engineering and parks and streets division staff, regular street maintenance activities such street sweeping, parkway tree maintenance, snow removal, storm sewer cleaning, and other maintenance activities. Total expenses allocated to public works decreased 5.80% from \$1.14 million to \$1.08 million in 2012 due to the postponement of a street paving project during the fiscal year as a means to conserve reserves in the Motor Fuel Tax Fund. With one half of the bicycle path construction completed during fiscal year 2012, the Motor Fuel Tax Fund will fund the remaining construction of the bicycle path on the east side of town as well as a comprehensive street repaving program in the subsequent two fiscal years. Funding for these improvements will be provided from available federal grants and excess reserves built during the prior two fiscal years.

The general government activities increased 30.46% over last fiscal year from \$.98 million to \$1.28 million due to the advance refunding of the 2000A GO Alternate Revenue Bonds and refinancing of the 2009 Taxable General Obligation Note in December of 2011. Through this refunding, the Village reduced its total debt service by \$34,817 and obtained an economic gain of \$50,455.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012



Business-type activities

Program revenues of the Village's business-type activities decreased slightly over the prior year, moving from \$1.49 million in 2011 to \$1.46 million in 2012. This decrease is mainly attributed to aging water meters and reduced billing accountability. Business-type expenses, however, increased during the year, growing 3.73% from \$1.84 million to \$1.91 million in 2012. This increase was due to the City of Chicago imposing a 25% water rate increase on the sale of Lake Michigan water to the Brookfield-North Riverside Water Commission on January 1, 2012. This increase is the first of four consecutive annual increases to be imposed by the City of Chicago on the Water Commission for a total water rate increase of 70% through 2015. The Village has already received notification from the Commission that it will be necessary to pass down these rate increases from the City of Chicago to the end users in January of each year. As a result, the Village issued \$1.05 million in Debt Certificates in December of 2011 in order to fund a Village-wide replacement of obsolete water meters. By doing so, the Village anticipates greater billing accountability and increased productivity in the billed to purchased ratio each year.

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. 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 and as a measure of the General Fund's liquidity.

At April 30, 2012, the governmental funds reported a combined ending fund balance of \$5.47 million compared to \$4.11 million one year ago. Of the total fund balance reported, \$4.08 million is unassigned, thereby, representing an increase of \$.73 million or 21.92% over the prior

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

fiscal year. This substantial change in fund balance was attributed to increased collections of general revenues resulting from higher sales tax receipts over budget, receipt of a full year of collections for the places for eating tax and administrative towing fee, adoption of a 5% across the board rate increase for all licenses and permit fees, added grant revenues and proceeds from the sale of the long term perpetual lease agreement with a local telecommunications provider.

Furthermore, the implementation of a bare bones budget for FY2012 required every operating department to be conscientious of their spending despite modest increases in operations. Reductions in the Village's workforce due to attrition and economies of scale realized through competitive bidding on long term contracts allowed the Village to reduce annual operating expenses beyond original projections.

The General Fund is the Village's principal operating fund and the largest source of day-to-day service delivery. At the end of the current fiscal year, the General Fund had an excess of revenues over expenditures of \$1.39 million before transfers to other funds. This was the second straight year of positive gains in the General Fund and in conformance with the Village's outlined multi-year plan to replenish its cash reserves. Total General Fund revenues were 5.00% higher than in the prior year and exceeded original budget estimates by \$.55 million; thus, signaling a continued economic strengthening over the past two years. With sales tax revenue growing again by 4.61% over the prior year, we are hopefully optimistic that the economic downturn is beginning to level off.

In years where revenues exceed expenditures within the General Fund, excess funds are transferred to other funds to address known financial needs. Accordingly, the Village transferred \$.70 million to the Capital Projects Fund to replenish the previous drawn down of available reserves over the past several years and \$.02 million to the Refuse Fund to fund program costs. These transfers were consistent with the Village's long term financial plan and fund balance policies.

Historically, the Capital Projects Fund has been used to fund major capital assets and infrastructure improvements of the Village. Funding for this fund has traditionally been through federal and state grants, bond proceeds, and contributions from the General Fund. Historically, the Village elected to voluntarily draw down on its reserves in several funds to avoid passing on the additional cost for services to its residents. However, over the past several fiscal years, the Village Board put a moratorium on this practice of using reserves to subsidize programs and services and initiated a five year plan to re-establish its cash reserves by passing increases in program costs directly to the end users and eliminating many traditional village subsidies.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2012

General Fund Budgetary Highlights For the Fiscal Year Ended April 30, 2012

	Original Budget	Final Budget	FY12 Actual	FY11 Actual	% Change
Revenues					
Taxes	\$ 9,702,500	\$ 9,787,500	\$ 9,930,864	\$ 9,467,983	4.89%
Licenses and Permits	840,600	840,600	803,319	872,195	-7.90%
Intergovernmental	686,000	721,000	736,271	823,002	-10.54%
Charges for Services	1,055,325	1,055,325	1,014,307	901,350	12.53%
Fines and Forfeitures	349,875	349,875	369,771	347,003	6.56%
Investment Earnings	5,100	5,100	3,746	1,943	92.79%
Miscellaneous	21,350	271,350	348,145	161,128	116.07%
Total Revenue	12,660,750	13,030,750	13,206,423	12,574,604	5.0%
Expenditures					
General Government	790,400	825,400	746,511	541,527	37.85%
Public Safety	8,999,250	9,309,750	9,024,546	8,148,644	10.75%
Culture and Recreation	970,225	970,225	859,427	739,858	16.16%
Public Works	1,107,318	1,107,318	1,016,456	1,029,506	-1.27%
Building, Health and Zoning	183,600	183,600	165,990	241,274	-31.20%
Total Expenditures	12,050,793	12,396,293	11,812,930	10,700,809	10.39%
Other Financing Sources (Uses)					
Disposal of Capital Assets	20,000	20,000	24,545	750	3172.7%
Transfers Out	(619,500)	(780,000)	(720,000)	(1,660,000)	-56.6%
Total Other Financing Sources (Uses)	(599,500)	(760,000)	(695,455)	(1,659,250)	-58.1%
Change in Fund Balance	\$ 10,457	\$ (125,543)	\$ 698,038	\$ 214,545	225.4%

General Fund tax revenue, the largest category of revenues in the General Fund, includes property taxes, sales tax, telecommunication taxes, utility taxes and places for eating taxes. During fiscal year 2012, general fund tax revenues increased 4.89% over the prior fiscal year rising from \$9.47 million to \$9.93 million. Sales tax revenue, the Village's main source of funding, continued to strengthen throughout the fiscal year netting a positive gain for the second consecutive year. Steady increases were realized in the majority of categories of sales and are characteristic of the Village's low vacancy rate within the Mall (96% occupied) and other larger retail outlets. In addition, the Village continued to witness an increase in activity of new businesses locating within the community and expanding/remodeling within the Mall.

Intergovernmental revenues, which include state income taxes, federal and state grants and other state-shared revenues, decreased 10.54% as the Village received less grant funds as compared to

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

previous years. This decrease in available grant funding was offset by healthier than expected returns of state income tax receipts (the largest, single source of intergovernmental revenues received by the Village). Although unemployment levels are still teetering around 9%, the state and local economy has improved slightly from one year ago and this recovery is somewhat reflected in the modest increases in state shared revenues experienced by the Village.

Revenue generated in the licenses and permits category decreased 7.90% from the prior year as building activity within the community still remained sluggish. Increases in charges for services and fines and forfeitures of 12.53% and 6.56% respectively reinforce the commitment of the Village Board to stop the subsidy of programs and services and to increase collection efforts of old and delinquent accounts in an attempt to raise additional revenue.

Although total expenditures in the General Fund increased 10.39% over the prior year or \$1.11 million, this amount remained \$.58 million (4.71%) below the final budgeted appropriation for the fiscal year. The increase in total expenditures during the fiscal year is mainly attributed to the following factors: 1) partial funding of the employer's annual contribution to the police and firefighters' pension funds for the first time in three years; 2) early pay-off of the Village's accrued liability in IMRF's Early Retirement Incentive (ERI) Program; 3) re-establishment of an annual squad car replacement program within the police department as funded by earmarked administrative towing revenue; and 4) additional funding of capital purchases in accordance with the Village's capital improvements plan.

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 at a rate of \$3.42 per thousand gallons. Water is sold to residential and commercial customers at a rate of \$4.54 and \$10.23 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.

The Village's existing water metering infrastructure system continues to demonstrate serious deficiencies and reliability issues as the number of gallons of water billed during the year continued to decline despite increases in the gallons of water purchased from the Commission. In fact, the level of accountability of metered water at variable speeds continues to be compromised year after year due to the increasing age of the current system. In calendar year 2011 alone, it is estimated that only 60% of all water purchased from the Commission was captured by the existing water meters and billed directly to end users. The remaining portion of purchased water remains unaccounted for and therefore, subsidized by the Village during the year. Over the past ten years, water revenues have remained relatively flat despite five scheduled water rate increases and a 20% increase in the number of gallons of water purchased from the Commission, thus, illustrating the potential loss in revenue each year.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

Operating expenses increased 3.73% from \$1.84 million to \$1.91 million despite the demand for water purchased from the Commission steadily rising for the second straight year. In January, 2012, the Village received a 20% water rate increase on the purchase of water from the Commission raising its current purchase price from \$2.85 to \$3.42 per thousand gallons. This water rate increase was the direct result of the City of Chicago enacting a 4-year 70% planned water rate increase effective in January for the sale of water to the Commission. The cost to purchase Lake Michigan water from the City of Chicago is expected to increase by 15% in each of the next three years in accordance with Chicago's budget plan.

The cost to fund the Village's water operations have increased steadily throughout the past 20 years while the amount billed and collected has remained relatively flat. As a result, the Water Fund has consistently reported an annual operating loss equal to approximately \$150,000 each year from 2002-2009. During the last three fiscal years, however, that operating loss has escalated to \$452,000 as the ratio of gallons billed to gallons purchased continues to steadily decline. In response to this decline, the Mayor and Village Board issued \$1.05 million of Debt Certificates during the year to fund a much needed water meter replacement program. Installation of the new water meters began just after the close of the fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Mayor and Village Board approved one amendment to the fiscal year 2012 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. No supplemental appropriations were approved during the fiscal year.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Village's investment in capital assets for both its governmental and business type activities as of April 30, 2012 amounted to \$15.09 million (net of accumulated depreciation), a decrease of 1.96% over the prior year as no major capital purchases or improvements were made during the year. This investment in capital assets includes land and land improvements, buildings and improvements, vehicles, public infrastructure (i.e. streets and sidewalks), equipment and furniture, and water and sewer system assets.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued) April 30, 2012

Capital Assets As of April 30, 2012

	Governmental Activities		Business-type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land and Land Right of Way	\$ 7,088,187	\$ 7,088,187	\$ 215,500	\$ 215,500	\$ 7,303,687	\$ 7,303,687
Buildings and Improvements	8,099,148	8,099,148	187,982	187,982	8,287,130	8,287,130
Vehicles	2,273,585	2,280,369	102,698	102,698	2,376,283	2,383,067
Equipment and Furniture	2,897,020	2,830,611	-	-	2,897,020	2,830,611
Streets and Sidewalks	3,053,593	3,053,593	-	-	3,053,593	3,053,593
Water System	-	-	5,020,350	5,020,350	5,020,350	5,020,350
Sewer System	-	-	1,294,965	1,294,965	1,294,965	1,294,965
Construction in Progress	241,220	203,338	17,023	-	258,243	203,338
	<u>23,652,753</u>	<u>23,555,246</u>	<u>6,838,518</u>	<u>6,821,495</u>	<u>30,491,271</u>	<u>30,376,741</u>
Less: Accumulated Depreciation	<u>(11,021,212)</u>	<u>(10,709,305)</u>	<u>(4,384,981)</u>	<u>(4,280,607)</u>	<u>(15,406,193)</u>	<u>(14,989,912)</u>
Total	<u>\$12,631,541</u>	<u>\$12,845,941</u>	<u>\$2,453,537</u>	<u>\$2,540,888</u>	<u>\$15,085,078</u>	<u>\$15,386,829</u>

Current year capital asset additions totaled \$.21 million and included replacement of three police squad cars with in-car video camera systems. Funding for these purchases was made possible through the earmarking of administrative towing revenue collected by the Village. Construction in progress increased slightly to reflect the continued design and construction of the village wide bicycle patch. Additional information on the Village of North Riverside's capital assets can be found in note 3 on pages 35 - 36 of this report.

Long-Term Debt

As of April 30, 2012, the Village had total outstanding bonded debt of \$3.59 million as compared to \$.87 million the previous year. This entire amount of outstanding debt has been issued in the form of debt certificates, payment of which is pledged by the full faith and taxing authority of the Village. In addition to the debt certificates outstanding at April 30, 2012, the Village also currently maintains two installment contracts in the total amount of \$.15 million of which one will mature just after the close of the fiscal year.

During the 2012 fiscal year, the Village issued \$3.59 million in debt certificates - \$1.94 million Debt Certificates, Series 2011A and \$1.65 million Taxable Debt Certificates, Series 2011B. \$1.05 million of the proceeds from the sale of the 2011A Certificates were used fund a much needed and anticipated water meter replacement program within the Water Fund. The remaining proceeds from the 2011A Certificates totaling \$.89 million were used to refund a portion of the Village's outstanding General Obligation Alternate Revenue Bonds, Series 2000A and to pay the costs of issuance of the 2011A Certificates. The proceeds from the sale of the 2011B Certificates were used to refinance the 2009 Taxable General Obligation Note. Although the original intent of this taxable loan was short term in nature, the continuing effects of lost revenue suffered by the Village due to the lingering recession has forced the Village to refinance this note for an additional seven years.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Management's Discussion and Analysis (Continued)

April 30, 2012

The Village maintains an Aa3 rating from Moody's Investors Services for general obligation debt and an A1 rating for debt certificates. The Village, under its non-home rule authority, has a legal debt margin at April 30, 2012 of \$19.90 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 only \$3.59 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 38 - 42 of this report.

ECONOMIC FACTORS

North Riverside has not been immune to the financial challenges facing many local governments throughout this country in response to the current economic climate. The impact of the Great Recession continues to be felt today, with most major revenues well below pre-recessionary levels. The Village has responded by reducing expenditures across all major categories, through salary and wage freezes for non-union employees, implementation of a voluntary separation program aimed at reducing staffing levels, and where appropriate, increasing revenues to ensure that essential village services and programs continue to be delivered without interruption.

North Riverside enjoys a stable and diversified commercial and retail sales base with a large regional shopping center consisting of four national department stores and 130 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 upon sales tax receipts (state shared and local non-home rule), the Village's largest revenue source showed the first signs of recovery in over three years. While our challenges are far from over, this modest recovery represents a beginning towards our search for finding the "new norm" for base revenues.

The outlook moving forward continues to be hopefully optimistic but yet guarded, with some signs of slow growth and economic recovery in the near future. In addition to tracking economic indicators and trends, the potential for legislative threats to North Riverside's revenue base appear greater than ever. With the State of Illinois facing a growing burden of fiscal challenges, we must continue to be vigilant in our lobbying efforts to protect those state shared revenues we are so heavily dependent upon to fund essential services and programs within our community. As such, it is essential that we continue to remain accountable and responsible for administering an organization which is lean yet efficient while ensuring the safety and welfare of people of North Riverside.

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 Finance Director, 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, 2012

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Statement of Net Assets
April 30, 2012

	Governmental Activities	Business- Type Activities	Total
ASSETS			
Current Assets			
Cash and Cash Equivalents	\$ 4,479,741	\$ 75	\$ 4,479,816
Receivables - Net of Allowances			
Property Taxes	123,579	-	123,579
Accounts	314,546	390,489	705,035
Accrued Interest	13,036	-	13,036
Other	23,428	-	23,428
Due from Other Governments	2,529,117	-	2,529,117
Prepays and Inventories	114,475	3,560	118,035
Internal Balances	(278,859)	278,859	-
Total Current Assets	7,319,063	672,983	7,992,046
Noncurrent Assets			
Capital Assets			
Nondepreciable	7,329,407	232,523	7,561,930
Depreciable	16,323,346	6,605,995	22,929,341
Accumulated Depreciation	(11,021,212)	(4,384,981)	(15,406,193)
Total Noncurrent Assets	12,631,541	2,453,537	15,085,078
Total Assets	19,950,604	3,126,520	23,077,124

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

	Governmental Activities	Business- Type Activities	Total
LIABILITIES			
Current Liabilities			
Accounts Payable	515,924	110,588	626,512
Accrued Payroll	218,293	2,277	220,570
Interest Payable	24,860	12,960	37,820
Deposits Payable	275,591	61,791	337,382
Unearned/Deferred Revenues	715,937	6,748	722,685
Current Portion of Long-Term Debt	713,287	10,428	723,715
Total Current Liabilities	2,463,892	204,792	2,668,684
Noncurrent Liabilities			
Net Pension Obligation	10,327,000	-	10,327,000
Net Other Post-Employment Benefit Obligation	1,719,112	-	1,719,112
Compensated Absences Payable	749,398	41,714	791,112
Installment Contracts Payable	62,500	-	62,500
Debt Certificates	2,100,000	1,050,000	3,150,000
Total Noncurrent Liabilities	14,958,010	1,091,714	16,049,724
Total Liabilities	17,421,902	1,296,506	18,718,408
NET ASSETS			
Invested in Capital Assets -			
Net of Related Debt	11,593,104	2,436,514	14,029,618
Restricted			
Public Safety	93,164	-	93,164
Debt Service	191,596	-	191,596
Motor Fuel Tax	593,824	-	593,824
911 Telephone Service	266,862	-	266,862
Foreign Fire Insurance	6,784	-	6,784
Unrestricted	(10,216,632)	(606,500)	(10,823,132)
Total Net Assets	\$ 2,528,702	\$ 1,830,014	\$ 4,358,716

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, 2012

	Expenses	Program Revenues	
		Charges for Services	Capital Grants/Contributions
Governmental Activities			
General Government	\$ 1,277,436	\$ 658,846	\$ -
Public Safety	10,015,909	768,988	25,485
Culture and Recreation	892,684	546,346	-
Public Works	1,078,364	22,387	118,087
Building, Health and Zoning	165,990	312,867	-
Sanitation	591,076	571,648	-
Interest on Long-Term Debt	164,788	-	-
Total Governmental Activities	14,186,247	2,881,082	143,572
Business-Type Activities			
Water	1,909,306	1,457,288	-
	<u>\$ 16,095,553</u>	<u>\$ 4,338,370</u>	<u>\$ 143,572</u>

General Revenues
 Taxes
 Property
 Municipal and Non-Home
 Rule Sales
 Telecommunication
 Utility
 Other
 Intergovernmental-Unrestricted
 Income Tax
 Replacement Tax
 Local Use Tax
 Other Taxes
 Investment Earnings
 Miscellaneous

Change in Net Assets

Net Assets - Beginning

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
\$ (618,590)	\$ -	\$ (618,590)
(9,221,436)	-	(9,221,436)
(346,338)	-	(346,338)
(937,890)	-	(937,890)
146,877	-	146,877
(19,428)	-	(19,428)
(164,788)	-	(164,788)
<u>(11,161,593)</u>	<u>-</u>	<u>(11,161,593)</u>
-	(452,018)	(452,018)
<u>\$ (11,161,593)</u>	<u>\$ (452,018)</u>	<u>\$ (11,613,611)</u>
\$ 722,279	\$ -	\$ 722,279
8,479,401	-	8,479,401
212,123	-	212,123
408,113	-	408,113
351,580	-	351,580
543,676	-	543,676
41,208	-	41,208
97,339	-	97,339
196,240	-	196,240
3,750	-	3,750
348,145	66,734	414,879
<u>11,403,854</u>	<u>66,734</u>	<u>11,470,588</u>
242,261	(385,284)	(143,023)
<u>2,286,441</u>	<u>2,215,298</u>	<u>4,501,739</u>
<u>\$ 2,528,702</u>	<u>\$ 1,830,014</u>	<u>\$ 4,358,716</u>

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Balance Sheet - Governmental Funds
April 30, 2012

	<u>General</u>
ASSETS	
Cash and Investments	\$ 4,472,957
Receivables - Net of Allowances	
Property Taxes	123,579
Accounts	73,315
Other	23,428
Accrued Interest	13,036
Due from Other Funds	40,209
Due from Other Governments	2,466,878
Prepays	10,828
Inventories	<u>55,487</u>
 Total Assets	 <u>\$ 7,279,717</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 431,424
Accrued Payroll	218,293
Deposits Payable	245,644
Due to Other Funds	1,580,269
Unearned/Deferred Revenues	<u>565,937</u>
Total Liabilities	<u>3,041,567</u>
 Fund Balances	
Nonspendable	66,315
Restricted	93,164
Committed	-
Assigned	-
Unassigned	<u>4,078,671</u>
Total Fund Balances	<u>4,238,150</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,279,717</u>

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

Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ -	\$ -	\$ 6,784	\$ 4,479,741
-	-	-	123,579
-	7,500	233,731	314,546
-	-	-	23,428
-	-	-	13,036
191,596	165,146	811,920	1,208,871
-	62,239	-	2,529,117
-	48,160	-	58,988
-	-	-	55,487
<u>\$ 191,596</u>	<u>\$ 283,045</u>	<u>\$ 1,052,435</u>	<u>\$ 8,806,793</u>
\$ -	\$ -	\$ 84,826	\$ 516,250
-	-	-	218,293
-	-	29,947	275,591
-	-	34,940	1,615,209
-	150,000	-	715,937
-	150,000	149,713	3,341,280
-	48,160	-	114,475
191,596	-	867,470	1,152,230
-	-	35,252	35,252
-	84,885	-	84,885
-	-	-	4,078,671
<u>191,596</u>	<u>133,045</u>	<u>902,722</u>	<u>5,465,513</u>
<u>\$ 191,596</u>	<u>\$ 283,045</u>	<u>\$ 1,052,435</u>	<u>\$ 8,806,793</u>

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, 2012

Total Governmental Fund Balances **\$ 5,465,513**

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. 12,631,541

Internal service funds are used by the Village to charge the costs of
health insurance to individual funds.
The assets and liabilities of the internal service funds are included
in the governmental activities in the Statement of Net Assets. 127,805

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

Net Pension Obligation Payable	(10,327,000)
Net Other Post-Employment Benefit Obligation Payable	(1,719,112)
Compensated Absences Payable	(936,748)
Installment Contracts Payable	(153,437)
Debt Certificates Payable	(2,535,000)
Accrued Interest Payable	<u>(24,860)</u>

Net Assets of Governmental Activities **\$ 2,528,702**

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2012**

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
Year Ended April 30, 2012

	<u>General</u>
Revenues	
Taxes	\$ 9,930,864
Licenses and Permits	803,319
Intergovernmental	736,271
Charges for Services	1,014,307
Fines and Forfeits	369,771
Investment Earnings	3,746
Miscellaneous	348,145
Total Revenues	<u>13,206,423</u>
Expenditures	
Current	
General Government	746,511
Public Safety	9,024,546
Culture and Recreation	859,427
Public Works	1,016,456
Building, Health and Zoning	165,990
Sanitation	-
Capital Outlay	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>11,812,930</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,393,493</u>
Other Financing Sources (Uses)	
Disposal of Capital Assets	24,545
Debt Issuance	-
Payment to Escrow Agent	-
Transfers In	-
Transfers Out	<u>(720,000)</u>
	<u>(695,455)</u>
Net Change in Fund Balances	698,038
Fund Balances - Beginning	<u>3,540,112</u>
Fund Balances - Ending	<u>\$ 4,238,150</u>

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

Debt Service	Capital Projects	Nonmajor Governmental	Total Governmental Funds
\$ 237,949	\$ -	\$ 4,683	\$ 10,173,496
-	-	-	803,319
-	-	314,327	1,050,598
-	-	665,122	1,679,429
-	-	-	369,771
-	-	4	3,750
-	-	-	348,145
237,949	-	984,136	14,428,508
-	-	-	746,511
-	-	74,396	9,098,942
-	-	-	859,427
-	-	154,784	1,171,240
-	-	-	165,990
-	-	591,076	591,076
-	23,824	-	23,824
-	1,936,174	29,010	1,965,184
61,197	86,110	1,340	148,647
61,197	2,046,108	850,606	14,770,841
176,752	(2,046,108)	133,530	(342,333)
-	-	-	24,545
885,000	1,650,000	-	2,535,000
(865,000)	-	-	(865,000)
-	700,000	20,000	720,000
-	-	-	(720,000)
20,000	2,350,000	20,000	1,694,545
196,752	303,892	153,530	1,352,212
(5,156)	(170,847)	749,192	4,113,301
\$ 191,596	\$ 133,045	\$ 902,722	\$ 5,465,513

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, 2012

Net Change in Fund Balances - Total Governmental Funds **\$ 1,352,212**

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	188,622
Depreciation Expense	(403,022)

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	(728,531)
Additions to Net Other Post-Employment Benefit Obligation Payable	(624,222)
Retirement of Compensated Absences Payable	81,632
Issuance of Debt	(2,535,000)
Retirement of Debt	2,830,184

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.

(16,141)

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

96,527

Changes in Net Assets of Governmental Activities

\$ 242,261

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, 2012

	Business-Type Activities - Enterprise Water	Governmental Activities Internal Service Health Insurance
ASSETS		
Current Assets		
Cash and Investments	\$ 75	\$ -
Receivables - Net of Allowances		
Accounts	390,489	-
Due from Other Funds	278,859	127,805
Prepays	3,560	-
Total Current Assets	<u>672,983</u>	<u>127,805</u>
Noncurrent Assets		
Capital Assets		
Nondepreciable	232,523	-
Depreciable	6,605,995	-
Accumulated Depreciation	(4,384,981)	-
Total Noncurrent Assets	<u>2,453,537</u>	<u>-</u>
Total Assets	<u>3,126,520</u>	<u>127,805</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	110,588	-
Accrued Payroll	2,277	-
Deposits Payable	61,791	-
Unearned/Deferred Revenues	6,748	-
Interest Payable	12,960	-
Compensated Absences Payable	10,428	-
Total Current Liabilities	<u>204,792</u>	<u>-</u>
Long-Term Liabilities		
Compensated Absences Payable	41,714	-
Debt Certificates Payable	1,050,000	-
Total Noncurrent Liabilities	<u>1,091,714</u>	<u>-</u>
Total Liabilities	<u>1,296,506</u>	<u>-</u>
NET ASSETS		
Invested in Capital Assets - Net of Related Debt	2,436,514	-
Unrestricted	(606,500)	127,805
Total Net Assets	<u>\$ 1,830,014</u>	<u>\$ 127,805</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, 2012

	Business-Type Activities - Enterprise Water	Governmental Activities Internal Service Health Insurance
Operating Revenues		
Charges for Services	\$ 1,457,288	\$ -
Interfund Services	-	2,289,009
Total Operating Revenues	<u>1,457,288</u>	<u>2,289,009</u>
Operating Expenses		
Administration	-	10,230
Operations	1,762,413	2,182,252
Depreciation	104,374	-
Total Operating Expenses	<u>1,866,787</u>	<u>2,192,482</u>
Operating Income (Loss)	<u>(409,499)</u>	<u>96,527</u>
Nonoperating Revenues (Expenses)		
Other Income	66,734	-
Interest Expense	(12,960)	-
Debt Issuance Costs	(29,559)	-
	<u>24,215</u>	<u>-</u>
Change in Net Assets	(385,284)	96,527
Net Assets - Beginning	<u>2,215,298</u>	<u>31,278</u>
Net Assets - Ending	<u>\$ 1,830,014</u>	<u>\$ 127,805</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, 2012

	Business-Type Activities - Enterprise Water	Governmental Activities Internal Service Health Insurance
Cash Flows from Operating Activities		
Receipts from Customers and Users	\$ 1,271,804	\$ -
Receipts from Interfund Services Provided	-	2,192,482
Payments to Suppliers	(1,765,982)	(2,192,482)
Payments to Employees	(496,280)	-
	<u>(990,458)</u>	<u>-</u>
Cash Flows from Capital and Related Financing Activities		
Purchase of Capital Assets	(17,023)	-
Interest and Fiscal Charges on Capital Debt	(42,519)	-
Proceeds on Capital Debt	1,050,000	-
	<u>990,458</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	-	-
Cash and Cash Equivalents		
Beginning of Year	<u>75</u>	<u>-</u>
End of Year	<u>\$ 75</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities		
Operating Income (Loss)	\$ (409,499)	\$ 96,527
Adjustments to Reconcile Operating Income Income to Net Cash Provided by (used in) Operating Activities:		
Other Income	66,734	-
Depreciation and Amortization Expense	104,374	-
(Increase) Decrease in Current Assets	(252,218)	(96,527)
Increase (Decrease) in Current Liabilities	(499,849)	-
Net Cash Provided by Operating Activities	<u>\$ (990,458)</u>	<u>\$ -</u>

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, 2012**

	<u>Pension Trust</u>
ASSETS	
Cash and Cash Equivalents	\$ 803,942
Investments	
U.S. Government and Agency Obligations	7,666,847
Mutual Funds	8,064,952
Common Stock	2,013,024
Insurance Contracts	815,515
Corporate Bonds	1,195,456
Municipal Bonds	1,970,020
Receivables	
Accrued Interest	100,729
Due from Other Funds	4,943
Prepays	<u>559</u>
 Total Assets	 <u>22,635,987</u>
LIABILITIES	
Accounts Payable	13,786
Due to Other Funds	<u>5,269</u>
 Total Liabilities	 <u>19,055</u>
NET ASSETS	
Held in Trust for Pension Benefits	<u><u>\$ 22,616,932</u></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, 2012

	<u>Pension Trust</u>
Additions	
Contributions - Employer	\$ 250,000
Contributions - Employee	<u>344,594</u>
Total Contributions	<u>594,594</u>
Investment Income	
Interest Earned	625,341
Net Change in Fair Value	<u>(126,612)</u>
	498,729
Less Investment Expenses	<u>(86,333)</u>
Net Investment Income	<u>412,396</u>
Total Additions	<u>1,006,990</u>
Deductions	
Administration	27,102
Benefits and Refunds	<u>2,062,748</u>
Total Deductions	<u>2,089,850</u>
Change in Net Assets	(1,082,860)
Net Assets - Beginning	<u>23,699,792</u>
Net Assets - Ending	<u>\$ 22,616,932</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, 2012

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.

REPORTING ENTITY

The Village's financial reporting entity comprises the following:

Primary Government:	Village of North Riverside
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In determining the financial reporting entity, the Village complies with the provisions of GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units – an Amendment of GASB Statement No. 14," and includes all component units that have a significant operational or financial relationship with the Village. Based upon the criteria set forth in the GASB Statement No. 39, there are no component units included in the reporting entity.

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 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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

REPORTING ENTITY – Continued

Police Pension Employees Retirement System – Continued

Although it is legally separate from the Village, the PERS 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 PERS is reported as a fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PERS.

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 five-member pension board, with two members appointed by the Village President, two elected from active participants of the Fund, and one elected from the retired members of the Fund. 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 fiduciary fund, and specifically a pension trust fund, due to the fiduciary responsibility exercised over the PERS.

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 resources 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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Government-Wide Statements – Continued

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, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

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.

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

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

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.

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:

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

BASIS OF PRESENTATION – Continued

Fund Financial Statements – Continued

Proprietary Funds – Continued

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 fund is 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 one internal service fund, the 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.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

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.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING – Continued

Basis of Accounting – Continued

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.

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 amounts provided with a requirement of repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings, and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide Statement of Net Assets, except for amounts between similar activities, which have been eliminated.

Services provided and used are sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Interfund Receivables, Payables and Activity – Continued

Unpaid amounts are reported as due to/from other funds in the fund Balance Sheets or fund Statements of Net Assets. Reimbursements repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported in the reimbursing fund and as a reduction of expenditures in the reimbursed fund. Transfers are flows of assets (such as cash or goods) without equivalent flows of assets in return and without the requirement of repayment. In governmental funds, transfers are reported as other financing uses in the fund making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Prepays/Inventories

Prepays/inventories are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund-type prepays/inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepays in both the government-wide and fund financial statements.

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.

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, public right-of-ways and sidewalks 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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Capital Assets – Continued

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 – 25 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 – 80 Years

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY – Continued

Unearned/Deferred 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.

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”.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – Continued

BUDGETARY INFORMATION – Continued

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 Finance Director 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.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

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. The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois Bonds; pooled accounts managed by the Illinois Public Treasurer, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds of at least 5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks that meet specific restrictions.

Illinois Funds is an investment pool managed by the Illinois public Treasurer's Office which allows governments within the State to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds operates in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Village's deposits for governmental and business-type activities totaled \$977,452 and the bank balances totaled \$1,033,275.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The Village has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)	
		Less Than 1	1 to 5
Illinois Funds	\$ 2,478,750	\$ 2,478,750	\$ -
Municipal Bonds	1,023,614	711,515	312,099
	<u>\$ 3,502,364</u>	<u>\$ 3,190,265</u>	<u>\$ 312,099</u>

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village’s investment policy states that it will mitigate interest rate risk by structuring the investment portfolio so that securities mature concurrently to meet cash requirements of the Village’s ongoing operations, thereby, eliminating the need to sell securities on the open market prior to maturity, and investing operating fund primarily in shorter-term securities, money market mutual funds or similar investment pools. Specifically, the investment policy states that unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than five years from the date of purchase. Reserve funds and other funds with longer-term cash flow requirements may be invested in securities exceeding five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of funds.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village’s investment policy mitigates credit risk by limiting investments to the safest types of securities, by pre-qualifying all financial institutions, brokers/dealers, intermediaries and advisors with which the Village conducts business, and diversifying the investment portfolio so that potential losses on individual securities will be minimized. At year-end, the Village’s U.S. Agency securities are all rated AAA by Standard & Poor’s, and the Village’s investment in the Illinois Funds is rated AAAM by Standard & Poor’s.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Village Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires that any deposit in excess of Banking Insurance Fund and Savings Association Insurance Fund limits to be secured by some form of collateral. The Village will accept any of the following assets as collateral: U.S. Government Securities, Obligations of Federal Agencies, Obligations of Federal Instrumentalities, and Obligations of the State of Illinois. The fair market value of collateral provided will not be less than 110% of the bank balance of deposits, including accrued interest. Pledged collateral will be held in safekeeping by an independent third party acting as agent for the Village. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year-end, the Village's investments in U.S. Agency securities are all insured or registered with the Village or its agent in the Village's name and the Village's investment in the Illinois Funds is noncategorizable.

Concentration Risk. This is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. The Village's investment policy states that the investment policy shall be diversified by: limiting investments to avoid over concentration in securities from a specific issuer or business sector, excluding U.S. Treasury securities, by limiting investment in securities that have higher credit risks, by investing in securities with varying maturities, and by continuously investing a portion of the portfolio in readily available funds such as local government investment pools (i.e. Illinois Funds) and money market mutual funds to ensure that appropriate liquidity is maintained to meet ongoing operating obligations. At year-end, the Village's investment in the Illinois Funds represents more than 5 percent of the total cash and investment portfolio.

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund's deposits totaled \$571,189 and the bank balances totaled \$571,189.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Bond	\$ 457,735	\$ -	\$ -	\$ 457,735	\$ -
U.S. Treasury Strip	338,406	-	338,406	-	-
U.S. Treasury Note	1,358,809	-	605,903	752,906	-
Federal Home Loan Mortgage Corp.	438,731	-	383,045	55,686	-
Federal National Mortgage Assoc.	2,572,185	274,504	812,252	587,737	897,692
Federal Farm Credit Bank	459,618	-	459,618	-	-
Government National Mortgage Assoc.	295,824	-	-	-	295,824
Corporate Bonds	307,778	126,859	180,919	-	-
Illinois Funds	86,752	86,752	-	-	-
	<u>\$ 6,315,838</u>	<u>\$ 488,115</u>	<u>\$ 2,780,143</u>	<u>\$ 1,854,064</u>	<u>\$ 1,193,516</u>

Interest Rate Risk. The Fund’s investment policy states that the investment portfolio will remain sufficiently liquid to enable the Fund to meet all operating requirements which might be reasonably anticipated.

Credit Risk. The Fund’s investment policy states that safety of principle is the foremost objective of the policy. Investments shall be undertaken in a manner that seeks to insure the preservation of capital. The Fund’s investment policy helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. At year-end, the Fund’s investments in U.S. Government and Agency securities were all rated AAA rated by Standard & Poor’s.

Custodial Credit Risk. The Fund’s investment policy does not mitigate custodial credit risk. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund’s investment in U.S. Government and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund’s name.

Concentration Risk. The Fund’s investment policy states that investments of the Fund shall be so diversified as to minimize the risk of large losses. Diversification is to be interpreted to include diversification by asset type, by characteristic and by number of investments.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Police Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Investment management of the Fund’s assets shall be in accordance with the following asset guidelines:

	<u>Minimum</u>	<u>Maximum</u>	<u>Preferred</u>
Equities	25%	45%	35%
Fixed Income	45%	74%	63%
Cash and Equivalents	1%	15%	2%

At year-end, the Funds investments are in compliance with the guidelines outlined above. In addition to the securities and fair values listed above, the Fund also has \$5,355,523 invested in mutual funds and \$2,013,024 invested in common stock. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the Schwab S&P 500 Index Fund of \$983,907.

Firefighters’ Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk

Deposits. At year-end, the carrying amount of the Fund’s deposits totaled \$8,971 and the bank balances totaled \$8,971.

Investments. The Fund has the following investment fair values and maturities:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
U.S. Treasury Strip	\$ 430,888	\$ -	\$ -	\$ 430,888	\$ -
Federal Home Loan Mortgage Corp.	428,391	-	-	-	428,391
Government National Mortgage Assoc.	886,260	-	-	-	886,260
Corporate Bonds	887,678	100,215	631,748	-	155,715
Local Obligations	1,970,020	1,068,356	680,116	221,548	-
Illinois Funds	137,030	137,030	-	-	-
	<u>\$ 4,740,267</u>	<u>\$ 1,305,601</u>	<u>\$ 1,311,864</u>	<u>\$ 652,436</u>	<u>\$ 1,470,366</u>

Interest Rate Risk. The Fund’s investment policy states that the investment portfolio shall remain sufficiently liquid to enable the Pension Board to meet all operating requirements, insurance premiums and settlements of claims which may be reasonably anticipated.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

DEPOSITS AND INVESTMENTS – Continued

Firefighters' Pension Fund Interest Rate Risk, Credit Risk, Custodial Credit Risk and Concentration Risk – Continued

Credit Risk. The Fund's investment policy states that safety of principal is considered the foremost priority of the Pension Board. With each investment that is made the Board shall make a prudent effort to avoid capital losses, whether they be from default or erosion of market values. At year-end, the Fund's investment in U.S. Treasury and Agency securities were all rated AAA rated by Standard & Poor's. Standard & Poor's rated the Fund's investment in the Illinois Funds AAAM.

Custodial Credit Risk. The Fund's investment policy states that all funds on deposit in banks in excess of FDIC limits be secured by some form of collateral. Direct investments guaranteed by the United States government do not require collateral. The Fund shall accept any of the following securities as collateral: negotiable full-faith and credit obligations of the United States government, and negotiable obligations of any agency or instrumentality of the United States government. The amount of collateral will not be less than 110% of the fair market value of the net amount of funds secured. Pledged collateral will be held in safekeeping and evidenced by a safekeeping agreement. All investments of the Fund shall be clearly held and accounted for to indicate ownership by the Board. The Fund will direct the registration of securities in its own name or in the name of a nominee created for the express purpose of registration of securities by a state bank, national bank or trust company authorized to do business in the State of Illinois. At year-end, the entire carrying amount of the bank balance of deposits is covered by federal depository or equivalent insurance. Furthermore, the Fund's investment in U.S. Treasury and Agency securities are categorized as insured, registered, or held by the Fund or its agent in the Fund's name. The Fund's investment in the Illinois Funds is noncategorizable.

Concentration Risk. The Fund's investment policy states no financial institution shall hold more than 50% of the Fund's portfolio at the current time of investment placement, exclusive of securities held in safekeeping with the Trust Department of the financial institution. The following are suggested limits of holdings for the Fund:

Cash, Illinois Funds, NOW Accounts	0%	to	50%
GNMA Securities	0%	to	30%
Other Agencies	0%	to	75%
Strips (Zero Coupon Securities)	0%	to	70%
Full Faith & Credit – U.S. Govt.	10%	to	100%
Certificates of Deposit	0%	to	10%
Guaranteed Investment Contracts/Insurance Separate Accounts	0%	to	10%
Equity Investments	0%	to	35%

At year-end, the Fund is in compliance with the guideline outlined above. In addition to the securities and fair values listed above, the Fund also has \$2,709,429 invested in mutual funds and \$815,515 invested in insurance contracts. At year-end, the Fund has over 5 percent of net plan assets available for retirement benefits (other than U.S. Government guaranteed obligations) invested in the Oakmark Equity and Income Fund of \$937,798.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 2,774,097	\$ -	\$ -	\$ 2,774,097
Land - Right of Way	4,314,090	-	-	4,314,090
Construction in Progress	203,338	48,540	10,658	241,220
	<u>7,291,525</u>	<u>48,540</u>	<u>10,658</u>	<u>7,329,407</u>
Depreciable Capital Assets				
Buildings and Improvements	8,099,148	-	-	8,099,148
Vehicles	2,280,369	84,331	91,115	2,273,585
Equipment and Furniture	2,830,611	66,409	-	2,897,020
Infrastructure	3,053,593	-	-	3,053,593
	<u>16,263,721</u>	<u>150,740</u>	<u>91,115</u>	<u>16,323,346</u>
Less Accumulated Depreciation				
Buildings and Improvements	4,752,452	183,553	-	4,936,005
Vehicles	2,032,336	81,234	91,115	2,022,455
Equipment and Furniture	1,828,679	107,803	-	1,936,482
Infrastructure	2,095,838	30,432	-	2,126,270
	<u>10,709,305</u>	<u>403,022</u>	<u>91,115</u>	<u>11,021,212</u>
Total Depreciable Capital Assets	<u>5,554,416</u>	<u>(252,282)</u>	<u>-</u>	<u>5,302,134</u>
Total Capital Assets	<u>\$ 12,845,941</u>	<u>\$ (203,742)</u>	<u>\$ 10,658</u>	<u>\$ 12,631,541</u>

Depreciation expense was charged to governmental activities as follows:

General Government	\$ 84,862
Public Safety	188,436
Culture and Recreation	33,257
Public Works	<u>96,467</u>
	<u>\$ 403,022</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

CAPITAL ASSETS – Continued

Business-Type Activities

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

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets - Nondepreciable				
Land	\$ 215,500	\$ -	\$ -	\$ 215,500
Construction in Progress	-	17,023	-	17,023
	<u>215,500</u>	<u>17,023</u>	<u>-</u>	<u>232,523</u>
Depreciable Capital Assets				
Buildings	187,982	-	-	187,982
Water System	5,020,350	-	-	5,020,350
Sewer System	1,294,965	-	-	1,294,965
Vehicles	102,698	-	-	102,698
	<u>6,605,995</u>	<u>-</u>	<u>-</u>	<u>6,605,995</u>
Less Accumulated Depreciation				
Buildings	39,946	4,700	-	44,646
Water System	3,208,887	83,339	-	3,292,226
Sewer System	953,076	11,535	-	964,611
Vehicles	78,698	4,800	-	83,498
	<u>4,280,607</u>	<u>104,374</u>	<u>-</u>	<u>4,384,981</u>
Total Depreciable Capital Assets	<u>2,325,388</u>	<u>(104,374)</u>	<u>-</u>	<u>2,221,014</u>
Total Capital Assets	<u>\$ 2,540,888</u>	<u>\$ (87,351)</u>	<u>\$ -</u>	<u>\$ 2,453,537</u>

Depreciation expense of \$104,374 was charged to the water business-type activity.

PROPERTY TAXES

Property taxes for 2011 attach as an enforceable lien on January 1, 2012, 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, 2012 and July 1, 2012, and are payable in two installments, on or about March 1, 2012, and September 1, 2012. The County collects such taxes and remits them periodically. The 2011 levy was adopted in December 2011 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 2012 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has not been recorded as a receivable as of April 30, 2012, as the tax has not yet been levied by the Village and will not be levied until December 2012, and, therefore, the levy is not measurable at April 30, 2012.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

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
Capital Projects	General	\$ 165,146
Health Insurance	General	127,805
Water	General	278,859
Debt Service	General	191,596
Nonmajor Governmental	General	811,920
Firefighters' Pension	General	4,943
General	Nonmajor Governmental	34,940
General	Police Pension	5,269
		<u>\$ 1,620,478</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
Capital Projects	General	\$ 700,000
Nonmajor Governmental	General	<u>20,000</u>
		<u>\$ 720,000</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, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT

Notes Payable

The Village enters into notes payable to provide funds for general purposes. Notes payable have been issued for the governmental activities. Notes payable are direct obligations and pledge the full faith and credit of the Village. Notes payable currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance
\$2,000,000 Taxable General Obligation Note of 2009, due in annual installments of \$200,000 to \$1,600,000 plus interest at 2.65% through December 15, 2011.	Capital Projects	\$ 1,800,000	\$ -	\$ 1,800,000	\$ -

Installment Contracts

The Village has established installment contracts payable as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance
\$450,000 installment contract payable, dated April 16, 2009, due in annual installments of \$79,867.33 including interest at 3.62% through May 1, 2012.	911 Telephone Service	\$ 44,127	\$ -	\$ 29,010	\$ 15,117
	Capital Projects	186,994	-	123,674	63,320
\$100,000 installment contract payable, dated May 18, 2009, due in annual installments of \$12,500 including interest at 0.00% through November 1, 2017.	Capital Projects	87,500	-	12,500	75,000
		<u>\$ 318,621</u>	<u>\$ -</u>	<u>\$ 165,184</u>	<u>\$ 153,437</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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	Beginning Balance	Issuances	Retirements	Ending Balance
\$2,415,000 General Obligation (Alternate Revenue Source) Bonds of 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	\$ 865,000	\$ -	\$ 865,000	* \$ -

* Refunded

Debt Certificates

The Village issues debt certificates to provide funds for the acquisition and construction of major capital projects. Debt certificates are direct obligations and pledge the full faith and credit of the Village. Debt certificates currently outstanding are as follows:

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance
Debt Certificates of 2011A, due in annual installments of \$85,000 to \$110,000 plus interest at 2.55% to 3.75% through December 1, 2026.	Water	\$ -	\$ 1,050,000	\$ -	\$ 1,050,000
Debt Certificates of 2011A, due in annual installments of \$215,000 to \$230,000 plus interest at 2.00% through December 1, 2015.	Debt Service	-	885,000	-	885,000

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Debt Certificates – Continued

Issue	Fund Debt Retired By	Beginning Balance	Issuances	Retirements	Ending Balance
Debt Certificates of 2011B, due in annual installments of \$220,000 to \$255,000 plus interest at 1.40% to 3.70% through December 1, 2018.	Capital Projects	\$ -	\$ 1,650,000	\$ -	\$ 1,650,000
		<u>\$ -</u>	<u>\$ 3,585,000</u>	<u>\$ -</u>	<u>\$ 3,585,000</u>

Long-Term Liability Activity

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

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
Net Pension Obligation	\$ 9,598,469	\$ 728,531	\$ -	\$ 10,327,000	\$ -
Net Other Post-Employment Benefit Obligation	1,094,890	624,222	-	1,719,112	-
Compensated Absences	1,018,380	81,632	163,264	936,748	187,350
Notes Payable	1,800,000	-	1,800,000	-	-
Installment Contracts	318,621	-	165,184	153,437	90,937
General Obligation Bonds	865,000	-	865,000	-	-
Debt Certificates	-	2,535,000	-	2,535,000	435,000
	<u>\$ 14,695,360</u>	<u>\$ 3,969,385</u>	<u>\$ 2,993,448</u>	<u>\$ 15,671,297</u>	<u>\$ 713,287</u>
Business-Type Activities					
Compensated Absences	\$ 58,995	\$ 6,853	\$ 13,706	\$ 52,142	\$ 10,428
Debt Certificates	-	1,050,000	-	1,050,000	-
	<u>\$ 58,995</u>	<u>\$ 1,056,853</u>	<u>\$ 13,706</u>	<u>\$ 1,102,142</u>	<u>\$ 10,428</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

Long-Term Liability Activity – Continued

For the governmental activities, payments on the compensated absences, the net pension obligation and net other post-employment benefits obligation are generally made by the General Fund. The Capital Projects Fund and 911 Telephone Service Fund make payments on the installment contracts. Payments on the general obligation bonds are made by the Debt Service Fund. Payments on the Debt Certificates are made by the Debt Service, Capital Projects, and Water Funds. For the business-type activities, the compensated absences are liquidated by the Water 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				Business-Type Activities	
	Installment Contracts		Debt Certificates		Debt Certificates	
	Principal	Interest	Principal	Interest	Principal	Interest
2013	\$ 90,937	\$ 1,430	\$ 435,000	\$ 58,421	\$ -	\$ 32,315
2014	12,500	-	445,000	53,230	-	33,525
2015	12,500	-	450,000	44,893	-	33,525
2016	12,500	-	465,000	35,547	-	33,525
2017	12,500	-	240,000	24,720	85,000	33,525
2018	12,500	-	245,000	17,520	85,000	31,358
2019	-	-	255,000	9,435	85,000	29,190
2020	-	-	-	-	90,000	27,023
2021	-	-	-	-	90,000	24,727
2022	-	-	-	-	95,000	21,757
2023	-	-	-	-	95,000	18,623
2024	-	-	-	-	100,000	15,487
2025	-	-	-	-	105,000	12,187
2026	-	-	-	-	110,000	8,250
2027	-	-	-	-	110,000	4,125
	<u>\$ 153,437</u>	<u>\$ 1,430</u>	<u>\$ 2,535,000</u>	<u>\$ 243,766</u>	<u>\$ 1,050,000</u>	<u>\$ 359,142</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

LONG-TERM DEBT – Continued

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".

Assessed Valuation - 2011	<u>\$ 272,281,337</u>
Bonded Debt Limit - 8.625% of Assessed Value	23,484,265
Amount of Debt Applicable to Limit	<u>3,585,000</u>
Legal Debt Margin	<u>\$ 19,899,265</u>

Defeased Debt

On December 14, 2011, the Village issued \$885,000 par value Debt Certificates of 2011A to refund \$865,000 of the General Obligation (Alternate Revenue Source) Bonds of 2000A. The Village defeased bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payment of the old bonds. Since the requirements that normally satisfy defeasance have been met, the financial statements reflect satisfaction of the original liability through the irrevocable transfer to an escrow agent of an amount computed to be adequate to meet the future debt service requirements of the issue. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's basic financial statements. Through this refunding, the Village reduced its total debt service by \$34,817 and obtained an economic gain of \$50,455.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

NET ASSETS CLASSIFICATIONS

Investment in capital assets – net of related debt, was comprised of the following as of April 30, 2012:

Governmental Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 12,631,541
Plus Unspent Bond Proceeds	1,650,000
Less Capital Related Debt:	
Installment Contracts	(153,437)
Debt Certificates	<u>(2,535,000)</u>
Investment in Capital Assets - Net of Related Debt	<u>\$ 11,593,104</u>
Business-Type Activities	
Capital Assets - Net of Accumulated Depreciation	\$ 2,453,537
Plus Unspent Bond Proceeds	1,032,977
Less Capital Related Debt:	
Debt Certificates	<u>(1,050,000)</u>
Investment in Capital Assets - Net of Related Debt	<u>\$ 2,436,514</u>

FUND BALANCE CLASSIFICATIONS

The Village implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the fiscal year ended April 30, 2012. In the governmental funds financial statements, the Village first utilizes restricted resources to finance qualifying activities, then committed, assigned and unassigned fund balance.

Minimum Fund Balance Policy. The Village’s policy manual states that the General Fund should maintain a minimum unrestricted fund balance equal to three months of budgeted operating expenditures, excluding transfers and capital expenditures. Fund balances in excess of said levels may be transferred to the capital projects fund at the discretion of the Board.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

NOTE 3 – DETAIL NOTES ON ALL FUNDS – Continued

FUND BALANCE CLASSIFICATIONS – Continued

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

	General	Debt Service	Capital Projects	Nonmajor	Total
Fund Balances					
Nonspendable					
Prepays	\$ 10,828	\$ -	\$ 48,160	\$ -	\$ 58,988
Inventories	55,487	-	-	-	55,487
	<u>66,315</u>	<u>-</u>	<u>48,160</u>	<u>-</u>	<u>114,475</u>
Restricted					
Public Safety	93,164	-	-	-	93,164
Debt Service	-	191,596	-	-	191,596
Motor Fuel Tax	-	-	-	593,824	593,824
911 Telephone Service	-	-	-	266,862	266,862
Foreign Fire Insurance	-	-	-	6,784	6,784
	<u>93,164</u>	<u>191,596</u>	<u>-</u>	<u>867,470</u>	<u>1,152,230</u>
Committed - Refuse	-	-	-	35,252	35,252
Assigned - Capital Projects	-	-	84,885	-	84,885
Unassigned	<u>4,078,671</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,078,671</u>
Total Fund Balances	<u>\$ 4,238,150</u>	<u>\$ 191,596</u>	<u>\$ 133,045</u>	<u>\$ 902,722</u>	<u>\$ 5,465,513</u>

Committed Fund Balance. The Village reports committed fund balance in the Refuse Fund. The Village’s Board, through formal Board action, has committed these funds for future refuse services provided to the residents of the Village.

Assigned Fund Balance. The Village reports assigned fund balance in the Capital Projects Fund, a major fund. The Village’s Board/management has assigned these funds to future capital needs and improvement projects based on approved Board/management expenditures as determined through the annual budget process.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 4 – OTHER INFORMATION

RISK MANAGEMENT

Intergovernmental Personnel Benefit Cooperative (IPBC)

On October, 1, 2009 the Village joined the Intergovernmental Personnel Benefit Cooperative (IPBC) to provide the Village's health insurance benefits. Risks for medical and death benefits for employees and retirees are provided for through the Village's participation in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member. IPBC maintains specific reinsurance coverage for claims in excess of \$50,000 per individual employee participant. The Village pays premiums to IPBC based upon current employee participation and its prior experience factor with the pool. Current year overages or underages for participation in the pool are adjusted into subsequent years experience factor for premiums. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

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.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

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 online at www.imrf.org. 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. Participating members hired before January 1, 2011 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. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 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 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Illinois Municipal Retirement System – Continued

The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. 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 contribution rate for calendar year 2011 used by the employer was 15.51 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 16.00 percent.

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	27
Current Employees Vested and Nonvested	<u>26</u>
	<u>53</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Police Pension Plan – Continued

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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of $\frac{1}{2}$ 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. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, but the lesser of 3% or $\frac{1}{2}$ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

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 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is 90% funded.

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

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	14
Current Employees Vested and Nonvested	<u>17</u>
	<u><u>31</u></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 hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of ½ of the monthly salary attached to the rank held 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 salary. Covered employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 as of January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements

April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Plan Descriptions, Provisions and Funding Policies – Continued

Firefighters' Pension Plan – Continued

Covered employees, if any, 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 2040 the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is 90% funded.

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.

Police Pension	Schwab S&P Index Fund	\$	983,907
Firefighters' Pension	Oakmark Equity and Income Fund		937,798

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements
April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Summary of Significant Accounting Policies and Plan Asset Matters – Continued

Related Party Transactions

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

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.” The amount of the pension liability for the IMRF, Police Pension and Firefighters’ Pension plans are as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension	Total
Annual Required Contribution	\$ 233,913	\$ 921,789	\$ 549,381	\$ 1,705,083
Interest on the NPO	2,544	359,346	229,524	591,414
Adjustment to the ARC	(1,819)	(667,765)	(419,481)	(1,089,065)
Annual Pension Cost	234,638	613,370	359,424	1,207,432
Actual Contribution	228,901	150,000	100,000	478,901
Increase to the NPO	5,737	463,370	259,424	728,531
NPO - Beginning of Year	33,925	5,858,133	3,706,411	9,598,469
NPO - End of Year	\$ 39,662	\$ 6,321,503	\$ 3,965,835	\$ 10,327,000

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

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	15.51%	0.00%	0.00%
Employee	4.50%	9.91%	9.46%
Actuarial Valuation Date	12/31/2011	4/30/11	4/30/1
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level % of Projected Payroll Open Basis	Level % of Projected Payroll Closed Basis	Level %of Projected Payroll Closed Basis
Remaining Amortization Period	30 Years	30 Years	30 Years
Asset Valuation Method	5-Year Smoothed Market	Market	Market
Actuarial Assumptions			
Investment Rate of Return	7.50% Compounded Annually	8.00% Compounded Annually	8.00% Compounded Annually
Projected Salary Increases	.4 to 10.0%	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, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Trend Information

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

	Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Annual Pension Cost (APC)	2010	\$ 249,628	\$ 1,148,532	\$ 700,028
	2011	276,966	1,738,651	1,117,398
	2012	234,638	613,370	359,424
Actual Contributions	2010	\$ 239,098	\$ 8,156	\$ -
	2011	253,571	-	-
	2012	228,901	150,000	100,000
Percentage of APC Contributed	2010	95.78%	0.71%	0.00%
	2011	91.55%	0.00%	0.00%
	2012	97.55%	24.46%	27.82%
Net Pension Obligation	2010	\$ 10,530	\$ 4,119,482	\$ 2,589,013
	2011	33,925	5,858,133	3,706,411
	2012	39,662	6,321,503	3,965,835

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 4 – OTHER INFORMATION – Continued

EMPLOYEE RETIREMENT SYSTEM – DEFINED BENEFIT PENSION PLANS – Continued

Funded Status and Funding Progress

The Village's funded status for the current year and related information for each plan is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	12/31/11	4/30/2011	4/30/2011
Percent Funded	66.95%	56.04%	54.56%
Actuarial Accrued Liability for Benefits	\$5,062,208	\$26,333,842	\$16,390,293
Actuarial Value of Assets	\$3,389,110	\$14,757,081	\$8,942,711
Over (Under) Funded Actuarial Accrued Liability (UAAL)	(\$1,673,098)	(\$11,576,761)	(\$7,447,582)
Covered Payroll (Annual Payroll of Active Employees Covered by the Plan)	\$1,597,305	\$2,094,843	\$1,339,781
Ratio of UAAL to Covered Payroll	104.75%	552.63%	555.88%

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS

Plan Descriptions, Provisions, and Funding Policies

In addition to providing the pension benefits described, the Village provides post-employment health care insurance benefits (OPEB) for its eligible retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund.

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are not eligible for benefits.

All health care benefits are provided through the Village's health insurance plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care; and prescriptions. Upon a retiree reaching 65 years of age, Medicare becomes the primary insurer and the Village's plan becomes secondary.

All retirees contribute approximately 9% of the actuarially determined premium to the plan. For the fiscal year ending April 30, 2012, retirees contributed \$46,720. Active employees do not contribute to the plan until retirement.

At April 30, 2012, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not yet Receiving Them	51
Active Employees	<u>67</u>
Total	<u>118</u>
Participating Employers	1

The Village does not currently have a forma funding policy and currently operates on a pay as you go basis.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Notes to the Financial Statements
April 30, 2012**

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Annual OPEB Costs and Net OPEB Obligation

The net OPEB obligation (NOPEBO) as of April 30, 2012, was calculated as follows:

	<u>OPEB</u>
Annual Required Contribution	\$ 1,181,010
Interest on the NPO	54,745
Adjustment to the ARC	<u>(27,372)</u>
Annual OPEB Cost	1,208,383
Actual Contribution	<u>584,161</u>
Increase in the NOPEBO	624,222
NOPEBO - Beginning of Year	<u>1,094,890</u>
NOPEBO - End of Year	<u><u>1,719,112</u></u>

Trend Information

The Village's annual OPEB cost, actual contributions, the percentage of annual OPEB cost contributed and the net OPEB obligation (asset) are as follows:

Fiscal Year	Annual OPEB Cost	Actual Contributions	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2010	\$ 1,135,274	\$ 584,161	51.46 %	\$ 551,113
2011	1,127,938	584,161	51.79	1,094,890
2012	1,208,383	584,161	48.34	1,719,112

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Notes to the Financial Statements April 30, 2012

NOTE 4 – OTHER INFORMATION – Continued

OTHER POST-EMPLOYMENT BENEFITS – Continued

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2010, the date of the latest actuarial valuation, was as follows:

Actuarial Accrued Liability (AAL)	\$ 17,402,074
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	17,402,074
Funded Ratio (actuarial value of plan assets/AAL)	-
Covered Payroll (active plan members)	6,586,543
UAAL as a percentage of covered payroll	37.85%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2010 actuarial valuation the entry age actuarial cost method was used. The actuarial assumptions included a 5.0% investment rate of return (net of administrative expenses), and an annual healthcare cost trend rate of 8.0%, with an ultimate rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advanced funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2012, was 30 years.

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 and Employer Contributions**
 - Illinois Municipal Retirement Fund
 - Police Pension Fund
 - Firefighters' Pension Fund
 - Other Post-Employment Benefit Plan

- **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 and Employer Contributions
 April 30, 2012

Funding Progress

Actuarial Valuation Date	(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)
2006	\$ 4,478,707	\$ 5,159,080	86.81%	\$ 680,373	\$ 1,594,776	42.66%
2007	4,345,165	5,052,675	86.00%	707,510	1,755,539	40.30%
2008	3,581,140	5,190,092	69.00%	1,608,952	1,748,989	91.99%
2009	4,095,778	5,635,292	72.68%	1,539,514	1,781,944	86.40%
2010	4,269,143	5,751,746	74.22%	1,482,603	1,753,431	84.55%
2011	3,389,110	5,062,208	66.95%	1,673,098	1,597,305	104.75%

Employer Contributions

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ 216,570	\$ 216,570	100.00%
2008	238,227	238,227	100.00%
2009	226,844	226,844	100.00%
2010	239,098	249,628	95.78%
2011	253,571	276,741	91.63%
2012	228,901	233,913	97.86%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Police Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2012**

Funding Progress

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)
2006	\$ 13,067,675	\$ 19,044,881	68.62%	\$ 5,977,206	\$ 1,895,593	315.32%
2007	14,512,393	20,883,981	69.49%	6,371,588	2,004,829	317.81%
2008	14,946,214	22,270,103	67.11%	7,323,889	2,080,965	351.95%
2009	12,488,103	23,629,478	52.85%	11,141,375	2,247,954	495.62%
2010	13,987,381	25,102,328	55.72%	11,114,947	2,233,410	497.67%
2011	14,757,081	26,333,842	56.04%	11,576,761	2,094,843	552.63%

Employer Contributions

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ -	\$ 474,683	0.00%
2008	756,905	500,252	151.30%
2009	473,266	539,281	87.76%
2010	8,156	617,755	1.32%
2011	-	896,875	0.00%
2012	150,000	921,789	16.27%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Firefighters' Pension Fund

**Required Supplementary Information
Schedule of Funding Progress and Employer Contributions
April 30, 2012**

Funding Progress

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)
2006	\$ 8,044,548	\$ 11,481,354	70.07%	\$ 3,436,806	\$ 1,402,820	244.99%
2007	8,965,139	12,153,137	73.77%	3,187,998	1,455,381	219.05%
2008	9,246,926	14,125,995	65.46%	4,879,069	1,368,226	356.60%
2009	8,299,346	14,760,549	56.23%	6,461,203	1,427,046	452.77%
2010	8,859,981	15,273,221	58.01%	6,413,240	1,436,145	446.56%
2011	8,942,711	16,390,293	54.56%	7,447,582	1,339,781	555.88%

Employer Contributions

Year Ended April 30	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ -	\$ 293,580	0.00%
2008	472,163	332,861	141.85%
2009	332,861	327,389	101.67%
2010	-	444,545	0.00%
2011	-	543,999	0.00%
2012	100,000	549,381	18.20%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Other Post-Employment Benefit Plan

Required Supplementary Information
 Schedule of Funding Progress and Employer Contributions
 April 30, 2012

Funding Progress

Actuarial Valuation Date	(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)
April 30						
2007	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2008	N/A	N/A	N/A	N/A	N/A	N/A
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	-	17,402,072	0.00%	17,402,072	6,586,543	37.85%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	N/A	N/A	N/A	N/A	N/A	N/A

Employer Contributions

Year Ended May 31	Employer Contributions	Annual Required Contribution	Percent Contributed
2007	\$ N/A	\$ N/A	N/A
2008	N/A	N/A	N/A
2009	N/A	N/A	N/A
2010	584,161	1,135,274	51.46%
2011	584,161	1,114,160	52.43%
2012	584,161	1,181,010	49.46%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for other years is not available. The Village is required to have an actuarial valuation performed triennially.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes	\$ 9,702,500	\$ 9,787,500	\$ 9,930,864
Licenses and Permits	840,600	840,600	803,319
Intergovernmental	686,000	721,000	736,271
Charges for Services	1,055,325	1,055,325	1,014,307
Fines and Forfeits	349,875	349,875	369,771
Investment Earnings	5,100	5,100	3,746
Miscellaneous	21,350	271,350	348,145
Total Revenues	<u>12,660,750</u>	<u>13,030,750</u>	<u>13,206,423</u>
Expenditures			
General Government	790,400	825,400	746,511
Public Safety	8,999,250	9,309,750	9,024,546
Culture and Recreation	970,225	970,225	859,427
Public Works	1,107,318	1,107,318	1,016,456
Building, Health and Zoning	183,600	183,600	165,990
Total Expenditures	<u>12,050,793</u>	<u>12,396,293</u>	<u>11,812,930</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>609,957</u>	<u>634,457</u>	<u>1,393,493</u>
Other Financing Sources (Uses)			
Disposal of Capital Assets	20,000	20,000	24,545
Transfers Out	(619,500)	(780,000)	(720,000)
	<u>(599,500)</u>	<u>(760,000)</u>	<u>(695,455)</u>
Net Change in Fund Balance	<u>\$ 10,457</u>	<u>\$ (125,543)</u>	698,038
Fund Balance - Beginning			<u>3,540,112</u>
Fund Balance - Ending			<u>\$ 4,238,150</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 Statements – Nonmajor Governmental Funds
- Budgetary Comparison Schedules – Nonmajor Governmental Funds
- Budgetary Comparison Schedule – Enterprise Fund
- Budgetary Comparison Schedule – Internal Service Fund
- Combining Statements – Pension Trust 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 FUND

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.

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, 2012

	Budget		Actual
	Original	Final	
Taxes			
Property	\$ 491,000	\$ 491,000	\$ 484,330
Municipal Sales	4,715,000	4,750,000	4,811,158
Non Home Rule Sales	3,616,500	3,616,500	3,668,243
Simplified Municipal Telecommunications	205,000	205,000	212,123
Utility	425,000	425,000	408,113
Places for Eating	250,000	300,000	346,897
	<u>9,702,500</u>	<u>9,787,500</u>	<u>9,930,864</u>
Licenses and Permits			
Liquor Licenses	72,500	72,500	71,863
Vehicle Licenses	127,000	127,000	120,572
Business Licenses	227,100	227,100	237,863
Television Franchise Fee	75,000	75,000	93,709
Telephone Franchise Fee	10,000	10,000	10,279
Amusement Taxes	43,000	43,000	49,070
Building Permits	167,500	167,500	126,385
Electrical Permits	15,000	15,000	9,199
Alarm User Permits	20,000	20,000	-
Contractor Registration	67,500	67,500	67,075
Other Licenses and Permits	16,000	16,000	17,304
	<u>840,600</u>	<u>840,600</u>	<u>803,319</u>
Intergovernmental			
State Income	487,000	487,000	543,676
Local Use	92,000	127,000	97,339
Personal Property Replacement	31,000	31,000	41,208
Fire and Police Training Reimbursement	11,000	11,000	6,176
Grants			
Badge	10,300	10,300	-
Other	32,700	32,700	25,485
IDOT Street Maintenance Reimbursement	22,000	22,000	22,387
	<u>686,000</u>	<u>721,000</u>	<u>736,271</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual - Continued
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Charges for Services			
Recreation Fees	\$ 562,000	\$ 562,000	\$ 546,346
Ambulance Fees	250,000	250,000	232,715
Advertising-Bus Shelter	25,000	25,000	26,501
Elevator Inspections	30,000	30,000	32,460
Pre-Sale Inspections	18,000	18,000	30,227
Sign Inspections	48,000	48,000	47,521
Security Alarm Connections	28,000	28,000	29,395
Fire Inspections	44,000	44,000	37,457
Other Charges for Services	50,325	50,325	31,685
	<u>1,055,325</u>	<u>1,055,325</u>	<u>1,014,307</u>
Fines and Forfeitures			
Circuit Court Fines	99,000	99,000	105,697
Parking and Compliance Fines	108,000	108,000	134,274
Asset Seizure Funds	24,375	24,375	22,450
Administrative Tow Fines	100,000	100,000	90,500
False Alarm Fines	18,500	18,500	16,850
	<u>349,875</u>	<u>349,875</u>	<u>369,771</u>
Investment Earnings	<u>5,100</u>	<u>5,100</u>	<u>3,746</u>
Miscellaneous			
Donations	1,250	1,250	1,250
Reimbursements	5,100	5,100	69,361
Miscellaneous	15,000	265,000	277,534
	<u>21,350</u>	<u>271,350</u>	<u>348,145</u>
Total Revenues	<u>\$ 12,660,750</u>	<u>\$ 13,030,750</u>	<u>\$ 13,206,423</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
General Government			
Legislative			
Salaries - Elected Officials	\$ 45,600	\$ 45,600	\$ 45,600
Payroll Taxes and Benefits	4,000	4,000	2,980
Employee Expenditures	4,000	4,500	3,120
General Liability Insurance	1,000	1,000	1,000
Other Professional and Outside Services	6,500	6,000	5,279
Civic and Recreational Programs	500	500	-
Operational Costs	1,950	1,950	2,251
Equipment and Furniture	1,750	1,750	166
	<u>65,300</u>	<u>65,300</u>	<u>60,396</u>
Civil Service Commission			
Employee Expenditures	500	1,000	740
Other Professional and Outside Services	39,800	39,300	20,409
Operational Costs	1,100	1,100	84
	<u>41,400</u>	<u>41,400</u>	<u>21,233</u>
General Administration			
Salaries and Wages	360,000	350,000	338,421
Overtime Pay	7,000	7,000	5,084
Part-Time and Temporary Wages	-	10,000	4,550
Payroll Taxes and Benefits	289,500	324,500	331,816
Employee Expenditures	15,500	15,500	8,509
General Liability Insurance	7,000	5,000	5,245
Audit Fees	23,000	23,000	18,650
Other Professional and Outside Services	137,000	142,500	126,571
Civic and Recreational Programs	7,500	6,500	4,641
Operational Costs	42,000	42,500	32,628
Building Maintenance and Utilities	65,500	62,500	50,949
Equipment Operation and Maintenance	26,500	26,500	18,877
Equipment and Furniture	21,500	21,500	20,036
Allocation to Other Departments and to Enterprise Fund	(318,300)	(318,300)	(301,095)
	<u>683,700</u>	<u>718,700</u>	<u>664,882</u>
Total General Government	<u>790,400</u>	<u>825,400</u>	<u>746,511</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Public Safety			
Police Protection			
Salaries and Wages	\$ 2,628,000	\$ 2,624,200	\$ 2,631,654
Sick Leave Buyback Program	100,000	71,300	65,737
Overtime Pay	456,000	482,000	425,875
Part-Time and Temporary Wages	130,000	130,000	99,304
Payroll Taxes and Benefits	1,552,000	1,738,500	1,709,404
Employee Expenditures	87,700	67,200	55,316
Professional and Outside Services	106,400	115,900	99,613
Civic and Recreational Programs	1,100	1,100	300
Operational Costs	64,900	63,200	59,117
Building Maintenance and Utilities	99,500	97,700	96,023
Equipment Operation and Maintenance	142,500	162,500	139,168
Equipment and Furniture	144,700	169,700	145,951
Grants	10,300	10,300	1,000
Allocation from General Administration	140,000	140,000	140,000
	<u>5,663,100</u>	<u>5,873,600</u>	<u>5,668,462</u>
Fire and Emergency Services			
Salaries and Wages	1,415,000	1,395,000	1,366,239
Sick Leave Buyback Program	60,000	92,000	91,878
Overtime Pay	256,000	257,000	259,836
Part-Time and Temporary Wages	16,000	16,000	15,092
Payroll Taxes and Benefits	782,250	879,250	879,653
Employee Expenditures	36,200	36,200	29,237
Professional and Outside Services	514,000	500,000	477,970
Operational Costs	33,100	35,600	33,125
Building Maintenance and Utilities	29,500	30,000	22,042
Equipment Operation and Maintenance	84,000	85,000	75,784
Equipment and Furniture	22,600	22,600	17,728
Allocation from General Administration	87,500	87,500	87,500
	<u>3,336,150</u>	<u>3,436,150</u>	<u>3,356,084</u>
Total Public Safety	<u>8,999,250</u>	<u>9,309,750</u>	<u>9,024,546</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Culture and Recreation			
Administration			
Salaries and Wages	\$ 219,500	\$ 220,500	\$ 192,181
Sick Leave Buyback Program	10,000	10,000	4,531
Overtime Pay	5,000	7,500	5,118
Part-Time and Temporary Wages	91,500	87,250	71,846
Payroll Taxes and Benefits	111,425	111,775	106,364
Employee Expenditures	3,100	3,100	2,220
Professional and Outside Services	75,600	43,100	33,299
Civic and Recreational Programs	309,200	345,100	327,346
Operational Costs	63,200	62,700	46,174
Building Maintenance and Utilities	51,700	52,700	48,270
Equipment Operation and Maintenance	8,500	7,500	5,437
Equipment and Furniture	8,000	5,500	3,141
Allocation from General Administration	13,500	13,500	13,500
Total Culture and Recreation	970,225	970,225	859,427
Public Works			
Administration			
Salaries and Wages	281,850	281,850	283,028
Sick Leave Buyback Program	16,500	16,500	15,804
Overtime Pay	38,500	30,000	16,794
Part-Time and Temporary Wages	27,500	36,000	33,092
Payroll Taxes and Benefits	234,850	234,850	231,136
Employee Expenditures	6,325	7,600	6,668
Professional and Outside Services	31,620	35,470	32,013
Civic and Recreational Programs	275	275	275
Operational Costs	11,238	11,788	10,287
Building Maintenance and Utilities	16,775	20,225	16,448
Equipment Operation and Maintenance	153,225	140,100	123,565
Recurring Infrastructure Maintenance	261,000	265,000	223,954
Equipment and Furniture	7,585	7,585	3,317
Allocation from General Administration	20,075	20,075	20,075
Total Public Works	1,107,318	1,107,318	1,016,456

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Fund

**Schedule of Expenditures - Budget and Actual - Continued
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Building, Health and Zoning Administration			
Part-Time and Temporary Wages	\$ 21,000	\$ 21,000	\$ 17,561
Payroll Taxes and Benefits	51,000	51,000	48,630
Employee Expenditures	700	700	-
Professional and Outside Services	95,000	95,000	88,433
Operational Costs	4,900	4,900	2,130
Equipment Operation and Maintenance	500	500	409
Equipment and Furniture	2,500	2,500	827
Allocation from General Administration	8,000	8,000	8,000
Total Buildings	183,600	183,600	165,990
Total Expenditures	\$ 12,050,793	\$ 12,396,293	\$ 11,812,930

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Revenues			
Taxes			
Property	\$ 245,080	\$ 245,080	\$ 237,949
Expenditures			
Debt Service			
Principal Retirement	200,000	-	-
Interest and Fiscal Charges	47,505	74,005	61,197
Total Expenditures	247,505	74,005	61,197
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,425)	171,075	176,752
Other Financing Sources (Uses)			
Transfer In	-	30,000	-
Debt Issuance	-	865,000	885,000
Payment to Escrow Agent	-	(865,000)	(865,000)
	-	30,000	20,000
Net Change in Fund Balance	\$ (2,425)	\$ 201,075	196,752
Fund Balance - Beginning			(5,156)
Fund Balance - Ending			\$ 191,596

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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Grants	\$ 150,000	\$ 150,000	\$ -
Expenditures			
Capital Outlay	200,000	150,000	23,824
Debt Service			
Principal Retirement	1,965,184	1,965,184	1,936,174
Interest and Fiscal Charges	41,050	91,050	86,110
Total Expenditures	2,206,234	2,206,234	2,046,108
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,056,234)	(2,056,234)	(2,046,108)
Other Financing Sources			
Debt Issuance	1,800,000	1,800,000	1,650,000
Transfers In	613,000	750,000	700,000
	2,413,000	2,550,000	2,350,000
Net Change in Fund Balance	\$ 356,766	\$ 493,766	303,892
Fund Balance - Beginning			(170,847)
Fund Balance - Ending			\$ 133,045

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Balance Sheet

April 30, 2012

	<u>Motor Fuel Tax</u>
ASSETS	
Cash and Investments	\$ -
Receivables - Net of Allowances	
Accounts	66,353
Due from Other Funds	<u>561,121</u>
 Total Assets	 <u>\$ 627,474</u>
LIABILITIES AND FUND BALANCES	
Liabilities	
Accounts Payable	\$ 33,650
Deposits Payable	-
Due to Other Funds	-
Total Liabilities	<u>33,650</u>
 Fund Balances	
Restricted	593,824
Committed	-
Total Fund Balances	<u>593,824</u>
 Total Liabilities and Fund Balances	 <u>\$ 627,474</u>

Refuse	911 Telephone Services	Foreign Fire Insurance	Totals
\$ -	\$ -	\$ 6,784	\$ 6,784
148,580	18,798	-	233,731
-	250,799	-	811,920
<u>\$ 148,580</u>	<u>\$ 269,597</u>	<u>\$ 6,784</u>	<u>\$ 1,052,435</u>
\$ 48,441	\$ 2,735	\$ -	\$ 84,826
29,947	-	-	29,947
34,940	-	-	34,940
<u>113,328</u>	<u>2,735</u>	<u>-</u>	<u>149,713</u>
-	266,862	6,784	867,470
35,252	-	-	35,252
<u>35,252</u>	<u>266,862</u>	<u>6,784</u>	<u>902,722</u>
<u>\$ 148,580</u>	<u>\$ 269,597</u>	<u>\$ 6,784</u>	<u>\$ 1,052,435</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Nonmajor Governmental - Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended April 30, 2012

	<u>Motor Fuel Tax</u>
Revenues	
Taxes	\$ -
Intergovernmental	314,327
Charges for Services	-
Investment Earnings	-
Total Revenues	<u>314,327</u>
Expenditures	
Public Safety	-
Public Works	154,784
Sanitation	-
Debt Service	
Principal Retirement	-
Interest and Fiscal Charges	-
Total Expenditures	<u>154,784</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	159,543
Other Financing Sources	
Transfers In	<u>-</u>
Net Change in Fund Balances	159,543
Fund Balances - Beginning	<u>434,281</u>
Fund Balances - Ending	<u>\$ 593,824</u>

Refuse	911 Telephone Service	Foreign Fire Insurance	Totals
\$ -	\$ -	\$ 4,683	\$ 4,683
-	-	-	314,327
571,648	93,474	-	665,122
-	-	4	4
571,648	93,474	4,687	984,136
-	65,135	9,261	74,396
-	-	-	154,784
591,076	-	-	591,076
-	29,010	-	29,010
-	1,340	-	1,340
591,076	95,485	9,261	850,606
(19,428)	(2,011)	(4,574)	133,530
20,000	-	-	20,000
572	(2,011)	(4,574)	153,530
34,680	268,873	11,358	749,192
\$ 35,252	\$ 266,862	\$ 6,784	\$ 902,722

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, 2012

	Budget		Actual
	Original	Final	
Revenues			
Intergovernmental			
Motor Fuel Tax Allotments	\$ 190,750	\$ 190,750	\$ 196,240
Grants	90,000	90,000	118,087
Total Revenues	<u>280,750</u>	<u>280,750</u>	<u>314,327</u>
Expenditures			
Public Works			
Legal Notices	1,000	1,000	224
Maintenance and Improvements of Infrastructure	404,892	404,892	154,560
Total Expenditures	<u>405,892</u>	<u>405,892</u>	<u>154,784</u>
Net Change in Fund Balance	<u>\$ (125,142)</u>	<u>\$ (125,142)</u>	159,543
Fund Balance - Beginning			<u>434,281</u>
Fund Balance - Ending			<u>\$ 593,824</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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
Refuse Fees	\$ 587,000	\$ 587,000	\$ 571,648
Expenditures			
Sanitation			
Refuse Disposal Charges	578,500	578,500	578,014
Refuse Bags	15,000	15,000	13,062
Total Expenditures	593,500	593,500	591,076
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,500)	(6,500)	(19,428)
Other Financing Sources			
Transfers In	6,500	20,000	20,000
Net Change in Fund Balance	\$ -	\$ 13,500	572
Fund Balance - Beginning			34,680
Fund Balance - Ending			\$ 35,252

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, 2012**

	Budget		Actual
	Original	Final	
Revenues			
Charges for Services			
911 Fees	\$ 99,000	\$ 99,000	\$ 93,474
Expenditures			
Public Safety			
Telephone	16,000	16,000	14,937
Equipment Operation and Maintenance	40,000	50,000	50,198
Capital Outlay	1,000	1,000	-
Debt Service			
Principal Retirement	29,010	29,010	29,010
Interest and Fiscal Charges	1,340	1,340	1,340
Total Expenditures	87,350	97,350	95,485
Net Change in Fund Balance	\$ 11,650	\$ 1,650	(2,011)
Fund Balance - Beginning			268,873
Fund Balance - Ending			\$ 266,862

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Water - Enterprise Fund

**Schedule of Revenues, Expenses and Changes in
Net Assets - Budget and Actual
Year Ended April 30, 2012**

	Budget		Actual
	Original	Final	
Operating Revenues			
Charges for Services	\$ 2,130,500	\$ 2,130,500	\$ 1,457,288
Operating Expenses			
Operations			
Cost of Water Purchases	1,300,000	1,256,300	1,069,680
Salaries and Benefits	534,705	534,705	496,280
Contractual Services	36,180	36,030	33,627
Supplies and Materials	13,612	15,612	15,575
Repairs and Maintenance	160,000	170,850	130,181
Capital Outlay	1,206,615	1,186,615	645
Allocated Costs and Administrative Charge by the General Fund	16,425	16,425	16,425
Depreciation	105,000	125,000	104,374
Total Operating Expenses	3,372,537	3,341,537	1,866,787
Operating Income (Loss)	(1,242,037)	(1,211,037)	(409,499)
Nonoperating Revenues (Expenses)			
Other Income	65,000	65,000	66,734
Debt Issuance	1,200,000	1,200,000	-
Interest Expense	-	-	(12,960)
Debt Issuance Costs	-	(31,000)	(29,559)
	1,265,000	1,234,000	24,215
Change in Net Assets	\$ 22,963	\$ 22,963	(385,284)
Net Assets - Beginning			2,215,298
Net Assets - Ending			\$ 1,830,014

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, 2012

	Budget		Actual
	Original	Final	
Operating Revenues			
Interfund Services	\$ 2,301,000	\$ 2,301,000	\$ 2,289,009
Operating Expenses			
Administration			
Administrative Fees	20,000	25,000	10,230
Operations			
Term and Reinsurer Premiums	2,237,255	2,232,255	2,182,252
Total Operating Expenses	2,257,255	2,257,255	2,192,482
Change in Net Assets	\$ 43,745	\$ 43,745	96,527
Net Assets - Beginning			31,278
Net Assets - Ending			\$ 127,805

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Pension Trust Funds

**Combining Statement of Net Plan Assets
April 30, 2012**

	Police Pension	Firefighters' Pension	Totals
ASSETS			
Cash and Cash Equivalents	\$ 657,941	\$ 146,001	\$ 803,942
Investments			
U.S. Government and Agency Obligations	5,921,308	1,745,539	7,666,847
Mutual Funds	5,355,523	2,709,429	8,064,952
Common Stock	2,013,024	-	2,013,024
Insurance Contracts	-	815,515	815,515
Corporate Bonds	307,778	887,678	1,195,456
Municipal Bonds	-	1,970,020	1,970,020
Receivables			
Accrued Interest	68,439	32,290	100,729
Due from Other Funds	-	4,943	4,943
Prepays	-	559	559
Total Assets	14,324,013	8,311,974	22,635,987
LIABILITIES			
Accounts Payable	8,503	5,283	13,786
Due to Other Funds	5,269	-	5,269
Total Liabilities	13,772	5,283	19,055
NET ASSETS			
Held in Trust for Pension Benefits	\$ 14,310,241	\$ 8,306,691	\$ 22,616,932

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Pension Trust Funds

**Combining Statement of Changes in Net Plan Assets
Year Ended April 30, 2012**

	Police Pension	Firefighters' Pension	Totals
Additions			
Contributions - Employer	\$ 150,000	\$ 100,000	\$ 250,000
Contributions - Employee	206,753	137,841	344,594
Total Contributions	356,753	237,841	594,594
Investment Income			
Interest Earned	414,196	211,145	625,341
Net Change in Fair Value	163,712	(290,324)	(126,612)
	577,908	(79,179)	498,729
Less Investment Expenses	(57,647)	(28,686)	(86,333)
Net Investment Income	520,261	(107,865)	412,396
Total Additions	877,014	129,976	1,006,990
Deductions			
Administration	17,858	9,244	27,102
Benefits and Refunds	1,305,996	756,752	2,062,748
Total Deductions	1,323,854	765,996	2,089,850
Change in Net Assets	(446,840)	(636,020)	(1,082,860)
Net Assets - Beginning	14,757,081	8,942,711	23,699,792
Net Assets - Ending	\$ 14,310,241	\$ 8,306,691	\$ 22,616,932

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Police Pension - Pension Trust Fund

Schedule of Changes in Net Plan Assets - Budget and Actual
Year Ended April 30, 2012

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 150,000	\$ 150,000	\$ 150,000
Contributions - Employee	225,000	225,000	206,753
Total Contributions	<u>375,000</u>	<u>375,000</u>	<u>356,753</u>
Investment Income			
Interest Earned	400,000	400,000	414,196
Net Change in Fair Value	-	-	163,712
	<u>400,000</u>	<u>400,000</u>	<u>577,908</u>
Less Investment Expenses	(60,000)	(60,000)	(57,647)
Net Investment Income	<u>340,000</u>	<u>340,000</u>	<u>520,261</u>
Total Additions	<u>715,000</u>	<u>715,000</u>	<u>877,014</u>
Deductions			
Administration	20,000	20,000	17,858
Benefits and Refunds	1,310,000	1,310,000	1,305,996
Total Deductions	<u>1,330,000</u>	<u>1,330,000</u>	<u>1,323,854</u>
Change in Net Assets	<u>\$ (615,000)</u>	<u>\$ (615,000)</u>	(446,840)
Net Assets - Beginning			<u>14,757,081</u>
Net Assets - Ending			<u>\$ 14,310,241</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, 2012

	Budget		Actual
	Original	Final	
Additions			
Contributions - Employer	\$ 100,000	\$ 100,000	\$ 100,000
Contributions - Employee	140,000	140,000	137,841
Total Contributions	<u>240,000</u>	<u>240,000</u>	<u>237,841</u>
Investment Income			
Interest Earned	200,000	200,000	211,145
Net Change in Fair Value	-	-	(290,324)
	<u>200,000</u>	<u>200,000</u>	<u>(79,179)</u>
Less Investment Expenses	(25,000)	(25,000)	(28,686)
Net Investment Income	<u>175,000</u>	<u>175,000</u>	<u>(107,865)</u>
Total Additions	<u>415,000</u>	<u>415,000</u>	<u>129,976</u>
Deductions			
Administration	10,000	10,000	9,244
Benefits and Refunds	760,000	760,000	756,752
Total Deductions	<u>770,000</u>	<u>770,000</u>	<u>765,996</u>
Change in Net Assets	<u>\$ (355,000)</u>	<u>\$ (355,000)</u>	(636,020)
Net Assets - Beginning			<u>8,942,711</u>
Net Assets - Ending			<u>\$ 8,306,691</u>

STATISTICAL SECTION (Unaudited)

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant local revenue sources.

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Net Assets by Component - Last Eight Fiscal Years
April 30, 2012 (Unaudited)**

	2005	2006	2007	2008	2009	2010	2011	2012
Governmental Activities								
Invested in Capital Assets, Net of Related Debt	\$ 2,348,686	\$ 5,890,362	\$ 3,718,136	\$ 9,961,081	\$ 10,478,625	\$ 11,316,087	\$ 11,662,320	\$ 11,593,104
Restricted	12,290	15,901	7,091	28,150	92,424	92,489	92,553	1,152,230
Unrestricted	1,249,691	(2,612,476)	(1,821,956)	(3,217,263)	(4,671,772)	(7,660,322)	(9,468,432)	(10,216,632)
Total Governmental Activities Net Assets	3,610,667	3,293,787	1,903,271	6,771,968	5,899,277	3,748,254	2,286,441	2,528,702
Business-Type Activities								
Invested in Capital Assets, Net of Related Debt	2,401,696	2,336,484	2,314,473	2,854,958	2,750,110	2,645,262	2,540,888	2,436,514
Unrestricted	613,549	465,061	339,326	293,824	161,399	(140,328)	(325,590)	(606,500)
Total Business-Type Activities Net Assets	3,015,245	2,801,545	2,653,799	3,148,782	2,911,509	2,504,934	2,215,298	1,830,014
Primary Government								
Invested in Capital Assets, Net of Related Debt	4,750,382	8,226,846	6,032,609	12,816,039	13,228,735	13,961,349	14,203,208	14,029,618
Restricted	12,290	15,901	7,091	28,150	92,424	92,489	92,553	1,152,230
Unrestricted	1,863,240	(2,147,415)	(1,482,630)	(2,923,439)	(4,510,373)	(7,800,650)	(9,794,022)	(10,823,132)
Total Primary Government Net Assets	\$ 6,625,912	\$ 6,095,332	\$ 4,557,070	\$ 9,920,750	\$ 8,810,786	\$ 6,253,188	\$ 4,501,739	\$ 4,358,716

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Changes in Net Assets - Last Eight Fiscal Years
April 30, 2012 (Unaudited)

	2005	2006	2007	2008	2009	2010	2011	2012
Expenses								
Governmental Activities								
General Government	\$ 856,085	\$ 665,178	\$ 799,955	\$ 749,882	\$ 1,007,171	\$ 1,324,340	\$ 979,149	\$ 1,277,436
Public Safety	7,437,597	8,238,866	10,178,859	9,128,660	9,867,851	10,551,760	11,332,637	10,015,909
Culture and Recreation	878,353	912,553	1,019,260	1,062,851	1,077,333	884,433	757,686	892,684
Public Works	1,319,721	1,202,431	1,564,512	2,176,159	1,543,731	1,432,162	1,144,736	1,078,364
Building, Health and Zoning	185,216	194,015	200,188	204,748	236,287	234,340	241,274	165,990
Sanitation	477,436	493,499	496,988	523,425	551,511	554,573	576,065	591,076
Interest on Long-Term Debt	118,519	100,921	122,294	122,853	127,453	113,524	124,237	164,788
Total Governmental Activities Expenses	11,272,927	11,807,463	14,382,056	13,968,578	14,411,337	15,095,132	15,155,784	14,186,247
Business-Type Activities								
Water	1,421,153	1,502,286	1,480,059	1,548,506	1,875,025	1,725,325	1,840,708	1,909,306
Total Primary Government Expenses	12,694,080	13,309,749	15,862,115	15,517,084	16,286,362	16,820,457	16,996,492	16,095,553
Program Revenues								
Governmental Activities								
Charges for Services								
General Government	386,001	371,793	342,055	418,369	479,203	606,321	597,757	658,846
Public Safety	502,822	553,477	549,575	548,364	556,555	646,186	803,549	768,988
Culture and Recreation	400,758	433,903	461,889	464,293	504,745	461,603	431,294	546,346
Public Works	17,101	17,828	18,791	59,604	20,268	20,974	21,723	22,387
Building, Health and Zoning	304,835	314,061	436,463	514,436	280,197	380,691	413,897	312,867
Sanitation	182,371	239,831	271,992	346,842	355,519	352,821	549,947	571,648
Capital Grants/Contributions	68,623	158,845	143,090	100,601	329,851	436,361	137,217	143,572
Total Governmental Activities Program Revenues	1,862,511	2,089,738	2,223,855	2,452,509	2,526,338	2,904,957	2,955,384	3,024,654
Business-Type Activities								
Charges for Services								
Water	1,194,889	1,196,432	1,190,152	1,301,838	1,303,445	1,253,713	1,485,365	1,457,288
Capital Grants/Contributions	-	-	48,000	-	-	-	-	-
Total Business-Type Activities Program Revenues	1,194,889	1,196,432	1,238,152	1,301,838	1,303,445	1,253,713	1,485,365	1,457,288
Total Primary Government Program Revenues	\$ 3,057,400	\$ 3,286,170	\$ 3,462,007	\$ 3,754,347	\$ 3,829,783	\$ 4,158,670	\$ 4,440,749	\$ 4,481,942

	2005	2006	2007	2008	2009	2010	2011	2012
Net (Expense) Revenue								
Governmental Activities	\$ (9,410,416)	\$ (9,717,725)	\$ (12,158,201)	\$ (11,516,069)	\$ (11,884,999)	\$ (12,190,175)	\$ (12,200,400)	\$ (11,161,593)
Business-Type Activities	(226,264)	(305,854)	(241,907)	(246,668)	(571,580)	(471,612)	(355,343)	(452,018)
Total Primary Government								
Net Revenue (Expense)	(9,636,680)	(10,023,579)	(12,400,108)	(11,762,737)	(12,456,579)	(12,661,787)	(12,555,743)	(11,613,611)
General Revenues and Other Changes in Net Assets								
Governmental Activities								
Taxes								
Property	730,639	745,003	732,459	667,968	751,010	639,711	705,687	722,279
Municipal and Non-Home								
Rule Sales	6,526,120	6,576,083	8,207,342	8,410,641	8,050,461	7,692,711	8,105,362	8,479,401
Telecommunication	264,667	277,393	252,293	245,772	245,420	220,939	208,729	212,123
Utility	453,746	504,114	462,531	478,032	475,054	426,631	434,339	408,113
Other	5,413	5,296	5,169	6,870	4,614	4,351	5,608	351,580
Intergovernmental - Unrestricted								
Income Tax	452,775	511,044	563,688	615,787	609,376	531,186	521,441	543,676
Replacement Tax	31,709	40,915	44,459	50,706	46,428	41,096	45,680	41,208
Local Use Tax	72,234	80,587	86,055	94,590	94,377	79,534	96,598	97,339
Other Taxes	199,703	196,797	197,904	190,420	178,188	285,677	452,062	196,240
Disposal of Capital Assets	105,000	-	-	-	-	-	-	-
Investment Earnings	15,693	32,138	67,880	46,803	32,188	1,459	1,953	3,750
Miscellaneous	184,269	131,475	147,905	179,108	525,192	115,857	161,128	348,145
Total Governmental Activities	9,041,968	9,100,845	10,767,685	10,986,697	11,012,308	10,039,152	10,738,587	11,403,854
Business-Type Activities								
Miscellaneous	87,361	92,154	94,161	96,318	334,307	65,037	65,707	66,734
Total Primary Government	9,129,329	9,192,999	10,861,846	11,083,015	11,346,615	10,104,189	10,804,294	11,470,588
Changes in Net Assets								
Governmental Activities	(368,448)	(616,880)	(1,390,516)	(529,372)	(872,691)	(2,151,023)	(1,461,813)	242,261
Business-Type Activities	(138,903)	(213,700)	(147,746)	(150,350)	(237,273)	(406,575)	(289,636)	(385,284)
Total Primary Government	\$ (507,351)	\$ (830,580)	\$ (1,538,262)	\$ (679,722)	\$ (1,109,964)	\$ (2,557,598)	\$ (1,751,449)	\$ (143,023)

Data Source: Village Records

The Village implemented GASB 34 in Fiscal Year 2005.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Fund Balances of Governmental Funds - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

	2003	2004	2005	2006
General Fund				
Reserved	\$ 50,865	\$ 32,388	\$ 44,644	\$ 31,181
Unreserved	1,090,069	1,148,071	838,838	859,359
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Unassigned	-	-	-	-
Total General Fund	1,140,934	1,180,459	883,482	890,540
All Other Governmental Funds				
Reserved	590,016	18,456	19,740	21,958
Unreserved, Reported in:				
Special Revenues Funds	367,042	448,616	482,168	518,078
Debt Service Funds	-	-	-	-
Capital Projects Funds	(1,340,270)	(749,301)	(748,062)	(671,886)
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Total All Other Governmental Funds	\$ (383,212)	\$ (282,229)	\$ (246,154)	\$ (131,850)

Data Source: Village Records

The Village implemented GASB 54 in Fiscal Year 2012.

2007	2008	2009	2010	2011	2012
\$ 29,686	\$ 136,681	\$ 154,015	\$ 628,376	\$ 194,682	\$ -
870,738	1,773,026	1,697,313	2,697,191	3,345,430	-
-	-	-	-	-	66,315
-	-	-	-	-	93,164
-	-	-	-	-	4,078,671
900,424	1,909,707	1,851,328	3,325,567	3,540,112	4,238,150
23,679	28,919	4,403	-	15,175	-
684,403	599,417	620,816	612,921	734,017	-
-	-	-	(29,199)	(5,156)	-
(671,691)	(699,351)	(650,765)	(633,884)	(170,847)	-
-	-	-	-	-	48,160
-	-	-	-	-	1,059,066
-	-	-	-	-	35,252
-	-	-	-	-	84,885
\$ 36,391	\$ (71,015)	\$ (25,546)	\$ (50,162)	\$ 573,189	\$ 1,227,363

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

General Governmental Revenues By Source - Last Ten Fiscal Years April 30, 2012 (Unaudited)

Source	2003	2004	2005	2006
Taxes				
Sales	\$ 4,832,252	\$ 4,853,755	\$ 4,650,057	\$ 4,689,367
Non-Home Rule Sales	-	1,588,282	1,876,063	1,886,716
Real Estate	626,708	663,634	730,639	745,003
Utility	637,546	690,110	718,413	781,507
Licenses and Permits	578,044	642,864	595,914	586,694
Intergovernmental	1,280,056	700,170	842,145	1,030,440
Charges for Services	631,019	779,288	945,844	1,065,549
Fines and Forfeits	231,442	243,844	235,029	236,398
Investment Income	126,511	14,041	15,693	32,138
Miscellaneous	147,993	255,645	189,682	136,771
Total	<u>\$ 9,091,571</u>	<u>\$ 10,431,633</u>	<u>\$ 10,799,479</u>	<u>\$ 11,190,583</u>

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

Data Source: Village Records

2007	2008	2009	2010	2011	2012
\$ 4,685,539	\$ 4,635,045	\$ 4,525,605	\$ 4,340,430	\$ 4,597,503	\$ 4,811,158
3,521,803	3,775,596	3,524,856	3,352,281	3,507,859	3,668,243
737,628	674,838	755,624	639,711	705,687	722,279
714,824	723,804	720,474	651,921	648,676	971,816
664,505	809,112	635,864	863,930	872,195	803,319
1,057,857	1,127,015	1,302,416	1,413,580	1,295,877	1,050,598
1,152,008	1,291,911	1,327,915	1,337,038	1,556,090	1,679,429
241,591	175,974	188,512	227,902	347,003	369,771
67,857	46,803	32,188	1,459	1,953	3,750
147,928	179,108	525,192	115,857	161,128	348,145
<u>\$ 12,991,540</u>	<u>\$ 13,439,206</u>	<u>\$ 13,538,646</u>	<u>\$ 12,944,109</u>	<u>\$ 13,693,971</u>	<u>\$ 14,428,508</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**General Governmental Expenditures By Function - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Function	2003	2004	2005	2006
General Government	\$ 538,064	\$ 491,859	\$ 472,777	\$ 558,197
Public Safety				
Police Protection (1)	3,764,628	4,102,512	4,491,936	4,400,902
Fire and Emergency Service (2)	2,577,457	2,588,596	2,700,774	2,847,169
Emergency 911 Service	42,403	45,834	62,709	67,381
Culture and Recreation	754,629	822,332	862,582	896,782
Public Works	1,177,653	1,018,110	1,096,565	1,043,145
Building, Health and Zoning	182,177	173,357	185,216	194,015
Sanitation	456,804	464,525	477,436	493,499
Capital Outlay	1,244,794	233,260	216,967	88,978
Debt Service				
Principal	341,578	338,256	524,933	190,839
Interest and Fiscal Charges	170,814	144,519	123,541	102,314
Total	\$ 11,251,001	\$ 10,423,160	\$ 11,215,436	\$ 10,883,221

Data Source: Village Records

(1) Reflects contribution to Police Pension Trust for years 2003 - 2006

(2) Reflects contribution to Firefighters' Pension Trust for years 2003 - 2006

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

	2007	2008	2009	2010	2011	2012
\$	567,108	\$ 619,319	\$ 701,924	\$ 668,033	\$ 541,527	\$ 746,511
	5,627,357	5,537,232	5,252,367	5,172,062	5,091,546	5,668,462
	3,470,379	3,489,785	3,170,040	3,239,436	3,057,098	3,356,084
	67,400	38,507	42,932	36,646	59,424	74,396
	965,689	1,045,290	1,059,772	866,143	739,858	859,427
	1,179,085	1,470,629	1,536,775	1,409,129	1,132,430	1,171,240
	200,188	204,748	236,287	234,340	241,274	165,990
	496,988	523,425	551,511	554,573	576,065	591,076
	620,761	967,283	485,000	600,432	1,254	23,824
	338,913	506,309	834,042	797,329	887,840	1,965,184
	111,763	123,544	133,477	111,695	128,509	148,647
\$	13,645,631	\$ 14,526,071	\$ 14,004,127	\$ 13,689,818	\$ 12,456,825	\$ 14,770,841

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Changes in Fund Balances for Governmental Funds - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

	2003	2004	2005	2006
Taxes				
Sales	\$ 4,832,252	\$ 4,853,755	\$ 4,650,057	\$ 4,689,367
Non-Home Rule Sales	-	1,588,282	1,876,063	1,886,716
Real Estate	626,708	663,634	730,639	745,003
Utility	637,546	690,110	718,413	781,507
Licenses and Permits	578,044	642,864	595,914	586,694
Intergovernmental	1,280,056	700,170	842,145	1,030,440
Charges for Services	631,019	779,288	945,844	1,065,549
Fines and Forfeits	231,442	243,844	235,029	236,398
Investment Earnings	126,511	14,041	15,693	32,138
Miscellaneous	147,993	255,645	189,682	136,771
Total Revenues	9,091,571	10,431,633	10,799,479	11,190,583
Expenditures				
General Government	538,064	491,859	472,777	558,197
Public Safety	6,384,488	6,736,942	7,255,419	7,315,452
Culture and Recreation	754,629	822,332	862,582	896,782
Public Works	1,177,653	1,018,110	1,096,565	1,043,145
Building, Health and Zoning	182,177	173,357	185,216	194,015
Sanitation	456,804	464,525	477,436	493,499
Capital Outlay	1,244,794	233,260	216,967	88,978
Debt Service				
Principal	341,578	338,256	524,933	190,839
Interest and Fiscal Charges	170,814	144,519	123,541	102,314
Total Expenditures	11,251,001	10,423,160	11,215,436	10,883,221
Excess of Revenues Over (Under) Expenditures	(2,159,430)	8,473	(415,957)	307,362
Other Financing Sources (Uses)				
Debt Issuance	-	120,000	25,555	-
Payment to Escrow Agent	-	-	-	-
Transfers In	340,000	630,000	791,000	469,000
Transfers Out	(340,000)	(630,000)	(791,000)	(655,000)
Disposal of Capital Assets	7,100	12,035	105,000	-
Total Other Financing Sources (Uses)	7,100	132,035	130,555	(186,000)
Net Change in Fund Balances	\$ (2,152,330)	\$ 140,508	\$ (285,402)	\$ 121,362
Debt Service as a Percentage of Noncapital Expenditures	5.12%	4.74%	5.90%	2.72%

Data Source: Village Records

	2007	2008	2009	2010	2011	2012
\$	4,685,539	\$ 4,635,045	\$ 4,525,605	\$ 4,340,430	\$ 4,597,503	\$ 4,811,158
	3,521,803	3,775,596	3,524,856	3,352,281	3,507,859	3,668,243
	737,628	674,838	755,624	639,711	705,687	722,279
	714,824	723,804	720,474	651,921	648,676	971,816
	664,505	809,112	635,864	863,930	872,195	803,319
	1,057,857	1,127,015	1,302,416	1,413,580	1,295,877	1,050,598
	1,152,008	1,291,911	1,327,915	1,337,038	1,556,090	1,679,429
	241,591	175,974	188,512	227,902	347,003	369,771
	67,857	46,803	32,188	1,459	1,953	3,750
	147,928	179,108	525,192	115,857	161,128	348,145
	12,991,540	13,439,206	13,538,646	12,944,109	13,693,971	14,428,508
	567,108	619,319	701,924	668,033	541,527	746,511
	9,165,136	9,065,524	8,465,339	8,448,144	8,208,068	9,098,942
	965,689	1,045,290	1,059,772	866,143	739,858	859,427
	1,179,085	1,470,629	1,536,775	1,409,129	1,132,430	1,171,240
	200,188	204,748	236,287	234,340	241,274	165,990
	496,988	523,425	551,511	554,573	576,065	591,076
	620,761	967,283	485,000	600,432	1,254	23,824
	338,913	506,309	834,042	797,329	887,840	1,965,184
	111,763	123,544	133,477	111,695	128,509	148,647
	13,645,631	14,526,071	14,004,127	13,689,818	12,456,825	14,770,841
	(654,091)	(1,086,865)	(465,481)	(745,709)	1,237,146	(342,333)
	830,716	1,110,407	454,351	2,185,242	-	2,535,000
	-	-	-	-	-	(865,000)
	433,000	1,550,025	927,000	902,000	1,260,000	720,000
	(433,000)	(681,000)	(927,000)	(902,000)	(1,660,000)	(720,000)
	1,500	9,310	(1,780)	10,090	750	24,545
	832,216	1,988,742	452,571	2,195,332	(399,250)	1,694,545
\$	178,125	\$ 901,877	\$ (12,910)	\$ 1,449,623	\$ 837,896	\$ 1,352,212
	3.38%	4.45%	7.22%	6.99%	8.23%	14.50%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Taxable Sales by Category - Last Ten Calendar Years
April 30, 2012 (Unaudited)**

Calendar Year	2002	2003	2004	2005
General Merchandise	\$ 1,020,816	\$ 1,470,735	\$ 1,560,188	\$ 1,517,816
Food	541,478	561,151	560,261	531,526
Drinking and Eating Places	177,324	233,600	295,307	336,751
Apparel	639,994	892,242	1,095,391	1,103,093
Furniture and H.H. and Radio	431,139	542,841	608,115	595,730
Automobile and Filling Stations	631,054	661,038	572,486	590,978
Drugs and Misc. Retail	585,482	735,940	798,368	798,544
Agriculture and All Others	629,376	774,037	972,428	1,041,179
Combined Categories	21,201	22,228	45,581	34,466
Total	\$ 4,677,864	\$ 5,893,812	\$ 6,508,125	\$ 6,550,083
Number of Payers	317	340	337	364
Village Direct Rate (Municipal and Non-Home Rule Sales Tax)	1.00%	1.50%	1.50%	1.50%

Notes:

The amounts listed under the Combined Categories represents taxable sales for both the Lumber, Building Hardware, and Manufacturers categories. These amounts are not listed individually to protect the confidentiality of individual taxpayers since there are less than 4 taxpayers reported per category.

The Village's direct rate includes both the municipal portion of the state sales tax rate and the Village's non-home rule sales tax rate. The Village receives 1% of the state's sales tax rate of 6.25%. In July, 2003, the Village began collecting an additional 1/2% non-home rule sales tax. In July, 2006, the Village's non-home rule sales tax rate was increased from 1/2% to 1% by voter referendum.

Data Source: Village and State Records

2006	2007	2008	2009	2010	2011
\$ 1,855,391	\$ 1,948,730	\$ 1,784,605	\$ 1,619,733	\$ 1,661,894	\$ 1,650,237
527,106	484,381	744,835	744,947	786,036	798,022
387,006	448,147	530,126	517,003	546,664	570,836
1,209,416	1,376,449	1,276,829	1,167,799	1,226,354	1,338,814
707,516	851,705	756,544	681,960	763,418	685,361
639,808	628,827	573,515	653,682	647,944	766,966
971,916	1,093,605	1,031,907	982,584	1,000,845	986,477
1,335,217	1,595,821	1,414,161	1,267,566	1,259,683	1,369,135
29,323	29,210	60,029	61,781	108,156	113,178
\$ 7,662,699	\$ 8,456,875	\$ 8,172,551	\$ 7,697,055	\$ 8,000,994	\$ 8,279,026
359	365	339	325	323	344
2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Fiscal Year	State Rate	RTA Rate	County Home Rule Rate	Village Non-Home Rule Rate	Total Sales Tax Rate	% Distributed to Village
2003	6.25%	0.75%	0.75%	-	7.75%	1.00%
2004	6.25%	0.75%	0.75%	0.50%	8.25%	1.50%
2005	6.25%	0.75%	0.75%	0.50%	8.25%	1.50%
2006	6.25%	0.75%	0.75%	0.50%	8.25%	1.50%
2007	6.25%	0.75%	0.75%	1.00%	8.75%	2.00%
2008	6.25%	1.00%	0.75%	1.00%	9.00%	2.00%
2009	6.25%	1.00%	0.75%	1.00%	9.00%	2.00%
2010	6.25%	1.00%	1.75%	1.00%	10.00%	2.00%
2011	6.25%	1.00%	1.25%	1.00%	9.50%	2.00%
2012	6.25%	1.00%	1.00%	1.00%	9.25%	2.00%

Notes:

The Village's direct rate includes both the municipal portion of the state sales tax rate and the Village's non-home rule sales tax rate. The Village receives 1% of the state's sales tax rate of 6.25%. In July, 2003, the Village began collecting an additional 1/2% non-home rule sales tax. In July, 2006, the Village's non-home rule sales tax rate was increased from 1/2% to 1% by voter referendum.

Data Source: Village and State Records

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

See Following Page

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Assessed Value and Actual Value of Taxable Property - Last Ten Tax Levy Years
April 30, 2012 (Unaudited)**

Tax Levy Year	Residential Property	Farm
2002	\$ N/A	\$ -
2003	N/A	-
2004	N/A	-
2005	111,166,830	-
2006	114,686,462	-
2007	120,756,636	-
2008	133,505,907	-
2009	141,924,360	-
2010	148,996,135	-
2011	121,262,620	-

Data Source: Cook County Clerk's and Treasurer's Offices

N/A - Currently Not Available

Commercial Property	Industrial Property	Total	Railroad	Total Assessed Value	Total Direct Tax Rate
\$ N/A	\$ N/A	\$ 251,211,711	\$ N/A	\$ 251,211,711	0.3015
N/A	N/A	253,359,772	57,251	253,417,023	0.2983
N/A	N/A	261,772,696	55,811	261,828,507	0.2880
193,333,261	17,413,262	321,913,353	54,591	321,967,944	0.2360
190,925,532	17,015,571	322,627,565	81,397	322,708,962	0.2339
201,374,447	18,028,455	340,159,538	115,731	340,275,269	0.2224
221,505,307	19,420,737	374,431,951	151,346	374,583,297	0.2025
170,651,775	15,890,035	328,466,170	186,029	328,652,199	0.2310
162,686,644	15,545,073	327,227,852	193,992	327,421,844	0.2311
138,488,974	12,353,885	272,105,479	175,858	272,281,337	0.1860

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Direct and Overlapping Property Tax Rates - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Village of North Riverside				
General Rate	0.2009	0.1991	0.1927	0.1575
Debt Service Rate	0.1006	0.0992	0.0953	0.0785
Total Direct Tax Rate	<u>0.3015</u>	<u>0.2983</u>	<u>0.2880</u>	<u>0.2360</u>
Overlapping Rates				
School Districts	3.7600	5.0360	5.0660	4.4790
County	0.7570	0.7220	0.6540	0.6120
Other	0.9330	0.9600	0.9580	0.8450
Total Direct and Overlapping Tax Rate	<u>5.7515</u>	<u>7.0163</u>	<u>6.9660</u>	<u>6.1720</u>

Data Source: Office of the Cook County Clerk

Note: Overlapping rates are those of local and county governments that apply to property owners within the Village. Not all overlapping rates apply to all Village property owners.

2007	2008	2009	2010	2011	2012
0.1564	0.1483	0.1348	0.1536	0.1550	0.1860
0.0775	0.0741	0.0677	0.0774	0.0761	0.0000
0.2339	0.2224	0.2025	0.2310	0.2311	0.1860
4.9400	4.7810	4.5880	4.6860	4.8370	5.8910
0.5620	0.5110	0.4660	0.4640	0.4740	0.5450
0.8300	0.8020	0.7620	0.8170	0.8520	1.0400
6.5659	6.3164	6.0185	6.1980	6.3941	7.6620

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Principal Property Tax Payers - Current Year and Nine Years Ago
April 30, 2012 (Unaudited)

Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Value
North Riverside Park Assoc. \$	63,524,990	1	19.40%	\$ 21,222,011	1	8.45%
Tower Real Estate	24,727,643	2	7.55%	6,839,986	2	2.72%
J. C. Penney Company	11,210,559	3	3.42%	5,374,738	3	2.14%
Carson Pirie Scott	10,300,696	4	3.15%	4,459,585	4	1.78%
Sears	7,274,091	5	2.22%	4,374,228	5	1.74%
IG Riverside LLC	6,357,295	6	1.94%			
7222 Cermak LLC	5,974,026	7	1.82%			
Edward Don & Company	5,568,747	8	1.70%	2,486,251	7	0.99%
Exoho Harlem Assoc	5,213,380	9	1.59%			
Joe Rizza Ford	4,332,880	10	1.32%	1,058,629	10	0.42%
Riverside Association East				3,300,958	6	1.31%
MB Financial Bank				2,368,156	8	0.94%
S.M. Property Management				1,317,466	9	0.52%
	<u>\$ 144,484,307</u>		<u>44.13%</u>	<u>\$ 52,802,008</u>		<u>21.02%</u>

Data Source: Office of the Cook County Clerk

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Property Tax Levies and Collections - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Tax Levy Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2003	2002	\$ 758,659	\$ 665,304	87.69%	\$ -	\$ 665,304	87.69%
2004	2003	729,375	728,967	99.94%	-	728,967	99.94%
2005	2004	756,044	731,384	96.74%	-	731,384	96.74%
2006	2005	759,844	730,262	96.11%	-	730,262	96.11%
2007	2006	755,139	368,551	48.81%	298,659	667,210	88.36%
2008	2007	758,814	366,019	48.24%	384,471	750,490	98.90%
2009	2008	760,404	349,450	45.96%	291,780	641,230	84.33%
2010	2009	759,187	388,740	51.20%	314,543	703,283	92.64%
2011	2010	756,344	395,952	52.35%	325,655	721,607	95.41%
2012	2011	506,443	366,421	72.35%	-	366,421	72.35%

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

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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Ratios of Outstanding Debt By Type - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Governmental Activities					Business-Type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	General Obligation Bonds	General Obligation Loans	Notes Payable	Installment Contracts Payable	Debt Certificates	Debt Certificates				
2003	\$ 2,120,000	\$ -	\$ -	\$ 553,014	\$ -	\$ -	\$ 2,673,014	4.97%	\$ 399.67	
2004	1,990,000	-	-	464,759	-	-	2,454,759	4.56%	367.04	
2005	1,855,000	-	-	101,736	-	-	1,956,736	3.64%	292.57	
2006	1,710,000	-	-	55,897	-	-	1,765,897	3.28%	264.04	
2007	1,560,000	-	-	697,700	-	-	2,257,700	4.20%	337.57	
2008	1,400,000	750,000	-	802,832	-	-	2,952,832	5.40%	441.51	
2009	1,230,000	507,740	-	745,808	-	-	2,483,548	4.55%	371.34	
2010	1,050,000	257,474	2,000,000	563,987	-	-	3,871,461	7.09%	578.87	
2011	865,000	-	1,800,000	318,621	-	-	2,983,621	5.46%	446.12	
2012	-	-	-	153,437	2,535,000	1,050,000	3,738,437	6.84%	560.32	

Data Source: Village's Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Ratios of General Bonded Debt Outstanding to Equalized Assessed Value
and Net General Obligation Bonded Debt Per Capita - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Fiscal Year Ended April 30	Gross General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Equalized Assessed Value (1)	Per Capita (2)
2003	\$ 2,673,014	\$ 40,016	\$ 2,632,998	1.05%	\$ 393.69
2004	2,454,759	18,456	2,436,303	0.96%	364.28
2005	1,956,736	19,740	1,936,996	0.74%	289.62
2006	1,765,897	21,958	1,743,939	0.54%	260.76
2007	2,257,700	23,679	2,234,021	0.69%	334.03
2008	2,952,832	721	2,952,111	0.87%	441.40
2009	2,483,548	4,403	2,479,145	0.66%	370.69
2010	3,871,461	-	3,871,461	1.18%	578.87
2011	2,983,621	-	2,983,621	0.91%	447.19
2012	3,738,437	191,596	3,546,841	1.30%	531.60

Data Source: Village Records

Note: Details regarding the Village's outstanding debt can be found in the notes to the financial statements.

(1) See the Ratios of Outstanding Debt by Type Schedule for Equalized Assessed Value data (Actual Taxable Value of Property).

(2) See the Demographic and Economic Statistics Schedule for the Per Capita Income data.

N/A - Currently Not Available

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Schedule of Direct and Overlapping Bonded Debt
April 30, 2012 (Unaudited)**

Governmental Unit	(1) Gross Debt	*Percentage to Debt Applicable to Village (2)	**Village's Share of Debt
Village of North Riverside	\$ 2,688,437	100.00%	\$ 2,688,437
Overlapping Bonded Debt			
Cook County (a)	3,738,830,000	0.19%	7,103,777
Cook County Forest Preserve District	94,885,000	0.19%	180,282
Water Reclamation District of Greater Chicago (a)	2,606,392,210	0.20%	5,212,784
School District 209	43,957,832	0.71%	312,101
Township High School District 208	54,865,000	29.19%	16,015,094
School District 91	3,315,000	4.58%	151,827
School District 94	2,530,000	54.05%	1,367,465
School District 96	9,975,000	32.19%	3,210,953
Village of North Riverside Public Library	1,305,000	100.00%	1,305,000
Subtotal Overlapping Bonded Debt	6,556,055,042		34,859,282
Total Direct and Overlapping Bonded Debt	\$ 6,558,743,479		\$ 37,547,719

Data Source: Office of the County Clerk

* 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.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Schedule of Legal Debt Margin
April 30, 2012 (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 - 2011	<u>\$ 272,281,337</u>
Legal Debt Limit - 8.625% of Assessed Valuation	\$ 23,484,265
Amount of Debt Applicable to Debt Limit	
Debt Certificates of 2011A	1,050,000
Debt Certificates of 2011A	885,000
Debt Certificates of 2011B	<u>1,650,000</u>
Legal Debt Margin	<u>\$ 19,899,265</u>

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

Demographic and Economic Statistics - Last Ten Fiscal Years April 30, 2012 (Unaudited)

Fiscal Year Ended April 30	Population	Personal Income (in Thousands)	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2003	6,688	\$ 53,790	\$ 24,034	46.0	545	N/A
2004	6,688	53,790	24,034	46.0	547	N/A
2005	6,688	53,790	24,034	46.0	547	N/A
2006	6,688	53,790	24,034	46.0	482	N/A
2007	6,688	53,790	24,034	46.0	482	4.10%
2008	6,688	54,642	26,804	46.0	501	4.60%
2009	6,688	54,642	26,804	46.0	501	5.80%
2010	6,688	54,642	26,804	46.0	501	9.50%
2011	6,672	54,642	26,804	46.0	501	9.70%
2012	6,672	54,642	26,804	46.0	501	8.80%

Data Sources

- (1) U.S. Department of Commerce, Bureau of the Census
- (2) Illinois Department of Employment Security (using annual averages)

N/A - Currently Not Available

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Principal Employers - Current Fiscal Year and Nine Fiscal Years Ago
April 30, 2012 (Unaudited)**

Employer	2012			2003		
	Employees	Rank	Percentage of Total Village Population	Employees	Rank	Percentage of Total Village Population
Edward Don & Company	243	1	3.64%	N/A	N/A	N/A
JC Penny Company	175	2	2.62%	N/A	N/A	N/A
Tony's Finer Foods	166	3	2.49%	N/A	N/A	N/A
Jewel-Osco	152	4	2.28%	N/A	N/A	N/A
Sears	150	5	2.25%	N/A	N/A	N/A
Toys R Us	125	6	1.87%	N/A	N/A	N/A
Best Buy	110	7	1.65%	N/A	N/A	N/A
Carson Pierie Scott & Company	100	8	1.50%	N/A	N/A	N/A
Burlington Coat Factory	90	9	1.35%	N/A	N/A	N/A
Joe Rizza Ford	80	10	1.20%	N/A	N/A	N/A
	<u>1,391</u>		<u>20.85%</u>	<u>N/A</u>		<u>N/A</u>

Data Source: Village Records

N/A - Data for 2003 is not available.

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Full-Time Equivalent Village Government Employees by Function - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Function	2003	2004	2005	2006
General Government	5	5	5	5
Public Safety				
Police	36	36	36	36
Fire	20	20	20	20
Culture and Recreation	3	3	3	4
Public Works	8	8	8	8
Building, Health and Zoning	1	1	1	1
Total	73	73	73	74

Data Source: Village Records

2007	2008	2009	2010	2011	2012
5	5	5	5	5	4
36	37	37	38	34	33
19	19	19	19	17	17
4	4	4	3	3	3
8	8	8	8	8	8
1	1	1	1	-	-
73	74	74	74	67	65

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Operating Indicators by Function/Program - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Function/Program	2003	2004	2005	2006
Public Works				
Forestry				
Number of Parkway Trees Planted	-	-	4	-
Number of Parkway Trees Trimmed	770	770	805	735
Public Safety				
Fire (1)				
Number of Fire Calls	1,654	1,527	1,463	1,618
Number of EMS Calls	1,261	1,374	1,362	1,442
Number of Training Hours	6,551	6,659	6,549	6,210
ISO Rating	2	2	2	2
Police				
Part I Crime	898	897	797	853
Part II Crime	887	880	832	915
Calls for Service	20,774	19,321	19,433	19,910
State Tickets Issued	2,135	2,181	2,168	2,147
Compliance Tickets Issued	1,760	1,378	969	941
Parking Tickets Issued	5,963	5,155	3,921	3,300
Community Development				
Number of Building Permits Issued	952	978	950	941
Number of Building Inspections	1,479	1,542	1,515	1,563
Number of Food Service Inspections	296	300	310	325
Highways and Streets				
Sidewalk Replaced (Sq. Ft.)	-	575	4,650	2,225
Annual Resurfacing Program (\$)	156,354	182,669	169,650	-
Water and Sewer				
Water Main Breaks	17	9	9	4
Hydrants Flushed	370	370	370	370
Water Meters Read	9,704	9,740	9,688	9,680
Water Meter Service Requests	116	101	97	112
Water Meters Replaced	53	51	39	54
Total Distribution Pumpage (1,000 Gallons)	325,135	340,509	380,889	355,123
Average Daily Pumpage (1,000 Gallons)	923	886	962	1,027
Sanitary Sewer Repairs	4	7	7	8

Data Source: Village Records

Note: Indicators are not available for the general government function.

2007	2008	2009	2010	2011	2012
-	126	126	-	-	52
800	1,100	1,100	1,100	1,100	1,250
1,693	1,737	1,737	1,191	1,026	940
1,365	1,403	1,403	1,402	1,335	1,201
6,613	6,215	6,215	6,527	7,057	6,221
2	2	2	2	2	3
858	862	862	620	651	651
900	889	889	553	581	581
13,475	20,625	20,625	21,694	22,780	22,780
1,840	1,838	1,838	1,905	2,000	2,000
850	885	885	841	885	885
2,093	3,162	3,162	2,373	2,495	2,495
955	853	853	746	850	785
1,586	1,347	1,347	830	629	593
315	284	284	128	32	125
-	1,835	1,835	-	-	2,400
338,000	215,000	215,000	-	-	100,000
5	16	16	15	18	16
370	370	370	370	370	370
9,700	9,705	9,705	9,705	9,705	9,705
106	120	120	104	120	120
35	50	50	47	47	40
365,777	308,185	308,185	343,242	372,414	382,295
937	844	844	940	1,020	1,047
9	12	12	14	17	9

VILLAGE OF NORTH RIVERSIDE, ILLINOIS

**Capital Asset Statistics by Function/Program - Last Ten Fiscal Years
April 30, 2012 (Unaudited)**

Function/Program	2003	2004	2005	2006
Police				
Stations	1	1	1	1
Patrol Units	15	15	15	15
Fire Stations	1	1	1	1
Public Works				
Streets (Miles)	17.19	17.19	17.19	17.19
Sidewalks (Miles)	33.17	33.17	33.17	33.17
Streetlights	394	394	394	394
Water and Sewer				
Water Mains (Miles)	33.93	33.93	33.93	33.93
Fire Hydrants	370	370	370	370
Sanitary Sewers (Miles)	20.08	20.08	20.08	20.08
Manholes	489	489	489	489

Data Source: Village Records

2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
15	17	17	17	17	17
1	1	1	1	1	1
17.19	17.19	17.19	17.19	17.19	17.19
33.17	33.17	33.17	33.17	33.10	33.17
394	394	394	394	394	394
33.93	33.93	33.93	33.93	33.93	33.93
370	370	370	370	370	370
20.08	20.08	20.08	20.08	20.08	20.08
489	489	489	489	489	489