

**VILLAGE OF RIVER GROVE, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

Year Ended April 30, 2009

VILLAGE OF RIVER GROVE, ILLINOIS

Year Ended April 30, 2009

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VILLAGE OF RIVER GROVE, ILLINOIS

Year Ended April 30, 2009

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## INDEPENDENT AUDITORS' REPORT

To the Honorable President  
and Members of the Board of Trustees  
Village of River Grove, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of River Grove, Illinois, (Village), as of and for the year ended April 30, 2009 which collectively, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, 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 as of April 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2009, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grants, and other matters.

The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

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



Crowe Horwath LLP

Oak Brook, Illinois  
October 30, 2009

**VILLAGE OF RIVER GROVE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2009**

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As management of the Village of River Grove ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2009. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

### **Financial Highlights**

The assets of the Village exceeded its liabilities at the close of the fiscal year by \$5,279,877 (net assets).

The Village's total net assets increased by \$1,266,797 (or 31.6% from fiscal year 2008) during the fiscal year ended April 30, 2009 (FY09). The governmental net assets increased by \$1,382,330 from FY08 and the business-type activities net assets decreased by \$115,533 from FY08.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$13,199,965, an increase of \$3,831,640 in comparison with the prior year. Approximately 24.9% of this amount, \$3,288,462, is available for spending at the government's discretion (unreserved fund balance).

### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-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. Over time increases or decreases in 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 showing how the Village's net assets 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.

The Governmental Activities reflect the Village's basic services, including general government, public safety, public works, and culture and recreation. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations, including depreciation.

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**VILLAGE OF RIVER GROVE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
April 30, 2009

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### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village 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 are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains five individual major governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, fire protection fund, motor fuel tax fund, tax increment financing fund, and 2006 capital projects fund, all of which are considered to be major funds. Information from the Village's seventeen other governmental funds are combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains one type of proprietary fund (enterprise fund). Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer operations and commuter parking lot. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide information for the water and sewer fund along with the commuter parking lot fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

### **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

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VILLAGE OF RIVER GROVE, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 April 30, 2009

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**Other Information**

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found following the required supplementary information.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Statement of Net Assets**

The following chart reflects the condensed Statement of Net Assets (in thousands):

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009	2008	2009	2008	2009	2008
<b>Assets:</b>						
Current assets	\$ 16,181	\$ 11,888	\$ 1,956	\$ 2,870	\$ 18,137	\$ 14,758
Capital assets	6,497	4,040	1,449	618	7,946	4,658
<b>Total assets</b>	<b>22,678</b>	<b>15,928</b>	<b>3,405</b>	<b>3,488</b>	<b>26,083</b>	<b>19,416</b>
<b>Liabilities:</b>						
Short-term liabilities	3,561	2,545	175	94	3,736	2,639
Long-term liabilities	17,067	12,715	-	49	17,067	12,764
<b>Total liabilities</b>	<b>20,628</b>	<b>15,260</b>	<b>175</b>	<b>143</b>	<b>20,803</b>	<b>15,403</b>
<b>Net Assets:</b>						
Invested in capital assets, net,	6,055	3,546	1,432	569	7,487	4,115
Restricted	2,837	2,920	-	-	2,837	2,920
Unrestricted	(6,842)	(5,798)	1,797	2,776	(5,045)	(3,022)
<b>Total Net Assets</b>	<b>\$ 2,050</b>	<b>\$ 668</b>	<b>\$ 3,229</b>	<b>\$ 3,345</b>	<b>\$ 5,279</b>	<b>\$ 4,013</b>

A portion of the Village's net assets reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that are still outstanding. The Village uses the capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves can not be used to liquidate these liabilities. An additional portion of the Village's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the Village is able to report positive balance in total net assets.

The following chart reflects the condensed Statement of Activities (in thousands):

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VILLAGE OF RIVER GROVE, ILLINOIS  
 MANAGEMENT'S DISCUSSION AND ANALYSIS  
 April 30, 2009

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	Governmental Activities		Business-Type Activities		Total Primary Government	
	2009		2008		2009	
	2009	2008	2009	2008	2009	2008
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 1,550	\$ 1,448	\$ 1,613	\$ 1,517	\$ 3,163	\$ 2,965
Oper. Grants/Contrib.	86	24	-	-	86	24
Cap. Grants/Contrib.	2,209	200	282	-	2,491	200
General Revenues:						
Property Taxes	3,693	3,523	-	-	3,693	3,523
Other Taxes	4,358	4,354	-	-	4,358	4,354
Other	372	430	14	39	386	469
<b>Total Revenues</b>	<b>12,268</b>	<b>9,979</b>	<b>1,909</b>	<b>1,556</b>	<b>14,177</b>	<b>11,535</b>
<b>EXPENSES</b>						
General Government	2,267	2,062	-	-	2,267	2,062
Public Safety	4,339	4,549	-	-	4,339	4,549
Public Works	3,463	2,246	-	-	3,463	2,246
Culture and Recreation	126	109	-	-	126	109
Interest Long-Term Debt	691	619	-	-	691	619
Commuter Parking Lot	-	-	298	20	298	20
Water and Sewer	-	-	1,726	1,370	1,726	1,370
<b>Total Expenses</b>	<b>10,886</b>	<b>9,585</b>	<b>2,024</b>	<b>1,390</b>	<b>12,910</b>	<b>10,975</b>
<b>Change in Net Assets</b>	<b>1,382</b>	<b>394</b>	<b>(115)</b>	<b>166</b>	<b>1,267</b>	<b>560</b>
<b>Ending Net Assets</b>	<b>\$ 2,050</b>	<b>\$ 668</b>	<b>\$ 3,229</b>	<b>\$ 3,345</b>	<b>\$ 5,279</b>	<b>\$ 4,013</b>

**Governmental Activities** Governmental activities increased the Village's Net Assets by \$1,382 thousand, thereby accounting for the majority of the total increase in the net assets of the Village. The increase was due increased revenues of \$2,289 thousand which was offset by increased expenses of \$1,301 thousand. Specifically, the increase in revenues was a rise of \$174 thousand in taxes and \$2,009 thousand in capital grants. The increase in expenses included higher costs for general government and public works. However, the increased expenses did not exceed revenues, leading to the overall increase in Net Assets.

**Business-type Activities** Business-type activities decreased the Village's Net Assets by \$115 thousand. The decrease was due a small increase in charges for services that was offset by increased operational costs. The increased expenses did not exceed revenues, leading to the overall increase in Net Assets.

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**VILLAGE OF RIVER GROVE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2009**

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## **FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds** The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$13,199,965, an increase of \$3,831,640 in comparison with the prior year. Approximately 24.9% of this amount, \$3,288,462, constitutes unreserved fund balance, which is available for spending at the government's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending.

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the general fund was a deficit \$903,046 while fund balance reserved for assets held for resale was \$1,892,505 for a total fund balance of \$989,459. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. The fund balance of the Village's general fund increased by \$606,456 during the current fiscal year. Total revenue for the fund decreased by \$19,021 due to increases in property tax revenues of \$304,969 and fines of \$211,676 which were offset by a decrease in other taxes of \$415,357. Expenses increased in the current year by \$1,618,211, with increases in the Police Department of \$111,069, Public Works of \$319,228, and capital outlay of \$926,869. The Village continues to use funds as efficiently as possible while still delivering to our citizens the services they deserve.

The fund balance of the Village's Fire Protection Fund increased by \$255,335 during the current fiscal year. This is mainly due to reimbursement of fire protection costs from the Village's other funds that were greater than the property tax revenue in the fund.

The fund balance of the Village's Motor Fuel Tax Fund increased by \$101,889 during the current fiscal year. This increase is due to Village not engaging in any major projects in FY09 using MF funds. This increase in fund balance is expected to be used for future projects.

The fund balance of the Village's Tax Increment Financing Fund increased by \$325,336 during the current fiscal year. The increase in fund balance is intended to pay off future debt service payments on the Village's TIF bonds.

The fund balance of the Village's 2006 Capital Projects Fund increased by \$3,389,428 during the current fiscal year. This was due to the Village issuing \$5,525,000 in new bonds while funding \$2,515,406 in project costs during the year. The residual fund balance is intended to fund future capital improvement projects throughout the Village through use of sales taxes.

**Proprietary Funds.** The Village's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**VILLAGE OF RIVER GROVE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2009**

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Net assets of the Water and Sewer Fund at the end of the year amounted to \$2,586,835. The Fund had a decrease in net assets of \$133,417 mainly due to an increase in collections of water and sewer billings of \$94,065 which was offset by increased operating costs of \$355,056.

Net assets of the Commuter Parking Lot Fund at the end of the year amounted to \$642,700. The Fund had an increase in net assets of \$17,884 mainly due to increased parking lot collections.

#### **GENERAL FUND BUDGETARY HIGHLIGHTS**

The Village remains committed to fiscal responsibility. However, sales tax, utility tax, licenses and grant revenues fell short of expectations by \$1,470,272 while property taxes and fines increased by \$896,600. Expenditures were less than expected by \$2,661,758 due to less than expected public works and capital outlay expenditures of \$2,498,049. The result was a change in fund balance of \$4,602,425 more than budget. The fund balance provides sufficient reserves to meet expenses and can be used in the future to provide services to the citizens of River Grove.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

##### **Capital Assets**

##### **Governmental Activities**

##### **Change in Capital Assets**

(in thousands)

	<u>Balance</u> <u>May 1, 2008</u>	<u>Net Additions/ Deletions</u>	<u>Balance</u> <u>April 30, 2009</u>
Non-Depreciable Assets:	\$ 749	\$ 541	\$ 1,290
Depreciable Capital Assets:	<u>3,291</u>	<u>1,916</u>	<u>5,207</u>
<b>Totals</b>	<b><u>\$ 4,040</u></b>	<b><u>\$ 2,457</u></b>	<b><u>\$ 6,497</u></b>

The Village purchased various pieces of equipment as well as upgraded portions of the Village infrastructure during the year accounting for the net additions.

##### **Business-Type Activities**

##### **Change in Capital Assets**

(in thousands)

	<u>Balance</u> <u>May 1, 2008</u>	<u>Net Additions/ Deletions</u>	<u>Balance</u> <u>April 30, 2009</u>
Non-Depreciable Assets	\$ 290	\$ (34)	\$ 256
Depreciable Assets:	<u>328</u>	<u>865</u>	<u>1,193</u>
<b>Totals</b>	<b><u>\$ 618</u></b>	<b><u>\$ 831</u></b>	<b><u>\$ 1,449</u></b>

The Village purchased various pieces of equipment as well as began construction on a new water main during the year accounting for the net additions.

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**VILLAGE OF RIVER GROVE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**April 30, 2009**

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For more detailed information related to capital assets, see notes to financial statements.

### **Debt Administration**

At April 30, 2009, the Village had outstanding debt as follows:

General Obligation Bonds Series 1999	\$ 5,660,000
General Obligation Bonds Series 2006	4,530,000
General Obligation Bonds Series 2008	5,525,000
Deferred Premiums/Discounts	49,524
Installment Notes Payable	459,169
Net Pension Obligation	<u>1,525,755</u>
Total Long-Term Debt	<u>\$ 17,749,448</u>

During fiscal year 2009, \$5,525,000 of new bonds and \$104,811 of new loans were issued while \$608,144 of debt was retired.

There were no changes in credit ratings and/or any debt limitations that may affect the financing of planned facilities or services.

For more detailed information related to long term debt, see notes to financial statements.

### **ECONOMIC FACTORS**

There were two significant economic factors that Village management believes will have a significant impact on the Village's fiscal position in future years. The planned commercial redevelopment of specific areas of the Village in high-traffic locations will bring about continued growth in state and local sales tax revenue funding sources. In addition, the Village is looking into redeveloping former industrial properties for potential residential and commercial use. This will have the effect of increasing the tax base of the Village without having to increase current resident tax burdens. The Village will continue to strive to provide the best services possible at costs that are reasonable for the taxpayer in a fiscally responsible manner.

### **CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Village Comptroller, 2601 Thatcher Avenue, River Grove Illinois, 60171 or call (708) 453-8000.

## VILLAGE OF RIVER GROVE, ILLINOIS

## STATEMENT OF NET ASSETS

April 30, 2009

	Primary Government			<u>Total</u>
	Governmental <u>Activities</u>		Business-type <u>Activities</u>	
	<u>Activities</u>	<u>Activities</u>		
<b>Assets</b>				
Current				
Cash and investments	\$ 11,113,293	\$ 1,616,650	\$ 12,729,943	
Property taxes receivable	1,737,081	-	1,737,081	
Other governmental receivables	1,071,429	-	1,071,429	
Accounts receivable	66,267	339,724	405,991	
Assets held for resale	1,892,505	-	1,892,505	
Deferred charges	299,661	-	299,661	
Non-current				
Capital assets not being depreciated	1,290,383	255,501	1,545,884	
Capital assets being depreciated, net	5,207,368	1,192,999	6,400,367	
<b>Total assets</b>	<b>22,677,987</b>	<b>3,404,874</b>	<b>26,082,861</b>	
<b>Liabilities</b>				
Current				
Accounts payable	580,020	155,251	735,271	
Accrued payroll	127,503	3,674	131,177	
Accrued interest payable	275,711	342	276,053	
Other payables	195,756	-	195,756	
Deferred property tax revenue	1,667,703	-	1,667,703	
Due to police pension fund	47,576	-	47,576	
Current portion - bonds payable	515,000	-	515,000	
Current portion - notes payable	151,832	16,072	167,904	
Non-current				
Bonds payable	15,249,524	-	15,249,524	
Notes payable	291,265	-	291,265	
Net pension obligation	1,525,755	-	1,525,755	
<b>Total liabilities</b>	<b>20,627,645</b>	<b>175,339</b>	<b>20,802,984</b>	
<b>Net assets</b>				
Invested in capital assets, net				
of related debt	6,054,654	1,432,428	7,487,082	
Restricted assets				
Highways and streets	2,485,340	-	2,485,340	
Debt service	351,868	-	351,868	
Unrestricted	(6,841,520)	1,797,107	(5,044,413)	
<b>Total net assets</b>	<b>\$ 2,050,342</b>	<b>\$ 3,229,535</b>	<b>\$ 5,279,877</b>	

## VILLAGE OF RIVER GROVE, ILLINOIS

## STATEMENT 2

STATEMENT OF ACTIVITIES  
Year Ended April 30, 2009

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Primary government</b>							
Governmental activities							
General government	\$ 2,267,495	\$ 353,346	\$ 86,011	\$ -	\$ (1,828,138)	\$ (1,828,138)	
4,338,593	847,959	-	-	-	(3,490,634)	(3,490,634)	
Public safety	3,462,567	253,638	-	2,209,046	(999,883)	(999,883)	
Public works	126,155	95,155	-	-	(31,000)	(31,000)	
Culture & recreation	690,815	-	-	-	(690,815)	(690,815)	
Interest on long-term debt							
Total government activities	<u>10,885,625</u>	<u>1,550,098</u>	<u>86,011</u>	<u>2,209,046</u>	<u>(7,040,470)</u>	<u>(7,040,470)</u>	
Business-type activities							
Water and sewer	1,725,605	1,578,344	-	-	\$ (147,261)	(147,261)	
Commuter parking lot	298,177	34,475	-	281,586	17,884	17,884	
Total business-type activities	<u>2,023,782</u>	<u>1,612,819</u>	<u>-</u>	<u>281,586</u>	<u>(129,377)</u>	<u>(129,377)</u>	
Total primary government	<u>\$ 12,909,407</u>	<u>\$ 3,162,917</u>	<u>\$ 86,011</u>	<u>\$ 2,490,632</u>	<u>(7,040,470)</u>	<u>(7,169,847)</u>	
<b>General revenues</b>							
Taxes							
Property taxes, levied for general purposes					3,692,901	-	3,692,901
Public service taxes					4,357,558	-	4,357,558
Unrestricted investment earnings					159,407	13,844	173,251
Gain on sale of fixed assets					11,900	-	11,900
Miscellaneous revenues					201,034	-	201,034
Total general revenues					<u>8,422,800</u>	<u>13,844</u>	<u>8,436,644</u>
Change in net assets					1,382,330	(115,533)	1,266,797
Net assets - beginning					<u>668,012</u>	<u>3,345,068</u>	<u>4,013,080</u>
Net assets - ending					<u>\$ 2,050,342</u>	<u>\$ 3,229,535</u>	<u>\$ 5,279,877</u>

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

GOVERNMENTAL FUNDS  
BALANCE SHEET  
April 30, 2009

	Major Funds		
	General Fund	Fire Protection Fund	Motor Fuel Tax Fund
<b>Assets</b>			
Cash and investments	\$ -	\$ 31,365	\$ 1,906,256
Property taxes receivable	867,051	251,149	-
Accounts receivable	4,249	-	-
Other governmental receivables	873,526	-	21,303
Assets held for resale	1,892,505	-	-
Interfund receivables	-	-	695,917
<b>Total assets</b>	<b>\$ 3,637,331</b>	<b>\$ 282,514</b>	<b>\$ 2,623,476</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 328,197	\$ 209,302	\$ 42
Accrued payroll	52,269	33,893	-
Other payables	16,170	-	-
Deferred property tax revenue	832,210	241,179	-
Other deferred revenue	197,488	-	-
Due to police pension fund	47,576	-	-
Interfund payables	1,173,962	-	-
<b>Total liabilities</b>	<b>2,647,872</b>	<b>484,374</b>	<b>42</b>
<b>Fund balances</b>			
Unreserved	(903,046)	(201,860)	2,623,434
Reserved for assets held for resale	1,892,505	-	-
Reserved for debt service	-	-	-
Reserved for capital projects	-	-	-
Unreserved, reported in nonmajor			
Special revenue	-	-	-
<b>Total fund balances</b>	<b>989,459</b>	<b>(201,860)</b>	<b>2,623,434</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,637,331</b>	<b>\$ 282,514</b>	<b>\$ 2,623,476</b>

See accompanying notes to financial statements.

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<u>Tax Increment Financing Fund</u>	<u>2006 Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 1,594,847	\$ 6,486,115	\$ 1,094,710	\$ 11,113,293
-	-	618,881	1,737,081
-	-	62,018	66,267
-	176,600	-	1,071,429
-	-	-	1,892,505
-	1,048,565	-	1,744,482
<u>\$ 1,594,847</u>	<u>\$ 7,711,280</u>	<u>\$ 1,775,609</u>	<u>\$ 17,625,057</u>
\$ -	\$ -	\$ 42,479	\$ 580,020
-	-	41,341	127,503
-	-	-	16,170
-	-	594,314	1,667,703
-	44,150	-	241,638
-	-	-	47,576
-	-	570,520	1,744,482
<u>-</u>	<u>44,150</u>	<u>1,248,654</u>	<u>4,425,092</u>
1,594,847	-	-	3,113,375
-	-	-	1,892,505
-	-	351,868	351,868
-	7,667,130	-	7,667,130
-	-	175,087	175,087
<u>1,594,847</u>	<u>7,667,130</u>	<u>526,955</u>	<u>13,199,965</u>
<u>\$ 1,594,847</u>	<u>\$ 7,711,280</u>	<u>\$ 1,775,609</u>	<u>\$ 17,625,057</u>

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RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET ASSETS  
April 30, 2009

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Total fund balances - governmental funds	\$ 13,199,965
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Amounts reported for governmental activities in the net assets are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Capital assets	10,132,808
Accumulated depreciation	<u>(3,635,057)</u>
Net capital assets	6,497,751

Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:

State and local taxes	241,638
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Interest on long-term debt is not accrued in the governmental funds but rather recognized when due: (275,711)

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets. 299,661

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

Bonds payable	(15,764,524)
Notes payable	(443,097)
Insurance deposit payable	(179,586)
Net pension obligation	<u>(1,525,755)</u>
Total long-term liabilities	<u>(17,912,962)</u>

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Net assets of governmental activities	\$ 2,050,342
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## VILLAGE OF RIVER GROVE, ILLINOIS

GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
Year Ended April 30, 2009

				Major Funds
	<u>General</u> <u>Fund</u>	<u>Fire</u> <u>Protection</u> <u>Fund</u>	<u>Motor</u> <u>Fuel Tax</u> <u>Fund</u>	
<b>Revenues</b>				
Property taxes	\$ 1,486,853	\$ 400,650	\$ -	-
Sales taxes	1,085,908	-	-	-
Income taxes	939,484	-	-	-
Utility taxes	757,378	-	-	-
Other taxes	186,305	6,590	278,384	-
Licenses, permits and fees	275,206	-	-	-
Grant revenue	238,111	200,925	-	-
Other revenue	365,103	1,358	-	-
Fines and forfeitures	642,747	-	-	-
Investment income	36,747	-	14,114	-
Charges for services	-	-	-	-
<b>Total revenues</b>	<b>6,013,842</b>	<b>609,523</b>	<b>292,498</b>	
<b>Expenditures</b>				
<b>Current</b>				
Administration	647,337	-	-	-
Police department	2,644,207	-	-	-
Fire protection	-	531,842	-	-
Public works	1,440,342	-	153,090	-
Culture & recreation	66,826	-	-	-
Public health	26,741	-	-	-
All other departments	1,072,866	-	-	-
Debt service				
Principal	40,534	29,288	-	-
Interest and other charges	4,818	6,366	-	-
Capital outlay	1,938,145	218,071	37,519	-
<b>Total expenditures</b>	<b>7,881,816</b>	<b>785,567</b>	<b>190,609</b>	
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,867,974)</b>	<b>(176,044)</b>	<b>101,889</b>	
<b>Other financing sources (uses)</b>				
Transfers in	2,357,719	431,379	-	-
Transfers out	-	-	-	-
Proceeds from the issuance of debt	104,811	-	-	-
Proceeds from the sale of fixed assets	11,900	-	-	-
Bond discount	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,474,430</b>	<b>431,379</b>	<b>-</b>	<b>-</b>
<b>Net changes in fund balances</b>	<b>606,456</b>	<b>255,335</b>	<b>101,889</b>	
<b>Fund balances at beginning of year</b>	<b>383,003</b>	<b>(457,195)</b>	<b>2,521,545</b>	
<b>Fund balances at end of year</b>	<b>\$ 989,459</b>	<b>\$ (201,860)</b>	<b>\$ 2,623,434</b>	

See accompanying notes to financial statements.

<u>Tax Increment Financing Fund</u>	<u>2006 Capital Project Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
\$ 772,032	\$ -	\$ 1,033,366	\$ 3,692,901
-	589,510	-	1,675,418
-	-	-	939,484
-	-	-	757,378
-	-	488,605	959,884
-	-	-	275,206
-	-	-	439,036
-	-	442	366,903
-	-	12,375	655,122
10,336	80,931	17,279	159,407
-	-	453,901	453,901
<u>782,368</u>	<u>670,441</u>	<u>2,005,968</u>	<u>10,374,640</u>
-	-	564,683	1,212,020
-	-	236,698	2,880,905
-	-	-	531,842
-	-	610,399	2,203,831
-	-	25,613	92,439
-	-	573,689	600,430
-	-	-	1,072,866
195,000	-	310,132	574,954
283,680	256,557	227,617	779,038
-	-	8,601	2,202,336
<u>478,680</u>	<u>256,557</u>	<u>2,557,432</u>	<u>12,150,661</u>
 <u>303,688</u>	 <u>413,884</u>	 <u>(551,464)</u>	 <u>(1,776,021)</u>
21,648	-	314,846	3,125,592
-	(2,515,406)	(610,186)	(3,125,592)
-	5,525,000	-	5,629,811
-	-	-	11,900
-	(34,050)	-	(34,050)
<u>21,648</u>	<u>2,975,544</u>	<u>(295,340)</u>	<u>5,607,661</u>
 325,336	 3,389,428	 (846,804)	 3,831,640
<u>1,269,511</u>	<u>4,277,702</u>	<u>1,373,759</u>	<u>9,368,325</u>
<u>\$ 1,594,847</u>	<u>\$ 7,667,130</u>	<u>\$ 526,955</u>	<u>\$ 13,199,965</u>

## VILLAGE OF RIVER GROVE, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
 STATEMENT OF ACTIVITIES  
 Year Ended April 30, 2009

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Net change in fund balances - total governmental funds	\$ 3,831,640
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital outlay	938,054
Contributed fixed assets	1,856,021
Depreciation	<u>(336,195)</u>
Capital outlay in excess of depreciation	2,457,880

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.

Principal retirement	574,954
Bond issuance costs	179,222
Bond discount	34,050
New issuances	<u>(5,629,811)</u>
	(4,841,585)

Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:

25,394

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Amortization of deferred bond issuance costs, premium and discount	(10,933)
Change in accrued interest on debt	<u>(80,066)</u>
Total expenses of non-current resources	<u>(90,999)</u>

Change in net assets of governmental activities	<u>\$ 1,382,330</u>
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STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 April 30, 2009

	Major Funds		
	Water and Sewer Fund	Commuter Parking Lot Fund	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash and investments	\$ 1,221,344	\$ 395,306	\$ 1,616,650
Accounts receivable	339,724	-	339,724
Total current assets	<u>1,561,068</u>	<u>395,306</u>	<u>1,956,374</u>
<b>Noncurrent assets:</b>			
Capital assets, not being depreciated	92,671	162,830	255,501
Capital assets, net of accumulated depreciation	<u>1,108,419</u>	<u>84,580</u>	<u>1,192,999</u>
Total noncurrent assets	<u>1,201,090</u>	<u>247,410</u>	<u>1,448,500</u>
Total assets	<u>2,762,158</u>	<u>642,716</u>	<u>3,404,874</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	155,235	16	155,251
Accrued payroll	3,674	-	3,674
Accrued interest payable	342	-	342
Current portion - notes payable	<u>16,072</u>	<u>-</u>	<u>16,072</u>
Total current liabilities	<u>175,323</u>	<u>16</u>	<u>175,339</u>
Total liabilities	<u>175,323</u>	<u>16</u>	<u>175,339</u>
<b>Net assets</b>			
<b>Invested in capital assets,</b>			
Net of related debt	1,185,018	247,410	1,432,428
Unrestricted	<u>1,401,817</u>	<u>395,290</u>	<u>1,797,107</u>
Total net assets	<u>\$ 2,586,835</u>	<u>\$ 642,700</u>	<u>\$ 3,229,535</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2009

	Major Funds		
	Water and Sewer Fund	Commuter Parking Lot Fund	Total
Operating revenues			
Charges for services	\$ 1,578,344	\$ 34,475	\$ 1,612,819
Total operating revenues	<u>1,578,344</u>	<u>34,475</u>	<u>1,612,819</u>
Operating expenses			
Administration	498,502	288,852	787,354
Water purchases	638,365	-	638,365
Repairs & maintenance	538,711	-	538,711
Depreciation	47,984	9,325	57,309
Total operating expenses	<u>1,723,562</u>	<u>298,177</u>	<u>2,021,739</u>
Operating income (loss)	<u>(145,218)</u>	<u>(263,702)</u>	<u>(408,920)</u>
Non-operating revenues (expenses)			
Investment income	13,844	-	13,844
Grant revenue	-	281,586	281,586
Interest expense	<u>(2,043)</u>	<u>-</u>	<u>(2,043)</u>
Total non-operating revenues (expenses)	<u>11,801</u>	<u>281,586</u>	<u>293,387</u>
Net income (loss)	<u>(133,417)</u>	<u>17,884</u>	<u>(115,533)</u>
Net assets at beginning of year	<u>2,720,252</u>	<u>624,816</u>	<u>3,345,068</u>
Net assets at end of year	<u>\$ 2,586,835</u>	<u>\$ 642,700</u>	<u>\$ 3,229,535</u>

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
Year Ended April 30, 2009

	<u>Water and Sewer Fund</u>	<u>Community Parking Lot Fund</u>	<u>Total Enterprise Funds</u>
<b>Cash flows from operating activities</b>			
Receipts from customers	\$ 1,502,501	\$ 34,475	\$ 1,536,976
Payments to suppliers	(1,231,997)	(288,933)	(1,520,930)
Payments to employees	(376,553)	-	(376,553)
Net cash provided by operating activities	<u>(106,049)</u>	<u>(254,458)</u>	<u>(360,507)</u>
<b>Cash flows from non-capital and related financing activities</b>			
Receipts from grants	-	281,586	281,586
Net cash provided by capital and related financing activities	<u>-</u>	<u>281,586</u>	<u>281,586</u>
<b>Cash flows from capital and related financing activities</b>			
Principal paid on capital asset acquisition debt	(33,190)	-	(33,190)
Interest paid on capital asset acquisition debt	(3,146)	-	(3,146)
Purchases of capital assets	(888,013)	-	(888,013)
Net cash provided by non- capital and related financing activities	<u>(924,349)</u>	<u>-</u>	<u>(924,349)</u>
<b>Cash flows from investing activities</b>			
Interest	13,844	-	13,844
Net cash provided by investing activities	<u>13,844</u>	<u>-</u>	<u>13,844</u>
Net increase (decrease) in cash and cash equivalents	<u>(1,016,554)</u>	<u>27,128</u>	<u>(989,426)</u>
Balances - beginning of the year	2,237,898	368,178	2,606,076
Balances - end of year	<u>\$ 1,221,344</u>	<u>\$ 395,306</u>	<u>\$ 1,616,650</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (145,218)	\$ (263,702)	\$ (408,920)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	47,984	9,325	57,309
Change in assets and liabilities:			
Decrease (increase) receivables, net	(75,843)	-	(75,843)
(Decrease) increase accounts payable	66,096	(81)	66,015
(Decrease) increase accrued payroll	<u>932</u>	<u>-</u>	<u>932</u>
Net cash provided (used) by operating activities	<u>\$ (106,049)</u>	<u>\$ (254,458)</u>	<u>\$ (360,507)</u>

See accompanying notes to financial statements.

## VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 April 30, 2009

	Pension Trust Fund
	Police Pension Fund
Assets	
Cash	\$ 517,947
Investments	5,124,114
Due from Village	47,576
Other receivables	29,308
Total assets	<u>5,718,945</u>
Liabilities	
Accounts payable	<u>1,190</u>
Total liabilities	<u>1,190</u>
Net assets	
Held in trust for pension benefits and other purposes	<u>5,717,755</u>
Total net assets	<u>\$ 5,717,755</u>

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FIDUCIARY FUNDS  
 Year Ended April 30, 2009

	Pension Trust Fund
	Police Pension Fund
Additions	
Contributions	
Employer	\$ 390,156
Plan members	<u>154,237</u>
Total contributions	<u>544,393</u>
Net investment earnings	<u>(1,234,379)</u>
Total additions	<u>(689,986)</u>
Deductions	
Benefits	810,690
Administrative expenses	<u>13,387</u>
Total deductions	<u>824,077</u>
Change in net assets	<u>(1,514,063)</u>
Net assets - beginning of year	<u>7,231,818</u>
Net assets - end of year	<u>\$ 5,717,755</u>

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of River Grove, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan have been included in the financial reporting entity as a blended component unit.

*Blended Component Unit* - The Village's police department employees participate in the Police Pension Plan ("Plan"). The Plan functions for the benefit of these employees. The Village is obligated to fund all Plan costs based on actuarial valuations. The nature of the Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Plan can be obtained from the Village.

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

*Government-wide Financial Statements* - The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

*Fund Financial Statements* - The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

*Government-Wide Financial Statements* - The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net assets to remove the "grossing-up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

*Fund Financial Statements* - Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

*General Fund* - The 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.

*Fire Protection Fund* - This special revenue fund is used to account for expenditures related to the Village's fire protection including firefighters' salaries and equipment.

*Motor Fuel Tax Fund* - This special revenue fund is used to account for motor fuel tax revenue received from the Illinois Department of Transportation. This revenue is expended for street improvements and projects.

*Tax Increment Financing Fund* - This special revenue fund is used to account for the Village's Belmont and Thatcher Avenue TIF district activity.

*2006 Capital Projects Fund* - This capital projects fund is used to account for the 2006 and 2008 bond proceeds and its related uses.

**Proprietary Funds**

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has 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 purposes. The Village reports the following major proprietary funds:

*Water and Sewer Fund* - The Water and Sewer Fund accounts for the operating activities of the Village's water and sewer utilities services.

*Commuter Parking Lot Fund* - The Commuter Parking Lot fund accounts for the operating activities of the Village's parking lot activities.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Fiduciary Funds**

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has one pension trust fund that accounts for the Police Pension Plan.

**Governmental Funds**

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

*Special Revenue Funds* - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

*Debt Service Fund* - Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs.

Advances to Other Funds: Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. In the current year, the Village has no advances to other funds. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the Village-wide financial statements as "internal balances."

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. General infrastructure assets acquired prior to May 1, 2004, are not reported in the basic financial statements. Capital assets are defined as assets with a cost of \$5,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	15 - 50 years
Land improvements	20 years
Machinery and equipment	5 - 20 years
Infrastructure - roads	20 years
Infrastructure - other	30 - 50 years

**Investments:** Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the police pension trust fund with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

**Inventory:** Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

**Claims and Judgments:** Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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

The following funds had deficit fund balances at April 30, 2009:

<u>Fund</u>	<u>Amount</u>
Fire Protection	\$ 201,860
Auditing	42,900
Workers' Compensation	10,314
Police Protection	69,171
Public Liability Insurance	24,195
Social Security Tax	56,748
Emergency Service & Disaster	5,984
School Crossing Guards	41,963
Illinois Municipal Retirement	5,504

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

<u>Fund</u>	<u>Amount</u>
Streets and Bridges	\$ 138,094
Garbage Disposal	74,748
Municipal Ambulance Service	103,075

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements. The Village deferred in the government-wide statements the second installment of the 2008 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are not reimbursed for accumulated sick or vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is paid to the employees on the first payday in January. Police officers are paid out for both unused sick and vacation time on the first payday in January. As such, there is no liability as of the fiscal year end.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Cash and Cash Equivalents:** Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

**Accounting For Proprietary Fund Activities:** The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

**Use of Estimates:** Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

**Assets Held for Resale:** The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are anticipated to occur within the next fiscal year. As such, they are classified as a current asset in the General Fund valued at cost. The carrying amount as of April 30, 2009 was \$1,892,505.

**NOTE 2 - CASH AND INVESTMENTS**

**Cash:** The carrying amount of cash, excluding the Pension Trust Fund, was \$8,695,961 at April 30, 2009, while the bank balances were \$8,827,847. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

**Certificates of Deposit:** Certificates of Deposit, excluding the Pension Trust Fund, amounted to \$100,000 at April 30, 2009. The deposit was collateralized with FDIC. The deposit matures less than ninety days after year end.

**Investments (Excluding Pension Trust Fund):** Illinois statutes authorized the Village to invest in obligations of the U.S. Treasury, U.S. agencies and banks and savings and loan associations covered by federal depositary insurance.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

The following schedule reports the fair values for the Village's investments at April 30, 2009. All investments mature in less than one year:

<u>Investment Type</u>	<u>Fair Value</u>
Illinois Funds - State Treasurer	\$3,933,982

The value of the Illinois Funds equates to the number of shares owned as of April 30, 2009. The Illinois Funds do not mature.

*Interest Rate Risk* - The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* - The Village's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments. Illinois Funds are rated AAA by Standard & Poor's.

*Custodial Credit Risk* - For an investment, custodial credit risk 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. The Village's investments are fully collateralized as of April 30, 2009.

*Concentration of Credit Risk* - The Village places no limit on the amount the Village may invest in any one issuer. More than 5 percent of the Village's investments are in Illinois Funds. These investments are 100% of the Village's investments.

Cash - Pension Trust Fund: At April 30, 2009, the Pension Trust Fund's carrying amount of cash was \$517,947 while the bank balances were \$517,947. The FDIC insures bank balances up to \$250,000. As of April 30, 2009, all of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent.

Certificates of Deposit - Pension Trust Fund: Certificates of Deposit amounted to \$2,665,000 at April 30, 2009. In accordance with Pension Trust Fund policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the Township's name by financial institutions acting as the Pension Trust Fund's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)**

**Pension Trust Fund's Investments:** The Pension Trust Fund is authorized to invest in bonds, notes and other obligations of the U.S. Government; corporate debentures and obligations; insured mortgage notes and loans; common and preferred stocks; stock options; and other investment vehicles as set forth in the Illinois Compiled Statutes.

The Pension Trust Fund's policy is to maintain long-term focus on its investment decision-making process. Specifically, the Fund's benefit liabilities extend many years into the future. As such, the investment focus should be on long-term results.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Pension Trust Fund's investments at April 30, 2009.

<u>Investment Type</u>	<u>Investment Maturities</u>	
	<u>Fair Value</u>	<u>Greater than Ten Years</u>
U.S. Agencies	\$ 309,827	\$ 309,827
Total	<u>309,827</u>	<u>\$ 309,827</u>
<b>Investments Not Sensitive to Interest Rate Risk:</b>		
Mutual Funds	187,382	
Life Insurance Annuities	<u>1,961,905</u>	
Total Investments	<u>\$ 2,459,114</u>	

*Interest Rate Risk.* The Pension Trust Fund's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk.* The Pension Trust Fund's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. Government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality; that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard and Poor's. The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

*Concentration of Credit Risk.* The Pension Trust Fund places no limit on the amount it may invest in any one issuer. More than 5 percent of the Pension Trust Fund's investments are in Pacific Life Annuities, ING USA Annuities, Travelers Insurance Annuities, and Met Life Insurance Annuities. These investments are 5.2%, 16.1%, 5.8% and 11.1%, respectively, of the Pension Trust Fund's total investments.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 2 - CASH AND INVESTMENTS (Continued)**

Reconciliation to Financial Statements:

Cash and investments per financial statements:

Statement of net assets	\$ 12,729,943
Cash and investments	
Statement of fiduciary net assets	
Pension trust fund	
Cash	517,947
Investments	<u>5,124,114</u>
Total	<u>\$ 18,372,004</u>

Cash and investments per footnote:

Cash	\$ 8,695,961
Certificate of deposits	100,000
Investments	3,933,982
Cash - pension trust fund	517,947
Certificate of deposits - pension trust fund	2,665,000
Investments - pension trust fund	<u>2,459,114</u>
Total	<u>\$ 18,372,004</u>

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 3 - CAPITAL ASSETS**

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2008 through April 30, 2009 follows:

	Balance	Additions	Deductions	Balance
	<u>May 1, 2008</u>	<u></u>	<u></u>	<u>April 30, 2009</u>
<b>Governmental activities</b>				
Capital assets not being depreciated:				
Land	\$ 748,954	\$ 541,429	\$ -	<u>\$ 1,290,383</u>
Subtotal	<u>748,954</u>	<u>541,429</u>	<u>-</u>	<u>1,290,383</u>
Capital assets being depreciated:				
Land improvements	185,632	-	-	185,632
Infrastructure	1,001,788	1,721,985	-	2,723,773
Buildings	2,936,583	300,000	-	3,236,583
Machinery and equipment	<u>2,519,573</u>	<u>230,661</u>	<u>53,797</u>	<u>2,696,437</u>
Subtotal	<u>6,643,576</u>	<u>2,252,646</u>	<u>53,797</u>	<u>8,842,425</u>
Accumulated depreciation:				
Land improvements	125,882	4,810	-	130,692
Infrastructure	475,459	93,139	-	568,598
Buildings	931,517	62,661	-	994,178
Machinery and equipment	<u>1,819,801</u>	<u>175,585</u>	<u>53,797</u>	<u>1,941,589</u>
Subtotal	<u>3,352,659</u>	<u>336,195</u>	<u>53,797</u>	<u>3,635,057</u>
Capital assets being depreciated, net	<u>3,290,917</u>	<u>1,916,451</u>	<u>-</u>	<u>5,207,368</u>
Total governmental activities capital assets, net	<u>\$ 4,039,871</u>	<u>\$ 2,457,880</u>	<u>\$ -</u>	<u>\$ 6,497,751</u>

Depreciation expense for the Village's Governmental Activities were charged to the following functions:

General government	\$ 38,681
Public safety	122,691
Public works	160,951
Culture and recreation	13,872
Total	<u>\$ 336,195</u>

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 3 - CAPITAL ASSETS (Continued)**

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2008 through April 30, 2009 follows:

	<u>Balance</u>			<u>Balance</u>
	<u>May 1, 2008</u>	<u>Additions</u>	<u>Deductions</u>	<u>April 30, 2009</u>
<b>Business-type capital assets</b>				
Capital assets not being depreciated:				
Land	\$ 255,501	\$ -	\$ -	\$ 255,501
Construction in progress	<u>34,404</u>	<u>-</u>	<u>34,404</u>	<u>-</u>
Subtotal	<u>289,905</u>	<u>-</u>	<u>34,404</u>	<u>255,501</u>
Capital assets being depreciated:				
Land improvements	189,049	-	-	189,049
Machinery and equipment	243,225	-	-	243,225
Buildings	353,110	-	-	353,110
Infrastructure	<u>-</u>	<u>922,417</u>	<u>-</u>	<u>922,417</u>
Subtotal	<u>785,384</u>	<u>922,417</u>	<u>-</u>	<u>1,707,801</u>
Accumulated Depreciation:				
Land improvements	98,769	9,452	-	108,221
Machinery and equipment	37,670	21,423	-	59,093
Buildings	321,054	3,374	-	324,428
Infrastructure	<u>-</u>	<u>23,060</u>	<u>-</u>	<u>23,060</u>
Subtotal	<u>457,493</u>	<u>57,309</u>	<u>-</u>	<u>514,802</u>
Capital assets being depreciated, net	<u>327,891</u>	<u>865,108</u>	<u>-</u>	<u>1,192,999</u>
<b>Total business-type activities capital assets, net</b>	<b><u>\$ 617,796</u></b>	<b><u>\$ 865,108</u></b>	<b><u>\$ 34,404</u></b>	<b><u>\$ 1,448,500</u></b>

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 3 - CAPITAL ASSETS (Continued)**

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water and sewer	\$ 47,984
Commuter parking lot	9,325
Total	<u>\$ 57,309</u>

**NOTE 4 - LONG-TERM DEBT**

A summary of the changes in the Village's long term debt is summarized below.

	<u>Balance</u>			<u>Balance</u>		<u>Due Within</u>
	<u>5/1/2008</u>	<u>Issued</u>	<u>Retired</u>	<u>4/30/2009</u>		<u>One Year</u>
<b>Governmental Activities:</b>						
G.O. Bonds 1999 - TIF	\$ 5,855,000	\$ -	\$ 195,000	\$ 5,660,000	\$ 280,000	
G.O. Bonds 2006A	4,500,000	-	165,000	4,335,000	175,000	
G.O. Bonds 2006B	255,000	-	60,000	195,000	60,000	
G.O. Bonds 2008	-	5,525,000	-	5,525,000	-	
Plus deferred premium	87,517	-	3,200	84,317	-	
Less deferred discount	(1,987)	(34,050)	(1,244)	(34,793)	-	
Total G.O. Bonds	10,695,530	5,490,950	421,956	15,764,524	515,000	
Installment notes payable	493,240	104,811	154,954	443,097	151,832	
Net pension obligation	1,525,755	-	-	1,525,755	-	
<b>Total Governmental Activities</b>	<b><u>\$12,714,525</u></b>	<b><u>\$ 5,595,761</u></b>	<b><u>\$ 576,910</u></b>	<b><u>\$ 17,733,376</u></b>	<b><u>\$ 666,832</u></b>	
<b>Business-type Activities:</b>						
Installment notes payable	\$ 49,262	\$ -	\$ 33,190	\$ 16,072	\$ 16,072	
<b>Total Business-Type Activities</b>	<b><u>\$ 49,262</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 33,190</u></b>	<b><u>\$ 16,072</u></b>	<b><u>\$ 16,072</u></b>	

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

The Village has installment notes for various capital expenditures within the Village including a fire truck, fire equipment, an ambulance, various public works equipment, a dump truck, and a public works building. Aggregate principal and interest requirements to maturity by year for the Village's installment notes are as follows:

<u>Governmental Activities</u>					
Installment Notes Payable					
Fiscal Year	Principal	Interest		Total	
2010	\$ 151,832	\$ 24,594		\$ 176,426	
2011	132,941	15,550		148,491	
2012	139,925	8,566		148,491	
2013	15,747	1,209		16,956	
2014	<u>2,652</u>	<u>174</u>		<u>2,826</u>	
Total	<u><u>\$ 443,097</u></u>	<u><u>\$ 50,093</u></u>		<u><u>\$ 493,190</u></u>	

<u>Business-type Activities</u>					
Installment Notes Payable					
Fiscal Year	Principal	Interest		Total	
2010	\$ 16,072	\$ 1,215		\$ 17,287	
Total	<u><u>\$ 16,072</u></u>	<u><u>\$ 1,215</u></u>		<u><u>\$ 17,287</u></u>	

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

The General Obligation Bonds Series 1999 TIF were issued during fiscal year 2000. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The principal and interest payments to maturity at January 1, 2020 are as follows.

Fiscal		Total		Total		Interest
<u>Year</u>	<u>Principal</u>	<u>Interest</u>		<u>Debt Service</u>	<u>Rate</u>	
2010	\$ 280,000	\$ 275,002		\$ 555,002	4.50%	
2011	300,000	262,402		562,402	4.55%	
2012	315,000	248,752		563,752	4.65%	
2013	415,000	234,106		649,106	4.70%	
2014	440,000	214,600		654,600	4.75%	
2015	465,000	193,700		658,700	4.80%	
2016	580,000	171,380		751,380	4.85%	
2017	615,000	143,250		758,250	5.00%	
2018	645,000	112,500		757,500	5.00%	
2019	780,000	80,250		860,250	5.00%	
2020	<u>825,000</u>	<u>41,250</u>		<u>866,250</u>	5.00%	
Total	<u>\$ 5,660,000</u>	<u>\$ 1,977,192</u>		<u>\$7,637,192</u>		

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

The General Obligation Bonds Series 2006A were issued during fiscal year 2008. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The principal and interest payments to maturity at December 15, 2026 are as follows.

Fiscal <u>Year</u>	Principal	Total <u>Interest</u>	Total <u>Debt Service</u>	Interest <u>Rate</u>
4/30/2010	\$ 175,000	\$ 190,559	\$ 365,559	3.70%
4/30/2011	185,000	184,084	369,084	3.70%
4/30/2012	190,000	177,239	367,239	3.75%
4/30/2013	195,000	170,114	365,114	3.80%
4/30/2014	200,000	162,704	362,704	3.85%
4/30/2015	215,000	155,004	370,004	3.88%
4/30/2016	220,000	146,673	366,673	3.90%
4/30/2017	230,000	138,093	368,093	3.95%
4/30/2018	235,000	129,008	364,008	4.00%
4/30/2019	250,000	119,608	369,608	4.05%
4/30/2020	255,000	109,483	364,483	4.10%
4/30/2021	265,000	99,028	364,028	4.10%
4/30/2022	275,000	88,163	363,163	4.88%
4/30/2023	295,000	74,756	369,756	4.88%
4/30/2024	265,000	60,375	325,375	5.25%
4/30/2025	280,000	46,463	326,463	5.25%
4/30/2026	295,000	31,763	326,763	5.25%
4/30/2027	<u>310,000</u>	<u>16,275</u>	<u>326,275</u>	5.25%
	<u><u>\$ 4,335,000</u></u>	<u><u>\$ 2,099,392</u></u>	<u><u>\$ 6,434,392</u></u>	

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

The General Obligation Bonds Series 2006B were issued during fiscal year 2008. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The principal and interest payments to maturity at December 15, 2011 are as follows.

Fiscal <u>Year</u>	Principal	Total <u>Interest</u>	Total <u>Debt Service</u>	Interest <u>Rate</u>
4/30/2010	\$ 60,000	\$ 10,908	\$ 70,908	5.55%
4/30/2011	65,000	7,578	72,578	5.60%
4/30/2012	70,000	3,938	73,938	5.63%
	<u>\$ 195,000</u>	<u>\$ 22,424</u>	<u>\$ 217,424</u>	

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS  
 April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

The General Obligation Bonds Series 2008 were issued during fiscal year 2009. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The principal and interest payments to maturity at December 15, 2028 are as follow:

Fiscal <u>Year</u>	<u>Principal</u>	<u>Total Interest</u>	<u>Total Debt Service</u>	<u>Interest Rate</u>
4/30/2010	\$ -	\$ 232,005	\$ 232,005	3.00%
4/30/2011	205,000	232,005	437,005	3.00%
4/30/2012	210,000	225,855	435,855	3.15%
4/30/2013	215,000	219,240	434,240	3.35%
4/30/2014	225,000	212,038	437,038	3.50%
4/30/2015	230,000	204,163	434,163	3.65%
4/30/2016	240,000	195,767	435,767	3.80%
4/30/2017	250,000	186,648	436,648	3.95%
4/30/2018	260,000	176,773	436,773	4.00%
4/30/2019	270,000	166,373	436,373	4.10%
4/30/2020	280,000	155,303	435,303	4.20%
4/30/2021	290,000	143,543	433,543	4.25%
4/30/2022	305,000	131,218	436,218	4.40%
4/30/2023	320,000	117,798	437,798	4.40%
4/30/2024	330,000	103,718	433,718	4.45%
4/30/2025	345,000	89,033	434,033	4.50%
4/30/2026	360,000	73,508	433,508	4.60%
4/30/2027	380,000	56,948	436,948	4.70%
4/30/2028	395,000	39,088	434,088	4.80%
4/30/2029	<u>415,000</u>	<u>20,128</u>	<u>435,128</u>	4.85%
	<u><b>\$ 5,525,000</b></u>	<u><b>\$ 2,981,152</b></u>	<u><b>\$ 8,506,152</b></u>	

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 4 - LONG-TERM DEBT (Continued)**

Aggregate principal and interest requirements to maturity by year for the Village's general obligation bonds are as follows:

GENERAL OBLIGATION BONDS					
<u>Fiscal Year</u>		<u>Principal</u>		<u>Interest</u>	<u>Total</u>
2010	\$	515,000	\$	708,474	\$ 1,223,474
2011		755,000		686,069	1,441,069
2012		785,000		655,784	1,440,784
2013		825,000		623,460	1,448,460
2014		865,000		589,342	1,454,342
2015-2019		5,485,000		2,319,190	7,804,190
2020-2024		3,705,000		1,124,635	4,829,635
2025-2029		2,780,000		373,206	3,153,206
Total	\$	<u>15,715,000</u>	\$	<u>7,080,160</u>	\$ <u>22,795,160</u>

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2009, the preliminary equalized assessed valuation of the Village is \$263,077,925 and the legal debt margin is \$22,690,471. The Village is in compliance with this requirement.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 5 - INTERFUND AND TRANSFERS**

All interfund balances are expected to be repaid in the next fiscal year. The interfunds are a result of the final allocations of property tax revenues between the funds and expenditures paid for by the General fund which are to be reimbursed by other funds and other various transactions.

	<u>Due from other funds</u>	<u>Due from other funds</u>
General		
Motor Fuel Tax	\$ -	\$ 695,917
2006 Capital Projects	<u>-</u>	<u>478,045</u>
Total General	<u>-</u>	<u>1,173,962</u>
Motor Fuel Tax		
General	<u>695,917</u>	<u>-</u>
Total Motor Fuel Tax	<u>695,917</u>	<u>-</u>
2006 Capital Projects		
General	478,045	-
Nonmajor Governmental	<u>570,520</u>	<u>-</u>
Total 2006 Capital Projects	<u>1,048,565</u>	<u>-</u>
Nonmajor Governmental		
2006 Capital Projects	<u>-</u>	<u>570,520</u>
Total Nonmajor Governmental	<u>-</u>	<u>570,520</u>
Total	<u>\$ 1,744,482</u>	<u>\$ 1,744,482</u>

The following transfer was made during the fiscal year between funds within the primary government:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 2,357,719	\$ -
Fire Protection	431,379	-
Motor Fuel Tax	-	-
Tax Increment Financing	21,648	-
2006 Capital Project	-	2,515,406
Nonmajor Governmental	<u>314,846</u>	<u>610,186</u>
	<u>\$ 3,125,592</u>	<u>\$ 3,125,592</u>

The non-routine transfer represents a transfer of funds used to pay one of the Village's bond obligations as well as forgiveness of prior year interfund balances as mandated by Village resolution.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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#### NOTE 6 - DEFINED BENEFIT PENSION PLAN

##### Illinois Municipal Retirement

Plan Description: The Village's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2008 was 9.46% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2008, the Village's annual pension cost of \$134,608 was equal to the Village's required and actual contributions. Trend Information is listed below:

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2008	\$ 134,608	100%	\$ -
December 31, 2007	142,733	100%	-
December 31, 2006	148,540	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 24 years.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Funded Status and Funding Progress:** As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 70.82 percent funded. The actuarial accrued liability for benefits was \$4,371,750 and the actuarial value of assets was \$3,096,157, resulting in an under funded actuarial accrued liability (UAAL) of \$1,275,593. The covered payroll (annual payroll of active employees covered by the plan) was \$1,422,916 and the ratio of the UAAL to the covered payroll was 90 percent. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**Police Pension Plan**

**Plan Description:** Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit.

The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2007 (the latest information available), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	14
Current Employees Vested and Nonvested	<u>23</u> <u>37</u>

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

**Summary of Significant Accounting Policies and Plan Asset Matters:**

*Basis of Accounting* – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

*Method Used to Value Investments* – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

**Contributions:** 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 interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

**Concentration of Investments:** The Police Pension Fund investment in insurance contracts and common stock (other than those issued or guaranteed by the U.S. Government) represent 5% or more of the net plan assets.

**Related-Party Transactions:** There were no securities of the Village or related parties included in the Plan's assets.

**Annual Pension Cost and Net Pension Obligation (NPO):** The Village's annual pension cost for the current year and related information is as follows:

**Contribution rates:**

Village, Plan Members	18.33%, 9.91%
Annual Pension Cost	655,411
Contributions Made	306,317
Actuarial Valuation Date	April 30, 2007
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	26 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)**

The amount of the pension liability is as follows:

Annual Required Contribution	\$ 625,860
Interest on Net Pension Obligation	82,364
Adjustment to Annual Required Contribution	<u>(52,783)</u>
Annual Pension Cost	<u>655,441</u>
Actual Contributions	<u>306,317</u>
Increase in Net Pension Obligation	
Net Pension Obligation as of April 30, 2005	<u>1,176,631</u>
Net Pension Obligation as of April 30, 2007	<u>\$ 1,525,755</u>

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
April 30, 2007	\$ 655,441	46.7%	\$ 1,525,755
April 30, 2005	386,352	63.8%	1,176,631
April 30, 2004	383,598	64.4%	1,036,597

**NOTE 7 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. To mitigate these risks, the Village participates in the Municipal Insurance Cooperative Agency ("MICA"). MICA was established by certain units of local government in Illinois to administer insurance to some or all of the members and to their officers and employees of certain other governmental and quasi-governmental entities. MICA acts solely as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. The balance of the reserve totaled \$179,586 as of April 30, 2008 (the latest information available) and is recorded as a liability.

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(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS  
April 30, 2009

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**NOTE 8 - TAX INCREMENT REVENUES PLEDGED**

The Village has pledged a portion of future property tax revenues to repay \$6,415,000 in property tax increment bonds issued in June 1999 to finance the refurbishing of the Belmont and Thatcher Avenue Thatcher Woods Shopping Center. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished district. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$7,637,192, payable through June 2020. For the current year, principal and interest paid and total incremental property tax revenues were \$478,680 and \$772,032, respectively.

**NOTE 9 - SUBSEQUENT EVENTS**

On August 15, 2009, the Village issued \$5,640,000 in General Obligation Refunding Bonds (Tax Increment Alternate Revenue Source) Bonds. The Village intends to pledge incremental property tax revenues to repay the bonds. The bonds have interest rates from 1.25% to 3.80% and are due on December 15, 2019.

## VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND  
 Year Ended April 30, 2009

	Original &			Variance
	<u>Final Budget</u>	<u>Actual</u>		Over (Under)
Revenues				
Property taxes	\$ 750,000	\$ 1,486,853	\$ 736,853	
Sales taxes	1,150,000	1,085,908	(64,092)	
Income taxes	925,000	939,484	14,484	
Utility taxes	900,000	757,378	(142,622)	
Other taxes	176,500	186,305	9,805	
Licenses, permits and fees	643,875	275,206	(368,669)	
Grant revenue	1,133,000	238,111	(894,889)	
Other revenue	304,230	365,103	60,873	
Fines and forfeitures	483,000	642,747	159,747	
Investment income	75,000	36,747	(38,253)	
Charges for services	2,000	-	(2,000)	
Total revenues	<u>6,542,605</u>	<u>6,013,842</u>	<u>(528,763)</u>	
Expenditures				
Current				
Administration	547,928	647,337	(99,409)	
Police department	2,287,948	2,644,207	(356,259)	
Public works	2,401,536	1,440,342	961,194	
Culture & recreation	80,550	66,826	13,724	
Public health	28,228	26,741	1,487	
All other departments	1,715,884	1,072,866	643,018	
Debt service				
Principal	-	40,534	(40,534)	
Interest and other charges	6,500	4,818	1,682	
Capital outlay	3,475,000	1,938,145	1,536,855	
Total expenditures	<u>10,543,574</u>	<u>7,881,816</u>	<u>2,661,758</u>	
Excess (deficiency) of revenues over (under) expenditures	<u>(4,000,969)</u>	<u>(1,867,974)</u>	<u>2,132,995</u>	
Other financing sources (uses)				
Transfers in	-	2,357,719	2,357,719	
Proceeds from the issuance of debt	-	104,811	104,811	
Proceeds from the sale of fixed assets	5,000	11,900	6,900	
Total other financing sources (uses)	<u>5,000</u>	<u>2,474,430</u>	<u>2,469,430</u>	
Net change in fund balance	<u>\$ (3,995,969)</u>	<u>606,456</u>	<u>\$ 4,602,425</u>	
Fund balance at beginning of year		<u>383,003</u>		
Fund balance at end of year		<u>\$ 989,459</u>		

## VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 FIRE PROTECTION FUND  
 Year Ended April 30, 2009

	Original & Final Budget	Actual	Variance Over (Under)
<b>Revenues</b>			
Property taxes	\$ 520,000	\$ 400,650	\$ (119,350)
Other revenues	-	1,358	1,358
Grant revenue	-	200,925	200,925
Other taxes	7,000	6,590	(410)
<b>Total revenues</b>	<b>527,000</b>	<b>609,523</b>	<b>82,523</b>
<b>Expenditures</b>			
Current			
Fire Protection	502,492	531,842	(29,350)
Debt Service			
Principal	-	29,288	(29,288)
Interest and Other Charges	-	6,366	(6,366)
Capital Outlay	75,000	218,071	(143,071)
<b>Total expenditures</b>	<b>577,492</b>	<b>785,567</b>	<b>(208,075)</b>
Excess (deficiency) of revenues over (under) expenditures	(50,492)	(176,044)	(125,552)
<b>Other financing sources (uses)</b>			
Transfers in	-	431,379	431,379
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>431,379</b>	<b>431,379</b>
Net change in fund balance	\$ (50,492)	255,335	\$ 305,827
Fund balance at beginning of year			(457,195)
Fund balance at end of year		\$ (201,860)	

## VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 MOTOR FUEL TAX FUND  
 Year Ended April 30, 2009

				Variance
	Original & Final Budget	Actual		Over (Under)
Revenues				
Other taxes	\$ 310,000	\$ 278,384	\$	(31,616)
Investment income	55,000	14,114		(40,886)
Total revenues	<u>365,000</u>	<u>292,498</u>		<u>(72,502)</u>
Expenditures				
Current:				
Public works	25,000	153,090		(128,090)
Capital outlay	48,000	37,519		10,481
Total expenditures	<u>73,000</u>	<u>190,609</u>		<u>(117,609)</u>
Net change in fund balance	<u>\$ 292,000</u>	<u>101,889</u>	\$	<u>(190,111)</u>
Fund balance at beginning of year				<u>2,521,545</u>
Fund balance at end of year			\$	<u>2,623,434</u>

VILLAGE OF RIVER GROVE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS  
 April 30, 2009

Actuarial Valuation Date	Actuarial Value of Plan Assets	(1)		(2)		(3)		(4)		(5)		(6)	
		Actuarial	Accrued Liability (AAL) - Entry Age	Unfunded (Overfunded)	AAL	Funded Ratio (2) - (1)	Annual Covered Payroll	Funded Ratio (1) / (2)	Annual Covered Payroll	Unfunded (Overfunded)	AAL as a Percentage of Covered Payroll	(4) / (5)	Unfunded (Overfunded)
ILLINOIS MUNICIPAL RETIREMENT FUND													
12/31/2008	\$ 3,096,157	\$ 4,371,750	\$ 1,275,593			70.8%	\$ 1,422,916				89.6%		
12/31/2007	\$ 3,642,079	\$ 3,874,456	\$ 232,377			94.0%	\$ 1,392,514				16.7%		
12/31/2006	\$ 3,554,056	\$ 3,784,607	\$ 230,551			93.9%	\$ 1,290,534				17.9%		
12/31/2005	\$ 3,254,443	\$ 3,640,028	\$ 385,585			89.4%	\$ 1,161,294				33.2%		
12/31/2004	\$ 2,893,374	\$ 3,421,775	\$ 528,401			84.6%	\$ 1,051,636				50.2%		
12/31/2003	\$ 2,671,044	\$ 3,068,210	\$ 397,166			87.1%	\$ 1,003,205				39.6%		
POLICE PENSION FUND													
4/30/2008	\$ N/A	\$ 15,368,981	\$ N/A	\$ N/A	\$ N/A	N/A	\$ N/A	N/A	\$ N/A	N/A	N/A		
4/30/2007	\$ 7,644,742	\$ N/A	\$ N/A	\$ 7,724,239	\$ N/A	49.7%	\$ 1,670,723				462.3%		
4/30/2006	\$ 6,700,559	\$ 13,391,832	\$ 6,691,273	\$ N/A	\$ N/A	50.0%	\$ 1,539,313				N/A		
4/30/2005	\$ 6,292,532	\$ 12,622,439	\$ 6,329,907	\$ N/A	\$ N/A	49.9%	\$ 1,347,583				434.7%		
4/30/2004											469.7%		
4/30/2003											N/A		

VILLAGE OF RIVER GROVE, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF EMPLOYER CONTRIBUTIONS  
 April 30, 2009

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Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
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ILLINOIS MUNICIPAL RETIREMENT FUND

12/31/2008	\$ 134,608	\$ 134,608	100%	\$ -
12/31/2007	142,733	142,733	100%	-
12/31/2006	148,540	148,540	100%	-
12/31/2005	125,884	125,884	100%	-
12/31/2004	102,115	102,115	100%	-
12/31/2003	90,589	90,589	100%	-

POLICE PENSION FUND

4/30/2008	N/A	N/A	N/A	N/A
4/30/2007	\$ 306,091	\$ 655,441	46.7%	\$ 1,525,755
4/30/2006	N/A	N/A	N/A	N/A
4/30/2005	246,318	386,352	63.8%	1,176,631
4/30/2004	247,001	383,598	64.4%	1,036,597
4/30/2003	N/A	N/A	N/A	N/A

**VILLAGE OF RIVER GROVE, ILLINOIS**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**April 30, 2008**

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**NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING**

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the Tax Increment Financing Fund. Because this fund does not have legally adopted budgets, no budget to actual is presented in the required supplementary information.
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2009:

<u>Fund</u>	<u>Amount</u>
Fire Protection	\$ 208,075
Motor Fuel Tax	117,609
Auditing	7,900
Public Liability Insurance	7,347
Social Security Tax	3,321
Workers' Compensation	281
Garbage Disposal	12,236
Police Protection	35,751
School Crossing Guards	4,963

VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
April 30, 2009

	Auditing <u>Fund</u>	Public Liability <u>Insurance</u>	Illinois Municipal Retirement <u>Fund</u>
<b>Assets</b>			
Cash and investments	\$ -	\$ -	\$ -
Property taxes receivable	-	11,819	59,094
Accounts receivable	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 11,819</b>	<b>\$ 59,094</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ -	\$ -	\$ -
Accrued payroll	-	-	-
Deferred property tax revenue	-	11,350	56,748
Interfund payables	42,900	24,664	7,850
<b>Total liabilities</b>	<b>42,900</b>	<b>36,014</b>	<b>64,598</b>
<b>Fund balances</b>			
Reserved for debt service	-	-	-
Unreserved	(42,900)	(24,195)	(5,504)
<b>Total fund balances</b>	<b>(42,900)</b>	<b>(24,195)</b>	<b>(5,504)</b>
<b>Total liabilities and fund balances</b>	<b>\$ -</b>	<b>\$ 11,819</b>	<b>\$ 59,094</b>

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<u>Social Security Tax Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Streets and Bridges Fund</u>	<u>Garbage Disposal Fund</u>	<u>Emergency Service &amp; Disaster Fund</u>
\$ - 96,914	\$ 3,930 11,819	\$ - 5,909	\$ -	\$ - 111,096	\$ -
<u>96,914</u>	<u>15,749</u>	<u>5,909</u>	<u>-</u>	<u>59,171</u>	<u>-</u>
<u>\$ 96,914</u>	<u>\$ 15,749</u>	<u>\$ 5,909</u>	<u>\$ -</u>	<u>\$ 170,267</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ 42,408	\$ -
 - 93,067	 - 11,350	 - 5,675	 - 10,548	 1,076 - 106,686	 - 106,686
<u>60,595</u>	<u>11,350</u>	<u>16,223</u>	<u>137,018</u>	<u>95,921</u>	<u>5,984</u>
<u>153,662</u>	<u>11,350</u>	<u>16,223</u>	<u>138,094</u>	<u>245,015</u>	<u>5,984</u>
 (56,748)	 4,399	 (10,314)	 (138,094)	 (74,748)	 (5,984)
<u>(56,748)</u>	<u>4,399</u>	<u>(10,314)</u>	<u>(138,094)</u>	<u>(74,748)</u>	<u>(5,984)</u>
 <u>\$ 96,914</u>	 <u>\$ 15,749</u>	 <u>\$ 5,909</u>	 <u>\$ -</u>	 <u>\$ 170,267</u>	 <u>\$ -</u>

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(Continued)

## VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
April 30, 2008

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	Emergency Telephone System <u>Fund</u>	Police Protection <u>Fund</u>	School Crossing Guards <u>Fund</u>
<b>Assets</b>			
Cash and investments	\$ 174,682	\$ -	\$ -
Property taxes receivable	-	71,504	-
Accounts receivable	-	-	-
<b>Total assets</b>	<b>\$ 174,682</b>	<b>\$ 71,504</b>	<b>\$ -</b>
<b>Liabilities and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 71	\$ -	\$ -
Accrued payroll	-	11,686	-
Deferred property tax revenue	-	68,665	-
Interfund payables	-	60,324	41,963
<b>Total liabilities</b>	<b>71</b>	<b>140,675</b>	<b>41,963</b>
<b>Fund balances</b>			
Reserved for debt service	-	-	-
Unreserved	174,611	(69,171)	(41,963)
<b>Total fund balances</b>	<b>174,611</b>	<b>(69,171)</b>	<b>(41,963)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 174,682</b>	<b>\$ 71,504</b>	<b>\$ -</b>

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Municipal Ambulance Service Fund	Cable Vision Development Fund	2004 Bond Fund	Bond and Interest Fund	Grand Avenue TIF Fund	Grand Total
\$ -	\$ 441,846	\$ 98,660	\$ 251,512	\$ 124,080	\$ 1,094,710
208,010	-	-	42,716	-	618,881
-	2,847	-	-	-	62,018
<u>\$ 208,010</u>	<u>\$ 444,693</u>	<u>\$ 98,660</u>	<u>\$ 294,228</u>	<u>\$ 124,080</u>	<u>\$ 1,775,609</u>
<hr/>					
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 42,479
28,579	-	-	-	-	41,341
199,753	-	-	41,020	-	594,314
82,753	-	-	-	-	570,520
<u>311,085</u>	<u>-</u>	<u>-</u>	<u>41,020</u>	<u>-</u>	<u>1,248,654</u>
<hr/>					
-	-	98,660	253,208	-	351,868
(103,075)	444,693	-	-	124,080	175,087
<u>(103,075)</u>	<u>444,693</u>	<u>98,660</u>	<u>253,208</u>	<u>124,080</u>	<u>526,955</u>
<u>\$ 208,010</u>	<u>\$ 444,693</u>	<u>\$ 98,660</u>	<u>\$ 294,228</u>	<u>\$ 124,080</u>	<u>\$ 1,775,609</u>

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VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended April 30, 2009

	<u>Auditing</u>	<u>Public</u>	<u>Illinois</u>
	<u>Fund</u>	<u>Liability</u>	<u>Municipal</u>
		<u>Insurance</u>	<u>Retirement</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ 18,738	\$ 94,282
Other taxes	-	-	-
Other revenue	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	1,121	3,652
Charges for services	-	-	-
<b>Total revenues</b>	<b>-</b>	<b>19,859</b>	<b>97,934</b>
<b>Expenditures</b>			
Current			
Administration	42,900	52,616	114,253
Police department	-	-	-
Public works	-	-	-
Culture & recreation	-	-	-
Public health	-	-	-
Debt service			
Principal payments	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
<b>Total expenditures</b>	<b>42,900</b>	<b>52,616</b>	<b>114,253</b>
Excess (deficiency) of revenues over (under) expenditures	(42,900)	(32,757)	(16,319)
<b>Other financing sources (uses)</b>			
Transfers in	68,527	18,816	-
Transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<b>68,527</b>	<b>18,816</b>	<b>-</b>
Net changes in fund balances	25,627	(13,941)	(16,319)
Fund balances at beginning of year	(68,527)	(10,254)	10,815
<b>Fund balances at end of year</b>	<b>\$ (42,900)</b>	<b>\$ (24,195)</b>	<b>\$ (5,504)</b>

<u>Social Security Tax Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Streets and Bridges Fund</u>	<u>Garbage Disposal Fund</u>	<u>Emergency Service &amp; Disaster Fund</u>
\$ 154,912	\$ 18,854	\$ 9,430	\$ -	\$ 177,706	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	161,101	-
<u>154,912</u>	<u>18,854</u>	<u>9,430</u>	<u>-</u>	<u>338,807</u>	<u>-</u>
 213,321	 14,695	 19,861	 -	 -	 -
-	-	-	-	-	5,984
-	-	-	98,063	512,336	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	29,533	-	-
-	-	-	2,789	-	-
-	-	-	5,850	-	-
<u>213,321</u>	<u>14,695</u>	<u>19,861</u>	<u>136,235</u>	<u>512,336</u>	<u>5,984</u>
 (58,409)	 4,159	 (10,431)	 (136,235)	 (173,529)	 (5,984)
 73,180	 49,151	 11,435	 -	 -	 4,118
<u>73,180</u>	<u>49,151</u>	<u>11,435</u>	<u>(86,766)</u>	<u>(364,223)</u>	<u>-</u>
<u>73,180</u>	<u>49,151</u>	<u>11,435</u>	<u>(86,766)</u>	<u>(364,223)</u>	<u>4,118</u>
 14,771	 53,310	 1,004	 (223,001)	 (537,752)	 (1,866)
<u>(71,519)</u>	<u>(48,911)</u>	<u>(11,318)</u>	<u>84,907</u>	<u>463,004</u>	<u>(4,118)</u>
 <u>\$ (56,748)</u>	 <u>\$ 4,399</u>	 <u>\$ (10,314)</u>	 <u>\$ (138,094)</u>	 <u>\$ (74,748)</u>	 <u>\$ (5,984)</u>

VILLAGE OF RIVER GROVE, ILLINOIS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 Year Ended April 30, 2009

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	Emergency Telephone System <u>Fund</u>	Police Protection <u>Fund</u>	School Crossing Guards <u>Fund</u>
<b>Revenues</b>			
Property taxes	\$ -	\$ 114,130	\$ -
Other taxes	122,459	-	-
Other revenue	-	-	-
Fines and forfeitures	-	12,375	-
Investment income	1,715	-	-
Charges for services	-	-	-
<b>Total revenues</b>	<b>124,174</b>	<b>126,505</b>	<b>-</b>
<b>Expenditures</b>			
<b>Current</b>			
Administration	100,187	-	-
Police department	-	188,751	41,963
Public works	-	-	-
Culture & recreation	-	-	-
Public health	-	-	-
<b>Debt service</b>			
Principal payments	-	-	-
Interest and other charges	-	-	-
<b>Capital outlay</b>	-	-	-
<b>Total expenditures</b>	<b>100,187</b>	<b>188,751</b>	<b>41,963</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>23,987</b>	<b>(62,246)</b>	<b>(41,963)</b>
<b>Other financing sources</b>			
Transfers in	25,542	49,193	14,884
Transfers out	-	-	-
<b>Total other financing sources</b>	<b>25,542</b>	<b>49,193</b>	<b>14,884</b>
Net changes in fund balances	49,529	(13,053)	(27,079)
Fund balances at beginning of year	125,082	(56,118)	(14,884)
<b>Fund balances at end of year</b>	<b>\$ 174,611</b>	<b>\$ (69,171)</b>	<b>\$ (41,963)</b>

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Municipal Ambulance Service Fund	Cable Vision Development Fund	2004 Bond Fund	Bond and Interest Fund	Grand Avenue TIF Fund	Total
\$ 330,716	\$ -	\$ -	\$ 68,098	\$ 46,500	\$ 1,033,366
-	-	-	366,146	-	488,605
-	-	442	-	-	442
-	-	-	-	-	12,375
-	1,945	-	6,464	2,382	17,279
176,676	75,555	40,569	-	-	453,901
<u>507,392</u>	<u>77,500</u>	<u>41,011</u>	<u>440,708</u>	<u>48,882</u>	<u>2,005,968</u>
-	-	1,760	-	5,090	564,683
-	-	-	-	-	236,698
-	-	-	-	-	610,399
-	25,613	-	-	-	25,613
573,689	-	-	-	-	573,689
55,599	-	60,000	165,000	-	310,132
11,956	-	14,208	198,664	-	227,617
2,101	650	-	-	-	8,601
<u>643,345</u>	<u>26,263</u>	<u>75,968</u>	<u>363,664</u>	<u>5,090</u>	<u>2,557,432</u>
<u>(135,953)</u>	<u>51,237</u>	<u>(34,957)</u>	<u>77,044</u>	<u>43,792</u>	<u>(551,464)</u>
-	-	-	-	-	314,846
<u>(156,160)</u>	<u>-</u>	<u>(3,037)</u>	<u>-</u>	<u>-</u>	<u>(610,186)</u>
<u>(156,160)</u>	<u>-</u>	<u>(3,037)</u>	<u>-</u>	<u>-</u>	<u>(295,340)</u>
<u>(292,113)</u>	<u>51,237</u>	<u>(37,994)</u>	<u>77,044</u>	<u>43,792</u>	<u>(846,804)</u>
<u>189,038</u>	<u>393,456</u>	<u>136,654</u>	<u>176,164</u>	<u>80,288</u>	<u>1,373,759</u>
<u>\$ (103,075)</u>	<u>\$ 444,693</u>	<u>\$ 98,660</u>	<u>\$ 253,208</u>	<u>\$ 124,080</u>	<u>\$ 526,955</u>

## INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

To the Honorable Mayor  
and Members of the Village Council  
Village of River Grove, Illinois

We have examined the Village of River Grove, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2009. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2009.



Crowe Horwath LLP  
Crowe Horwath LLP

Oak Brook, Illinois  
October 30, 2009