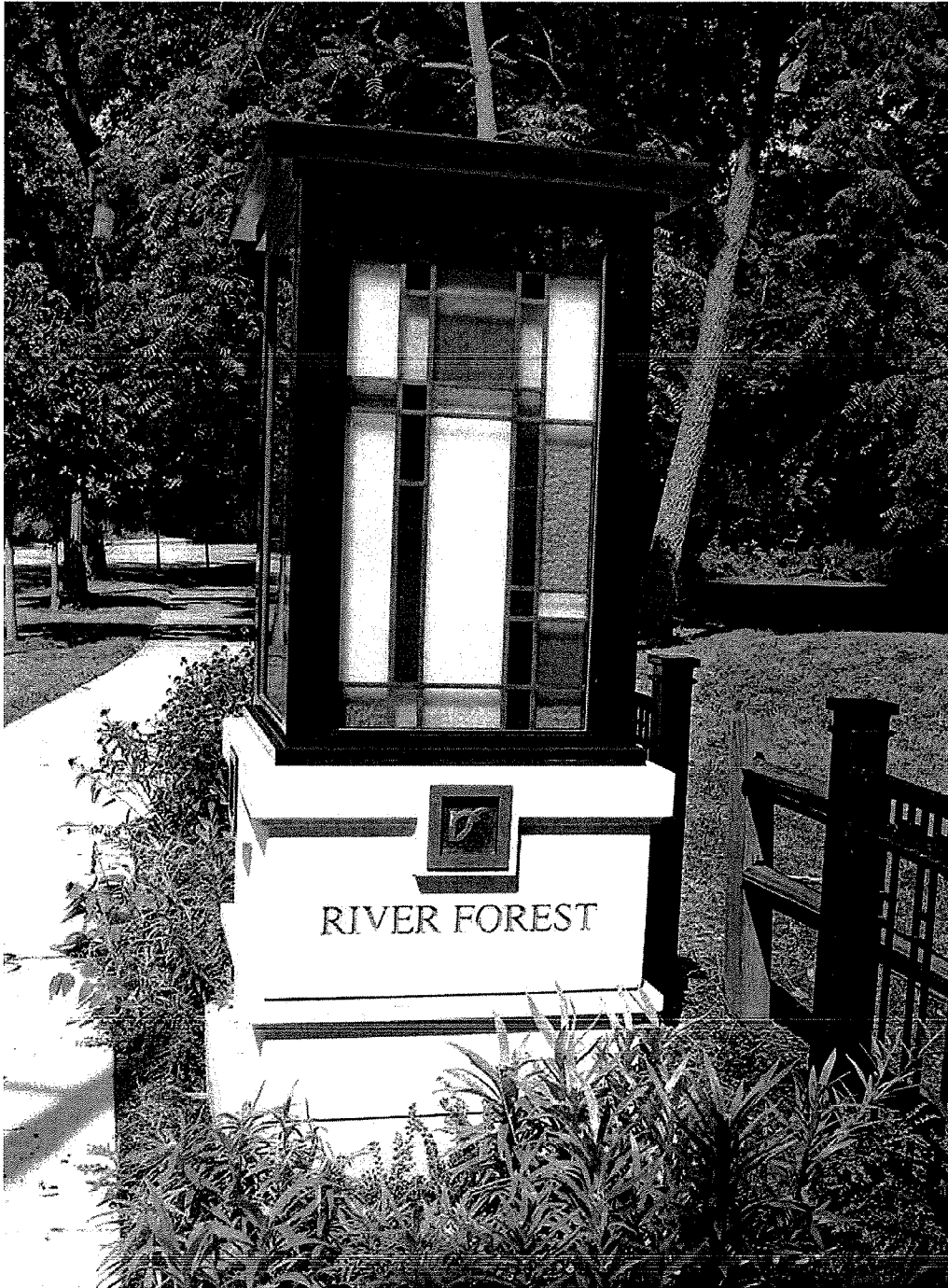


# VILLAGE OF RIVER FOREST, ILLINOIS



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED APRIL 30, 2008

**VILLAGE OF RIVER FOREST, ILLINOIS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE YEAR ENDED  
APRIL 30, 2008**

**Prepared by the Finance Department**

**Chris D. Soriano, CPA  
Director of Finance**

VILLAGE OF RIVER FOREST, ILLINOIS

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October 16, 2008

**Village Board  
of Trustees**

Frank M. Paris  
*President*

Susan J. Conti  
*Trustee*

Nancy C. Dillon  
*Trustee*

Stephen J. Dudek  
*Trustee*

Stephen Hoke  
*Trustee*

Russell W. Nummer  
*Trustee*

Patrick J. O'Brien  
*Trustee*

Catherine M. Adduci  
*Village Clerk*

Steven V. Gutierrez  
*Village Administrator*

Honorable President,  
Board of Trustees,  
Village Administrator, and  
The Citizens of Village of River Forest, Illinois

The Comprehensive Annual Financial Report (CAFR) of the Village of River Forest, Illinois, for the fiscal year ended April 30, 2008 is hereby submitted. This report fulfills state laws requiring general-purpose local governments to publish a complete set of audited financial statements at the end of each fiscal year. This report provides a wide view of the Village's financial activities for the 2008 fiscal year. Although addressed to the elected officials and citizens of the Village, this report has a number of other users. Foremost among these users are bondholders, financial institutions, credit rating agencies, educational institutions, and other governmental agencies. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Village. To the best of my knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the various funds and the component unit of the Village. All disclosures necessary to enable the reader to gain an understanding of the Village's financial activities are included.

The comprehensive annual financial report (CAFR) is presented in three sections: introductory, financial, and statistical. The introductory section, which is unaudited, contains this letter of transmittal, an organizational chart, and a list of the Village's principal elected and appointed officials. The financial section is comprised of management's discussion and analysis (which should be read in conjunction with this letter), basic financial statements, required supplementary information, and combining and individual fund financial statements and schedules, as well as the independent auditor's report on the financial statements and schedules. The statistical section, which is unaudited, presents selected financial and demographic information, generally reported on a multi-year basis. Information required for continuing disclosure is also included in the statistical section. State Statutes require an annual audit by independent certified public accountants. The accounting firm of Wolf & Company, LLP was selected by the Village. The independent auditor's report is included in the financial section of this report.

The financial reporting entity defines what operations are considered to be part of the Village for external financial reporting purposes. The Governmental Accounting Standards Board (GASB) Statement No. 14, *Defining the Financial Reporting Entity*,



establishes the criteria used to define the reporting entity and the method of displaying component units. The GASB is an organization that establishes accounting and financial reporting standards for state and local governments in the United States. GASB Statement No. 34 significantly changed the required format for governmental statements in a number of ways. The most significant of these changes required that governments prepare entity-wide financial statements in addition to the fund-based financial statements that governments have traditionally prepared. This is required to present the financial position of a government and results of operations in a manner similar to that of a business. More information about the new financing reporting model is provided in Management's Discussion and Analysis (MD&A), located in the Financial Section of this report.

### **Profile of the Government**

The Village of River Forest was incorporated on October 30, 1880 and operates under the Board/administrator form of government. Village of River Forest is a non home-rule community as defined by the Illinois Constitution. This form of government combines the leadership and policy-making skills of elected officials with the professional administrative training of the Village Administrator. Under this popular form of government, the elected representatives establish policies steering the Village's purpose, values, mission, and goals. It is the role of the Village Administrator to implement those policies in an efficient and effective manner.

Located approximately 10 miles west of the City of Chicago, River Forest has a land area of 2.5 square miles with approximately 32.2 miles of streets. The Village provides a full range of services to its citizens including police and fire protection; water and sewer utilities; planning and zoning; the construction and maintenance of streets and infrastructure; and general administrative services.

The financial reporting entity of the Village of River Forest is comprised of all the Funds of the primary government (i.e., the Village of River Forest as legally defined), and its component unit: the River Forest Public Library.

The Library was determined to be a component unit because, under the reporting entity criteria, the Library is fiscally dependent upon the Village. The Library is reported as a discrete presentation. As such, the Library in its entirety is reported in a separate column on the basic financial statements. This is to emphasize the fact that the Library is legally separate from the Village and to differentiate the Library's financial position and results of operations from those of the Village.

The Village Board is required to adopt a final budget no later than the close of the fiscal year. The Village maintains extensive budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual budget approved by the Village's governing body. The level of budgetary control, or the level at which expenditures cannot legally exceed the budgeted amount, is established at the Fund level. Any budget revisions altering the total budget for a Fund must be approved by the Village Board of Trustees.

## **Local Economy**

The development, growth, and progress of River Forest are reflected in the Village's residential houses. The residential houses have produced a stable tax base for the Village providing approximately 50% of the Village's revenues.

In other retail development news, the Village continues to move forward with the redevelopment of the River Forest Town Center located at the intersection of Harlem Avenue and Lake Street. Currently there are two kinds of TIF revenues in the River Forest Town Center namely, sales and property tax TIF. Current tenants include Walgreens, Starbucks, Ann Taylor, Whole Foods, Petco, Linen 'n Things and Panera Bread.

Accordingly, the Village actively works to recruit new and retain current businesses throughout the Village. Furthermore, River Forest's unemployment rate at 2.7% continues to be below the 2007 State of Illinois average of 5.0%. The Village's top employers include Concordia University with 778 employees, Dominican University with 540 employees, Jewel with 430 employees and Whole Foods with 200. The Village of River Forest is also a top employer with 104 full-and part-time employees.

## **Long-Term Financial Planning**

The Village maintains an aggressive economic development strategy to preserve the favorable economic base currently enjoyed by the Village. With the growing commercial areas throughout the Village, staff is more proactive and responsive to the needs of its commercial businesses, and works to enhance communications between industry and government. The Administration Department promotes the Village as an excellent location for business due to diversified customers and good location. The Village continues to develop a plan for future commercial development.

The Village annually updates a 5-Year Capital Improvement Plan (CIP) to assist in budgetary preparation for large capital projects. For a project to be included in the CIP, it must involve the creation or purchase of a tangible asset with an original cost that exceeds \$10,000 for vehicles and equipment, \$50,000 for buildings, and \$100,000 for infrastructure and has a useful life of more than one year. Most projects in the CIP include infrastructure enhancements.

## **Relevant Financial Policies**

The Village maintains a 3-month reserve of current year general fund budgeted expenditures. Cash temporarily idle during the year was invested in demand deposits, certificates of deposit, obligations of the U.S. Government and its agencies. The Village's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. These funds are invested in government securities and certificates of deposit.

The Village maintains a limited insurance program for liability coverage, workers' compensation, and health benefits for both employees and retirees. An integral part

of the Village's insurance program is an emphasis on loss prevention. A safety committee comprised of employee representatives from each department meets monthly to review accident and injury reports involving employees. This committee makes recommendations and suggestions to improve and promote workplace safety.

The Village participates in the Intergovernmental Risk Management Agency (IRMA), a consortium of 75 local municipalities and special service districts in northeastern Illinois, which have joined together to manage and fund their property/casualty/workers' compensation claims. All members also participate in a comprehensive risk management program. IRMA has fulfilled its members' goals of stabilizing future annual contribution rates, improving the quality of our risk management services, and offering one of the most comprehensive pool coverage programs that can be found anywhere for public entities.

### **Major Initiatives**

***For the Year.*** Fiscal Year 2008 was another successful year for infrastructure projects. The Lake Street beautification and improvement continued as the Village installed planters guard rails, new lighting, and landscaping of the entire section of the project. This project is part of the 3 phase project that started in 2006. This project is intended to strengthen, retain, and enhance Lake Street's role as the Village's gathering place and the center of the Village. The Village in 2006 received a grant of \$200,000 from the Illinois Department of Commerce and Economic Opportunity (DCEO) for the west entry section of the project. Federal and state grants continue to be pursued so that the Village can offer the best possible public services at the lowest cost.

***For the Future.*** As the result of continuing economic uncertainties at home and abroad, the Village decided to reduce costs by deferring various purchases and projects. Despite these impediments, our community's leaders have committed themselves to preserving River Forest's quality of life. The Village will continue to invest in its future through various long term programs and policies that will ensure that the Village has a "proud heritage and bright future". In the coming year, the Village plans to modernize and improve existing infrastructure by:

- Continuing the enhancement and beautification of the Lake Street corridor, a Village TIF designated area;
- Continuation of the water meter replacement program;
- Maintenance and extending the flood berm along the Des Plaines River; and
- Parkway tree replacement affected by the emerald ash borer.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) has established a Certificate of Achievement for Excellence in Financial Reporting Program (CAFR Program) for state and local governments. The Certificate

of Achievement is the highest form of recognition for excellence in government financial reporting. A Certificate of Achievement is valid for only one year.

In order to be awarded a Certificate of Achievement, the Village of River Forest must go beyond the minimum requirements of generally accepted accounting principles and prepared comprehensive annual financial report that evidences the spirit of transparency and full disclosure. The April 30, 2008 report satisfied both generally accepted accounting principles and applicable legal requirements.

I believe the Village's comprehensive annual financial report for the fiscal year ended April 30, 2008 meets the Certificate of Achievement Program's requirements, and I am submitting it to the GFOA to determine its eligibility for the certificate.

In closing, I would like to express my sincere gratitude to all members of the Finance Division who directly assisted and contributed to the preparation of the Comprehensive Annual Financial Report. In particular, I would like to acknowledge Nancy Caine, Accounting Supervisor.

I also wish to express my appreciation to the President, Board of Trustees, and the Village Administrator for their leadership and continued support which made the preparation of this report possible.

Respectfully submitted,



Chris D. Soriano, CPA  
Director of Finance/Village Treasurer

# VILLAGE OF River Forest, ILLINOIS

## PRINCIPAL OFFICIALS

April 30, 2008

### *LEGISLATIVE*

#### **President**

Frank M. Paris

#### **Trustees**

Susan J. Conti  
Nancy C. Dillon  
Stephen J. Dudek

Stephen Hoke  
Russell W. Nummer  
Patrick J. O'Brien

### *ADMINISTRATIVE*

Steven V. Gutierrez, Village Administrator

Catherine M. Adduci, Village Clerk

Chris D. Soriano, Village Treasurer

Klein, Thorpe and Jenkins, Ltd., Village Attorney

### *DEPARTMENT HEADS*

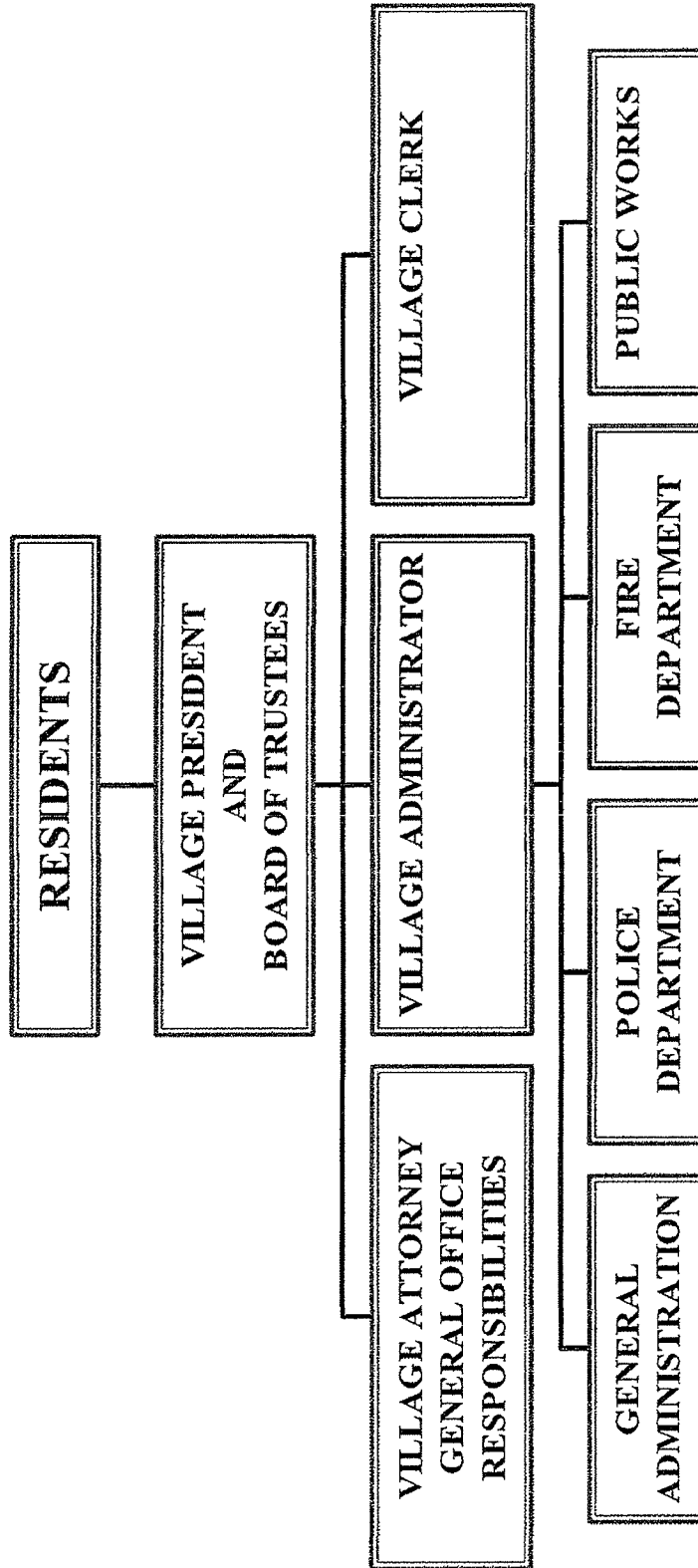
James Eggert  
Fire

Nicholas Weiss  
Police

Greg Kramer  
Public Works

Chris Soriano  
Finance

# VILLAGE OF RIVER FOREST



**INDEPENDENT AUDITOR'S REPORT**

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President and  
Members of the Board of Trustees  
Village of River Forest, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of River Forest, Illinois, as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of River Forest, Illinois. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of River Forest, Illinois as of April 30, 2008, 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.

The Management's Discussion and Analysis on pages 3 through 12, the Illinois Municipal Retirement Fund and Police and Firefighters' Pension Funds trend information, the budgetary comparison information, and notes to the required supplemental information on pages 55 through 62, 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 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 and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



INDEPENDENT AUDITOR'S REPORT

The Honorable Village President and  
Members of the Board of Trustees  
Village of River Forest, Illinois

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of River Forest, Illinois, as of and for the year ended April 30, 2008, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of River Forest, Illinois. Our responsibility is to express an opinion on these financial statements based on our audit.

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The Management's Discussion and Analysis on pages 3 through 12, the Illinois Municipal Retirement Fund and Police and Firefighters' Pension Funds trend information, the budgetary comparison information, and notes to the required supplemental information on pages 55 through 62, 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 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 and individual nonmajor fund financial statements and other schedules, listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory, supplemental and statistical sections, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Wolf & Company LLP*

Oak Brook, Illinois  
October 16, 2008

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## VILLAGE OF RIVER FOREST

### MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

APRIL 30, 2008

---

The Management Discussion and Analysis (MD&A) provides the readers of the Village of River Forest's financial statements with a narrative overview and analysis of the financial activities of the Village of River Forest (the "Village") for the fiscal year ended April 30, 2008. This MD&A is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify the Village's current financial position and ability to address future challenges, (4) identify material deviations from budget, and (5) identify concerns specific to individual funds.

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

For the fifth year, the Village's financial statements are presented as two kinds of statements. Government-wide statements provide information on the finances of the Village as a whole; major fund statements provide a snapshot look at Village resources that have been segregated for a specific purpose. Together, these statements allow for in-depth comparison year to year for Village financial activities, and for comparison with the financial state of other governments.

#### **Government-wide Financial Statements**

The government-wide financial statements report the overall finances of the Village in a manner similar to that of a private sector business. These statements combine and consolidate short term, consumable resources with capital assets and long-term obligations.

**Statement of Net Assets.** The Statement of Net Assets presents information on all of the Village's assets, less liabilities, resulting in net assets for the fiscal year. Over time, increases or decreases in net assets may indicate whether the financial position of the Village is improving or deteriorating.

**Statement of Activities.** The Statement of Activities presents information showing how a government's net assets changed during the most recent fiscal year. All changes in net assets are reported as a result of the year's activities and events. Much like a private sector business, all revenues and expenses are reported regardless of the timing of when cash is received or paid out.

Both of these government-wide financial statements distinguish functions of the Village that are financed primarily by taxes, intergovernmental revenues, and charges for services (governmental activities) whereby user fees and charges to customers cover all or most of the cost of the service provided (business-type activities). The Village's governmental activities include general government, public safety, highway and streets and sanitation. Business-type activities of the Village are water and sewer systems.

The government-wide financial statements include not only the Village itself (the primary government), but also the River Forest Public Library (the "Library"). The Village is financially responsible for the Library, but the Library has a separate governing board. As the Library is a component unit, its financial information is reported separately from the financial information of the Village.

(See independent auditor's report)

The government-wide financial statements can be found on pages 13 through 15 of this report.

### **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 fiscal accountability and compliance with finance-related legal requirements. Fund financial statements provide more detailed information about the Village's most significant funds, rather than the Village as a whole. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds are used to report most of the Village's basic services. Governmental fund financial statements focus on the inflows and outflows of current resources and the balances of spendable resources available at the end of the fiscal year. Governmental fund statements provide a short-term view of the Village's operations. The governmental funds Balance Sheet provides reconciliation to the Statement of Net Assets; the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provides reconciliation to the Statement of Activities.

The Village maintains six governmental funds. There are three major funds which have separately presented information in the governmental funds' Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. These are the General Fund, Pledged Taxes Fund and TIF Economic Development Fund. The three nonmajor funds are presented in the aggregate in the governmental fund financial statements. The individual fund information is presented in the combining statements.

The Village adopts an annual budget for its General Fund and Special Revenue Funds. Budgetary comparison statements have been provided for analytical purposes.

The basic governmental fund financial statements can be found on pages 16 through 19 of this report.

**Proprietary Funds.** The Village maintains one type of proprietary fund - enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The Village uses an enterprise fund to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The Waterworks and Sewerage Fund is the Village's only propriety fund, and is thus considered a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 20 through 22 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Activities from fiduciary funds are not included in the government-wide financial statements because the Village cannot use these assets for its operations. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains two fiduciary funds: the Police Pension Fund and the Firefighters' Pension Fund.

The basic fiduciary fund financial statements can be found on pages 23 and 24 of this report.

(See independent auditor's report)

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 through 54 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide benefits to its employees. Required supplementary information can be found on pages 55 through 62 of this report.

The combining statements for nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 63 through 81 of this report.

**Government-wide Financial Analysis**

*Net Assets.* The following table reflects the condensed Statement of Net Assets. For comparison purposes, the Statement of Net Assets from the prior fiscal year is provided.

**Governmental Activities  
Statement of Net Assets  
April 30, 2008**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2008	2007	2008	2007	2008	2007
Current and Other Assets	\$ 19,959,705	18,294,270	1,177,708	1,191,284	21,137,413	19,485,554
Capital Assets	16,682,914	15,602,431	5,244,990	5,114,946	21,927,904	20,717,377
<b>Total Assets</b>	<b>36,642,619</b>	<b>33,896,701</b>	<b>6,422,698</b>	<b>6,306,230</b>	<b>43,065,317</b>	<b>40,202,931</b>
Long-Term Liabilities	8,579,354	10,832,269	15,718	20,661	8,595,072	10,852,930
Other Liabilities	4,194,482	2,977,022	212,685	217,602	4,407,167	3,194,624
<b>Total Liabilities</b>	<b>12,773,836</b>	<b>13,809,291</b>	<b>228,403</b>	<b>238,263</b>	<b>13,002,239</b>	<b>14,047,554</b>
<b>Net Assets:</b>						
Invested in Capital Assets						
Net of Debt	9,177,914	6,062,431	5,244,490	5,114,946	14,422,404	11,177,377
Restricted	11,255,587	9,836,089	-	-	11,255,587	9,836,089
Unrestricted	3,435,282	4,188,890	949,805	953,021	4,385,087	5,141,911
<b>Total Net Assets</b>	<b>23,868,783</b>	<b>20,087,410</b>	<b>6,194,295</b>	<b>6,067,967</b>	<b>30,063,178</b>	<b>26,155,367</b>

The Village's combined net assets increased from \$26.2 to \$30.1 million during 2008. The governmental activities increased \$3.8 million, while the business-type activities increased by \$0.1 million. The rise in net assets of governmental activities was due primarily to favorable operating results within the Pledge Taxes Fund. The redevelopment of the TIF district is almost complete and debt service payments on the TIF bonds are late in their amortization schedule requiring lesser cash outlay for principal and interest. Some unfavorable operating results were from the General Fund and

(See independent auditor's report)

Motor Fuel Tax Fund, resulting in a decrease in net assets of each fund. This was due to continuing increases in operating cost, e.g. personnel overtime, pension contribution and legal services, for the General Fund and a severe winter that required more than average street maintenance for the Motor Fuel Fund.

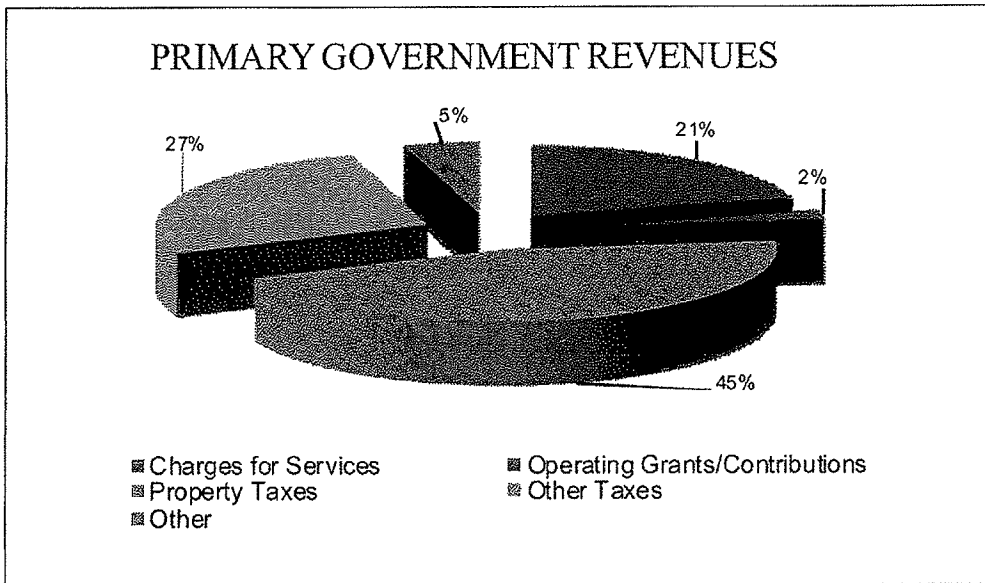
The increase in net assets of the business-type activities is attributable to a \$65,820 operating gain. A study done the same time the City of Chicago raised their water rates indicated an insufficient water rate to support the Fund's operations. Consequently, the Village implemented a water rate increase in February 1, 2008. Another rate increase was implemented on May 1, 2008 to cover capital purchases and the proposed street improvement program (SIP) for next fiscal year 2009.

*Statement of Activities.* The following table summarizes the revenues and expenses of the Village's activities.

**Change in Net Assets  
For the Fiscal Year Ended April 30, 2008**

	Governmental Activities		Business-Type Activities		Total Primary Governmental	
	2008	2007	2008	2007	2008	2007
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 1,833,874	2,020,709	2,252,572	2,034,765	4,086,446	4,055,474
Operating Grants and Contributions	449,488	379,760	-	-	449,488	379,760
General Revenues:						
Property Taxes	8,816,793	9,007,592	-	-	8,816,793	9,007,592
Other Taxes	5,248,516	4,952,069	-	-	5,248,516	4,952,069
Other	813,396	970,084	60,508	44,300	873,904	1,014,384
<b>Total Revenues</b>	<b>18,162,067</b>	<b>17,330,214</b>	<b>2,313,080</b>	<b>2,079,065</b>	<b>20,475,147</b>	<b>19,409,259</b>
<b>EXPENSES</b>						
General Government	3,478,872	3,036,053	-	-	3,478,872	3,036,053
Public Safety	6,408,588	6,847,105	-	-	6,408,588	6,847,105
Highway and Streets	2,267,099	1,799,057	-	-	2,267,099	1,799,057
Sanitation	863,132	829,980	-	-	863,132	829,980
Water and Sewer	-	-	2,186,752	2,279,839	2,186,752	2,279,839
Interest and Fiscal Charges	363,003	435,252	-	-	363,003	435,252
<b>Total Expenses</b>	<b>13,380,694</b>	<b>12,947,447</b>	<b>2,186,752</b>	<b>2,279,839</b>	<b>15,567,446</b>	<b>15,222,489</b>
<b>Change in Net Assets</b>	<b>4,781,373</b>	<b>4,382,767</b>	<b>1,126,328</b>	<b>(200,774)</b>	<b>4,907,701</b>	<b>4,186,770</b>

(See independent auditor's report)



For the fiscal year ended April 30, 2008, revenues totaled \$19.5 million. The Village benefits from a highly diversified revenue base. Revenues from the Village’s largest single source, property taxes, amounted to \$8.8 million. Property taxes support governmental activities, debt service obligations, and state mandated contributions to the Fire and Police Pension Funds, as well as IMRF. Between fiscal years 2007 and 2008, property tax revenues increased as a result of a higher tax levy, due to the increasing required Village contribution to the Fire and Police Pension Funds. The Village’s 2007 property tax rate decreased from \$0.979 to \$.965 per \$100 of EAV.

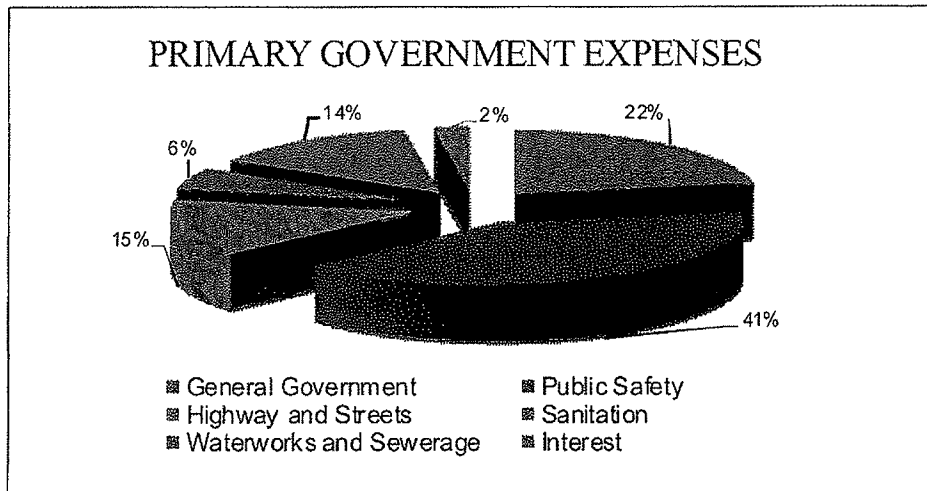
The “other taxes” classification includes a number of different revenue sources. Among those are utility taxes, real estate transfer tax, wireless tax, communication taxes, sales tax, income tax, personal property replacement tax (PPRT) and E911 tax. Sales taxes in Cook County are collected by the State of Illinois. The equivalent of 1% of the retailer’s occupation tax (ROT) is remitted to Village of River Forest.

In fiscal year 2008, income tax revenues totaled \$1,096,207, compared to \$1,003,524 in 2007. State-shared income taxes are recorded in the General Fund.

The major revenue components of the “charges for services” classification are fees from the Village’s water and sewer facility. The Water and Sewer Fund recorded greater than expected results in fiscal year 2008. Operating revenue was \$2.3 million in 2008, compared with \$2.0 million in 2007. An increase in the demand for water contributed to this increase.

(See independent auditor’s report)





The Village of River Forest's expenses amounted to \$15.6 million in 2008. Public safety expenses related to the operations of the Police Department and Fire Department accounted for the largest share of the total. More than 48% of the Village's General Fund expenses are related to public safety. Expenses for the Fire and Police Departments in the General Fund totaled \$2,934,781 and \$3,791,832 respectively. The majority of these costs are due to salary expenses, health care benefits and contribution to the Pension Funds. Expenditures for the General Fund totaled \$11,267,049. The third largest expenditure is due to Highways and Streets, with a total FY08 expenditure of \$2,849,406.

Several collective bargaining agreements established salary increases during Fiscal Year 2008. Those agreements provided for various step and general cost of living increases of not lower than 3.50% in 2008.

**Financial Analysis of the Village's Funds**

**Governmental Funds**

The focus of the governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is helpful 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.

At April 30, 2008, using the modified accrual basis of accounting, the governmental funds had a combined fund balance of \$15,468,875. This reflects a \$602,272 increase over the prior year balance of \$14,866,603.

The General Fund is used to account for the resources and expenses traditionally associated with a municipal government such as general government, public safety, highway and streets and sanitation. The fund balance of the General Fund decreased by \$483,190 during the current fiscal year due to unexpected increases in operating costs and damages caused by the August 2007 storm. The unreserved fund balance at the end of year of \$1,485,953 would approximately sustain the Village's operations for three months.

(See independent auditor's report)

The Pledged Taxes Fund is used to account for the accumulated monies for payment of General Obligation Bonds. Financing is provided by an annual property tax levy. The fund balance increased by \$1,667,068.

The TIF Economic Development Fund is used to account for the purchase, maintenance, and redevelopment expenditures associated with the TIF property. The fund balance decrease of \$595,380 is due to the timing of an operating reimbursement from the Pledged Taxes Fund.

The three nonmajor funds have an aggregate fund balance increase of \$13,774. The change in individual fund balances is presented in the combining statements although the increase is mainly due to the General Fund's amortized reimbursement to the Capital Equipment Replacement Fund for prior purchases of capital equipments.

**Proprietary Funds**

The Waterworks and Sewerage Fund recorded better than expected results for 2008. The change in net assets for the year was a positive \$126,328. Higher water and sewer charges accounted for a large measure in the continuing positive operating results. A study indicated an insufficient water rate to support the operations of the water and sewer system. A rate increase took effect February 1, 2008. The Waterworks and Sewerage Fund unrestricted net assets and invested in capital assets amounted to \$949,805 and \$5,244,490, respectively.

**General Fund Budgetary Highlights**

**General Fund  
For the Fiscal Year Ended April 30, 2008**

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Taxes	\$ 5,655,990	5,723,790	5,413,216
Intergovernmental	2,869,530	2,944,030	2,978,779
Other	2,395,690	2,475,815	1,952,669
<i>Total Revenues</i>	<i>10,921,210</i>	<i>11,143,635</i>	<i>10,344,664</i>
<b>EXPENDITURES AND TRANSFERS</b>			
Expenditures	11,050,250	11,123,315	11,267,049
Transfers In and Sale of Capital Assets	(321,000)	(321,000)	(690,000)
Transfers Out	250,805	250,805	250,805
<i>Total Expenditures and Transfers</i>	<i>10,979,055</i>	<i>11,053,120</i>	<i>11,827,854</i>
<i>Change in Fund Balance</i>	<i>(\$8,845)</i>	<i>90,515</i>	<i>(483,190)</i>

Total tax revenues in the General Fund did not meet the budget amounts mainly due to decrease collections in property taxes (\$141,880 under), utility tax (\$142,251 under) and parking tickets (\$150,736 under) due to the weakening economy and late implementation of the Police adjudication program. However, the sales tax and garbage collection income exceed budget projections by \$62,619 and \$53,392, respectively.

(See independent auditor's report)

## Capital Assets

The following schedule reflects the Village's capital asset balances as of April 30, 2008.

### Capital Assets As of April 30, 2008

	Governmental Activities	Business-Type Activities	Total
Land	\$ 584,445	500	584,945
Right of Way	3,826,453	-	3,826,453
Buildings	4,304,365	864,917	5,169,282
Vehicles and equipment	2,605,182	636,230	3,241,412
Infrastructure	10,128,722	-	10,128,722
Distribution system	-	1,995,750	1,995,750
Sewer system	-	3,129,868	3,129,868
Curbs and gutters	-	2,530,762	2,530,762
Construction in Progress	1,260,220	-	1,260,220
<b>Total</b>	<b>22,709,387</b>	<b>9,158,057</b>	<b>31,867,444</b>
Less: Accumulated Depreciation	(6,026,473)	(3,913,037)	(9,939,510)
<b>Total</b>	<b>16,682,914</b>	<b>5,244,990</b>	<b>21,927,904</b>

### Major capital asset events during fiscal year 2008

- Purchase of two asphalt kettles in the amount of \$14,455.
- Two Police vehicles acquired by the Police Department for a total amount of \$34,974.
- Purchase of a sewer truck and pickup truck by the Waterworks and Sewerage Fund in the total amount of \$244,992.
- A total of \$305,716 in street improvements.

See Note 5 for additional information on the capital asset activity of the Village.

(See independent auditor's report)

## Long-Term Debt

The table below summarizes the Village's bonded and similar indebtedness.

### Bonded and Similar Indebtedness As of April 30, 2008

	Governmental Activities		Business Type Activities		Total	
	2008	2007	2008	2007	2008	2007
General Obligation Bonds	\$ 7,935,000	10,005,000	-	-	7,935,000	10,005,000
Net Pension Obligation (Asset)	(273,878)	(359,400)	-	-	(273,878)	(359,400)
Compensated Absences	513,895	291,269	15,718	20,661	529,613	311,930
Post-Employment Benefit Obligation	130,459	536,000	-	-	130,459	536,000
<b>Total</b>	<b>\$ 8,305,476</b>	<b>10,472,869</b>	<b>15,718</b>	<b>20,661</b>	<b>\$ 8,321,194</b>	<b>10,493,900</b>

As an Illinois non home-rule community, the Village is subject to debt limitation. The Village's credit rating by Moody's Investors Services, Inc. is rated at Aa3. These bonds are generally known as high-grade bonds. Bonds rated Aa are judged to be of high quality by all standards.

The Net Pension Asset (NPA) reflects the cumulative difference between what the Village was required to make to the Fire and Police Pension Fund and the contributions actually made. As shown above, the Village has generally paid the full amount of the actuarially required contributions (ARC). During 2007, the Village contributed \$85,522 less than the combined Annual Pension Cost (APC) for the two pension funds.

The Village implemented Statement No. 45 of the Governmental Accounting Standards Board (*Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions*) effective May 1, 2007. In connection with that accounting standard, the Net Other Post-Employment Benefit Obligation (NOPEBO) included above represents the amount of contributions that the Village was actuarially calculated to make but did not make to the single employer defined benefit plan (the Plan) pursuant to actuarial calculation. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The activity of the Plan is reported in the Village's General Fund.

For more detailed information on the Village's bonded and similar indebtedness. See Note 6 in the Notes to the Financial Statements.

## Economic Factors

This was another busy year on the economic front. Property taxes imposed on properties within the Village's corporate limits provide a stable revenue source. The Village receives revenue from a variety of other sources other than property taxes. The River Forest Town Center is the major sales tax generator in the community.

Since the 1980s, the Town Center has been the Village's retail anchor. Because the Village is built out, new businesses just replaced existing ones. The Village issued 246 business licenses in 2008.

(See independent auditor's report)

The Lake Street corridor improvement project of the Village is almost complete. It is scheduled to be completed sometime in 2008. This area has been attracting new businesses in the Village. One of the major tenants, Community Bank, has been approved to renovate their space and add a drive-thru teller in their building. Plans are also being made to renovate a space to accommodate Qdoba, a fine dining Mexican restaurant.

Although the Village gained some important business, it is expected to lose Linens 'n Things in 2008. The Developer has been talking to different businesses to rent the space.

The Village has received a grant to perform an economic study for the North Avenue and Lake Street corridors. Houseal Lavigne have been retained to do study and a recommendation report is expected in 2009.

The 2000 census found that \$122,155 was the median income of families living in the Village. In addition, 73.6% of residential properties had a value of \$300,000 or more. The Village continues to be one of the affluent communities in the Chicago-land area.

#### **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 and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional information should be directed to Chris Soriano, Director of Finance, Village of River Forest, 400 Park Avenue, River Forest, Illinois, 60305.

(See independent auditor's report)

**BASIC FINANCIAL STATEMENTS**

VILLAGE OF RIVER FOREST, ILLINOIS

Statement of Net Assets

April 30, 2008

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Public Library
<b>Assets</b>				
Cash and Cash Equivalents	\$ 8,846,559	360,523	9,207,082	456,931
Investments	5,524,810	360,850	5,885,660	880,382
Receivables				
Taxes	3,001,888		3,001,888	460,117
Accounts	1,040,313	479,035	1,519,348	
Other	126,951		126,951	610
Internal Balances	39,339	(39,339)		
Prepaid Expenses	264,822	16,639	281,461	
Net Pension Assets	273,878		273,878	
Deposit - Public Entity Risk Pool	841,145		841,145	
Capital Assets Not Being Depreciated	5,671,118	500	5,671,618	20,932
Capital Assets, Net of Accumulated Depreciation	11,011,796	5,244,490	16,256,286	3,175,088
<b>Total Assets</b>	<b>36,642,619</b>	<b>6,422,698</b>	<b>43,065,317</b>	<b>4,994,060</b>
<b>Liabilities</b>				
Accounts Payable	863,516	112,163	975,679	3,589
Accrued Payroll				12,459
Accrued Interest	132,807		132,807	
Deposits Payable		100,522	100,522	
Unearned Revenue	2,868,810		2,868,810	453,038
Due to Pension Trust Funds	286		286	
Other Payables	329,063		329,063	
Noncurrent Liabilities				
Due Within One Year	2,267,779	15,718	2,283,497	
Due in More Than One Year	6,311,575		6,311,575	4,645
<b>Total Liabilities</b>	<b>12,773,836</b>	<b>228,403</b>	<b>13,002,239</b>	<b>473,731</b>
<b>Net Assets</b>				
Investment in Capital Assets, Net of Related Debt	9,177,914	5,244,490	14,422,404	3,196,020
Restricted for Enabling Legislation	11,255,587		11,255,587	
Unrestricted	3,435,282	949,805	4,385,087	1,324,309
<b>Total Net Assets</b>	<b>\$ 23,868,783</b>	<b>6,194,295</b>	<b>30,063,078</b>	<b>4,520,329</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Statement of Activities

Year Ended April 30, 2008

Functions/Programs	Expenses	Program Revenues	
		Charges for Services	Operating Grants
Governmental Activities			
General Government	\$ 3,478,872	939,161	124,665
Public Safety	6,408,588	377,821	
Highways and Streets	2,267,099		324,823
Sanitation	863,132	516,892	
Interest	363,003		
Total Governmental Activities	13,380,694	1,833,874	449,488
Business-Type Activities			
Waterworks and Sewerage	2,186,752	2,252,572	
Total Primary Government	\$ 15,567,446	4,086,446	449,488
Component Unit			
Public Library	\$ 1,076,364	21,277	14,990

General Revenues
Property Taxes
Sales Taxes
Income Taxes
Utility Taxes
Transfer Taxes
Intergovernmental Taxes
Miscellaneous Income
Investment Income
Total General Revenues
Change in Net Assets
Net Assets - Beginning
Net Assets - Ending

See accompanying Notes to the Financial Statements.



Net (Expense) Revenue and Changes in Net Assets			
Governmental Activities	Primary Government		Component Unit
	Business-Type Activities	Total	Public Library
(2,415,046)		(2,415,046)	
(6,030,767)		(6,030,767)	
(1,942,276)		(1,942,276)	
(346,240)		(346,240)	
(363,003)		(363,003)	
(11,097,332)	-	(11,097,332)	-
	65,820	65,820	
(11,097,332)	65,820	(11,031,512)	-
			(1,040,097)
8,816,793		8,816,793	889,037
915,419		915,419	
1,096,207		1,096,207	
742,549		742,549	
108,057		108,057	
2,386,284		2,386,284	
305,059		305,059	19,545
508,337	60,508	568,845	36,068
14,878,705	60,508	14,939,213	944,650
3,781,373	126,328	3,907,701	(95,447)
20,087,410	6,067,967	26,155,377	4,615,776
23,868,783	6,194,295	30,063,078	4,520,329

VILLAGE OF RIVER FOREST, ILLINOIS

Balance Sheet - Governmental Funds

April 30, 2008

	General	Pledged Taxes Fund	TIF Economic Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,052,847	7,177,895		615,817	8,846,559
Investments	626,863	3,769,112	76,227	1,052,608	5,524,810
Receivables					
Taxes	2,698,164	107,032		196,692	3,001,888
Accounts	1,040,313				1,040,313
Refuse	126,495				126,495
Other				456	456
Prepaid Items	106,039		3,506		109,545
Due from Other Funds	39,339				39,339
Deposit - Public Entity Risk Pool	841,145				841,145
<b>Total Assets</b>	<b>\$ 6,531,205</b>	<b>11,054,039</b>	<b>79,733</b>	<b>1,865,573</b>	<b>19,530,550</b>
<b>Liabilities</b>					
Accounts Payable	\$ 489,400		322,884	51,232	863,516
Deferred Revenue	2,698,164			170,646	2,868,810
Due to Other Funds	286				286
Other Payables	11,179		317,884		329,063
<b>Total Liabilities</b>	<b>3,199,029</b>	<b>-</b>	<b>640,768</b>	<b>221,878</b>	<b>4,061,675</b>
<b>Fund Balances</b>					
Reserved for Prepaid Items	106,039		3,506		109,545
Reserved for Working Cash	535,032				535,032
Reserved for Beautification	2,897				2,897
Reserved for Bond Payments		11,054,039			11,054,039
Reserved for Builders Escrows	11,180				11,180
Reserved for IRMA Deposits	841,145				841,145
Unreserved - Designated for Parking	315,535				315,535
Unreserved - Designated for Band Shell	34,395				34,395
Unreserved					
General Fund	1,485,953				1,485,953
Special Revenue Fund				133,188	133,188
Debt Service Fund				68,360	68,360
Capital Projects Fund			(564,541)	1,442,147	877,606
<b>Total Fund Balances</b>	<b>3,332,176</b>	<b>11,054,039</b>	<b>(561,035)</b>	<b>1,643,695</b>	<b>15,468,875</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 6,531,205</b>	<b>11,054,039</b>	<b>79,733</b>	<b>1,865,573</b>	<b>19,530,550</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets

April 30, 2008

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Total Fund Balances - Governmental Funds \$ 15,468,875

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

Capital assets used in governmental activities are not financial resources and,  
therefore, are not reported in the funds. 16,682,914

Some of the Village's expenses are paid before the services have occurred;  
therefore, these expenses are reported as prepaid expenses in Statement  
of Net Assets. 155,277

The Net Pension Assets for Police and Fire Pension funding is not reported  
in the governmental funds. 273,878

Long-term liabilities, including bonds payable, are not due and payable in the  
current period and, therefore, are not reported in the governmental funds.  
These activities consist of:

General Obligation Bonds Payable	(7,935,000)	
Accrued Interest	(132,807)	
Post Employment Benefit Payable	(130,459)	
Accrued Compensated Absences Payable	(513,895)	
	<u>(8,712,161)</u>	(8,712,161)

Net Assets of Governmental Activities \$ 23,868,783

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Statement of Revenues, Expenditures, and Changes in  
Fund Balances - Governmental Funds

Year Ended April 30, 2008

	General	Pledged Taxes Fund	TIF Economic Development Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Taxes	\$ 5,413,216	4,083,561		170,622	9,667,399
Intergovernmental	2,978,779	1,543,796		324,823	4,847,398
Licenses and Permits	691,047				691,047
Charges for Services	966,788				966,788
Fines and Forfeit	176,039				176,039
Interest	63,736	353,506	5,943	85,152	508,337
Miscellaneous	55,059				55,059
<b>Total Revenues</b>	<b>10,344,664</b>	<b>5,980,863</b>	<b>5,943</b>	<b>580,597</b>	<b>16,912,067</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	1,691,030		1,381,012		3,072,042
Public Safety	6,726,613				6,726,613
Highways and Streets	1,986,274			73,054	2,059,328
Sanitation	863,132				863,132
<b>Debt Service</b>					
Principal Retirement		1,905,000		165,000	2,070,000
Interest and Fiscal Charges		368,411		24,541	392,952
Capital Outlay			1,260,695	115,033	1,375,728
<b>Total Expenditures</b>	<b>11,267,049</b>	<b>2,273,411</b>	<b>2,641,707</b>	<b>377,628</b>	<b>16,559,795</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>(922,385)</b>	<b>3,707,452</b>	<b>(2,635,764)</b>	<b>202,969</b>	<b>352,272</b>
<b>Other Financing Sources (Uses)</b>					
Transfers In	440,000		2,040,384	250,805	2,731,189
Transfers Out	(250,805)	(2,040,384)		(440,000)	(2,731,189)
Sale of Capital Assets	250,000				250,000
<b>Total Other Financing Sources (Uses)</b>	<b>439,195</b>	<b>(2,040,384)</b>	<b>2,040,384</b>	<b>(189,195)</b>	<b>250,000</b>
<b>Net Change in Fund Balances</b>	<b>(483,190)</b>	<b>1,667,068</b>	<b>(595,380)</b>	<b>13,774</b>	<b>602,272</b>
<b>Fund Balances</b>					
Beginning	3,815,366	9,386,971	34,345	1,629,921	14,866,603
Ending	\$ 3,332,176	11,054,039	(561,035)	1,643,695	15,468,875

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

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

Year Ended April 30, 2008

Net Change in Fund Balances - Governmental Funds \$ 602,272

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

Governmental funds report capital outlays as expenditures. However, in the  
Statement of Activities, the cost of those assets is allocated over their  
estimated useful lives and reported as depreciation expense. This is the  
amount by which capital outlays exceeded depreciation in the current period.  
These activities consist of:

Capital Outlay	1,506,924	
Depreciation Expense	(387,000)	
Disposal of Capital Assets	<u>(39,441)</u>	
		1,080,483

Expenditures are recognized at the time of purchase rather than based on  
consumption; therefore, prepaid expenses are not reported in the funds. (166,267)

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

Principal Repayments on General Obligation Bonds Payable	2,070,000	
Change in Compensated Absences	(240,605)	
Change in Post-employment Benefits	<u>405,541</u>	
		2,234,936

Interest on long-term debt is shown as a fund expenditure when paid,  
but is accrued in the Statement of Activities. 29,949

Change in Net Assets of Governmental Activities \$ 3,781,373

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Waterworks and Sewerage Fund

Statement of Net Assets - Proprietary Fund

April 30, 2008

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Assets	
Current Assets	
Cash and Cash Equivalents	\$ 360,523
Investments	360,850
Accounts Receivable	479,035
Prepaid Items	16,639
Total Current Assets	<u>1,217,047</u>
Noncurrent Assets	
Capital Assets, Net of Accumulated Depreciation	<u>5,244,990</u>
Total Assets	<u>6,462,037</u>
Liabilities	
Current Liabilities	
Accounts Payable	112,163
Deposits Payable	100,522
Due to Other Funds	39,339
Compensated Absences	15,718
Total Liabilities	<u>267,742</u>
Net Assets	
Investment in Capital Assets	5,244,990
Unrestricted Net Assets	<u>949,305</u>
Total Net Assets	<u>\$ 6,194,295</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Waterworks and Sewerage Fund

Statement of Revenues, Expenses, and Changes in  
Net Assets - Proprietary Fund

Year Ended April 30, 2008

Operating Revenues	
Charges for Services	
Water Sales	\$ 1,969,915
Sewer Charges	272,219
Sales of Meters	10,438
Total Operating Revenues	<u>2,252,572</u>
Operating Expenses, Excluding Depreciation	
Personal Services	610,541
Contractual Services	451,412
Commodities	963,520
Total Operating Expenses, Excluding Depreciation	<u>2,025,473</u>
Operating Income Before Depreciation	227,099
Depreciation	<u>161,279</u>
Operating Income	65,820
Nonoperating Revenues	
Interest Income	<u>60,508</u>
Change in Net Assets	126,328
Net Assets	
Beginning	<u>6,067,967</u>
Ending	<u>\$ 6,194,295</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Waterworks and Sewerage Fund

Statement of Cash Flows - Proprietary Fund

Year Ended April 30, 2008

Cash Flows from Operating Activities	
Receipts from Customers	\$ 2,097,502
Payments to Suppliers	(1,426,606)
Payments to Employees	(610,541)
	<u>60,355</u>
Cash Flows from Noncapital Financing Activities	
Advances from Other Funds	<u>39,339</u>
Cash Flows from Capital and Related Financing Activities	
Purchases of Capital Assets	<u>(304,142)</u>
Cash Flows from Investing Activities	
Purchases of Investments	(21,232)
Interest	60,508
	<u>39,276</u>
Net Decrease in Cash and Cash Equivalents	(165,172)
Cash and Cash Equivalents	
Beginning of Year	<u>525,695</u>
End of Year	<u>\$ 360,523</u>
Reconciliation of Operating Income to Net Cash	
Provided by Operating Activities	
Operating Income	\$ 65,820
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities	
Depreciation	161,279
Loss on Disposal of Capital Assets	12,819
Changes in Assets and Liabilities	
Increase in Accounts Receivable	(156,320)
Increase in Prepaid Items	(13,383)
Decrease in Accounts Payable	(6,167)
Increase in Deposits Payable	1,250
Decrease in Compensated Absences Payable	(4,943)
	<u>\$ 60,355</u>

See accompanying Notes to the Financial Statements.



VILLAGE OF RIVER FOREST, ILLINOIS

Statement of Net Assets - Pension Trust Funds

April 30, 2008

	Police Pension	Firefighters' Pension	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 1,193,702	1,091,517	2,285,219
<b>Investments</b>			
Certificates of Deposit	1,652,096	824,034	2,476,130
U.S. Government Obligations	6,631,479	5,433,546	12,065,025
Mutual Funds	5,989,259	5,169,723	11,158,982
Insurance Company Contracts	1,984,989	972,974	2,957,963
Accrued Interest	20,505	2,091	22,596
Due from Other Funds	286		286
<b>Total Assets</b>	<b>17,472,316</b>	<b>13,493,885</b>	<b>30,966,201</b>
<b>Liabilities</b>			
Accounts Payable	600	1,838	2,438
<b>Net Assets Held in Trust for Pension Benefits</b>	<b>\$ 17,471,716</b>	<b>13,492,047</b>	<b>30,963,763</b>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

Statement of Changes in Net Assets - Pension Trust Funds

Year Ended April 30, 2008

	Police Pension	Firefighters' Pension	Total
<b>Additions</b>			
Contributions			
Employee Contributions	\$ 211,849	162,694	374,543
Employer Contributions	670,893	464,547	1,135,440
	<u>882,742</u>	<u>627,241</u>	<u>1,509,983</u>
Investment Income			
Net Appreciation in Fair Value of Investments	435,376	614,359	1,049,735
Interest	302,499	286,610	589,109
	<u>737,875</u>	<u>900,969</u>	<u>1,638,844</u>
Total Additions	<u>1,620,617</u>	<u>1,528,210</u>	<u>3,148,827</u>
<b>Deductions</b>			
Benefits	1,362,641	947,108	2,309,749
Refunds of Contributions	172,886		172,886
Administrative Expense	23,115	61,217	84,332
	<u>1,558,642</u>	<u>1,008,325</u>	<u>2,566,967</u>
Total Deductions	<u>1,558,642</u>	<u>1,008,325</u>	<u>2,566,967</u>
Change in Net Assets	61,975	519,885	581,860
<b>Net Assets Held in Trust for Pension Benefits</b>			
Beginning	<u>17,409,741</u>	<u>12,972,162</u>	<u>30,381,903</u>
Ending	<u>\$ 17,471,716</u>	<u>13,492,047</u>	<u>30,963,763</u>

See accompanying Notes to the Financial Statements.

VILLAGE OF RIVER FOREST, ILLINOIS

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April 30, 2008

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**VILLAGE OF RIVER FOREST, ILLINOIS**

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## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 1. Summary of Significant Accounting Policies

The accounting policies of the Village of River Forest (the Village), as reflected in the accompanying financial statements for the year ended April 30, 2008, conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant accounting policies:

#### A. Financial Reporting Entity

As required by GAAP, these financial statements present the Village and its component units. Component units are entities for which the Village is considered to be financially accountable. "Blended" component units, although legally separate entities, are, in substance, part of the Village's operations. Therefore, data from these units are combined with data of the primary government. On the other hand, "discretely presented" component units are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the Village.

##### *Discretely Presented Component Unit*

The River Forest Public Library has a separately elected, seven-member board which annually determines its budget and resulting tax levy. Upon approval of the Village, the levy is submitted to the County. All debt of the Library is secured by the full faith and credit of the Village, which is wholly liable for the debt. The Library, while servicing the general population of the Village, does not provide services entirely to the Village. Because the Library is fiscally dependent on the primary government, the Library is being reported as a discrete presentation. Financial statements for the Library are presented in the component unit portion of this report.

#### B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the nonfiduciary activities of the Village. 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 statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported, instead, as general revenues.

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

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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1. Summary of Significant Accounting Policies (Cont.)

C. Fund Accounting

The Village uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into three broad categories: governmental, proprietary and fiduciary. Each category, in turn, is divided into separate "fund types."

The Village has the following fund types:

**Governmental Funds** are used to account for the Village's general governmental activities. There are four of these types and they use the flow of current financial resources measurement focus and the modified accrual basis of accounting.

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Special Revenue Funds* account for the collection and disbursement of earmarked monies.

*Debt Service Funds* account for the servicing of general long-term debt not financed by proprietary funds.

*Capital Projects Funds* account for the acquisition of capital assets or construction of major capital projects not financed by proprietary funds.

**Proprietary Funds** are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities are provided to outside parties by the enterprise fund.

The *Enterprise Fund* (Waterworks and Sewerage Fund) is used to account for those operations that are financed and operated in a manner similar to private business or where the Village Board has decided that the determination of revenues earned, costs incurred, and/or net income is necessary for management accountability.

**Fiduciary Funds** account for assets held by the government in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the government under the terms of a formal trust agreement.

*Pension Trust Funds* are accounted for in essentially the same manner as the proprietary fund, using the same measurement focus and the accrual basis of accounting. The pension trust funds account for the assets of the Village's Police Pension Trust Fund and Firefighters' Pension Trust Fund.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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1. Summary of Significant Accounting Policies (Cont.)

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 property taxes as available if they are collected within 60 days of the end of the current fiscal period. A one-year availability period is used for revenue recognition for all other governmental fund revenues. 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 when payment is due.

Property taxes, sales taxes, income taxes, motor fuel taxes, interest revenue, and charges for services revenues associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measureable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

The *General Fund* is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Pledged Taxes Fund* is a debt service fund which accounts for the accumulation of resources for the payment of the General Obligation Bonds Series 1996, 1999 and 2003A.

The *TIF Economic Development Fund* is a capital projects fund which accounts for the incremental revenues received under the Municipal Retailers Occupation Tax, the Municipal Service Occupation Tax Act, real property taxes, and the related capital improvements.

The Village reports the following major and only enterprise fund:

The *Waterworks and Sewerage Fund* accounts for the provision of water services, sewer repair, and improvement services to the residents of the Village of River Forest. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 1. Summary of Significant Accounting Policies (Cont.)

#### D. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Cont.)

Additionally, the Village reports the following fiduciary funds:

The *Police Pension Trust Fund* accounts for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the Village through an annual property tax levy.

The *Firefighters' Pension Trust Fund* accounts for the accumulation of resources to pay pension costs. Resources are contributed by fire personnel members at rates fixed by state statutes and by the Village through an annual property tax levy.

The Village's enterprise fund applies all applicable GASB pronouncements as well as relevant Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989, unless those pronouncements conflict or contradict GASB pronouncements, in which case GASB prevails.

Amounts reported as program revenues include charges to customers or applicants for goods, services, or privileges provided and operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund are charged to customers for sales and services. Operating expenses for the enterprise fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Village reports unearned revenue on its financial statements. Unearned revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Village has a legal claim to resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

#### E. Budgets

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, debt service, capital projects, enterprise, and pension trust funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

#### F. Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with maturities of three months or less at the date purchase are considered cash equivalents.



VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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1. Summary of Significant Accounting Policies (Cont.)

G. Investments

Investments with a maturity of one year or less are stated at cost plus or minus amortized discount or premium (which approximates market). Investments with a maturity greater than one year are stated at fair value.

H. Receivables

The recognition of receivables associated with nonexchange transactions is as follows:

- Derived tax receivable (such as sales, income, and motor fuel taxes) are recognized when the underlying exchange has occurred.
- Imposed nonexchange receivables (such as property taxes and fines) are recognized when an enforceable legal claim has arisen.
- Government mandates or voluntary nonexchange transaction receivable (such as mandates or grants) are recognized when all legal requirements have been met.

I. Prepaid Items/Expenses

Prepaid items/expenses represent payments made to vendors during the fiscal year for services that will benefit future periods.

J. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, sidewalks, bridges and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined as having a useful life greater than one year with an initial, individual cost of more than \$10,000 for vehicles and equipment, \$50,000 for buildings, and \$100,000 for infrastructure. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the 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. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings	50 years
Vehicles and Equipment	2-21 years
Water Distribution System	75 years
Sewer System	100 years
Curbs and Gutters	60 years
Infrastructure	25 - 90 years

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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1. Summary of Significant Accounting Policies (Cont.)

K. Compensated Absences

Vested or accumulated vacation leave is accrued when incurred in the government-wide and proprietary fund financial statements, as the Village expects employees to use their vacation within one fiscal year; however, they may carry over ten days. Vested or accumulated vacation leave of proprietary funds and government-wide statements is recorded as an expense and liability of those funds as the benefits accrue to employees. Vacation leave is only recorded in the governmental fund financial statements when an employee leaves before year end and has not been paid out. No liability is recorded for nonvesting, accumulating rights to receive sick pay benefits. However, a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" prior to retirement.

L. Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt, if material.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

M. Fund Equity

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.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund, and as reductions of expenditures/expenses in the fund that is reimbursed.

O. Use of Estimates

In preparing financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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2. Fund Equity

The TIF Economic Development Fund had a deficit in fund balance of \$561,035 at April 30, 2008. This deficit will be funded with a transfer from the Pledged Taxes Fund in fiscal year 2009.

3. Deposits and Investments

The Village's investment policy is to establish cash management and investment guidelines for the Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet these guidelines. The Village's investment policy is more restrictive than Illinois State Statutes. The Village is authorized to make deposits in any credit union or bank, as defined by the Illinois Banking Act, and make investments in obligations guaranteed by the full faith and credit of the United States of America, similar obligations of agencies of the United States of America, certain money market mutual funds, and The Illinois Funds.

The deposits and investments of the Pension Funds are held separately from those of other Village funds. Statutes authorize the Pension Funds to make deposits/invest in interest-bearing direct obligations of the United States of America; obligations that are fully guaranteed or insured as to the payment of principal and interest by the United States of America; bonds, notes, debentures, or similar obligations of agencies of the United States of America; savings accounts or certificates of deposit issued by banks or savings and loan associations chartered by the United States of America or by the State of Illinois, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; credit unions, to the extent that the deposits are insured by the agencies or instrumentalities of the federal government; State of Illinois bonds; pooled accounts managed by the Illinois Public Treasurer's Investment Pool, or by banks, their subsidiaries or holding companies, in accordance with the laws of the State of Illinois; bonds or tax anticipation warrants of any county, township, or municipal corporation of the State of Illinois; direct obligations of the State of Israel; money market mutual funds managed by investment companies that are registered under the Federal Investment Company Act of 1940 and the Illinois Securities Law of 1953 and are diversified, open-ended management investment companies, provided that the portfolio is limited to specified restrictions; general accounts of life insurance companies and separate accounts of life insurance companies provided that the investment in separate accounts does not exceed ten percent of the pension fund's net assets. Pension funds with net assets of \$2.5 million or more may invest up to thirty-five percent of plan net assets in mutual funds and an additional ten percent in accounts with life insurance companies. In addition, pension funds with net assets of at least \$5 million that have appointed an investment advisor may, through that investment advisor, invest up to thirty-five percent of the plan's net assets in common and preferred stocks which meet specific restrictions.

At April 30, 2008, the Village's cash and investments consisted of the following:

	Government-Wide	Fiduciary	Total
Cash and Investments	\$ 15,092,742	30,943,319	46,036,061

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

3. Deposits and Investments (Cont.)

For disclosure purposes, this amount is segregated into three components: 1) cash on hand; 2) deposits with financial institutions, which include amounts held in demand accounts and savings accounts; and 3) other investments which consist of investments in The Illinois Funds, certificates of deposit, U.S. Treasuries, government-backed securities, and mutual funds as follows:

Cash on Hand	\$ 900
Deposits with Financial Institutions	
Village	7,268
Police Pension Fund	1,688
Other Investments	
Village	15,084,574
Police Pension Fund	17,449,837
Fire Pension Fund	<u>13,491,794</u>
	<u>\$ 46,036,061</u>

The Illinois Funds Money Market Fund is an external investment pool developed and implemented in 1975 by the Illinois General Assembly under the jurisdiction of the Treasurer, who has regulatory oversight for the pool. The Fund is not registered with the SEC and has an affirmed AAAM Standard & Poor's credit quality rating. The fair value of the positions of this pool is the same as the value of the pool shares. The yield on the Illinois Funds Money Market Fund was 1.90% at April 30, 2008. The Fund issues a publicly available financial report. That report may be obtained by writing to the Office of the State Treasurer, Illinois Funds Administrative Office, 300 W. Jefferson Street, Springfield, Illinois 62702.

As of April 30, 2008, the Village has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	More Than 5 Years
The Illinois Funds	\$ 8,727,635	8,727,635		
Money Market/Liquid Assets	547,717	547,717		
Certificates of Deposit	5,013,004	4,597,148	415,856	
Federal Home Loan Mortgage	44,139			44,139
GNMA	221,483		164,103	57,380
FNMA	169,746			169,746
U.S. Treasuries	360,850	360,850		
	<u>\$ 15,084,574</u>	<u>14,233,350</u>	<u>579,959</u>	<u>271,265</u>

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

3. Deposits and Investments (Cont.)

As of April 30, 2008, the Police Pension Fund has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	More Than 5 Years
The Illinois Funds	\$ 318,852	318,852		
Money Market/Liquid Assets	873,162	873,162		
Certificates of Deposit	1,652,096	1,077,746	574,350	
Federal Agricultural Mortgage Corporation	301,383		301,383	
Federal Farm Credit Bank	318,407			318,407
Federal Home Loan Bank	755,438		649,938	105,500
Federal Home Loan Mortgage Corporation	521,681		521,681	
Federal National Mortgage Association	308,400			308,400
Federal Home Loan Mortgage Corporation	530,780		530,780	
Government National Mortgage Association	1,967,054			1,967,054
U.S. Treasuries	1,928,336	810,203	1,118,133	
	<u>\$ 9,475,589</u>	<u>3,079,963</u>	<u>3,696,265</u>	<u>2,699,361</u>
	<u>Fair Value</u>			
*Mutual Funds	\$ 5,989,259			
*Insurance Contracts/Annuities	1,984,989			
	<u>\$ 7,974,248</u>			

\*Not subject to risk categorization. The mutual funds and insurance contracts/annuities are managed by the financial institution in which they are held.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

3. Deposits and Investments (Cont.)

As of April 30, 2008, the Firefighters' Pension Fund has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	More Than 5 Years
The Illinois Funds	\$ 658,158	658,158		
Money Market/Liquid Assets	433,359	433,359		
Certificates of Deposit	824,034	627,464	101,776	94,794
Federal Home Loan Bank	314,811		210,061	104,750
Federal Home Loan Mortgage Corporation	3,333			3,333
Federal National Mortgage Association	36,837			36,837
Federal Home Loan Mortgage Corporation	767,477		767,477	
Government National Mortgage Association	227,087		142	226,945
U.S. Treasuries	4,084,001	754,748	831,989	2,497,264
	<u>\$ 7,349,097</u>	<u>2,473,729</u>	<u>1,911,445</u>	<u>2,963,923</u>

	Fair Value
*Mutual Funds	\$ 5,169,723
*Insurance Contracts/Annuities	972,974
	<u>\$ 6,142,697</u>

\*Not subject to risk categorization. The mutual funds and insurance contracts/annuities are managed by the financial institution in which they are held.

As of April 30, 2008, the Component Unit (Library) has the following investments and maturities.

Investment Type	Fair Value	Investment Maturities		
		Less Than One Year	1 to 5 Years	More Than 5 Years
The Illinois Funds	\$ 746,864	746,864		
Certificates of Deposit	133,518	111,166	22,352	
	<u>\$ 880,382</u>	<u>858,030</u>	<u>22,352</u>	<u>-</u>

## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 3. Deposits and Investments (Cont.)

#### *Interest Rate Risk*

The Village's investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements that may be reasonably anticipated in any Village fund. Maturities of investments of all funds, except the Capital Projects Funds and Working Cash Funds, shall average three years. Maturities of investments of Capital Projects Funds and Working Cash Funds shall not exceed ten years.

The Police and Firefighters' Pension Funds' investment policies limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

#### *Credit Risk*

State law limits investments in mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. As of April 30, 2008, The Illinois Funds Money Market was rated AAAm by Standard & Poor's.

The Police and Firefighters' Pension Funds limit their exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The investments in the securities of U.S. government and agency obligations were rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The Police and Firefighters' Pension Funds' investment policies follow the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return."

#### *Custodial Credit Risk*

In the case of deposits, this is the risk that, in the event of a bank failure, the Village's and Component Unit's deposits may not be returned. 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 investment or collateral securities that are in the possession of an outside party. As of April 30, 2008, \$306,600 of the Village's total deposits with financial institutions of \$905,593 was exposed to custodial credit risk because it was uninsured and uncollateralized. As of April 30, 2008, \$33,518 of the Component Unit's total deposits with financial institutions of \$217,736 was exposed to custodial credit risk because it was uninsured and uncollateralized.

None of the Police and Firefighters' Pension Funds' deposits with financial institutions were exposed to custodial credit risk as those deposits were insured, fully collateralized, and held by an independent third party.

#### *Concentration of Credit Risk*

It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in overconcentration in a security, maturity, issuer, or class of securities. The amount of funds deposited and/or invested in a financial institution shall not exceed 65% of the capital stock and surplus of such institution unless collateral security has been pledged, in which case, the amount of such deposits and/or investments shall not exceed 75%.

## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 3. Deposits and Investments (Cont.)

#### *Concentration of Credit Risk (cont.)*

It is the policy of the Police and Firefighters' Pension Funds to diversify their investment portfolios. At April 30, 2008, the Police Pension Fund's investments (other than those issued or guaranteed by the U.S. Government) include a Vanguard annuity of \$982,531, Fidelity annuity of \$1,002,458, Vanguard S&P 500 Index Fund of \$1,489,607, Thornberg International Value Fund of \$1,095,452, and T. Rowe Price New Era Fund of \$1,100,522, represent 5% or more of plan net assets. At April 30, 2008, the Firefighters' Pension Fund's investments (other than those issued or guaranteed by the U.S. Government) include a Sun Life Compass annuity of \$972,974, Dodge and Cox International Fund of \$1,500,637, Ivy Global Natural Resources Fund of \$1,162,702, and Vanguard Energy Fund of \$946,948 represent 5% or more of plan net assets.

### 4. Receivables - Taxes

Property taxes for 2007 attach as an enforceable lien on January 1, 2007. Taxes are levied by December 2007 for collection in the subsequent calendar year (by passage of a Tax Levy Ordinance). Tax bills are payable in two installments on or about March 1 and August 1, 2008. The County collects such taxes and remits them periodically. Management has determined that an allowance for uncollectible accounts is not necessary.



VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

5. Capital Assets

A. Governmental Activities

A summary of changes in capital assets for governmental activities of the Village is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 584,445			584,445
Right of Ways	3,826,453			3,826,453
Construction in Process	75,000	1,260,220	75,000	1,260,220
	<u>4,485,898</u>	<u>1,260,220</u>	<u>75,000</u>	<u>5,671,118</u>
<b>Capital Assets Being Depreciated</b>				
Buildings	4,304,365			4,304,365
Vehicles and Equipment	2,537,799	67,383		2,605,182
Infrastructure	9,935,661	254,321	61,260	10,128,722
	<u>16,777,825</u>	<u>321,704</u>	<u>61,260</u>	<u>17,038,269</u>
<b>Less Accumulated Depreciation For</b>				
Buildings	844,935	86,087		931,022
Vehicles and Equipment	1,390,701	129,460		1,520,161
Infrastructure	3,425,656	171,453	21,819	3,575,290
	<u>5,661,292</u>	<u>387,000</u>	<u>21,819</u>	<u>6,026,473</u>
<b>Total Capital Assets Being Depreciated, Net</b>	<u>11,116,533</u>	<u>(65,296)</u>	<u>39,441</u>	<u>11,011,796</u>
<b>Governmental Activities Capital Assets, Net</b>	<u>\$ 15,602,431</u>	<u>1,194,924</u>	<u>114,441</u>	<u>16,682,914</u>

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

5. Capital Assets (Cont.)

B. Business-Type Activities

A summary of changes in capital assets for business-type activities of the Village is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Capital Assets Not Being Depreciated</b>				
Land	\$ 500			500
<b>Capital Assets Being Depreciated</b>				
Buildings	864,917			864,917
Vehicles and Equipment	391,238	244,992		636,230
Water Distribution System	1,987,995	7,755		1,995,750
Sewer System	3,129,868			3,129,868
Curbs and Gutters	2,499,631	51,395	20,264	2,530,762
	<u>8,873,649</u>	<u>304,142</u>	<u>20,264</u>	<u>9,157,527</u>
<b>Less Accumulated Depreciation For</b>				
Buildings	622,343	9,506		631,849
Vehicles and Equipment	218,798	60,599		279,397
Water Distribution System	933,378	19,303		952,681
Sewer System	1,259,449	29,754		1,289,203
Curbs and Gutters	725,235	42,117	7,445	759,907
	<u>3,759,203</u>	<u>161,279</u>	<u>7,445</u>	<u>3,913,037</u>
Total Capital Assets Being Depreciated, Net	<u>5,114,446</u>	<u>142,863</u>	<u>12,819</u>	<u>5,244,490</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 5,114,946</u>	<u>142,863</u>	<u>12,819</u>	<u>5,244,990</u>

C. Depreciation Expense

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-Type Activities
General Government	\$ 85,480	
Public Safety	93,749	
Highways and Streets	207,771	
Waterworks and Sewerage		161,279
	<u>\$ 387,000</u>	<u>161,279</u>

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

5. Capital Assets (Cont.)

D. Commitments

The Village has certain contracts for construction projects which were in progress as of April 30, 2008. The remaining commitments under these Street Improvement Project contracts totaled \$271,116.

E. Component Unit - Library

A summary of changes in capital assets for the Library is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital Assets Not Being Depreciated				
Construction in Process	\$ 20,932			20,932
Capital Assets Being Depreciated				
Buildings	3,325,969			3,325,969
Equipment and Furnishings	92,396			92,396
Circulation Collection	3,044,753	117,158	310,144	2,851,767
	6,463,118	117,158	310,144	6,270,132
Less Accumulated Depreciation For				
Buildings	1,085,969	64,000		1,149,969
Equipment and Furnishings	18,582	21,197		39,779
Circulation Collection	1,908,850	190,885	194,439	1,905,296
	3,013,401	276,082	194,439	3,095,044
Total Capital Assets Being Depreciated, Net	3,449,717	(158,924)	115,705	3,175,088
Library Capital Assets, Net	\$ 3,470,649	(158,924)	115,705	3,196,020

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

6. Long-Term Debt

A. Changes in Long-Term Obligations

The following is a summary of the Village's long-term debt balances and transactions for the year ended April 30, 2008.

	Maturity Date	Balance May 1	Additions	Reductions	Balance April 30	Due Within One Year
<i>Governmental Activities</i>						
General Obligation Bonds:						
Series 1996						
4.375% - 7.375%	12/01/13	\$ 3,555,000		560,000	2,995,000	585,000
Series 1999						
3.95% - 4.75%	12/01/11	3,510,000		690,000	2,820,000	730,000
Series 2003A						
1.10% - 3.125%	12/01/13	2,210,000		655,000	1,555,000	680,000
Series 2003B						
1.10% - 2.00%	12/01/08	265,000		130,000	135,000	135,000
Series 2005 (Library)						
3.50% - 4.15%	12/01/17	465,000		35,000	430,000	35,000
		10,005,000	-	2,070,000	7,935,000	2,165,000
Compensated Absences		291,269	513,895	291,269	513,895	102,779
Post-Employment Benefits		536,000	130,459	536,000	130,459	
		\$ 10,832,269	644,354	2,897,269	8,579,354	2,267,779
<i>Business-Type Activities</i>						
Compensated Absences		\$ 20,661	15,718	20,661	15,718	15,718
<i>Component Unit - Public Library</i>						
Compensated Absences		\$ 3,119	4,645	3,119	4,645	4,645

B. General Obligation Debt

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities.

The Series 2005 general obligation bonds are recorded as debt for the Village, as the Village is the party responsible for payments. The proceeds of these bonds have been recorded in the Public Library's (a component unit of the Village) Library Improvement Fund, as the proceeds will be spent to improve the Public Library.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

6. Long-Term Debt (Cont.)

C. Debt Service Requirements to Maturity

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending April 30	Governmental Activities	
	Principal	Interest
2009	\$ 2,165,000	318,734
2010	2,100,000	241,566
2011	1,245,000	164,190
2012	1,330,000	107,131
2013	425,000	46,178
2014-2018	670,000	48,412
	<u>\$ 7,935,000</u>	<u>926,211</u>

D. Legal Debt Margin

Assessed Valuation – 2007	<u>\$ 515,665,926</u>
Legal Debt Limit – 8.625% of Assessed Valuation	\$ 44,476,186
Amount of Debt Applicable to Debt Limit	<u>565,000</u>
Legal Debt Margin	<u>\$ 43,911,186</u>

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

7. Conduit Debt

The Village issued \$5,580,000 of Industrial Project Revenue Bonds for Dominican University and \$2,500,000 of Education Facility Revenue Bonds for Keystone Montessori School during the year ended April 30, 2003. The Village has no obligation to pay this debt. The outstanding balance of the Project Revenue Bonds for Dominican University at April 30, 2008 was \$5,412,015. The outstanding balance of the Education Facility Revenue Bonds for Keystone Montessori School as of April 30, 2008 was \$2,142,699.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

8. Interfund Transactions

A. Due to/from Other Funds

Receivable Fund	Payable Fund	Amount
General	Waterworks and Sewerage Fund	\$ 39,339
Police Pension Fund	General	<u>286</u>
		<u>\$ 39,625</u>

B. Operating Transfers

Receiving Fund	Transferring Fund	Amount
General	Special Revenue Nonmajor Fund	\$ 440,000
Capital Projects TIF Economic Development Fund	Debt Service Fund Pledged Taxes Fund	2,040,384
Nonmajor Fund	General	<u>250,805</u>
		<u>\$ 2,731,189</u>

The Motor Fuel Tax Fund reimbursed the General Fund for \$440,000 of expenses incurred in the maintenance of streets. The Pledged Taxes Fund transferred \$2,040,384 to the TIF Economic Development Fund for the operations of the TIF District. The General Fund transferred \$250,805 to the Capital Equipment Replacement Fund for the repayment of capital equipment purchases.

9. Risk Management

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperation Act to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 9. Risk Management (Cont.)

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits.

Limits of coverage effective as of April 30, 2008 are as follows:

Automobile Liability	\$ 10,000,000
General Liability	10,000,000
Public Officials Liability	10,000,000
Workers' Compensation	101,500,000
First Party Property	250,000,000 per occurrence
Employer's Liability	1,000,000
Boiler/Machinery	50,000,000
Fidelity and Crime	
a. Employee Theft	5,000,000
b. Forgery or Alteration	5,000,000
c. Computer Fraud	5,000,000
d. Credit Card Forgery	5,000,000
e. Theft, Disappearance and Destruction (including premises burglary)	2,500,000
Public Official Bond	Blanket Statutory Limits

The Village purchases commercial insurance to cover its employees for health and accident claims.

### 10. Contingent Liabilities

#### A. Litigation

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

#### B. Grants

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

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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11. Other Post-Employment Benefits

In addition to providing the pension benefits described in Note 14, the Village provides post-employment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan. The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The plan does not issue a separate report. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established. The cost of the plan is reported in the fund from which the benefits are paid.

*Benefits Provided*

The Village provides post-employment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans. Elected officials are eligible for benefits if they qualify for retirement through the Illinois Municipal Retirement Fund.

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

*Membership*

At April 30, 2008, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	38
Terminated Employees Entitled to Benefits but Not Yet Receiving Them	
Current Employees	
Vested	16
Nonvested	<u>58</u>
Total	<u>112</u>
Participating Employers	<u>1</u>

*Funding Policy*

The Village negotiates the contribution percentage between the Village and employees through the union contracts and personnel policy. Most retirees contribute 66.6% of the actuarially determined premium to the plan, and the Village contributes the remainder to cover the cost of providing the benefits to the retirees via the self-insured plan (pay as you go). Since the Village is self-insured, this amount fluctuates on an annual basis. For the fiscal year ended April 30, 2008, retirees contributed \$166,744 and the Village contributed \$123,021. Active employees do not contribute to the plan until retirement.



VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

11. Other Post-Employment Benefits (Cont.)

*Annual OPEB Costs and Net OPEB Obligation*

The Village first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date, as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2008. The Village's annual OPEB cost (expense) of \$253,480 was equal to the ARC for the fiscal year, as the transition liability was set at zero as of April 30, 2007. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2008 was as follows:

Fiscal Year End	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributions	Net OPEB Obligation
April 30, 2008	\$ 253,480	123,021	48.5%	130,459

The net OPEB (NOPEBO) at April 30, 2008 was calculated as follows:

Annual Required Contribution	\$ 253,480
Interest on Net OPEB Obligation	
Adjustment to Annual Required Contribution	<u>                    </u>
Annual OPEB Cost	253,480
Contributions Made	<u>123,021</u>
Increase in Net OPEB Obligation	130,459
Net OPEB Obligation, Beginning of Year	<u>                    </u>
Net OPEB Obligation, End of Year	<u><u>\$ 130,459</u></u>

Funded Status and Funding Progress

The funded status of the plan as of April 30, 2008 was as follows:

Actuarial Accrued Liability (AAL)	\$ 3,854,471
Actuarial Value of Plan Assets	
Unfunded Actuarial Accrued Liability (UAAL)	3,854,471
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	6,340,727
UAAL as a Percentage of Covered Payroll	60.8%

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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11. Other Post-Employment Benefits (Cont.)

*Annual OPEB Costs and Net OPEB Obligation (Cont.)*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the ARCs of the employer are subject to continual revision as actuarial results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the Notes to the Financial Statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the April 30, 2008 actuarial valuation, the entry-age actuarial cost method was used. The actuarial assumptions included 5.0% investment rate of return (net of administrative expenses) and an initial annual healthcare cost trend rate of 9.0% reduced by 0.25% each year to arrive at an ultimate healthcare cost trend rate of 6.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was \$0. The 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 April 30, 2008 was 30 years.

12. Restrictions for Enabling Legislation

The government-wide statement of net assets reports \$10,694,552 of net assets restricted for enabling legislation which consists of the following:

Debt Service	\$ 11,122,399
Roads	<u>133,188</u>
	<u>\$ 11,255,587</u>

13. Deferred Compensation Plan

The Village offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency occurs.

The assets of the plan are held in trust, with the Village as trustee, for the exclusive benefit of the plan participants and their beneficiaries. The assets cannot be diverted for any other purpose. The Village's beneficial ownership of plan assets held in the trust is held for the future exclusive benefit of the participants and their beneficiaries.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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14. Employee Benefit Plans

A. Illinois Municipal Retirement Fund

*Plan Description*

The Village's defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Village maintains accounts for regular employees and for Sheriff's Law Enforcement Personnel (SLEP) which provides benefit solely to a retired police chief. The Illinois Pension Code establishes the benefit provisions of the plan which can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained at [www.imrf.org/pubs/](http://www.imrf.org/pubs/) or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

*Funding Policy*

Employees participating in the IMRF plan are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2007 was 6.36% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (over funded liability amortized on an open basis). The amortization period at December 31, 2007 was five years.

*Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions*

For December 31, 2007, the Village's annual pension costs of \$123,456 was equal to the Village's required and actual contributions. The required contributions was determined as part of the December 31, 2005 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% a year attributable to inflation; (c) additional projected salary increases ranging from .4% to 10.0% 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 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002-2004 experience study.

*Funding Status*

As of December 31, 2007, the most recent actuarial valuation date, the Regular Plan was 103.63% funded. The actuarial accrued liability was \$4,598,237, and the actuarial value of assets was \$4,765,382, resulting in an overfunded actuarial accrued liability (asset) of (\$167,145). The covered payroll for 2007 was \$1,941,131 and the ratio of the overfunded balance to payroll was thus (8.61%).

The SLEP Plan was 68.25% funded. Actuarial accrued liability was \$118,859 and actuarial value of assets was \$81,117, resulting in an underfunded actuarial liability of \$37,742.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

14. Employee Benefit Plans (Cont.)

A. Illinois Municipal Retirement Fund (Cont.)

*Annual Pension Cost, Net Pension Obligation and Actuarial Assumptions (Cont.)*

TREND INFORMATION

Actuarial Valuation Date	Annual Required Contribution	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/07	\$ 123,456	123,456	100%	0
12/31/06	125,844	125,844	100%	0
12/31/05	18,979	18,979	100%	0
12/31/04	46,011	46,011	100%	0
12/31/03	17,586	17,586	100%	0
12/31/02	19,376	19,376	100%	0
12/31/01	19,147	19,147	100%	0
12/31/00	18,260	18,260	100%	0
12/31/99	59,298	59,298	100%	0
12/31/98	103,162	103,162	100%	0

B. Police Pension

The most recent actuarial valuation is as of April 30, 2007.

*Plan Description and Provisions*

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 and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Police Pension Plan for the year ended April 30, 2007 was \$2,120,699. At April 30, 2007, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	33
Current Employees	
Vested	15
Nonvested	<u>15</u>
Total	<u>63</u>

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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14. Employee Benefit Plans (Cont.)

B. Police Pension (Cont.)

*Plan Description and Provisions (Cont.)*

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 an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1997 shall be increased annually by 3% of the originally granted pension, following the first anniversary date of retirement, and be paid upon reaching the age of at least 55 years. For all increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

*Funding Policy*

Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

*Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

*Method Used to Value Investments*

Investments are valued at market. Investment income is recognized as earned.

*Related Party Transactions*

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

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

14. Employee Benefit Plans (Cont.)

B. Police Pension (Cont.)

*Contributions*

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2008 was prepared as of April 30, 2007. Significant assumptions used in the calculation include (a) a 6.75% return on investments, (b) projected salary increases of 5.5% per year, and (c) a 28-year amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION ASSET

Annual Required Contribution	\$ 726,214
Interest on Net Pension Obligation (Asset)	(13,275)
Adjustment to Annual Required Contribution	<u>10,511</u>
Annual Pension Cost	723,450
Contribution Made	<u>689,128</u>
Decrease in the Net Pension Asset	(34,322)
Net Pension Asset, Beginning of Year	<u>196,668</u>
Net Pension Asset, End of Year	<u>\$ 162,346</u>

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed
4/30/07	\$ 726,214	723,450	689,128	95.3%
4/30/06	693,386	691,531	671,337	97.1%
4/30/05	588,186	583,605	550,463	94.3%
4/30/04	519,320	513,464	474,415	92.4%
4/30/03	442,600	436,175	434,081	99.5%
4/30/02	412,249	405,123	396,366	97.8%

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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14. Employee Benefit Plans (Cont.)

C. Firefighters' Pension

The most recent actuarial valuation is as of April 30, 2007.

*Plan Description and Provisions*

Fire sworn personnel are covered by the Firefighters' Pension Plan, which is a defined benefit, single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (Chapter 40-Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Village's payroll for employees covered by the Firefighters' Pension Plan for the year ended April 30, 2007 was \$1,736,504. At April 30, 2007, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but Not Yet Receiving Them	23
Current Employees	
Vested	14
Nonvested	<u>9</u>
Total	<u>46</u>

The Firefighters' 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 an annual retirement benefit of 2.5% of final salary for each year of service up to 30 years, to a maximum of 75% of such salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of final salary for each year of service, ranging from 15% to 45.6%.

The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1997 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 originally granted pension. Beginning with increases granted on or after July 1, 1993, the second and subsequent automatic annual increases shall be calculated as 3% of the amount of the pension payable at the time of the increase.

*Funding Policy*

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village's contributions must accumulate to the point where the past service cost for the Firefighters' Pension Plan is fully funded by the year 2033.

*Basis of Accounting*

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed.

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

14. Employee Benefit Plans (Cont.)

C. Firefighters' Pension (Cont.)

*Method Used to Value Investments*

Investments are valued at market. Investment income is recognized as earned.

*Related Party Transactions*

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

*Contributions*

Village contributions are determined annually by an actuarial study using the entry age normal cost method. The valuation for fiscal 2008 was prepared as of April 30, 2007. Significant assumptions used in the calculation include (a) a 7.5% return on investments, (b) projected salary increases of 5.5% per year, and (c) a 28-year amortization of the unfunded liability.

ANNUAL PENSION COST AND NET PENSION ASSET

Annual Required Contribution	\$ 435,489
Interest on Net Pension Obligation (Asset)	(12,205)
Adjustment to Annual Required Contribution	<u>10,444</u>
Annual Pension Cost	433,728
Contribution Made	<u>382,528</u>
Decrease in the Net Pension Asset	(51,200)
Net Pension Asset, Beginning of Year	<u>162,732</u>
Net Pension Asset, End of Year	<u>\$ 111,532</u>

SCHEDULE OF EMPLOYER CONTRIBUTIONS

Fiscal Year Ended	Annual Required Contribution	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed
4/30/07	\$ 435,489	433,728	382,528	88.2%
4/30/06	352,416	350,135	150,230	42.9%
4/30/05	324,344	317,955	292,115	91.9%
4/30/04	249,854	238,648	218,568	91.6%
4/30/03	192,900	184,549	201,620	109.3%
4/30/02	193,613	183,139	209,136	114.2%



VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
 April 30, 2008

14. Employee Benefit Plans (Cont.)

D. Significant Actuarial Assumptions

The information presented in the notes and the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is as follows:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal	Entry-Age Normal
Asset Valuation Method	Market Value	Market Value	Market Value
Amortization Method	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis	Level Percentage of Projected Payroll - Closed Basis
(a) Remaining Amortization Period	5 Years	27 Years	27 Years
(b) Ratio of Return on Investment of Present and Future Assets	7.50% Compounded Annually	6.75% Compounded Annually	7.50% Compounded Annually
(c) Projected Salary Increases - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
(d) Additional Projected Salary Increases - Attributable to Seniority/Merit	0.4% to 10%	(Note: Separate information for (b) and (c) not available)	(Note: Separate information for (b) and (c) not available)
(e) Postretirement Benefit Increases	3.00%	3.00% Compounded Annually	3.00% Compounded Annually

## VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Financial Statements  
April 30, 2008

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### 15. Joint Venture

The Village participates in the West Suburban Consolidated Dispatch Center (WSCDC), a governmental joint venture with the Village of Oak Park and the Village of Elmwood Park. The joint venture was formed in 1999 under the Intergovernmental Cooperation Act (ILCS 5, Act 220) for the joint and mutual operation of centralized communication system. WSCDC commenced operations on May 1, 2002. All activities of WSCDC are cost shared by the members. Each member's share for each fiscal year of operations will be based on the total number of calls dispatched by the member in the preceding fiscal year divided by total calls dispatched by all members during the preceding fiscal year. Each member's cost-sharing allocation is approved by the Board of Directors of WSCDC annually. Either member may withdraw from the joint venture upon one year's notice.

During fiscal 2008, the Village's allocated cost share totaled \$438,748 for operational expenses and \$28,863 for debt service payments.

Financial statements may be obtained by contacting WSCDC at 400 Park Avenue, River Forest, Illinois 60305.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

VILLAGE OF RIVER FOREST, ILLINOIS

Required Supplementary Information

Illinois Municipal Retirement Fund

Schedule of Funding Progress

April 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2007	\$ 4,765,382	4,598,237	(167,145)	103.63 %	1,941,131	(8.61) %
12/31/2006	5,310,356	5,127,687	(182,669)	103.56	1,981,790	(9.22)
12/31/2005	4,830,518	4,596,846	(233,672)	105.08	1,860,726	(12.56)
12/31/2004	5,116,822	4,795,666	(321,156)	106.70	1,804,339	(17.80)
12/31/2003	5,585,686	4,756,578	(829,108)	117.43	1,813,042	(45.73)
12/31/2002	5,600,126	4,514,603	(1,085,523)	124.04	1,937,619	(56.02)
12/31/2001	5,647,000	4,039,636	(1,607,364)	139.79	1,934,003	(83.11)
12/31/2000	5,255,589	3,653,242	(1,602,347)	143.86	1,863,251	(86.00)
12/31/1999	4,596,559	3,206,019	(1,390,540)	143.37	1,733,865	(80.20)
12/31/1998	3,958,222	2,956,266	(1,001,956)	133.89	1,539,736	(65.07)

On a market basis, the actuarial value of assets as of December 31, 2007 is \$5,196,635. On a market basis, the funded ratio would be 113.01%.

*Digest of Changes - Assumptions*

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

VILLAGE OF RIVER FOREST, ILLINOIS

Required Supplementary Information

IMRF Sheriff's Law Enforcement Personnel Fund

Schedule of Funding Progress

April 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
12/31/2007	\$ 81,117	118,859	37,742	68.25 %		N/A %
12/31/2006				N/A		N/A
12/31/2005				N/A		N/A
12/31/2004				N/A		N/A
12/31/2003				N/A		N/A
12/31/2002				N/A		N/A
12/31/2001				N/A		N/A
12/31/2000				N/A		N/A
12/31/1999				N/A		N/A
12/31/1998				N/A		N/A

On a market basis, the actuarial value of assets as of December 31, 2007 is \$77,597. On a market basis, the funded ratio would be 65.28%.

*Digest of Changes - Assumptions*

The actuarial assumptions used to determine the actuarial accrued liability for 2007 are based on the 2002-2004 Experience Study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and more early retirements are expected to occur.

VILLAGE OF RIVER FOREST, ILLINOIS

Required Supplementary Information

Police Pension Fund

Schedule of Funding Progress

April 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2007	\$ 17,773,328	27,081,717	9,308,389	65.63 %	2,120,699	438.93 %
4/30/2006	17,128,123	23,658,699	6,530,576	72.40	2,045,348	319.29
4/30/2005	16,635,843	23,088,932	6,453,089	72.05	1,962,602	328.80
4/30/2004	16,367,686	22,399,414	6,031,728	73.07	1,768,205	341.12
4/30/2003	16,169,244	20,672,337	4,503,093	78.22	1,800,094	250.16
4/30/2002	16,032,574	19,308,251	3,275,677	83.03	1,681,483	194.81
4/30/2001	14,528,432	16,834,800	2,306,368	86.30	1,646,737	140.06
4/30/2000	15,246,181	17,068,735	1,822,554	89.32	1,568,229	116.22
4/30/1999	13,825,649	16,336,491	2,510,842	84.63	1,611,172	155.84
4/30/1998	12,480,157	16,452,017	3,971,860	75.86	1,499,810	264.82

VILLAGE OF RIVER FOREST, ILLINOIS

Required Supplementary Information

Firefighters' Pension Fund

Schedule of Funding Progress

April 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2007	\$ 13,296,239	16,846,596	3,550,357	78.93 %	1,736,504	204.45 %
4/30/2006	12,775,165	16,507,681	3,732,516	77.39	1,549,807	240.84
4/30/2005	12,442,231	15,000,643	2,558,412	82.94	1,466,927	174.41
4/30/2004	12,242,583	14,369,368	2,126,785	85.20	1,453,460	146.33
4/30/2003	12,080,540	13,164,239	1,083,699	91.77	1,357,181	79.85
4/30/2002	12,008,076	12,313,504	305,428	97.52	1,296,768	23.55
4/30/2001	10,866,569	11,065,752	199,183	98.20	1,234,157	16.14
4/30/2000	11,155,900	11,476,748	320,848	97.20	1,133,464	28.31
4/30/1999	10,147,342	11,018,563	871,221	92.09	1,088,673	80.03
4/30/1998	9,425,307	10,318,336	893,029	91.35	1,053,838	84.74

VILLAGE OF RIVER FOREST, ILLINOIS

Required Supplementary Information

Other Post-Employment Benefit Plan

Schedule of Funding Progress

April 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded (Overfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b-a)/c
4/30/2008	\$ -	3,854,471	3,854,471	0.00 %	6,340,727	60.79 %

The Village implemented GASB No. 45 for the fiscal year ended April 30, 2008. Information for prior years is not available.



VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Revenues, Expenditures, and Changes in  
Fund Balances - Budget and Actual

Year Ended April 30, 2008

(With Comparative Totals for the Year Ended April 30, 2007)

	2008			Variance with Final Budget Over (Under)	2007 Actual
	Original Budget	Final Budget	Actual		
<b>Revenues</b>					
Taxes	\$ 5,655,990	5,723,790	5,413,216	(310,574)	5,296,791
Intergovernmental	2,869,530	2,944,030	2,978,779	34,749	2,614,862
Licenses and Permits	698,500	684,600	691,047	6,447	956,322
Charges for Services	816,110	910,135	966,788	56,653	885,357
Fines and Forfeit	356,850	356,850	176,039	(180,811)	179,030
Interest	84,000	84,000	63,736	(20,264)	91,515
Miscellaneous	440,230	440,230	55,059	(385,171)	440,261
<b>Total Revenues</b>	<b>10,921,210</b>	<b>11,143,635</b>	<b>10,344,664</b>	<b>(798,971)</b>	<b>10,464,138</b>
<b>Expenditures</b>					
<b>Current</b>					
General Government	1,825,980	1,862,345	1,691,030	(171,315)	1,856,107
Public Safety	6,534,155	6,587,155	6,726,613	139,458	6,335,480
Public Works Department	2,690,115	2,673,815	2,849,406	175,591	2,536,133
<b>Total Expenditures</b>	<b>11,050,250</b>	<b>11,123,315</b>	<b>11,267,049</b>	<b>143,734</b>	<b>10,727,720</b>
Excess (Deficiency) of Revenues over Expenditures	(129,040)	20,320	(922,385)	(942,705)	(263,582)
<b>Other Financing Sources (Uses)</b>					
Transfers In	321,000	321,000	440,000	119,000	200,585
Transfers Out	(250,805)	(250,805)	(250,805)		(171,230)
Sale of Capital Assets			250,000	250,000	
<b>Total Other Financing Sources (Uses)</b>	<b>70,195</b>	<b>70,195</b>	<b>439,195</b>	<b>369,000</b>	<b>29,355</b>
<b>Net Change in Fund Balances</b>	<b>\$ (58,845)</b>	<b>90,515</b>	<b>(483,190)</b>	<b>(573,705)</b>	<b>(234,227)</b>
<b>Fund Balances</b>					
Beginning			3,815,366		4,049,593
Ending			3,332,176		3,815,366

See accompanying Notes to the Required Supplementary Information.

**VILLAGE OF RIVER FOREST, ILLINOIS**

Notes to the Required Supplementary Information  
April 30, 2008

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1. Legal Compliance and Accountability

Budgetary Control

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

- i) The Village Administrator submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- ii) Public hearings are conducted by the Village to obtain taxpayer comments.
- iii) Subsequently, the budget is legally enacted through passage of an ordinance.
- iv) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, debt service, and capital projects funds.
- v) Budgets for the governmental funds for which budgets have been adopted are adopted on a basis consistent with GAAP.
- vi) Budgetary authority lapses at year end.
- vii) State law requires that "expenditures be made in conformity with appropriations/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds require Village Board approval. The level of legal control is generally the fund budget in total.
- viii) Budgeted amounts are as originally adopted, with the exceptions of Board-approved transfers which were not material in relation to the budget taken as a whole.
- ix) The Village Administrator is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be communicated to the Village Board.

During the year ended April 30, 2008, there were minor amendments to various expense accounts and the net changes to budgeted expenses were as follows:

	Net Increase (Decrease)
General	\$ 73,065
Waterworks and Sewerage	200
Police Pension Fund	182,254
Firefighters' Pension Fund	38,465
TIF Economic Development Fund	9,000

VILLAGE OF RIVER FOREST, ILLINOIS

Notes to the Required Supplementary Information  
April 30, 2008

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1. Legal Compliance and Accountability (Cont.)

Budgetary Control (Cont.)

The budget was last amended on November 26, 2007.

2. Excess of Actual Expenditures/Expenses over Budget in Individual Funds

Expenditures exceed budget in the following funds for the year ended April 30, 2008:

	<u>Budget</u>	<u>Expenditures</u>	<u>Excess</u>
General Fund	\$ 11,123,315	11,267,049	(143,734)
Alternate Revenue Debt Service Fund	189,485	189,541	(56)

During the fiscal year, the Village incurred unexpected personnel overtime costs due to personnel turnover and 2007 storm expenses.

**COMBINING, INDIVIDUAL FUND, AND CAPITAL ASSET  
FINANCIAL STATEMENTS AND SCHEDULES**

**NONMAJOR GOVERNMENTAL FUNDS --  
COMBINING STATEMENTS**

VILLAGE OF RIVER FOREST, ILLINOIS

Nonmajor Governmental Funds

Combining Balance Sheet

April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Alternate Revenue Debt Service	Capital Equipment Replacement	
<b>Assets</b>				
Cash and Cash Equivalents	\$ 27,542	68,360	519,915	615,817
Investments	130,832		921,776	1,052,608
Receivables				
Taxes	26,046	170,646		196,692
Other			456	456
<b>Total Assets</b>	<b>\$ 184,420</b>	<b>239,006</b>	<b>1,442,147</b>	<b>1,865,573</b>
<b>Liabilities</b>				
Accounts Payable	\$ 51,232			51,232
Deferred Revenue		170,646		170,646
<b>Total Liabilities</b>	<b>51,232</b>	<b>170,646</b>	<b>-</b>	<b>221,878</b>
<b>Fund Balances</b>				
Unreserved - Undesignated	133,188	68,360	1,442,147	1,643,695
<b>Total Liabilities and Fund Balances</b>	<b>\$ 184,420</b>	<b>239,006</b>	<b>1,442,147</b>	<b>1,865,573</b>

VILLAGE OF RIVER FOREST, ILLINOIS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenses, and  
Changes in Fund Balances  
Year Ended April 30, 2008

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
	Motor Fuel Tax	Alternate Revenue Debt Service	Capital Equipment Replacement	
Revenues				
Taxes	\$	170,622		170,622
Intergovernmental	324,823			324,823
Interest	18,638	2,217	64,297	85,152
Total Revenues	343,461	172,839	64,297	580,597
Expenditures				
Current				
Highways and Streets	73,054			73,054
Debt Service				
Principal Retirement		165,000		165,000
Interest		24,541		24,541
Capital Outlay			115,033	115,033
Total Expenditures	73,054	189,541	115,033	377,628
Excess (Deficiency) of Revenues over Expenditures	270,407	(16,702)	(50,736)	202,969
Other Financing Sources (Uses)				
Transfers In			250,805	250,805
Transfers Out	(440,000)			(440,000)
	(440,000)	-	250,805	(189,195)
Net Change in Fund Balances	(169,593)	(16,702)	200,069	13,774
Fund Balances				
Beginning of Year	302,781	85,062	1,242,078	1,629,921
End of Year	\$ 133,188	68,360	1,442,147	1,643,695

**GENERAL FUND**  
**(Major Fund)**

**The General Fund is used to account for resources traditionally associated with general governments which are not required to be accounted for in another fund.**



VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
<b>Revenues</b>				
<b>Taxes</b>				
Property Tax	\$ 4,704,490	4,562,610	(141,880)	4,504,847
Utility Tax	884,800	742,549	(142,251)	678,300
Transfer Tax	134,500	108,057	(26,443)	113,644
Total Taxes	5,723,790	5,413,216	(310,574)	5,296,791
<b>Intergovernmental</b>				
Wireless Tax	50,110	53,652	3,542	47,898
Communication Tax	537,600	507,336	(30,264)	481,690
Sales Tax	852,800	915,419	62,619	785,643
State Income Tax	1,094,768	1,096,207	1,439	1,003,524
Replacement Tax	164,332	162,940	(1,392)	147,821
Contributions and Grants	110,020	124,665	14,645	25,528
E911 Tax	134,400	118,560	(15,840)	122,758
Total Intergovernmental	2,944,030	2,978,779	34,749	2,614,862
<b>Licenses and Permits</b>				
Business Licenses	50,000	49,892	(108)	51,929
Liquor Licenses	16,500	16,216	(284)	16,300
Vehicle Licenses	182,000	180,362	(1,638)	181,178
Construction/Building Permits	302,250	308,469	6,219	588,464
Cable Television Fees	133,850	133,721	(129)	118,451
Pet		2,285	2,285	
Cab		102	102	
Total Licenses and Permits	684,600	691,047	6,447	956,322
<b>Charges for Services</b>				
Garbage Collection Charges	463,500	516,892	53,392	449,460
Parking Lot Fees	113,097	115,778	2,681	111,443
State Highway Maintenance Fees	42,790	44,076	1,286	42,314
Ambulance Charges	194,360	201,782	7,422	185,040
Sidewalk Program	22,000	22,204	204	18,567
Trees and DED Injections	4,200	2,842	(1,358)	3,668
WSCDC Janitorial Service	4,650	4,650		4,495
Workers' Compensation Insurance	55,538	43,428	(12,110)	63,111
Park District Gasoline	10,000	12,291	2,291	7,259
NSF		165	165	
Police Reports		2,680	2,680	
Total Charges for Services	910,135	966,788	56,653	885,357

VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Revenues - Budget and Actual (Cont.)

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
Revenues (Cont.)				
Fines and Forfeits				
Court Fines	102,000	71,151	(30,849)	74,672
Parking Tickets	252,350	101,614	(150,736)	102,220
DUI Fines	2,500	3,274	774	2,138
Total Fines and Forfeits	<u>356,850</u>	<u>176,039</u>	<u>(180,811)</u>	<u>179,030</u>
Interest	<u>84,000</u>	<u>63,736</u>	<u>(20,264)</u>	<u>91,515</u>
Miscellaneous				
Wireless Leases	51,690	51,098	(592)	50,213
Other	388,540	3,961	(384,579)	390,048
Total Miscellaneous	<u>440,230</u>	<u>55,059</u>	<u>(385,171)</u>	<u>440,261</u>
Total Revenues	<u>\$ 11,143,635</u>	<u>10,344,664</u>	<u>(798,971)</u>	<u>10,464,138</u>

VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
General Government				
Administration				
Personal Services				
Salaries - Regular	\$ 299,780	285,138	(14,642)	325,916
Performance Pay	7,175	7,369	194	8,802
Salaries - Part Time	32,710	26,842	(5,868)	23,874
ICMA Retirement Contributions				15,250
FICA	20,930	18,469	(2,461)	20,241
Medicare	4,895	4,546	(349)	5,301
IMRF	21,195	20,303	(892)	22,239
Employee Assistance Program	1,585	1,485	(100)	1,546
Wellness Program	10,320	9,858	(462)	10,082
Health Insurance	25,785	28,703	2,918	25,545
Health Insurance - Retirees		7,584	7,584	
Life Insurance		457	457	
Total Personal Services	424,375	410,754	(13,621)	458,796
Contractual Services				
Communications	13,705	19,464	5,759	13,750
Auditing	26,950	24,660	(2,290)	18,935
Actuarial Services	5,000	2,800	(2,200)	2,800
Payroll Services				17,255
Consulting Services	132,400	28,201	(104,199)	17,353
Data Processing	50,155	48,355	(1,800)	47,854
Vehicle Sticker Program	12,010	8,919	(3,091)	14,831
Health/Inspection Services	49,415	49,332	(83)	45,916
Health Insurance - Retirees	268,110		(268,110)	253,071
Unemployment Claims	3,000		(3,000)	11,978
Bank Fees	4,240	4,621	381	5,038
Liability Insurance	157,100	222,815	65,715	155,513
IRMA Liability Insurance	24,900	37,981	13,081	41,024
Maintenance of Vehicles	200	206	6	151
Maintenance of Office Equipment	4,765	7,046	2,281	6,993
Training	5,000	1,228	(3,772)	11,024
Community Support Services	21,355	22,364	1,009	20,698
Travel and Meeting Expense	7,125	6,259	(866)	6,318
Dues and Subscriptions	21,190	16,351	(4,839)	19,086
Printing	1,500	2,580	1,080	216
Village Newsletter	8,465	9,124	659	8,337

(Cont.)

VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
General Government				
Administration (Cont.)				
Contractual Services (Cont.)				
Medical Examinations	200	473	273	97
Advertising/Legal Notice	2,800	1,650	(1,150)	3,150
Damage Claims		1,899	1,899	
Employee Recognition	7,600	7,233	(367)	8,825
Total Contractual Services	827,185	523,561	(303,624)	730,213
Commodities				
Office Supplies	15,720	19,806	4,086	15,967
Office Equipment	3,100	3,944	844	5,863
Gasoline and Oil	3,075	3,388	313	2,706
Postage	10,230	14,850	4,620	10,770
Total Commodities	32,125	41,988	9,863	35,306
Total Administration	1,283,685	976,303	(307,382)	1,224,315
Emergency 911				
Contractual Services				
Telephone Line Charges	13,000	13,145	145	12,757
User Fees				6,425
Maintenance of Equipment	750		(750)	200
Training	500	395	(105)	395
Travel and Meetings	1,500	976	(524)	1,025
WSCDC Contribution	424,235	438,748	14,513	496,084
Total Emergency 911	439,985	453,264	13,279	516,886
Police and Fire Commission				
Contractual Services				
Secretarial Services	3,000	8,205	5,205	5,141
Legal Services	1,500		(1,500)	
Travel and Meetings	450	95	(355)	
Dues and Subscriptions	375	375		375
Candidate Screening	6,800	12,041	5,241	7,115
Testing	11,000	9,675	(1,325)	22,677
Advertising/Legal Notice	14,100	24,613	10,513	10,036
Total Contractual Services	37,225	55,004	17,779	45,344

(Cont.)

VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
<b>General Government</b>				
Police and Fire Commission (Cont.)				
Commodities				
Office Supplies	100	556	456	98
Postage	200		(200)	200
Total Commodities	300	556	256	298
Total Police and Fire Commission	37,525	55,560	18,035	45,642
<b>Legal Services</b>				
Contractual Services				
Legal Services	54,050	86,652	32,602	32,829
Village Attorney	39,100	39,931	831	30,022
Village Prosecutor	8,000	4,320	(3,680)	6,413
Court Ordered Payments		75,000	75,000	
Total Legal Services	101,150	205,903	104,753	69,264
Total General Government	1,862,345	1,691,030	(171,315)	1,856,107
<b>Public Safety</b>				
Police Department				
Personal Services				
Salaries - Sworn	2,052,005	1,966,342	(85,663)	1,958,870
Salaries - Regular	109,195	109,991	796	95,261
Crossing Guards	77,665	79,978	2,313	73,634
Specialist Pay	15,000	16,665	1,665	16,355
Holiday Pay	89,290	84,785	(4,505)	81,076
Overtime Pay	100,200	146,906	46,706	90,946
Badge Overtime	6,945	1,900	(5,045)	2,295
Educational Incentives	32,200	30,040	(2,160)	32,300
Performance Pay	7,875	7,875		7,554
FICA	11,730	11,648	(82)	10,337
Medicare	29,215	31,396	2,181	29,594
IMRF	7,040	44,164	37,124	8,762
Health Insurance	271,955	262,199	(9,756)	264,224
Health Insurance - Retirees		59,840	59,840	
Life Insurance		941	941	
Contribution to Police Pension	745,985	671,838	(74,147)	689,128
Total Personal Services	3,556,300	3,526,508	(29,792)	3,360,336

(Cont.)

VILLAGE OF RIVER FOREST, ILLINOIS

General Fund

Schedule of Expenditures - Budget and Actual (Cont.)

Year Ended April 30, 2008

With Comparative Totals for the Year Ended April 30, 2007

	Final Budget	Actual	Variance from Final Budget Over (Under)	2007 Actual
<b>Public Safety (Cont.)</b>				
<b>Police Department (Cont.)</b>				
<b>Contractual Services</b>				
Communications	13,000	12,294	(706)	13,228
Administrative Adjudication	16,900	3,456	(13,444)	
Data Processing	10,520	2,221	(8,299)	5,976
Animal Control	2,000	1,223	(777)	4,047
Maintenance of Office Equipment	12,235	15,131	2,896	15,559
Maintenance of Vehicles	38,000	40,442	2,442	30,374
Training	14,180	15,512	1,332	13,599
Tuition Reimbursement	14,990	10,971	(4,019)	5,520
Community Support Services	10,840	9,956	(884)	10,544
Badge Grant Programs	4,715	3,851	(864)	5,879
Travel and Meeting Expense	1,650	682	(968)	1,090
Dues and Subscriptions	5,500	5,355	(145)	4,876
Printing	5,050	4,957	(93)	8,284
Medical Examinations	10,250	13,824	3,574	3,077
Advertising/Legal Notice	500		(500)	1,865
<b>Total Contractual Services</b>	<b>160,330</b>	<b>139,875</b>	<b>(20,455)</b>	<b>123,918</b>
<b>Commodities</b>				
Office Supplies	11,110	11,393	283	5,834
Gas and Oil	51,920	64,619	12,699	52,579
Uniforms - Sworn Personnel	19,975	22,631	2,656	21,037
Uniforms - Other Personnel	800	379	(421)	2,877
Prisoners' Care	1,100	1,718	618	1,390
Operating Supplies	28,405	24,709	(3,696)	55,539
<b>Total Commodities</b>	<b>113,310</b>	<b>125,449</b>	<b>12,139</b>	<b>139,256</b>
<b>Total Police Department</b>	<b>3,829,940</b>	<b>3,791,832</b>	<b>(38,108)</b>	<b>3,623,510</b>
<b>Fire Department</b>				
<b>Personal Services</b>				
Salaries - Sworn	1,652,705	1,665,423	12,718	1,565,123
Specialist Pay	83,315	90,437	7,122	76,841
Holiday Pay	60,905	61,027	122	60,920
Overtime Pay	140,000	193,671	53,671	191,710
Educational Incentives	11,325	11,925	600	11,925
Performance Pay	7,200	7,207	7	6,914

(Cont.)

