

VILLAGE OF RIVER GROVE, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2010

VILLAGE OF RIVER GROVE, ILLINOIS

Year Ended April 30, 2010

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Year Ended April 30, 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of River Grove, Illinois, (Village), as of and for the year ended April 30, 2010 which collectively, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2010, 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, and other required supplementary information as listed in the accompanying table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

In June 2004, the GASB released Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement is effective for fiscal periods beginning after December 15, 2008 for phase three governments (those with total annual revenues of less than \$10 million). The Village has implemented this statement prospectively as of their fiscal year ended April 30, 2010. The statement addresses post employment benefits other than pension and establishes standards for the measurement, recognition, and display of expense, expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local government employers.


Crowe Horwath LLP

Oak Brook, Illinois
February 17, 2011

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

As management of the Village of River Grove ("Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2010. Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements.

Financial Highlights

The assets of the Village exceeded its liabilities at the close of the fiscal year by \$4,320,604 (net assets).

The Village's total net assets decreased by \$959,273 (or 11.7% from fiscal year 2009) during the fiscal year ended April 30, 2010 (FY10). The governmental net assets decreased by \$1,101,798 from FY09 and the business-type activities net assets increased by \$142,525 from FY09.

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$8,956,727, a decrease of \$4,243,238 in comparison with the prior year. Approximately 37.6% of this amount, \$3,368,703, is available for spending at the government's discretion (unreserved fund balance).

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

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

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

Notes to the Financial Statements

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

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
Assets:						
Current assets	\$ 11,499	\$ 16,181	\$ 1,131	\$ 1,956	\$ 12,630	\$ 18,137
Capital assets	9,603	6,497	2,301	1,449	11,904	7,946
Total assets	21,102	22,678	3,432	3,405	24,534	26,083
Liabilities:						
Short-term liabilities	2,430	3,561	59	175	2,489	3,736
Long-term liabilities	17,724	17,067	-	-	17,724	17,067
Total liabilities	20,154	20,628	59	175	20,213	20,803
Net Assets:						
Invested in capital						
assets, net,	9,312	6,055	2,301	1,432	11,613	7,487
Restricted	2,591	2,837	-	-	2,591	2,837
Unrestricted	(10,955)	(6,842)	1,072	1,797	(9,883)	(5,045)
Total Net Assets	\$ 948	\$ 2,050	\$ 3,373	\$ 3,229	\$ 4,321	\$ 5,279

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

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

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

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2010	2009	2010	2009	2010	2009
REVENUES						
Program Revenues:						
Charges for Services	\$ 1,372	\$ 1,550	\$ 1,744	\$ 1,613	\$ 3,116	\$ 3,163
Oper. Grants/Contrib.	2	86	-	-	2	86
Cap. Grants/Contrib.	3,099	2,209	-	282	3,099	2,491
General Revenues:						
Property Taxes	4,113	3,693	-	-	4,113	3,693
Other Taxes	3,827	4,358	-	-	3,827	4,358
Other	235	372	-	14	234	386
Total Revenues	12,648	12,268	1,744	1,909	14,392	14,177
EXPENSES						
General Government	2,506	2,267	-	-	2,506	2,267
Public Safety	4,610	4,339	-	-	4,610	4,339
Public Works	5,931	3,463	-	-	5,931	3,463
Culture and Recreation	108	126	-	-	108	126
Interest Long-Term Debt	594	691	-	-	594	691
Water and Sewer	-	-	1,584	1,726	1,584	1,726
Commuter Parking Lot	-	-	17	298	17	298
Total Expenses	13,749	10,886	1,601	2,024	15,350	12,910
Change in Net Assets	(1,101)	1,382	143	(115)	(958)	1,267
Ending Net Assets	\$ 948	\$ 2,050	\$ 3,373	\$ 3,229	\$ 4,321	\$ 5,279

Governmental Activities Governmental activities decreased the Village's Net Assets by \$1,101 thousand, thereby accounting for the majority of the total decrease in the net assets of the Village. The decrease was due increased revenues of \$380 thousand which was offset by increased expenses of \$2,503 thousand. Specifically, the increase in revenues was caused by a decline of \$111 thousand in taxes and \$178 thousand in charges for services offset by an increase of \$890 thousand in capital grants. The increase in expenses included higher costs for general government and public works due to capital construction projects. The increased expenses exceeded revenues, leading to the overall decrease in Net Assets.

Business-type Activities Business-type activities increased the Village's Net Assets by \$143 thousand. The increase was due a decrease in charges for services that was offset by decreased operational costs. The expenses did not exceed revenues, leading to the overall increase in Net Assets.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$8,956,727, a decrease of \$4,243,238 in comparison with the prior year. Approximately 37.6% of this amount, \$3,368,703, is available for spending at the government's discretion (unreserved fund balance).

The general fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the general fund was a deficit \$671,852 while fund balance reserved for assets held for resale was \$1,937,945 for a total fund balance of \$1,266,093. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and the total fund balance to total fund expenditures. The fund balance of the Village's general fund increased by \$276,634 during the current fiscal year. Total revenue for the fund decreased by \$175,526 due to increases in property tax revenues of \$193,464 and utility tax revenues of \$170,963 which were offset by a decrease in fines of \$195,944, sales taxes of \$89,905, income tax of \$116,695 and grant revenue of \$67,351. Expenses increased in the current year by \$2,203,493, with increases in the Police Department of \$131,090 and capital outlay of \$2,625,012. The Village continues to use funds as efficiently as possible while still delivering to our citizens the services they deserve.

The fund balance of the Village's Motor Fuel Tax Fund increased by \$136,671 during the current fiscal year. This increase is due to Village not engaging in any major projects in FY10 using MFT funds. This increase in fund balance is expected to be used for future projects.

The fund balance of the Village's Tax Increment Financing Fund increased by \$242,738 during the current fiscal year. The increase in fund balance is intended to pay off future debt service payments on the Village's TIF bonds.

The fund balance of the Village's 2006 Capital Projects Fund decreased by \$4,083,699 during the current fiscal year. This was due to the Village transferring bond proceeds to the general fund to fund capital improvement costs during the year. The residual fund balance is intended to fund future capital improvement projects throughout the Village through use of sales taxes.

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

Net assets of the Water and Sewer Fund at the end of the year amounted to \$2,717,013. The Fund had an increase in net assets of \$130,178 mainly due to an increase in collections of water and sewer billings of \$136,898 which was offset by decreased operating costs of \$140,224.

Net assets of the Commuter Parking Lot Fund at the end of the year amounted to \$655,047. The Fund had an increase in net assets of \$12,347 mainly due to increased parking lot collections.

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

GENERAL FUND BUDGETARY HIGHLIGHTS

The Village remains committed to fiscal responsibility. However, sales tax, income tax, licenses, and grant revenues fell short of expectations by \$1,453,920 while property taxes, other revenue and fines increased by \$1,015,316. Expenditures were less than expected by \$622,889 due to less than expected public works and capital outlay expenditures of \$1,048,948. Transfers in of \$4,516,527 were not budgeted. The result was a change in fund balance of \$4,686,187 more than budget. The fund balance provides sufficient reserves to meet expenses and can be used in the future to provide services to the citizens of River Grove.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
Governmental Activities
Change in Capital Assets
(in thousands)

	<u>Balance</u> <u>May 1, 2009</u>	<u>Net Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2010</u>
Non-Depreciable Assets:	\$ 1,290	\$ -	\$ 1,290
Depreciable Capital Assets:	<u>5,207</u>	<u>3,106</u>	<u>8,313</u>
Totals	<u>\$ 6,497</u>	<u>\$ 3,106</u>	<u>\$ 9,603</u>

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

Business-Type Activities
Change in Capital Assets
(in thousands)

	<u>Balance</u> <u>May 1, 2009</u>	<u>Net Additions/</u> <u>Deletions</u>	<u>Balance</u> <u>April 30, 2010</u>
Non-Depreciable Assets	\$ 256	\$ -	\$ 256
Depreciable Assets:	<u>1,193</u>	<u>852</u>	<u>2,045</u>
Totals	<u>\$ 1,449</u>	<u>\$ 852</u>	<u>\$ 2,301</u>

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

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010

Debt Administration

At April 30, 2010, the Village had outstanding debt as follows:

General Obligation Bonds Series 2006	\$ 4,295,000
General Obligation Bonds Series 2008	5,525,000
General Obligation Bonds Series 2009	5,640,000
Deferred Premiums/Discounts	58,119
Installment Notes Payable	291,264
Net Pension Obligation	1,898,745
Net OPEB Obligation	<u>15,816</u>
Total Long-Term Debt	<u>\$ 17,723,944</u>

During fiscal year 2010, \$5,640,000 of new bonds was issued while \$5,895,000 of debt was retired.

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

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

ECONOMIC FACTORS

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

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash and investments	\$ 6,362,344	\$ 733,540	\$ 7,095,884
Property taxes receivable	1,311,985	-	1,311,985
Other governmental receivables	1,166,095	-	1,166,095
Accounts receivable	97,621	397,324	494,945
Assets held for resale	1,937,945	-	1,937,945
Deferred loss on refunding	176,307	-	176,307
Deferred charges	446,230	-	446,230
Non-current			
Capital assets not being depreciated	1,290,383	255,501	1,545,884
Capital assets being depreciated, net	8,313,098	2,045,142	10,358,240
Total assets	21,102,008	3,431,507	24,533,515
Liabilities			
Current			
Accounts payable	34,953	54,660	89,613
Accrued payroll	134,827	4,787	139,614
Accrued interest payable	228,028	-	228,028
Other payables	775,592	-	775,592
Deferred property tax revenue	1,248,786	-	1,248,786
Due to police pension fund	7,334	-	7,334
Current portion - bonds payable	835,000	-	835,000
Current portion - notes payable	132,941	-	132,941
Non-current			
Bonds payable	14,683,119	-	14,683,119
Notes payable	158,323	-	158,323
Net pension obligation	1,898,745	-	1,898,745
Net OPEB obligation	15,816	-	15,816
Total liabilities	20,153,464	59,447	20,212,911
Net assets			
Invested in capital assets, net of related debt	9,312,217	2,300,643	11,612,860
Restricted assets			
Highways and streets	2,524,283	-	2,524,283
Debt service	66,648	-	66,648
Unrestricted	(10,954,604)	1,071,417	(9,883,187)
Total net assets	\$ 948,544	\$ 3,372,060	\$ 4,320,604

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT OF ACTIVITIES

Year Ended April 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government						
Governmental activities						
General government	\$ 2,506,378	\$ 1,760	\$ -	\$ (2,119,930)		\$ (2,119,930)
Public safety	4,610,455	-	-	(3,948,483)		(3,948,483)
Public works	5,930,807	-	3,099,000	(2,594,908)		(2,594,908)
Culture & recreation	107,628	-	-	(19,502)		(19,502)
Interest on long-term debt	594,300	-	-	(594,300)		(594,300)
Total government activities	<u>13,749,568</u>	<u>1,760</u>	<u>3,099,000</u>	<u>(9,277,123)</u>		<u>(9,277,123)</u>
Business-type activities						
Water and sewer	1,584,036	-	-		\$ 131,206	131,206
Commuter parking lot	16,767	-	-		12,347	12,347
Total business-type activities	<u>1,600,803</u>	<u>-</u>	<u>-</u>	<u>(9,277,123)</u>	<u>143,553</u>	<u>143,553</u>
Total primary government	<u>\$ 15,350,371</u>	<u>\$ 1,760</u>	<u>\$ 3,099,000</u>		<u>143,553</u>	<u>(9,133,570)</u>
General revenues						
Taxes						
Property taxes, levied for general purposes				4,112,694	-	4,112,694
Public service taxes				3,827,352	-	3,827,352
Unrestricted investment earnings				46,696	2,866	49,562
Gain on sale of fixed assets				3,812	-	3,812
Miscellaneous revenues				180,877	-	180,877
Transfers				3,894	(3,894)	-
Total general revenues				<u>8,175,325</u>	<u>(1,028)</u>	<u>8,174,297</u>
Change in net assets				(1,101,798)	142,525	(959,273)
Net assets - beginning				<u>2,050,342</u>	<u>3,229,535</u>	<u>5,279,877</u>
Net assets - ending				<u>\$ 948,544</u>	<u>\$ 3,372,060</u>	<u>\$ 4,320,604</u>

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

STATEMENT 3

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2010

	Major Funds					
	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	2006 Capital Projects Fund	Nonmajor Governmental Funds	Total
Assets						
Cash and investments	\$ 12,851	\$ 2,041,904	\$ 1,837,585	\$ 1,559,267	\$ 910,737	\$ 6,362,344
Property taxes receivable	586,151	-	-	-	725,834	1,311,985
Accounts receivable	26,958	-	-	-	70,663	97,621
Other governmental receivables	999,917	22,284	-	143,894	-	1,166,095
Assets held for resale	1,937,945	-	-	-	-	1,937,945
Interfund receivables	-	695,917	-	1,929,277	-	2,625,194
Total assets	\$ 3,563,822	\$ 2,760,105	\$ 1,837,585	\$ 3,632,438	\$ 1,707,234	\$ 13,501,184
Liabilities and fund balances						
Liabilities						
Accounts payable	\$ 34,953	\$ -	\$ -	\$ -	\$ -	\$ 34,953
Accrued payroll	65,417	-	-	-	69,410	134,827
Other payables	306,042	-	-	-	-	306,042
Deferred property tax revenue	571,707	-	-	-	677,079	1,248,786
Other deferred revenue	138,314	-	-	49,007	-	187,321
Due to police pension fund	7,334	-	-	-	-	7,334
Interfund payables	1,173,962	-	-	-	1,451,232	2,625,194
Total liabilities	2,297,729	-	-	49,007	2,197,721	4,544,457
Fund balances						
Unreserved	(671,852)	2,760,105	1,837,585	-	-	3,925,838
Reserved for assets held for resale	1,937,945	-	-	-	-	1,937,945
Reserved for debt service	-	-	-	-	66,648	66,648
Reserved for capital projects	-	-	-	3,583,431	-	3,583,431
Unreserved, reported in nonmajor	-	-	-	-	(552,348)	(552,348)
Special revenue	-	-	-	-	(4,787)	(4,787)
Debt service	-	-	-	-	(490,487)	(490,487)
Total fund balances	1,266,093	2,760,105	1,837,585	3,583,431	(890,987)	8,956,727
Total liabilities and fund balances	\$ 3,563,822	\$ 2,760,105	\$ 1,837,585	\$ 3,632,438	\$ 1,707,234	\$ 13,501,184

See accompanying notes to financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2010

Total fund balances - governmental funds	\$	8,956,727
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Amounts reported for governmental activities in the net assets are different because:

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

Capital assets	13,623,376	
Accumulated depreciation	<u>(4,019,895)</u>	
Net capital assets		9,603,481

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

State and local taxes	187,321
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Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:	(228,028)
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Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.	446,230
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For refunding bond issues, the loss on the refunding is capitalized and amortized over the life of the debt issue in the statement of net assets.	176,307
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Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

Bonds payable	(15,518,119)	
Notes payable	(291,264)	
Insurance deposit payable	(469,550)	
Net pension obligation	(1,898,745)	
Net OPEB obligation	<u>(15,816)</u>	
Total long-term liabilities		<u>(18,193,494)</u>

Net assets of governmental activities	\$	<u>948,544</u>
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VILLAGE OF RIVER GROVE, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2010

	Major Funds					Nonmajor Governmental Funds	Total					
	General Fund	Motor Fuel Tax Fund	Tax Increment Financing Fund	2006 Capital Project Fund								
Revenues	\$	1,680,317	\$	-	\$	760,622	\$	-	\$	1,671,755	\$	4,112,694
Property taxes		996,003		-		-		587,606		-		1,583,609
Sales taxes		822,789		-		-		-		-		822,789
Income taxes		928,341		-		-		-		-		928,341
Utility taxes		155,164		268,373		-		-		123,393		546,930
Other taxes		275,458		-		-		-		-		275,458
Licenses, permits and fees		170,760		-		-		-		-		170,760
Grant revenue		355,411		-		-		-		13,067		368,478
Other revenue		446,803		-		-		-		10,535		457,338
Fines and forfeitures		7,270		1,003		206		35,272		2,945		46,696
Investment income		-		-		-		-		451,288		451,288
Charges for services		-		-		-		-		-		-
Total revenues		5,838,316		269,376		760,828		622,878		2,272,983		9,764,381
Expenditures												
Current												
Administration		553,731		-		-		-		562,069		1,115,800
Police department		2,775,297		-		-		-		183,383		2,958,680
Fire protection		-		-		-		-		515,079		515,079
Public works		991,328		86,878		-		-		603,911		1,682,117
Culture & recreation		48,074		-		-		-		25,625		73,699
Public health		26,974		-		-		-		576,109		603,083
All other departments		1,081,184		-		-		-		-		1,081,184
Debt service												
Principal		37,165		-		-		-		349,668		386,833
Interest and other charges		8,399		-		315,138		232,004		217,771		773,312
Capital outlay		4,563,157		45,827		-		-		16,890		4,625,874
Total expenditures		10,085,309		132,705		315,138		232,004		3,050,505		13,815,661
Excess (deficiency) of revenues over (under) expenditures		(4,246,993)		136,671		445,690		390,874		(777,522)		(4,051,280)
Other financing sources (uses)												
Transfers in		4,516,527		-		-		-		7,380		4,523,907
Transfers out		-		-		-		(4,474,573)		(45,440)		(4,520,013)
Proceeds from issuance of debt		-		-		5,640,000		-		-		5,640,000
Proceeds from sale of fixed assets		7,100		-		-		-		-		7,100
Bond premium		-		-		11,148		-		-		11,148
Payment to refunding escrow		-		-		(5,854,100)		-		-		(5,854,100)
Total other financing sources (uses)		4,523,627		-		(202,952)		(4,474,573)		(38,060)		(191,958)
Net changes in fund balances		276,634		136,671		242,738		(4,083,699)		(815,582)		(4,243,238)
Fund balances at beginning of year		989,459		2,623,434		1,594,847		7,667,130		325,095		13,199,965
Fund balances at end of year	\$	1,266,093	\$	2,760,105	\$	1,837,585	\$	3,583,431	\$	(490,487)	\$	8,956,727

See accompanying notes to financial statements.

VILLAGE OF RIVER GROVE, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended April 30, 2010

Net change in fund balances - total governmental funds \$ (4,243,238)

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

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

Capital outlay	613,181	
Contributed fixed assets	2,930,000	
Depreciation	<u>(434,163)</u>	
Capital outlay in excess of depreciation		3,109,018

The proceeds from the sale of land and equipment are reported as revenues and the purchase of land and equipment are reported as expenditures in the governmental funds. However, the cost of the land and equipment is removed from the capital asset account in the statement of net assets and offset against sale proceeds resulting in gain or (loss) in the statement of activities.

Net effect of sales, trade-ins and disposals of assets (3,288)

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

Principal retirement	386,833	
Bond issuance costs	176,220	
Payment to refunding escrow	5,854,100	
Bond premium	(11,148)	
New issuances	<u>(5,640,000)</u>	
		766,005

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

(54,317)

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

Change in insurance deposit	(289,964)	
Amortization of deferred bond issuance costs, premium and discount	(44,891)	
Change in net pension obligation	(372,990)	
Change in net OPEB obligation	(15,816)	
Change in accrued interest on debt	<u>47,683</u>	
Total expenses of non-current resources		<u>(675,978)</u>

Change in net assets of governmental activities \$ (1,101,798)

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 April 30, 2010

	Major Funds		<u>Total</u>
	<u>Water and Sewer Fund</u>	<u>Commuter Parking Lot Fund</u>	
Assets			
Current assets:			
Cash and investments	\$ 316,578	\$ 416,962	\$ 733,540
Accounts receivable	397,324	-	397,324
Total current assets	<u>713,902</u>	<u>416,962</u>	<u>1,130,864</u>
Noncurrent assets:			
Capital assets, not being depreciated	92,671	162,830	255,501
Capital assets, net of accumulated depreciation	<u>1,969,887</u>	<u>75,255</u>	<u>2,045,142</u>
Total noncurrent assets	<u>2,062,558</u>	<u>238,085</u>	<u>2,300,643</u>
Total assets	<u>2,776,460</u>	<u>655,047</u>	<u>3,431,507</u>
Liabilities			
Current liabilities:			
Accounts payable	54,660	-	54,660
Accrued payroll	<u>4,787</u>	<u>-</u>	<u>4,787</u>
Total current liabilities	<u>59,447</u>	<u>-</u>	<u>59,447</u>
Net assets			
Invested in capital assets, Net of related debt	2,062,558	238,085	2,300,643
Unrestricted	<u>654,455</u>	<u>416,962</u>	<u>1,071,417</u>
Total net assets	<u>\$ 2,717,013</u>	<u>\$ 655,047</u>	<u>\$ 3,372,060</u>

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 Year Ended April 30, 2010

	Major Funds		Total
	Water and Sewer Fund	Commuter Parking Lot Fund	
Operating revenues			
Charges for services	\$ 1,715,242	\$ 29,114	\$ 1,744,356
Total operating revenues	<u>1,715,242</u>	<u>29,114</u>	<u>1,744,356</u>
Operating expenses			
Administration	498,140	7,442	505,582
Water purchases	725,732	-	725,732
Repairs & maintenance	264,510	-	264,510
Depreciation	94,956	9,325	104,281
Total operating expenses	<u>1,583,338</u>	<u>16,767</u>	<u>1,600,105</u>
Operating income (loss)	<u>131,904</u>	<u>12,347</u>	<u>144,251</u>
Non-operating revenues (expenses)			
Investment income	2,866	-	2,866
Interest expense	(698)	-	(698)
Transfers out	(3,894)	-	(3,894)
Total non-operating revenues (expenses)	<u>(1,726)</u>	<u>-</u>	<u>(1,726)</u>
Net income (loss)	130,178	12,347	142,525
Net assets at beginning of year	<u>2,586,835</u>	<u>642,700</u>	<u>3,229,535</u>
Net assets at end of year	<u>\$ 2,717,013</u>	<u>\$ 655,047</u>	<u>\$ 3,372,060</u>

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended April 30, 2010

	<u>Water and Sewer Fund</u>	<u>Community Parking Lot Fund</u>	<u>Total Enterprise Funds</u>
Cash flows from operating activities			
Receipts from customers	\$ 1,657,642	\$ 29,114	\$ 1,686,756
Payments to suppliers	(1,203,849)	(7,458)	(1,211,307)
Payments to employees	(383,995)	-	(383,995)
Net cash provided by operating activities	<u>69,798</u>	<u>21,656</u>	<u>91,454</u>
Cash flows from non-capital and related financing activities			
Transfers out	(3,894)	-	(3,894)
Net cash provided by capital and related financing activities	<u>(3,894)</u>	<u>-</u>	<u>(3,894)</u>
Cash flows from capital and related financing activities			
Principal paid on capital asset acquisition debt	(16,072)	-	(16,072)
Interest paid on capital asset acquisition debt	(1,040)	-	(1,040)
Purchases of capital assets	(956,424)	-	(956,424)
Net cash provided by non- capital and related financing activities	<u>(973,536)</u>	<u>-</u>	<u>(973,536)</u>
Cash flows from investing activities			
Interest	2,866	-	2,866
Net cash provided by investing activities	<u>2,866</u>	<u>-</u>	<u>2,866</u>
Net increase (decrease) in cash and cash equivalents	<u>(904,766)</u>	<u>21,656</u>	<u>(883,110)</u>
Balances - beginning of the year	<u>1,221,344</u>	<u>395,306</u>	<u>1,616,650</u>
Balances - end of year	<u>\$ 316,578</u>	<u>\$ 416,962</u>	<u>\$ 733,540</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 131,904	\$ 12,347	\$ 144,251
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	94,956	9,325	104,281
Change in assets and liabilities:			
Decrease (increase) receivables, net	(57,600)	-	(57,600)
(Decrease) increase accounts payable	(100,575)	(16)	(100,591)
(Decrease) increase accrued payroll	1,113	-	1,113
Net cash provided (used) by operating activities	<u>\$ 69,798</u>	<u>\$ 21,656</u>	<u>\$ 91,454</u>

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Fund
	Police Pension Fund
Assets	
Cash	\$ 692,082
Investments	5,580,871
Due from Village	7,334
Other receivables	23,495
Total assets	<u>6,303,782</u>
Liabilities	<u>-</u>
Net assets	
Held in trust for pension benefits and other purposes	<u>6,303,782</u>
Total net assets	<u>\$ 6,303,782</u>

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Pension Trust Fund
	Police Pension Fund
Additions	
Contributions	
Employer	\$ 403,208
Plan members	164,655
Total contributions	<u>567,863</u>
Net investment earnings	<u>862,749</u>
Total additions	<u>1,430,612</u>
Deductions	
Benefits	827,831
Administrative expenses	16,754
Total deductions	<u>844,585</u>
Change in net assets	586,027
Net assets - beginning of year	<u>5,717,755</u>
Net assets - end of year	<u>\$ 6,303,782</u>

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

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

Measurement Focus and Basis of Accounting:

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

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2010, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. The Village does not anticipate this event to occur in future years. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

The Village reports the following major governmental funds:

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

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

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

Fiduciary Funds

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

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

Governmental Funds

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

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

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The following funds had deficit fund balances at April 30, 2010:

<u>Fund</u>	<u>Amount</u>
Fire Protection	\$ 313,274
Auditing	85,900
Workers' Compensation	23,564
Police Protection	68,242
Public Liability Insurance	53,882
Social Security Tax	94,402
Emergency Service & Disaster	11,934
School Crossing Guards	83,045
Illinois Municipal Retirement	13,106
Streets and Bridges	235,822
Garbage Disposal	220,411
Municipal Ambulance Service	195,825
Bond and Interest	4,787

The Village plans to recover these deficits through planned transfers of cash and future tax revenues.

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

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements. The Village deferred in the government-wide statements the second installment of the 2009 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are anticipated to occur within the next fiscal year. As such, they are classified as a current asset in the General Fund valued at cost. The carrying amount as of April 30, 2010 was \$1,937,945.

Deferred Revenue: Deferred revenue is reported on the governmental fund balance sheet. Deferred revenues arise when potential revenue does not meet both the measurable and available criteria. Deferred revenues also arise when resources are received prior to the government having a legal claim to them. In a subsequent period, when both recognition criteria are met or when the government has a legal claim to the resources, the liability is removed and the revenue recognized.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - CASH AND INVESTMENTS

Cash: The carrying amount of cash, excluding the Pension Trust Fund, was \$4,609,810 at April 30, 2010, while the bank balances were \$5,461,446. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

Certificates of Deposit: Certificates of Deposit, excluding the Pension Trust Fund, amounted to \$100,000 at April 30, 2010. The deposit was collateralized with FDIC. The deposit matures less than ninety days after year end.

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

The following schedule reports the fair values for the Village's investments at April 30, 2010. All investments mature in less than one year:

<u>Investment Type</u>	<u>Fair Value</u>
Illinois Funds – State Treasurer	\$2,386,074

The value of the Illinois Funds equates to the number of shares owned as of April 30, 2010. The Illinois Funds do not mature.

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investments are fully collateralized as of April 30, 2010.

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash – Pension Trust Fund: At April 30, 2010, the Pension Trust Fund's carrying amount of cash was \$692,082 while the bank balances were \$692,082. The FDIC insures bank balances up to \$250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Pension Trust Fund's name by a financial institution acting as the Fund's agent.

Certificates of Deposit – Pension Trust Fund: Certificates of Deposit amounted to \$2,395,000 at April 30, 2010. In accordance with Pension Trust Fund policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the Township's name by financial institutions acting as the Pension Trust Fund's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

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

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Pension Trust Fund's investments at April 30, 2010.

Investment Type	Fair Value	Investment Maturities Greater than Ten Years
U.S. Agencies	\$ 227,197	\$ 227,197
Total	227,197	\$ 227,197
Investments Not Sensitive to Interest Rate Risk:		
Mutual Funds	258,046	
Life Insurance Annuities	2,700,628	
Total Investments	\$ 3,185,871	

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

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

Concentration of Credit Risk. The Pension Trust Fund places no limit on the amount it may invest in any one issuer. More than 5 percent of the Pension Trust Fund's investments are in Pacific Life Annuities, ING USA Annuities, Travelers Insurance Annuities, and Met Life Insurance Annuities. These investments are 6.73%, 20.46%, 7.47% and 13.74%, respectively, of the Pension Trust Fund's total investments.

Reconciliation to Financial Statements:

Cash and investments per financial statements:

Statement of net assets	\$ 7,095,884
Cash and investments	
Statement of fiduciary net assets	
Pension trust fund	
Cash	692,082
Investments	5,580,871
Total	<u>\$ 13,368,837</u>

Cash and investments per footnote:

Cash	\$ 4,609,810
Certificate of deposits	100,000
Investments	2,386,074
Cash – pension trust fund	692,082
Certificate of deposits – pension trust fund	2,395,000
Investments – pension trust fund	3,185,871
Total	<u>\$ 13,368,837</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	<u>Balance at May 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2010</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	<u>\$1,290,383</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,290,383</u>
Capital assets being depreciated:				
Land improvements	185,632	-	-	185,632
Infrastructure	2,723,773	3,543,181	-	6,266,954
Buildings	3,236,583	-	-	3,236,583
Machinery and equipment	<u>2,696,437</u>	<u>-</u>	<u>(52,613)</u>	<u>2,643,824</u>
Subtotal	<u>8,842,425</u>	<u>3,543,181</u>	<u>(52,613)</u>	<u>12,332,993</u>
Less accumulated depreciation:				
Land improvements	(130,692)	(4,315)	-	(135,007)
Infrastructure	(568,598)	(224,768)	-	(793,366)
Buildings	(994,178)	(65,661)	-	(1,059,839)
Machinery and equipment	<u>(1,941,589)</u>	<u>(139,419)</u>	<u>49,325</u>	<u>(2,031,683)</u>
Total accumulated depreciation	<u>(3,635,057)</u>	<u>(434,163)</u>	<u>49,325</u>	<u>(4,019,895)</u>
Total capital assets being depreciated, net	<u>5,207,368</u>	<u>3,109,018</u>	<u>(3,288)</u>	<u>8,313,098</u>
Governmental activities capital assets, net	<u>\$6,497,751</u>	<u>\$3,109,018</u>	<u>\$ (3,288)</u>	<u>\$9,603,481</u>

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

General government	\$ 41,681
Public safety	95,031
Public works	283,942
Culture and recreation	<u>13,509</u>
Total	<u>\$ 434,163</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2009 through April 30, 2010 follows:

	<u>Balance at May 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2010</u>
Business-Type Activities:				
Capital assets not being depreciated:				
Land	<u>\$ 255,501</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 255,501</u>
Capital assets being depreciated:				
Land improvements	189,049	-	-	189,049
Infrastructure	922,417	956,424	-	1,878,841
Buildings	353,110	-	-	353,110
Machinery and equipment	<u>243,225</u>	<u>-</u>	<u>-</u>	<u>243,225</u>
Subtotal	<u>1,707,801</u>	<u>956,424</u>	<u>-</u>	<u>2,664,225</u>
Less accumulated depreciation:				
Land improvements	(108,221)	(9,452)	-	(117,673)
Infrastructure	(23,060)	(70,032)	-	(93,092)
Buildings	(324,428)	(3,374)	-	(327,802)
Machinery and equipment	<u>(59,093)</u>	<u>(21,423)</u>	<u>-</u>	<u>(80,516)</u>
Total accumulated depreciation	<u>(514,802)</u>	<u>(104,281)</u>	<u>-</u>	<u>(619,083)</u>
Total capital assets being depreciated, net	<u>1,192,999</u>	<u>852,143</u>	<u>-</u>	<u>2,045,142</u>
Business-Type Activities capital assets, net	<u>\$1,448,500</u>	<u>\$ 852,143</u>	<u>\$ -</u>	<u>\$2,300,643</u>

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

Water and sewer	\$ 94,956
Commuter parking lot	<u>9,325</u>
Total	<u>\$ 104,281</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 – LONG-TERM DEBT

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

Governmental Activities:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
G.O. Bonds 1999 – TIF	\$ 5,660,000	\$ -	\$5,660,000	\$ -	\$ -
G.O. Bonds 2006A	4,335,000	-	175,000	4,160,000	185,000
G.O. Bonds 2006B	195,000	-	60,000	135,000	65,000
G.O. Bonds 2008	5,525,000	-	-	5,525,000	205,000
G.O. Bonds 2009 – TIF	-	5,640,000	-	5,640,000	380,000
Plus deferred premium	84,317	11,148	4,232	91,233	-
Less deferred discount	(34,793)	-	(1,679)	(33,114)	-
Total G.O. Bonds	15,764,524	5,651,148	5,897,553	15,518,119	835,000
Installment notes payable	443,097	-	151,833	291,264	132,941
Net pension obligation	1,525,755	372,990	-	1,898,745	-
Net OPEB obligation	-	15,816	-	15,816	-
Total	<u>\$17,733,376</u>	<u>\$6,039,954</u>	<u>\$6,049,386</u>	<u>\$ 17,723,944</u>	<u>\$ 967,941</u>

Business-Type Activities:

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
Installment notes payable	\$ 16,072	\$ -	\$ 16,072	\$ -	\$ -
Total	<u>\$ 16,072</u>	<u>\$ -</u>	<u>\$ 16,072</u>	<u>\$ -</u>	<u>\$ -</u>

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 132,941	\$ 15,550	\$ 148,491
2012	139,925	8,566	148,491
2013	15,747	1,209	16,956
2014	2,651	174	2,825
Total	<u>\$ 291,264</u>	<u>\$ 25,499</u>	<u>\$ 316,763</u>

The General Obligation Bonds Series 2006A were issued during fiscal year 2008. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the Bond & Interest Fund. The principal and interest payments to maturity at December 15, 2026 are as follows:

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 – LONG-TERM DEBT (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2011	\$ 185,000	\$ 184,084	\$ 369,084	3.70%
2012	190,000	177,239	367,239	3.75%
2013	195,000	170,114	365,114	3.80%
2014	200,000	162,704	362,704	3.85%
2015	215,000	155,004	370,004	3.88%
2016	220,000	146,673	366,673	3.90%
2017	230,000	138,093	368,093	3.95%
2018	235,000	129,008	364,008	4.00%
2019	250,000	119,608	369,608	4.05%
2020	255,000	109,483	364,483	4.10%
2021	265,000	99,028	364,028	4.10%
2022	275,000	88,163	363,163	4.88%
2023	295,000	74,756	369,756	4.88%
2024	265,000	60,375	325,375	5.25%
2025	280,000	46,463	326,463	5.25%
2026	295,000	31,763	326,763	5.25%
2027	310,000	16,275	326,275	5.25%
Total	<u>\$ 4,160,000</u>	<u>\$ 1,908,833</u>	<u>\$ 6,068,833</u>	

The General Obligation Bonds Series 2006B were issued during fiscal year 2008. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the 2004 Bond Fund. The principal and interest payments to maturity at December 15, 2011 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2011	\$ 65,000	\$ 7,578	\$ 72,578	5.60%
2012	70,000	3,938	73,938	5.63%
Total	<u>\$ 135,000</u>	<u>\$ 11,516</u>	<u>\$ 146,516</u>	

The General Obligation Bonds Series 2008 were issued during fiscal year 2009. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the 2006 Capital Projects Fund. The principal and interest payments to maturity at December 15, 2028 are as follows:

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 - LONG-TERM DEBT (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2011	\$ 205,000	\$ 232,005	\$ 437,005	3.00%
2012	210,000	225,855	435,855	3.15%
2013	215,000	219,240	434,240	3.35%
2014	225,000	212,038	437,038	3.50%
2015	230,000	204,163	434,163	3.65%
2016	240,000	195,767	435,767	3.80%
2017	250,000	186,648	436,648	3.95%
2018	260,000	176,773	436,773	4.00%
2019	270,000	166,373	436,373	4.10%
2020	280,000	155,303	435,303	4.20%
2021	290,000	143,543	433,543	4.25%
2022	305,000	131,218	436,218	4.40%
2023	320,000	117,798	437,798	4.40%
2024	330,000	103,718	433,718	4.45%
2025	345,000	89,033	434,033	4.50%
2026	360,000	73,508	433,508	4.60%
2027	380,000	56,948	436,948	4.70%
2028	395,000	39,088	434,088	4.80%
2029	415,000	20,128	435,128	4.85%
Total	<u>\$ 5,525,000</u>	<u>\$ 2,749,147</u>	<u>\$ 8,274,147</u>	

The General Obligation Bonds Series 2009 were issued during fiscal year 2010. The Village refunded the 1999 Series bonds using the proceeds from the 2009 Series bonds to reduce its total debt service payments over the next 10 years by \$758,365 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$255,552. As a result, the 1999 Bonds are considered defeased and are not a liability of the Village. The balance of the defeased debt as of April 30, 2010 was \$5,380,000. Interest payments are paid in equal semi-annually installments on the fifteenth of June and December. The bonds will be repaid using resources accumulated in the Tax Increment Financing Fund. The principal and interest payments to maturity at December 15, 2019 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2011	\$ 380,000	\$ 167,182	\$ 547,182	1.25%
2012	390,000	162,432	552,432	1.60%
2013	465,000	156,192	621,192	1.85%
2014	480,000	147,590	627,590	3.00%
2015	520,000	133,190	653,190	3.00%
2016	600,000	117,590	717,590	3.15%
2017	620,000	98,690	718,690	3.20%
2018	675,000	78,850	753,850	3.40%
2019	740,000	55,900	795,900	3.60%
2020	770,000	29,260	799,260	3.80%
Total	<u>\$ 5,640,000</u>	<u>\$ 1,146,876</u>	<u>\$ 6,786,876</u>	

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 - LONG-TERM DEBT (Continued)

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2011	\$ 835,000	\$ 590,849	\$ 1,425,849
2012	860,000	569,464	1,429,464
2013	875,000	545,546	1,420,546
2014	905,000	522,332	1,427,332
2015	965,000	492,357	1,457,357
2016-2020	5,895,000	1,904,019	7,799,019
2021-2025	2,970,000	954,095	3,924,095
2026-2029	2,155,000	237,710	2,392,710
Total	<u>\$ 15,460,000</u>	<u>\$ 5,816,372</u>	<u>\$ 21,276,372</u>

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2010, the preliminary equalized assessed valuation of the Village is \$282,970,049 and the legal debt margin is \$24,406,167. The Village is in compliance with this requirement.

NOTE 5 – INTERFUNDS AND TRANSFERS

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

	<u>Due from other funds</u>	<u>Due to other funds</u>
General		
Motor Fuel Tax	\$ -	\$ 695,917
2006 Capital Projects	-	478,045
Total General	-	<u>1,173,962</u>
Motor Fuel Tax		
General	<u>695,917</u>	-
Total Motor Fuel Tax	<u>695,917</u>	-
2006 Capital Projects		
General	478,045	-
Nonmajor Governmental	<u>1,451,232</u>	-
Total 2006 Capital Projects	<u>1,929,277</u>	-

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 5 – INTERFUNDS AND TRANSFERS (Continued)

Nonmajor Governmental		
2006 Capital Projects	\$ _____	\$ 1,451,232
Total Nonmajor Governmental	_____	1,451,232
 Total	 \$ 2,625,194	 \$ 2,625,194

The following transfers were made during the fiscal year between funds within the primary government:

	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 4,516,527	\$ -
2006 Capital Project	-	4,474,573
Nonmajor Governmental	7,380	45,440
Water and Sewer	-	3,894
	<u>\$ 4,523,907</u>	<u>\$ 4,523,907</u>

The non-routine transfer represents a transfer of funds used to pay the Village's bond obligations and capital project costs.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

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

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 9.48% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

For December 31, 2009, the Village's annual pension cost of \$141,912 was equal to the Village's required and actual contributions. Trend Information is listed below:

<u>Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
December 31, 2009	\$ 141,912	100%	\$ -
December 31, 2008	134,608	100%	-
December 31, 2007	142,733	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% 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 between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

For January 2010 through April 2010, the Village's annual pension cost for the Regular plan was \$57,230 while the actual contributions were \$45,049 or 78.7% of the required contributions. See below for a reconciliation of the Village's net pension obligation.

Annual Required Contribution	\$ 57,230
Interest on NPO	-
Annual Pension Cost	57,230
Actual Contribution	45,049
Increase (Decrease) in net pension obligation	12,181
Net pension obligation at April 30, 2009	-
Net pension obligation at April 30, 2010	<u>\$ 12,181</u>

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 72.74 percent funded. The actuarial accrued liability for benefits was \$4,499,672 and the actuarial value of assets was \$3,273,192, resulting in an under funded actuarial accrued liability (UAAL) of \$1,226,480. The covered payroll (annual payroll of active employees covered by the plan) was \$1,496,962 and the ratio of the UAAL to the covered payroll was 82 percent. In conjunction with the December 2009 actuarial valuation the market value of investments was determined using techniques that spread the effect of short-term volatility in the market value of investments over five-year period with a 20% corridor between the actuarial and market value of assets. In 2010, the unfunded actuarial accrued liability is being amortized on level percentage of projected payroll on an open 30 year basis.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Police Pension Plan

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

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

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

At April 30, 2009 (the latest information available), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	16
Current Employees	
Vested and Nonvested	<u>24</u>
	<u>40</u>

Summary of Significant Accounting Policies and Plan Asset Matters:

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

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

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

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

Concentration of Investments: The Police Pension Fund investment in insurance contracts represent 5% or more of the net plan assets.

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

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

Contribution rates:	
Village, Plan Members	23.88%, 9.91%
Annual Pension Cost	750,965
Contributions Made	390,156
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	\$ 717,108
Interest on Net Pension Obligation	106,803
Adjustment to Annual Required Contribution	<u>(72,946)</u>
Annual Pension Cost	750,965
Actual Contributions	<u>390,156</u>
Increase in Net Pension Obligation	360,809
Net Pension Obligation as of April 30, 2007	<u>1,525,755</u>
Net Pension Obligation as of April 30, 2009	<u><u>\$ 1,886,564</u></u>

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

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost</u>	<u>Percent Contributed</u>	<u>Net Pension Obligation</u>
April 30, 2009	\$ 750,965	52.0%	\$ 1,886,564
April 30, 2007	655,441	46.7%	1,525,755
April 30, 2005	386,352	63.8%	1,176,631

Funded Status and Funding Progress: As of April 30, 2009, the actuarial accrued liability for benefits was \$16,097,581. The covered payroll was approximately \$1,634,009 and the ratio of the unfunded actuarial accrued liability to the covered payroll was 635.2%.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
4/30/2009	\$ 5,717,755	\$ 16,097,581	\$ 10,379,826	35.5%	\$ 1,634,009	635.2%
4/30/2007	7,644,742	15,368,981	7,724,239	49.7%	1,670,723	462.3%
4/30/2005	6,700,559	13,391,832	6,691,273	50.0%	1,539,313	434.7%

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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. To mitigate these risks, the Village participates in the Municipal Insurance Cooperative Agency ("MICA"). MICA was established by certain units of local government in Illinois to administer insurance to some or all of the members and to their officers and employees of certain other governmental and quasi-governmental entities. MICA acts solely as an administrative agency to receive, process, and pay such claims as may come within the benefit program of each member. The balance of the reserve totaled \$469,550 as of April 30, 2010 (the latest information available) and is recorded as a liability.

NOTE 8 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay \$6,415,000 in property tax increment bonds issued in June 1999 to finance the refurbishing of the Belmont and Thatcher Avenue Thatcher Woods Shopping Center. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished district. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. Total principal and interest remaining on the bonds is \$6,786,876, payable through December 2019. For the current year, principal and interest paid and total incremental property tax revenues were \$97,523 and \$760,722, respectively.

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Village provides full health care insurance for its eligible retired employees until age 65.

Funding Policy: Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was \$68,315 for 2010.

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2010, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 9 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Annual Required Contribution	\$ 84,131
Interest on OPEB	-
Annual OPEB Cost	84,131
Contributions	68,315
Increase (Decrease) in OPEB	15,816
OPEB at April 30, 2009	-
OPEB at April 31, 2010	<u>\$ 15,816</u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 and the three preceding years were as follows:

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2010	\$ 84,131	81.2%	\$ 15,816
4/30/2009	n/a	n/a	n/a
4/30/2008	n/a	n/a	n/a

April 30, 2010 was the first year an actuarial valuation was performed.

Funded Status and Funding Progress: As of April 30, 2010, the plan was unfunded. The actuarial accrued liability for benefits was \$1,085,760. 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 annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about 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 the 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 the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5% investment rate of return, 5% projected annual salary increases, a 3% inflation rate and an annual healthcare cost trend rate of 8.0% initially, reduced by decrements to an ultimate rate of 6.0%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2010. The UAAL is being amortized as a level dollar percentage of projected payroll on a open basis. The remaining amortization period at April 30, 2010, was 30 years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every two years; above is the information from the most recent valuation as of April 30, 2010.

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2010

NOTE 10 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, Financial Instruments Omnibus. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, to unallocated insurance contracts improve to the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

Management has not determined the impact these statements will have on the financial position and results of operations of the Village.

VILLAGE OF RIVER GROVE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	\$ 850,000	\$ 1,680,317	\$ 830,317
Sales taxes	1,105,000	996,003	(108,997)
Income taxes	925,000	822,789	(102,211)
Utility taxes	900,000	928,341	28,341
Other taxes	159,000	155,164	(3,836)
Licenses, permits and fees	536,930	275,458	(261,472)
Grant revenue	1,152,000	170,760	(981,240)
Other revenue	278,615	355,411	76,796
Fines and forfeitures	338,600	446,803	108,203
Investment income	45,000	7,270	(37,730)
Charges for services	1,000	-	(1,000)
Total revenues	<u>6,291,145</u>	<u>5,838,316</u>	<u>(452,829)</u>
Expenditures			
Current			
Administration	528,146	553,731	(25,585)
Police department	2,255,507	2,775,297	(519,790)
Public works	2,276,683	991,328	1,285,355
Culture & recreation	66,700	48,074	18,626
Public health	28,028	26,974	1,054
All other departments	1,221,384	1,081,184	140,200
Debt service			
Principal	-	37,165	(37,165)
Interest and other charges	5,000	8,399	(3,399)
Capital outlay	4,326,750	4,563,157	(236,407)
Total expenditures	<u>10,708,198</u>	<u>10,085,309</u>	<u>622,889</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(4,417,053)</u>	<u>(4,246,993)</u>	<u>170,060</u>
Other financing sources (uses)			
Transfers in	-	4,516,527	4,516,527
Proceeds from the sale of fixed assets	7,500	7,100	(400)
Total other financing sources (uses)	<u>7,500</u>	<u>4,523,627</u>	<u>4,516,127</u>
Net change in fund balance	<u>\$ (4,409,553)</u>	276,634	<u>\$ 4,686,187</u>
Fund balance at beginning of year		<u>989,459</u>	
Fund balance at end of year		<u>\$ 1,266,093</u>	

VILLAGE OF RIVER GROVE, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 MOTOR FUEL TAX FUND
 Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other taxes	\$ 275,000	\$ 268,373	\$ (6,627)
Investment income	14,000	1,003	(12,997)
Total revenues	<u>289,000</u>	<u>269,376</u>	<u>(19,624)</u>
Expenditures			
Current:			
Public works	125,000	86,878	38,122
Capital outlay	46,000	45,827	173
Total expenditures	<u>171,000</u>	<u>132,705</u>	<u>38,295</u>
Net change in fund balance	<u>\$ 118,000</u>	136,671	<u>\$ 18,671</u>
Fund balance at beginning of year		<u>2,623,434</u>	
Fund balance at end of year		<u>\$ 2,760,105</u>	

VILLAGE OF RIVER GROVE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2010

	(1)	(2)	(3)	(4)	(5)	(6)
Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL) - Entry Age	Unfunded (Overfunded) AAL (2) - (1)	Funded Ratio (1) / (2)	Annual Covered Payroll	Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (4) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND						
12/31/2009	\$ 3,273,192	\$ 4,499,672	\$ 1,226,480	72.7%	\$ 1,496,962	81.9%
12/31/2008	3,096,157	4,371,750	1,275,593	70.8%	1,422,916	89.6%
12/31/2007	3,642,079	3,874,456	232,377	94.0%	1,392,514	16.7%
POLICE PENSION FUND						
4/30/2009	\$ 5,717,755	\$ 16,097,581	\$ 10,379,826	35.5%	\$ 1,634,009	635.2%
4/30/2007	7,644,742	15,368,981	7,724,239	49.7%	1,670,723	462.3%
4/30/2005	6,700,559	13,391,832	6,691,273	50.0%	1,539,313	434.7%
OTHER POST EMPLOYMENT BENEFITS						
4/30/2010	\$ -	\$ 1,085,760	\$ 1,085,760	0.0%	N/A	N/A

VILLAGE OF RIVER GROVE, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2010

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

12/31/2009	\$	141,912	\$	141,912	100%	\$	-
12/31/2008		134,608		134,608	100%		-
12/31/2007		142,733		142,733	100%		-

POLICE PENSION FUND

4/30/2009	\$	390,156	\$	750,965	52%	\$	1,886,564
4/30/2007		306,091		655,441	47%		1,525,755
4/30/2005		246,493		386,352	64%		1,176,631

OTHER POST EMPLOYMENT BENEFITS

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net OPEB Obligation
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4/30/2010	\$	68,315	\$	84,131	81%	\$	15,816
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VILLAGE OF RIVER GROVE, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2010

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

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

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

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

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2010:

<u>Fund</u>	<u>Amount</u>
2004 Bond	\$ 893
Auditing	8,000
Commuter Parking Lot	6,467
Workers' Compensation	281
Public Liability Insurance	2,067
School Crossing Guards	82

VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue Funds		
	Auditing Fund	Public Liability Insurance Fund	Illinois Municipal Retirement Fund
Assets			
Cash and investments	\$ -	\$ -	\$ -
Property taxes receivable	-	9,962	49,809
Accounts receivable	-	-	-
Total assets	\$ -	\$ 9,962	\$ 49,809
Liabilities and fund balances			
Liabilities			
Accrued payroll	\$ -	\$ -	\$ -
Deferred property tax revenue	-	9,716	48,581
Interfund payables	85,900	54,128	14,334
Total liabilities	85,900	63,844	62,915
Fund balances			
Reserved for debt service	-	-	-
Unreserved	(85,900)	(53,882)	(13,106)
Total fund balances	(85,900)	(53,882)	(13,106)
Total liabilities and fund balances	\$ -	\$ 9,962	\$ 49,809

Special Revenue Funds					
<u>Social Security Tax Fund</u>	<u>Unemployment Insurance Fund</u>	<u>Workers' Compensation Fund</u>	<u>Streets and Bridges Fund</u>	<u>Garbage Disposal Fund</u>	<u>Emergency Service & Disaster Fund</u>
\$ -	\$ 6,445	\$ -	\$ -	\$ -	\$ -
82,185	4,981	4,981	-	93,765	-
-	-	-	-	67,816	-
<u>\$ 82,185</u>	<u>\$ 11,426</u>	<u>\$ 4,981</u>	<u>\$ -</u>	<u>\$ 161,581</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 1,345	\$ -	\$ -
80,159	4,858	4,858	-	91,455	-
96,428	-	23,687	234,477	290,537	11,934
<u>176,587</u>	<u>4,858</u>	<u>28,545</u>	<u>235,822</u>	<u>381,992</u>	<u>11,934</u>
-	-	-	-	-	-
(94,402)	6,568	(23,564)	(235,822)	(220,411)	(11,934)
<u>(94,402)</u>	<u>6,568</u>	<u>(23,564)</u>	<u>(235,822)</u>	<u>(220,411)</u>	<u>(11,934)</u>
<u>\$ 82,185</u>	<u>\$ 11,426</u>	<u>\$ 4,981</u>	<u>\$ -</u>	<u>\$ 161,581</u>	<u>\$ -</u>

(Continued)

VILLAGE OF RIVER GROVE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue Funds		
	Emergency Telephone System Fund	Police Protection Fund	Fire Protection Fund
Assets			
Cash and investments	\$ 197,257	\$ -	\$ -
Property taxes receivable	-	60,269	207,703
Accounts receivable	-	-	-
Total assets	<u>\$ 197,257</u>	<u>\$ 60,269</u>	<u>\$ 207,703</u>
Liabilities and fund balances			
Liabilities			
Accrued payroll	\$ -	\$ 5,263	\$ 34,023
Deferred property tax revenue	-	58,784	202,585
Interfund payables	-	64,464	284,369
Total liabilities	<u>-</u>	<u>128,511</u>	<u>520,977</u>
Fund balances			
Reserved for debt service	-	-	-
Unreserved	197,257	(68,242)	(313,274)
Total fund balances	<u>197,257</u>	<u>(68,242)</u>	<u>(313,274)</u>
Total liabilities and fund balances	<u>\$ 197,257</u>	<u>\$ 60,269</u>	<u>\$ 207,703</u>

Special Revenue Funds				Debt Service Funds		Total
School Crossing Guards Fund	Municipal Ambulance Service Fund	Cable Vision Development Fund	Grand Avenue TIF Fund	2004 Bond Fund	Bond and Interest Fund	
\$ -	\$ -	\$ 485,381	\$ 155,006	\$ 66,648	\$ -	\$ 910,737
-	175,327	-	-	-	36,852	725,834
-	-	2,847	-	-	-	70,663
<u>\$ -</u>	<u>\$ 175,327</u>	<u>\$ 488,228</u>	<u>\$ 155,006</u>	<u>\$ 66,648</u>	<u>\$ 36,852</u>	<u>\$ 1,707,234</u>
\$ -	\$ 28,779	\$ -	\$ -	\$ -	\$ -	\$ 69,410
-	171,007	-	-	-	5,076	677,079
83,045	171,366	-	-	-	36,563	1,451,232
<u>83,045</u>	<u>371,152</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>41,639</u>	<u>2,197,721</u>
-	-	-	-	66,648	-	66,648
(83,045)	(195,825)	488,228	155,006	-	(4,787)	(557,135)
<u>(83,045)</u>	<u>(195,825)</u>	<u>488,228</u>	<u>155,006</u>	<u>66,648</u>	<u>(4,787)</u>	<u>(490,487)</u>
<u>\$ -</u>	<u>\$ 175,327</u>	<u>\$ 488,228</u>	<u>\$ 155,006</u>	<u>\$ 66,648</u>	<u>\$ 36,852</u>	<u>\$ 1,707,234</u>

VILLAGE OF RIVER GROVE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2010

	Special Revenue Funds		
	Auditing Fund	Public Liability Insurance Fund	Illinois Municipal Retirement Fund
Revenues			
Property taxes	\$ -	\$ 20,950	\$ 108,511
Other taxes	-	-	-
Other revenue	-	-	-
Fines and forfeitures	-	-	-
Investment income	-	564	274
Charges for services	-	-	-
Total revenues	-	21,514	108,785
Expenditures			
Current			
Administration	43,000	51,201	116,387
Police department	-	-	-
Fire protection	-	-	-
Public works	-	-	-
Culture & recreation	-	-	-
Public health	-	-	-
Debt service			
Principal payments	-	-	-
Interest and other charges	-	-	-
Capital outlay	-	-	-
Total expenditures	43,000	51,201	116,387
Excess (deficiency) of revenues over (under) expenditures	(43,000)	(29,687)	(7,602)
Other financing sources (uses)			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources (uses)	-	-	-
Net changes in fund balances	(43,000)	(29,687)	(7,602)
Fund balances at beginning of year	(42,900)	(24,195)	(5,504)
Fund balances at end of year	\$ (85,900)	\$ (53,882)	\$ (13,106)

Special Revenue Funds					
Social Security Tax Fund	Unemployment Insurance Fund	Workers' Compensation Fund	Streets and Bridges Fund	Garbage Disposal Fund	Emergency Service & Disaster Fund
\$ 172,333	\$ 15,508	\$ 10,476	\$ 13,140	\$ 212,035	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	164,593	-
<u>172,333</u>	<u>15,508</u>	<u>10,476</u>	<u>13,140</u>	<u>376,628</u>	<u>-</u>
209,987	13,339	23,726	-	-	-
-	-	-	-	-	5,950
-	-	-	-	-	-
-	-	-	81,620	522,291	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	25,528	-	-
-	-	-	2,234	-	-
-	-	-	1,486	-	-
<u>209,987</u>	<u>13,339</u>	<u>23,726</u>	<u>110,868</u>	<u>522,291</u>	<u>5,950</u>
<u>(37,654)</u>	<u>2,169</u>	<u>(13,250)</u>	<u>(97,728)</u>	<u>(145,663)</u>	<u>(5,950)</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(37,654)	2,169	(13,250)	(97,728)	(145,663)	(5,950)
<u>(56,748)</u>	<u>4,399</u>	<u>(10,314)</u>	<u>(138,094)</u>	<u>(74,748)</u>	<u>(5,984)</u>
<u>\$ (94,402)</u>	<u>\$ 6,568</u>	<u>\$ (23,564)</u>	<u>\$ (235,822)</u>	<u>\$ (220,411)</u>	<u>\$ (11,934)</u>

VILLAGE OF RIVER GROVE, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2010

	Special Revenue Funds		
	Emergency Telephone System Fund	Police Protection Fund	Fire Protection Fund
Revenues			
Property taxes	\$ -	\$ 126,745	\$ 440,828
Other taxes	123,393	-	-
Other revenue	-	-	12,906
Fines and forfeitures	-	10,535	-
Investment income	197	-	-
Charges for services	-	-	-
Total revenues	<u>123,590</u>	<u>137,280</u>	<u>453,734</u>
Expenditures			
Current			
Administration	100,944	-	-
Police department	-	136,351	-
Fire protection	-	-	515,079
Public works	-	-	-
Culture & recreation	-	-	-
Public health	-	-	-
Debt service			
Principal payments	-	-	30,765
Interest and other charges	-	-	4,890
Capital outlay	-	-	14,414
Total expenditures	<u>100,944</u>	<u>136,351</u>	<u>565,148</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22,646</u>	<u>929</u>	<u>(111,414)</u>
Other financing sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Net changes in fund balances	22,646	929	(111,414)
Fund balances at beginning of year	<u>174,611</u>	<u>(69,171)</u>	<u>(201,860)</u>
Fund balances at end of year	<u>\$ 197,257</u>	<u>\$ (68,242)</u>	<u>\$ (313,274)</u>

Special Revenue Funds				Debt Service Funds		Total
School Crossing Guards Fund	Municipal Ambulance Service Fund	Cable Vision Development Fund	Grand Avenue TIF Fund	2004 Bond Fund	Bond and Interest Fund	
\$ -	\$ 368,715	\$ -	\$ 75,003	\$ -	\$ 107,511	\$ 1,671,755
-	-	-	-	-	-	123,393
-	-	-	-	161	-	13,067
-	-	-	-	-	-	10,535
-	-	223	1,363	272	52	2,945
-	183,190	68,937	-	34,568	-	451,288
-	551,905	69,160	76,366	35,001	107,563	2,272,983
-	-	-	-	3,485	-	562,069
41,082	-	-	-	-	-	183,383
-	-	-	-	-	-	515,079
-	-	-	-	-	-	603,911
-	-	25,625	-	-	-	25,625
-	576,109	-	-	-	-	576,109
-	58,375	-	-	60,000	175,000	349,668
-	9,181	-	-	10,908	190,558	217,771
-	990	-	-	-	-	16,890
41,082	644,655	25,625	-	74,393	365,558	3,050,505
(41,082)	(92,750)	43,535	76,366	(39,392)	(257,995)	(777,522)
-	-	-	-	7,380	-	7,380
-	-	-	(45,440)	-	-	(45,440)
-	-	-	(45,440)	7,380	-	(38,060)
(41,082)	(92,750)	43,535	30,926	(32,012)	(257,995)	(815,582)
(41,963)	(103,075)	444,693	124,080	98,660	253,208	325,095
\$ (83,045)	\$ (195,825)	\$ 488,228	\$ 155,006	\$ 66,648	\$ (4,787)	\$ (490,487)

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

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

We have examined the Village of River Grove, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2010. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2010.


Crowe Horwath LLP

Oak Brook, Illinois
February 17, 2011

