



ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016

**VILLAGE OF RIVERWOODS
RIVERWOODS, ILLINOIS**

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2016**

Village of Riverwoods, Illinois
Annual Financial Report
For the Year Ended December 31, 2016

Table of Contents

Independent Auditor's Report	1 - 2
Management's Discussion and Analysis	3 - 10
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position - Modified Cash Basis	11
Statement of Activities - Modified Cash Basis	12 - 13
Fund Financial Statements:	
Combining Statement of Assets and Liabilities Arising from Cash Transactions - Governmental Funds	14
Reconciliation of the Combining Statement of Assets and Liabilities Arising from Cash Transactions - Governmental Funds to the Statement of Net Position - Modified Cash Basis	15
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Governmental Funds	16
Reconciliation of the Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances of Governmental Funds to the Statement of Activities - Modified Cash Basis	17
Statement of Revenues Collected, Expenses Paid, Other Financing Uses, and Changes in Fund Balance - Budget and Actual - General Fund	18
Enterprise Funds:	
Combining Statement of Net Position - Modified Cash Basis	19
Combining Statement of Revenues Collected, Expenses Paid, and Changes in Net Position - Modified Cash Basis	20
Combining Statement of Cash Flows - Modified Cash Basis	21 - 22
Statement of Fiduciary Assets and Liabilities - Agency Funds	23
Notes to the Financial Statements	24 - 42

(cont'd)

**Village of Riverwoods, Illinois
Annual Financial Report
For the Year Ended December 31, 2016**

Table of Contents (cont'd)

Required Supplementary Information:

Multiyear Schedule of Changes in Net Pension Liability and Related Ratios - Last 10 Calendar Years - Illinois Municipal Retirement Fund	43
Multiyear Schedule of Contributions - Last 10 Calendar Years - Illinois Municipal Retirement Fund	44

Supplemental Data:

General Fund:	
Schedule of Revenues Collected - Budget and Actual	45 - 46
Schedule of Expenditures Paid - Budget and Actual	47 - 51
Village Capital Projects Fund:	
Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance - Budget and Actual	52
Nonmajor Governmental Funds:	
Combining Statement of Assets Arising from Cash Transactions	53 - 56
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balance (Deficit)	57 - 60
Schedule of Revenues Collected, Expenditures Paid, and Changes in Fund Balance (Deficit) - Budget and Actual:	
Special Revenue Funds:	
Motor Fuel Tax Fund	61
Special Service Area 5 - Duffy Roads Fund	62
Special Service Area 7 - Russell's Storm Sewer Fund	63
Special Service Area 19 - Hiawatha Road Projects Fund	64
Special Service Area 22 - Timbers Road Fund	65
Special Service Area 26 - Kenilwood Lane Fund	66
Special Service Area 28 - South Robinwood Lane Fund	67
Special Service Area 29 - Ringland Road Fund	68
Special Service Area 30 - Burr Oak Fund	69
TIF Fund	70
Capital Projects Funds:	
Special Service Area 24 - Thornmeadow Road Fund	71
Special Service Area 25 - East Course Drive Fund	72

(cont'd)

**Village of Riverwoods, Illinois
Annual Financial Report
For the Year Ended December 31, 2016**

Table of Contents (cont'd)

Supplemental Data (cont'd):

Nonmajor Governmental Funds (cont'd):

Schedule of Revenues Collected, Expenditures Paid, and

Changes in Fund Balance - Budget and Actual (cont'd):

Debt Service Funds:

Special Service Area 10 - North Robinwood Sewer Debt Service Fund	73
Special Service Area 24 - Thornmeadow Road Debt Service Fund	74
Special Service Area 25 - East Course Drive Debt Service Fund	75
Special Service Area 26 - Kenilwood Lane Debt Service Fund	76
Special Service Area 27 - Windlake Terrace Debt Service Fund	77

Enterprise Funds:

Schedule of Revenues Collected, Expenditures Paid, and

Changes in Net Position - Budget and Actual:

Consolidated Water Fund	78 - 79
Sewer Fund	80 - 81

Agency Funds:

Schedule of Changes in Assets and Liabilities - Modified Cash Basis	82 - 83
---	---------

Other Supplemental Information:

Schedule of Cash and Investments - Modified Cash Basis	84 - 85
--	---------

Schedule of Insurance in Force	86
--------------------------------	----

Schedules of Annual Debt Service Requirements:

Special Service Area 10 - North Robinwood Sewer Bond	87
Special Service Area 16 - North Robinwood Water Bond	88
Special Service Area 24 - Thornmeadow Road Bond	89
Special Service Area 25 - East Course Drive Bond	90
Special Service Area 26 - Kenilwood Lane Bond	91
Special Service Area 27 - Windlake Terrace Bond	92
Special Service Area 30 - Burr Oak Trail	93

General Fund:

Schedule of Revenues Collected - Trend Information - Last Ten Years	94 - 95
Schedule of Expenditures Paid - Trend Information - Last Ten Years	96 - 99

Police Fund:

Schedule of Revenues Collected - Trend Information - Last Ten Years	100 - 101
Schedule of Expenditures Paid - Trend Information - Last Ten Years	102 - 103

Consolidated Water Fund:

Schedule of Revenues Collected and Expenses Paid and Depreciation - Trend Information - Last Ten Years	104 - 105
---	-----------

Sewer Fund:

Schedule of Revenues Collected and Expenses Paid and Depreciation - Trend Information - Last Ten Years	106 - 107
---	-----------

INDEPENDENT AUDITOR'S REPORT

Selden Fox

Accounting for your future

619 Enterprise Drive | Oak Brook, Illinois 60523 | www.seldenfox.com
p 630.954.1400 | f 630.954.1327 | email@seldenfox.com

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Village of Riverwoods, Illinois

We have audited the accompanying financial statements (modified cash basis) of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the **Village of Riverwoods, Illinois** (Village), as of and for the year ended December 31, 2016, and the statements of revenues collected, expenses paid, other financing uses, and changes in fund balance – budget and actual for the General Fund, and related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village as of December 31, 2016, and the respective changes in financial position – modified cash basis, and where applicable, cash flows, thereof for the year then ended, on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Supplementary Information

The management's discussion and analysis on pages 3 through 10, the Illinois Municipal Retirement Fund's multiyear schedule of changes in net pension liability and related ratios (page 43) and the multiyear schedule of contributions – last 10 calendar years (page 44) are presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is considered to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic modified cash basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The other schedules, listed in the table of contents as Supplemental Data and Other Supplemental Information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental data on pages 45 to 83 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental data is fairly stated in all material respects in relation to the basic financial statements as a whole on the basis of accounting described in Note 1.

The other supplemental information on pages 84 to 107 has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Selden Fox, Ltd.

June 28, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

The Village of Riverwoods (Village) presents this management discussion and analysis (MDA) of the Village's financial activities, for the fiscal year ended December 31, 2016, in accordance with the requirements of the Governmental Accounting Standards Board (GASB). The purpose of the MDA is to serve as an introduction to the modified cash basis government-wide financial statements, fund financial statements and notes to the financial statements and remaining sections of the Village's Annual Financial Report (sometimes referred to herein as "this report").

I. FINANCIAL HIGHLIGHTS

- **Net position.** The total assets of the Village exceeded its liabilities at the close of the most recent year resulting in a net position of \$31,956,095.
- **Fund balance.** At the close of the most recent fiscal year, the Village's governmental funds reported combined ending fund balances of \$12,057,973.
- **Cash and investment balance.** The Village's cash and investment balance at the close of the most recent year was \$14,582,463 against a monthly total expenditure average of \$415,325.
- **Long-term liabilities.** Of the Village's total long-term liabilities owed to third parties at the end of the year, \$2,214,826, the amount of \$172,813 was due within one year. The Village's long-term debt consists of limited obligation special service area bonds and a TIF obligation bond.
- **General fund summary.** The fund balance in the General Fund decreased from \$11,853,836 to \$8,976,708 for the year ended December 31, 2016, due primarily to a transfer of \$4,000,000 to the Capital Projects Fund to offset the cost of the new Village Hall. Of this amount, \$1,020 was restricted, \$1,600,000 was committed for purposes of capital replacements in the Sewer Fund, and the remaining fund balance, \$7,375,688, was unassigned and available to be spent at the Village's discretion.

II. OVERVIEW OF FINANCIAL STATEMENTS

The accounting standards under which this report is presented are designed to provide two perspectives of the Village's financial performance: a focus on the Village as a whole (government-wide) and a focus on the major individual funds (fund financial statements). Both perspectives (government-wide and fund financial statements) provide a broader basis upon which to compare and judge the Village's financial accountability.

Government-Wide Financial Statements

This report includes government-wide financial statements, which are presented in full on pages 11 through 13 of this report. Financial reporting presented here uses the modified cash basis of accounting. These statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The *Statement of Net Position – Modified Cash Basis* presents information about the Village's assets and liabilities, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The *Statement of Activities – Modified Cash Basis* reports how the Village's net position changed during the current fiscal year. All current year revenues and expenses are included when the cash is received or paid.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

An important purpose of the design of the *Statement of Activities – Modified Cash Basis* is to show the financial reliance of the Village's distinct activities or functions on revenues provided by those specific functions.

The government-wide financial statements distinguish governmental activities of the Village that are principally supported by taxes and intergovernmental revenues (such as state-shared revenues) from business-type activities that are intended to recover all or a significant portion of their costs through user fees and charges. Governmental activities include administration and general government, the building department, and the police department. Business-type activities include the water and sewer utilities.

The Village's financial reporting includes only the funds of the Village (primary government). The Village is not accountable for any outside organizations; therefore, no adjustments were made to report financial information from other legally separate entities into this report.

Fund Financial Statements

The Village has three fund types: governmental funds, proprietary (enterprise) funds and fiduciary (agency) funds. Accordingly, this report includes *Governmental Fund Financial Statements*, which are presented on pages 14 through 18 of this report, *Enterprise Fund Financial Statements*, which are presented on pages 19 through 22 of this report, and an *Agency Fund Financial Statement*, which is presented on page 23 of this report. The agency fund is not included in the entity-wide statements since it is not available for general Village uses.

A fund is an accountability unit used to maintain control over resources segregated for specific activities or objectives. The Village uses funds to ensure and demonstrate compliance with finance-related laws and regulations. Within the basic financial statements, fund financial statements focus on the Village's most significant funds rather than the Village as a whole. Major funds are separately reported while all others are combined into a single, aggregated presentation. Individual fund data for nonmajor funds is provided in the form of combining statements in a later section of this report.

The Village's three fund types are further described below.

Governmental funds. Governmental funds reported in the fund financial statements encompass essentially the same functions reported as governmental activities in the government-wide financial statements. However, the governmental fund statements present short-term fiscal accountability by focusing on the use of spendable resources and balances of spendable resources available at the end of the year, on a modified cash basis of accounting. They are useful in evaluating annual financing requirements of governmental programs and the commitment of spendable resources for the near-term. The government-wide financial statements present a long-term view.

Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. Included within the basic financial statements are reconciliations between the government-wide statements and the governmental funds combining statement of assets and liabilities arising from cash transactions and the governmental funds combining statement of revenues collected, expenditures paid, and changes in fund balances which reconcile the differences between these two perspectives.

Budgetary comparison schedules can be found in the basic financial statements and supplemental data sections of this report. These schedules demonstrate compliance with the Village's appropriation.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

Proprietary funds. Proprietary funds reported in the fund financial statements are for those services in which the Village charges customers a fee. In the Village, the only proprietary funds are the enterprise funds. Enterprise funds essentially encompass the same functions reported as business-type activities in the government-wide statements. Enterprise fund services are primarily provided to customers external to the Village organization: these services in the Village consist of the water and sewer utilities. Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements.

Agency funds. Agency funds include the Performance Bond Fund, Escrow Fund and Special Service Area No. 23 Genini Road Fund. These funds are reported in the *Agency Fund Financial Statements*, but are excluded from the government-wide reporting. Resources reported in these funds are not available to fund Village programs.

Notes to the financial statements. The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24 through 42 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain supplementary information, supplemental data and other supplemental information. Supplementary information, supplemental data, and other supplemental information can be found on pages 43 through 107 of this report.

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the Village's net position reflects its investment in capital assets (i.e., land, infrastructure, buildings and improvements, vehicles, and equipment) less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to 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 cannot be used to liquidate these liabilities.

The MDA reports a table summarizing the *Statement of Net Position – Modified Cash Basis*, which is presented in its entirety on page 11 of this report. The Village's total net position as of December 31, 2016, was \$31,956,095, of which \$18,112,561 represents governmental activities net position and \$13,843,534 represents business-type activities net position. The net position of the Village increased during 2016 by approximately 2.3%. Total assets of \$34,193,104 exceeded total liabilities of \$2,237,009 at the end of the year.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

Over a multi-year period, an increase or decrease in net position can detect an improvement or deterioration in the financial position of the Village as a whole. However, one would need to evaluate nonfinancial factors, such as the condition of Village infrastructure, the satisfaction of constituents, and other information beyond the scope of this report to make a more complete assessment of whether the Village as a whole has improved.

SUMMARY STATEMENT OF NET POSITION - MODIFIED CASH BASIS

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current assets	\$12,065,406	\$13,722,531	\$ 3,332,249	\$ 2,896,245	\$15,397,655	\$16,618,776
Noncurrent assets	<u>8,217,558</u>	<u>5,990,634</u>	<u>10,577,891</u>	<u>10,957,020</u>	<u>18,795,449</u>	<u>16,947,654</u>
Total assets	<u>20,282,964</u>	<u>19,713,165</u>	<u>13,910,140</u>	<u>13,853,265</u>	<u>34,193,104</u>	<u>33,566,430</u>
Noncurrent liabilities due within one year	162,257	154,517	10,556	9,931	172,813	164,448
Noncurrent liabilities due in more than one year	2,000,713	2,090,620	41,300	49,706	2,042,013	2,140,326
Other liabilities	<u>7,443</u>	<u>7,035</u>	<u>14,750</u>	<u>14,750</u>	<u>22,183</u>	<u>21,785</u>
Total liabilities	<u>2,170,403</u>	<u>2,252,172</u>	<u>66,606</u>	<u>74,387</u>	<u>2,237,009</u>	<u>2,326,559</u>
Net position:						
Net investment in capital assets	6,857,588	4,548,497	10,526,035	10,897,383	17,383,623	15,445,880
Restricted by enabling legislation	1,300,070	1,803,496	-	-	1,300,070	1,803,496
Unrestricted	<u>9,954,903</u>	<u>11,109,000</u>	<u>3,317,499</u>	<u>2,881,495</u>	<u>13,272,402</u>	<u>13,990,495</u>
Total net position	<u>\$18,112,561</u>	<u>\$17,460,993</u>	<u>\$13,843,534</u>	<u>\$13,778,878</u>	<u>\$31,956,095</u>	<u>\$31,239,871</u>

The MDA reports a table summarizing the *Statement of Activities – Modified Cash Basis*, which is presented in its entirety on pages 12 and 13 of this report. Village revenues collected (excluding transfers) from governmental activities increased from \$3,772,072 in 2015 to \$4,375,379 in 2016, and revenues collected from business-type activities (water and sewer systems) increased from \$1,179,333 to \$1,324,753.

Village expenses paid from governmental activities increased from \$3,347,204 to \$3,723,811, while expenses paid from business-type activities increased from \$1,113,202 to \$1,260,097.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

SUMMARY STATEMENT OF ACTIVITIES MODIFIED CASH BASIS

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenue collected:						
Program revenue:						
Charges for services:						
Police	\$ 128,277	\$ 147,051	\$ -	\$ -	\$ 128,277	\$ 147,051
Administration	703,601	324,945	-	-	703,601	324,945
Water	-	-	885,404	806,856	885,404	806,856
Sewer	-	-	424,666	358,584	424,666	358,584
Operating grants:						
Police	1,779	949	-	-	1,779	949
Public works	92,764	90,443	-	-	92,764	90,443
Total program revenues	<u>926,421</u>	<u>563,388</u>	<u>1,310,070</u>	<u>1,165,440</u>	<u>2,236,491</u>	<u>1,728,828</u>
General revenues collected:						
Property taxes	822,664	813,829	13,573	13,609	836,237	827,438
Intergovernmental	1,017,059	903,328	-	-	1,017,059	903,328
Other local taxes	1,414,519	1,181,359	-	-	1,414,519	1,181,359
Other revenues	146,305	222,102	90	-	146,395	222,102
Interest income	48,411	88,066	1,020	284	49,431	88,350
Transfers	-	(9,928)	-	9,928	-	-
Total general revenues collected	<u>3,448,958</u>	<u>3,198,756</u>	<u>14,683</u>	<u>23,821</u>	<u>3,463,641</u>	<u>3,222,577</u>
Total revenues collected	<u>4,375,379</u>	<u>3,762,144</u>	<u>1,324,753</u>	<u>1,189,261</u>	<u>5,700,132</u>	<u>4,951,405</u>
Expenses paid:						
Administration and general government	1,345,800	1,439,405	-	-	1,345,800	1,439,405
Police	1,546,141	1,488,516	-	-	1,546,141	1,488,516
Public works	775,510	357,097	-	-	775,510	357,097
Interest	56,360	62,186	-	-	56,360	62,186
Consolidated water	-	-	998,932	869,298	998,932	869,298
Sewer	-	-	261,165	243,904	261,165	243,904
Total expenses paid	<u>3,723,811</u>	<u>3,347,204</u>	<u>1,260,097</u>	<u>1,113,202</u>	<u>4,983,908</u>	<u>4,460,406</u>
Increase in net position	<u>651,568</u>	<u>414,940</u>	<u>64,656</u>	<u>76,059</u>	<u>716,224</u>	<u>490,999</u>
Net position, beginning of year	<u>17,460,993</u>	<u>17,046,053</u>	<u>13,778,878</u>	<u>13,702,819</u>	<u>31,239,871</u>	<u>30,748,872</u>
Net position, end of year	<u>\$18,112,561</u>	<u>\$17,460,993</u>	<u>\$13,843,534</u>	<u>\$13,778,878</u>	<u>\$31,956,095</u>	<u>\$31,239,871</u>

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

IV. ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

General Fund. The General Fund is the chief operating fund of the Village and enjoys the most diverse revenue sources of any fund in the Village, including: (i) the local share of state sales tax and state income tax, and the Village's home rule sales tax, (ii) utility and telecommunications taxes, (iii) hotel tax, and (iv) building, liquor and other license and permit fees. In the current year, the Village began reporting the police department activity within the General Fund, whereas in previous years, this activity was reported as a standalone fund. Revenues in the current year in the General Fund were \$3,987,140, which represented an increase of \$611,291 from the combined revenues of the General and Police Funds in the prior year (\$3,375,849). At the close of the most recent fiscal year, the fund balance in the General Fund decreased from \$11,853,836 to \$8,976,708. The Village had budgeted a transfer out of the General Fund to the Capital Projects Fund of \$7,085,000 to help fund construction of a new Village Hall. The actual transfers made in 2016 were \$4,000,000. A portion of the fund balance in the General Fund remains "committed" (see discussion under "Reporting Fund Balances in Governmental Funds under GASB 54").

Special Revenue Funds. The special revenue funds include the Motor Fuel Tax Fund and various special service area funds that collect money for expenditures of a recurring nature for periodic maintenance and repair of streets. The Village received an operating grant from the state of Illinois for deposit in the Motor Fuel Tax Fund of \$92,764. The Village applies the balance in the Motor Fuel Tax Fund to its on-going program of street repair and maintenance. The Village's special revenue funds had no unusual activity.

Debt Service Funds. The debt service funds were maintained to track receipt of special service area taxes and debt service of the corresponding bond issues.

Reporting Fund Balances in Governmental Funds under GASB 54. In 2012, the Village "committed" \$1,800,000 of the fund balance in the General Fund to pay for necessary capital replacements to the Village's sanitary sewer system, if the financial reserves in the Sewer Fund are insufficient for such purposes. The Village took this action to acknowledge that the net position of the Sewer Fund was underfunded by this amount in relation to financial reserves which the Village determined to establish. Under the Village Replacement Reserve Policy adopted December 4, 2012, the Water Fund and Sewer Fund shall each be managed to accumulate financial reserves of \$2 million, as a reserve to pay for the costs (anticipated and unanticipated) of capital repairs and replacements. During 2014, the Village passed a resolution to decrease the committed fund balance to \$1,600,000.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

PROPRIETARY FUNDS. The Village's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. The Consolidated Water Fund and Sewer Fund are the enterprise funds within the Village. In these funds, the nonoperating revenues collected and expenses paid include the special service area property taxes and debt service for various special service area bonds that paid for previous sewer and water system improvements. Over the years, the Village has formed special service areas that installed sewers or water mains throughout previously unserved areas of the Village. Debt service on bonds issued to pay for such projects are retired typically on 10-year amortization schedules. As of the end of 2016, there were three special service areas that for reporting purposes are included in the Consolidated Water Fund or Sewer Fund and continue to have property taxes levied for retirement of bonds.

Consolidated Water Fund. Net position of the Consolidated Water Fund at the end of the year was \$10,513,959, as compared to \$10,612,985 for the prior year. The undesignated amount at the end of the year is \$2,633,486, an increase from \$2,477,668 in 2015. After excluding nonoperating revenues, particularly from special service area taxes, and capital contributions, the Consolidated Water Fund experienced a deficiency of operating revenues collected over operating expenses paid (and depreciation) of \$109,777 at the end of the year, as compared to a deficit of \$58,201 for the prior year. The fund's operating expenses are driven principally by the costs of water purchases under a long-term supply agreement entered into with the Village of Northbrook in 2006 under which the price of water would be held constant until 2015. However, if depreciation is excluded, operating revenues exceeded operating expenses.

Sewer Fund. Net position of the Sewer Fund at the end of the year was \$3,329,575, as compared to \$3,165,893 for the prior year. The amount designated for sewer replacement in the Sewer Fund at the end of the year is \$610,947, as compared to \$403,827 for the prior year. After excluding nonoperating expenses, the Sewer Fund experienced a surplus of operating revenues collected over operating expenses paid (and depreciation) of \$163,501 at the end of the year, as compared to a surplus of \$114,680 in the prior year. The Village has committed a portion of the fund balance in the General Fund to pay for certain capital replacements (see discussion under "Reporting Fund Balances in Governmental Funds under GASB 54"). The Village's sewer system interconnects with Lake County mains. Lake County charges fees to Village residents for transmission and treatment services. Under a long-term intergovernmental agreement with the Village signed in 2008, Lake County also performs routine maintenance of the Village's sewer system, while the Village remains responsible for performing and paying for capital repairs. Under this agreement, residents receive quarterly a single sewer bill from Lake County. Lake County deducts a portion of the user charges to pay for Lake County's charges and then remits the balance to the Village. The Village's share of user fees is recorded in a replacement account in the Sewer Fund to pay for future capital replacements.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The budget numbers as reported for the General Fund in summary form on page 18 and in further detail on pages 45-51 of this report are taken from the Village's appropriations ordinance, which is designed to provide ample spending authority for contingent events, which often do not occur. The General Fund is the only fund with significant cash, cash equivalents, and investments and is *de facto* the source of funds for nonrecurring repairs or capital expenses (except to the extent of borrowed funds) which might be incurred, among other purposes, for repair and replacements of the Village's water system, sanitary sewer system, streets and culverts, and for covering annual deficiencies projected to result from the operation of the police department or other funds. The fund balance in the General Fund decreased from \$11,853,836 to \$8,976,708 at the end of 2016. Other than the amount "committed" as described above, the remaining fund balance in the General Fund, \$7,375,688, was unassigned and available to be spent at the Village's discretion.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2016**

VI. DESCRIPTION OF SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Village issued \$70,000 in bonds in 2016 to finance the costs of improvements in the SSA #30, to be repaid by residents of that special service area. The Village previously financed certain special service area projects by issuing special service area bonds in 2014, amounting in total to \$60,000 (see Note V.A. in the Notes to the Financial Statements). These bonds are payable solely out of special service area taxes.

Please see Notes IV. and V. of this report for information concerning the Village's capital assets and long-term debt. The Village's long-term capital needs include repairs and replacements of its water system, sanitary sewer system, streets, bike paths and related drainage, public buildings, and maintenance of its woodlands.

The Village formed a tax increment finance district in 2013 and adopted tax increment allocation financing. Under the ordinances establishing the TIF, the Village may issue obligations repayable from the incremental property tax revenues received from taxable property in the TIF project area. In 2015, the Village authorized an advance from the General Fund to the TIF Fund in the amount of \$803,000 for the purchase of a piece of property in the Village. The advance will be paid back by future increment or sale of the property for development.

VII. FACTORS WHICH MAY HAVE A SIGNIFICANT EFFECT ON FINANCIAL POSITION

The Village's population was 3,660 per the official 2010 census. The median price of homes sold in Riverwoods in 2016 was \$700,000. The Village is primarily a residential community. Its financial health stems from the beauty of the area and its attractive properties. The Village has funded the increasing cost of police services almost entirely through non-property tax revenues, but some of these revenue sources could be reduced due to fiscal challenges facing the State of Illinois. Operating expenses to pay for Village expenses (other than police services) have been maintained at stable levels. The Village has opportunities and challenges stemming from development pressures affecting the Milwaukee Avenue corridor, issues confronting the retail shopping properties in the Village, and the potential improvement of the Deerfield Road corridor in the Village. The Village intends to invest necessary resources in planning and implementation strategies to safeguard the character of the Village.

In 2016, the Village Board undertook the construction of a new Village Hall. As planned, the Village utilized available cash and investments on hand to cover the costs of this project (which is slated for final completion in June 2017). The estimated cost of this project including hard and soft costs, the building, furniture, fixtures and equipment, and exterior site work is approximately \$5 million.

The Village has been reviewing capital needs and intends to periodically review and update its reserve fund policy for setting goals to increase the current assets and liquidity of the Consolidated Water Fund and Sewer Fund. In conjunction with such policy, the Village Board may elect to take formal action that would cause the fund balance within the General Fund to be reported as assigned or committed for various capital needs. The Village intends for the current assets in the Consolidated Water Fund and Sewer Fund to be maintained at a level that will permit each fund to be self-sustaining without continually exerting pressure on the General Fund to absorb the costs for water and sewer system repairs.

VIII. CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Village's citizens, taxpayers, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Mayor, 300 Portwine Road, Riverwoods, Illinois 60015, or call 847-945-3990.

BASIC FINANCIAL STATEMENTS

Village of Riverwoods, Illinois
Statement of Net Position - Modified Cash Basis
December 31, 2016

Assets	Governmental Activities	Business-type Activities	Total
Current assets:			
Cash and cash equivalents	\$ 3,158,391	\$ 3,332,249	\$ 6,490,640
Investments	7,288,823	-	7,288,823
Investment in municipal (TIF Fund) bonds	803,000	-	803,000
Land held for resale	795,742	-	795,742
Other receivables	19,450	-	19,450
Total current assets	12,065,406	3,332,249	15,397,655
Noncurrent assets:			
Capital assets, not being depreciated:			
Land	3,061,072	-	3,061,072
Construction in process	2,763,743	-	2,763,743
Capital assets, net of accumulated depreciation	2,392,743	10,577,891	12,970,634
Total noncurrent assets	8,217,558	10,577,891	18,795,449
Total assets	20,282,964	13,910,140	34,193,104
Liabilities			
Payroll withholding payable	7,433	-	7,433
Other current liabilities	-	14,750	14,750
Noncurrent liabilities:			
Due within one year	162,257	10,556	172,813
Due in more than one year	1,197,713	41,300	1,239,013
TIF Fund bonds	803,000	-	803,000
Total liabilities	2,170,403	66,606	2,237,009
Net Position			
Net investment in capital assets	6,857,588	10,526,035	17,383,623
Restricted for enabling legislation	1,300,070	-	1,300,070
Unrestricted	9,954,903	3,317,499	13,272,402
Total net position	\$ 18,112,561	\$ 13,843,534	\$ 31,956,095

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2016

Functions/Programs	Expenses Paid	Program Revenues Collected		Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants	Governmental Activities	Business-type Activities	
Governmental activities:						
Administrative and general government	\$ 1,345,800	\$ 703,601	\$ -	\$ (642,199)	\$ -	\$ (642,199)
Police	1,546,141	128,277	1,779	(1,416,085)	-	(1,416,085)
Public works	775,510	-	92,764	(682,746)	-	(682,746)
Interest	56,360	-	-	(56,360)	-	(56,360)
Total governmental activities	3,723,811	831,878	94,543	(2,797,390)	-	(2,797,390)
Business-type activities:						
Consolidated water	998,932	885,404	-	-	(113,528)	(113,528)
Sewer	261,165	424,666	-	-	163,501	163,501
Total business-type activities	1,260,097	1,310,070	-	-	49,973	49,973
Total	\$ 4,983,908	\$ 2,141,948	\$ 94,543	(2,797,390)	49,973	(2,747,417)
General revenues collected:						
Property and road and bridge taxes				822,664	13,573	836,237
Intergovernmental				1,017,059	-	1,017,059
Other local taxes				1,414,519	-	1,414,519
Other revenues				146,305	90	146,395
Interest income				48,411	1,020	49,431
Total general revenues collected				3,448,958	14,683	3,463,641
Changes in net position				651,568	64,656	716,224
Net position:						
Beginning of year				17,460,993	13,778,878	31,239,871
End of year				\$ 18,112,561	\$ 13,843,534	\$ 31,956,095

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Assets and Liabilities
Arising from Cash Transactions - Governmental Funds
December 31, 2016

	General Fund	Village Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 686,725	\$ 1,782,215	\$ 689,451	\$ 3,158,391
Investments	7,288,823	-	-	7,288,823
Due from other fund	205,593	-	-	205,593
Investment in municipal (TIF Fund) bonds	803,000	-	-	803,000
Land held for resale	-	-	795,742	795,742
Other receivables	-	-	19,450	19,450
Total assets	\$ 8,984,141	\$ 1,782,215	\$ 1,504,643	\$ 12,270,999
Liabilities and Fund Balances				
Liabilities:				
Payroll withholding payable	\$ 7,433	\$ -	\$ -	\$ 7,433
Due to other fund	-	-	205,593	205,593
	7,433	-	205,593	213,026
Fund balances:				
Restricted	1,020	-	1,299,050	1,300,070
Committed	1,600,000	-	-	1,600,000
Assigned	-	1,782,215	-	1,782,215
Unassigned	7,375,688	-	-	7,375,688
Total fund balances	8,976,708	1,782,215	1,299,050	12,057,973
Total liabilities and fund balances	\$ 8,984,141	\$ 1,782,215	\$ 1,504,643	\$ 12,270,999

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Reconciliation of Combining Statement of Assets and Liabilities
Arising from Cash Transactions - Governmental Funds
to the Statement of Net Position - Modified Cash Basis
December 31, 2016

Total fund balance - governmental funds (page 14)	\$ 12,057,973
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	8,217,558
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(1,359,970)
TIF Fund bonds	(803,000)
Net position of governmental activities (page 11)	\$ 18,112,561

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Revenues Collected, Expenditures Paid,
and Changes in Fund Balances - Governmental Funds
For the Year Ended December 31, 2016

	General Fund	Village Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues collected:				
Property taxes:				
Police	\$ 494,639	\$ -	\$ -	\$ 494,639
Special service areas	-	-	295,003	295,003
Other local taxes	1,414,519	-	-	1,414,519
Township road and bridge taxes	33,022	-	-	33,022
Other intergovernmental taxes	1,017,059	-	92,764	1,109,823
Licenses and permits	580,601	-	-	580,601
Fines and forfeits	128,277	-	-	128,277
Special use taxes	123,000	-	-	123,000
Grants and donations	1,779	-	-	1,779
Interest income	47,939	-	472	48,411
Other	146,305	-	-	146,305
Total revenues collected	<u>3,987,140</u>	<u>-</u>	<u>388,239</u>	<u>4,375,379</u>
Expenditures paid:				
Current:				
Administration	946,511	282,112	128,274	1,356,897
Police	1,511,313	-	-	1,511,313
Building	147,183	-	-	147,183
Public works	139,571	-	625,884	765,455
Capital outlay	119,690	1,993,837	-	2,113,527
Debt service:				
Principal	-	-	152,167	152,167
Interest	-	-	56,360	56,360
Total expenditures paid	<u>2,864,268</u>	<u>2,275,949</u>	<u>962,685</u>	<u>6,102,902</u>
Excess (deficiency) of revenues collected over (under) expenditures paid	<u>1,122,872</u>	<u>(2,275,949)</u>	<u>(574,446)</u>	<u>(1,727,523)</u>
Other financing sources (uses):				
Bond proceeds	-	-	70,000	70,000
Transfers in	-	4,000,000	-	4,000,000
Transfers out	(4,000,000)	-	-	(4,000,000)
Total other financing sources (uses)	<u>(4,000,000)</u>	<u>4,000,000</u>	<u>70,000</u>	<u>70,000</u>
Net changes in fund balances	(2,877,128)	1,724,051	(504,446)	(1,657,523)
Fund balance, beginning of year	11,853,836	58,164	1,803,496	13,715,496
Fund balance, end of year	<u>\$ 8,976,708</u>	<u>\$ 1,782,215</u>	<u>\$ 1,299,050</u>	<u>\$ 12,057,973</u>

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Reconciliation of the Combining Statement of Revenues Collected,
Expenditures Paid, and Changes in Fund Balances of Governmental Funds
to the Statement of Activities - Modified Cash Basis
For the Year Ended December 31, 2016

Net changes in fund balances - total governmental funds (page 16)	\$ (1,657,523)
Amounts reported for governmental activities in the statement activities are different because:	
Governmental funds report capital outlays as expenditures, however, they are capitalized and depreciated in the statement of activities.	2,356,094
Depreciation on capital assets is reported as an expense in the statement of activities.	(129,170)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position.	
Bonds issued	(70,000)
Bond principal paid	<u>152,167</u>
Change in net position of governmental activities (page 13)	<u>\$ 651,568</u>

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenses Paid, Other Financing Uses,
and Changes in Fund Balance - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes - police	\$ 496,000	\$ 494,639	\$ (1,361)
Township road and bridge tax	33,000	33,022	22
Other intergovernmental taxes	827,000	1,017,059	190,059
Other local taxes	1,120,500	1,414,519	294,019
License and permits	254,950	580,601	325,651
Fines and forfeits	176,675	128,277	(48,398)
Special use fees	48,000	123,000	75,000
Grants and donations	2,000	1,779	(221)
Investment income	125,000	47,939	(77,061)
Other	146,875	146,305	(570)
Total revenues collected	3,230,000	3,987,140	757,140
Expenditures paid:			
Current:			
Administration	1,147,707	946,511	201,196
Police	1,963,451	1,511,313	452,138
Building	198,327	147,183	51,144
Public works	170,359	139,571	30,788
Capital outlay	2,642,563	119,690	2,522,873
Total expenditures paid	6,122,407	2,864,268	3,258,139
Excess (deficiency) of revenues collected over (under) expenditures paid	(2,892,407)	1,122,872	4,015,279
Other financing uses - transfers out	(7,085,000)	(4,000,000)	3,085,000
Net changes in fund balance	\$ (9,977,407)	(2,877,128)	\$ 7,100,279
Fund balance:			
Beginning of year		11,853,836	
End of year		\$ 8,976,708	

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Net Position - Modified Cash Basis
Enterprise Funds
December 31, 2016

	Consolidated Water Fund	Sewer Fund	Totals
Assets			
Current assets:			
Cash and cash equivalents	\$ 2,648,236	\$ 684,013	\$ 3,332,249
Noncurrent assets:			
Capital assets	12,699,755	5,845,995	18,545,750
Accumulated depreciation	(4,767,426)	(3,200,433)	(7,967,859)
Total noncurrent assets	7,932,329	2,645,562	10,577,891
Total assets	10,580,565	3,329,575	13,910,140
Liabilities			
Current liabilities:			
Other current liabilities	14,750	-	14,750
Noncurrent liabilities:			
Due within one year	10,556	-	10,556
Due in more than one year	41,300	-	41,300
Total liabilities	66,606	-	66,606
Net Position			
Net investment in capital assets	7,880,473	2,645,562	10,526,035
Unrestricted:			
Designated for sewer replacement	-	610,947	610,947
Undesignated	2,633,486	73,066	2,706,552
Total net position	\$ 10,513,959	\$ 3,329,575	\$ 13,843,534

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Revenues Collected, Expenses Paid,
and Changes in Net Position - Modified Cash Basis
Enterprise Funds
For the Year Ended December 31, 2016

	Consolidated Water Fund	Sewer Fund	Totals
Operating revenues collected:			
Charges for sales and services	\$ 885,404	\$ 424,666	\$ 1,310,070
Operating expenses paid:			
Personnel	20,756	10,739	31,495
Contractual	613,694	132,634	746,328
Commodities	91,070	-	91,070
Other expenses - miscellaneous	56	1,288	1,344
Total operating expenses paid	725,576	144,661	870,237
Depreciation	269,605	116,504	386,109
Total operating expenses and depreciation	995,181	261,165	1,256,346
Excess (deficiency) of operating revenues collected over (under) operating expenses paid and depreciation	(109,777)	163,501	53,724
Nonoperating revenues collected (expenses paid):			
Property taxes	13,573	-	13,573
Interest income	839	181	1,020
Miscellaneous Income	90	-	90
Debt service - interest	(3,751)	-	(3,751)
Total nonoperating revenues collected	10,751	181	10,932
Changes in net position	(99,026)	163,682	64,656
Net position, beginning of year	10,612,985	3,165,893	13,778,878
Net position, end of year	\$ 10,513,959	\$ 3,329,575	\$ 13,843,534

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Cash Flows - Modified Cash Basis
Enterprise Funds
For the Year Ended December 31, 2016

	Consolidated Water Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Cash received from customers and users	\$ 885,404	\$ 424,666	\$ 1,310,070
Cash payments for goods and services	(704,820)	(133,922)	(838,742)
Cash payments to employees	(20,756)	(10,739)	(31,495)
Net cash provided by (used in) operating activities	159,828	280,005	439,833
Cash flows in noncapital financing activities:			
Property tax revenues collected	13,573	-	13,573
Miscellaneous income	90	-	90
Net cash provided by noncapital financing activities	13,663	-	13,663
Cash flows in capital and related financing activities:			
Principal payments	(7,781)	-	(7,781)
Interest payments	(3,751)	-	(3,751)
Net cash used in capital and related financing activities	(11,532)	-	(11,532)
Cash flows in investing activities:			
Interest on cash and cash equivalents	839	181	1,020
Purchase of capital assets	(6,980)	-	(6,980)
Net cash provided by (used in) investing activities	(6,141)	181	(5,960)
Net increase in cash and cash equivalents	155,818	280,186	436,004
Cash and cash equivalents, beginning of year	2,492,418	403,827	2,896,245
Cash and cash equivalents, end of year	\$ 2,648,236	\$ 684,013	\$ 3,332,249

(cont'd)

Village of Riverwoods, Illinois
Combining Statement of Cash Flows - Modified Cash Basis (cont'd)
Enterprise Funds
For the Year Ended December 31, 2016

	Consolidated Water Fund	Sewer Fund	Totals
Reconciliation of excess (deficiency) of operating revenues collected over (under) expenses paid and depreciation in net cash provided by (used in) operating activities:			
Excess (deficiency) of operating revenues collected over (under) expenses paid and depreciation	\$ (109,777)	\$ 163,501	\$ 53,724
Adjustments to reconcile excess (deficiency) of operating revenues collected over expenses paid and depreciation to net cash provided by operating activities:			
Depreciation	269,605	116,504	386,109
Net cash provided by operating activities	\$ 159,828	\$ 280,005	\$ 439,833

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2016

Assets

Cash and cash equivalents	\$ 373,536
Due from developers - escrow bonds	<u>73,330</u>
Total assets	<u>\$ 446,866</u>

Liabilities

Due to developers:	
Performance bonds	\$ 314,113
Escrow bonds	126,181
Due to Road Association	<u>6,572</u>
Total liabilities	<u>\$ 446,866</u>

See accompanying notes and independent auditor's report.

Village of Riverwoods, Illinois Notes to the Financial Statements

I. Summary of Significant Accounting Policies

The financial statements of the Village of Riverwoods, Illinois (Village), have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting not in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to government units. The modified cash basis of accounting is a method that is acceptable under Illinois state statutes. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

A. The Reporting Entity

The Village was incorporated on December 14, 1959. The decision to include a potential component unit in the reporting entity is made based upon the significance of its operational or financial relationships with the primary government. No entities met the requirements to be reported as a component unit.

B. Government-wide and Fund Financial Statements

The Village uses funds to track its transactions and to report in its modified cash basis financial statements. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

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

Governmental funds are used to account for most of the Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the payment of bond principal and interest (debt service funds), and the acquisition or construction of capital assets (capital projects funds). The General Fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of income is necessary or useful to sound financial administration. Enterprise (proprietary) funds provide goods or services from such activities to outside parties.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. Agency funds are used to account for assets that the Village holds on behalf of others, as their agent.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

I. **Summary of Significant Accounting Policies (cont'd)**

C. **Measurement Focus, Basis of Accounting**

The government-wide financial statements are prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than GAAP. The modified cash basis of accounting omits recognition of certain revenues and the related assets, such as taxes receivable, until received, rather than when earned. Also, certain expenditures/expenses and the related liabilities, such as accounts payable and accrued items, are recognized when paid, rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, and expenditures/expenses paid.

The Village reports the following major governmental funds:

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

Village Capital Projects Fund – This fund accounts for the acquisition or construction of major capital assets.

The Village reports the following major enterprise (proprietary) funds:

Consolidated Water Fund – The Consolidated Water Fund accounts for the provision of water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and billing and collection.

Sewer Fund – The Sewer Fund accounts for the provision of sewerage services to the residents of the Village and operation of the sewer infrastructure. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing, and billing and collection.

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

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

C. Measurement Focus, Basis of Accounting (cont'd)

Enterprise (proprietary) funds distinguish operating revenues collected and expenses paid from nonoperating items. Operating revenues collected and expenses paid generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Consolidated Water and the Sewer enterprise funds are charges to customers for sales and services. The Village also recognizes as operating revenue collected the portion of tap-on fees intended to recover the cost of connecting new customers to the system. Operating expenses paid for enterprise funds include the cost of sales, services, and administrative expenses. All revenues collected and expenses paid not meeting this definition (except depreciation on capital assets) are reported as nonoperating revenues collected and expenses paid.

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Appropriations

The Village appropriates on the modified cash basis of accounting. The appropriations ordinance, which is the legal authority to spend, was passed on March 15, 2016, and was not amended during the year. All appropriations lapse at the fiscal year end.

E. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits in interest-bearing and noninterest bearing checking accounts, money market accounts, and certificates of deposits with original maturities of three months or less from the date of acquisition.

F. Investments

Investments consist of U.S. government agency securities, U.S. Treasury notes, municipal bonds, and certificates of deposit with maturities greater than three months at the time of purchase. All investments are stated at cost.

G. Other Receivables

Other receivables consist of an overpayment by the Village to a vendor in 2016. The overpayment is expected to be refunded in 2017 to the Village.

H. Capital Assets

Capital assets, which include property, plant and equipment, and infrastructure assets (e.g., roads, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

G. Capital Assets (cont'd)

statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Capital assets are recorded at cost or estimated historical cost if purchased or constructed.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

The following estimated useful lives are used to compute depreciation:

Buildings and improvements	50 years
Office equipment	5 – 10 years
Infrastructure	20 – 50 years
Vehicles	5 years
Water/sewer systems *	10 – 50 years

* Including pumping stations and reservoirs, water tower, water mains, water meters and sewers.

H. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond premiums and discounts. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures paid.

I. Fund Balance

In the fund financial statements, governmental funds report five components of fund balance: Nonspendable, restricted, committed, assigned and unassigned. When an outlay can be funded by both restricted and unrestricted resources, it is the Village's policy to utilize restricted resources, followed by committed, assigned, and unassigned.

1. *Nonspendable* – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The nonspendable in form criteria includes items that are not expected to be converted to cash such as inventories.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

I. Summary of Significant Accounting Policies (cont'd)

I. Fund Balance (cont'd)

2. *Restricted* – refers to amounts that are subject to outside restrictions such as creditors, grantors, contributors, laws and regulations of other governments, or imposed by law through enabling legislation. Special revenue funds are by definition restricted for those specified purposes.
3. *Committed* – refers to amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Village's highest level of decision making authority (the Board of Trustees). The Board of Trustees commits fund balances by passing a resolution. Amounts committed cannot be used for any purpose unless the Village removes or changes the specific use by taking the same type of formal action it employed to previously commit those funds. The Village established a fund balance commitment of \$1,600,000 in the General Fund for the purpose of paying for necessary capital replacements to the Village's sanitary sewer system.
4. *Assigned* – refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by the Board of Trustees or the individual the Board of Trustees delegates the authority to assign amounts to be used for specific purposes. The Board of Trustees has not delegated this authority to an individual.
5. *Unassigned* – refers to all spendable amounts not contained in the other four classifications described above. In funds other than the General Fund, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

J. Property Taxes

Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance, which was passed on December 15, 2015). Tax bills are payable in two installments, on or about June 1 and September 1 of the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when collected. The 2015 levy is reported in these statements.

K. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues collected and expenditures paid during the reporting period. Actual results could differ from those estimates.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

II. Appropriations

All departments of the Village submit budget requests to the Mayor so that an appropriation ordinance may be prepared. The appropriation ordinance is prepared by fund and includes requested appropriations for the next fiscal year.

The proposed appropriation ordinance is presented to the Board of Trustees for review. The Board of Trustees hold public hearings and may add to, subtract from, or change appropriations, but may not change the form of the appropriations ordinance. The appropriation ordinance was approved by the Board of Trustees on March 15, 2016.

The Mayor is authorized to transfer appropriated amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Trustees.

The appropriations may be amended by the Board of Trustees. During the year, there were no supplemental appropriations.

Expenditures may not legally exceed appropriations at the fund level. Expenditures exceeded appropriations in the Motor Fuel Tax Fund, Special Service Area 24 Thornmeadow Road (Capital Projects and Debt Service) Fund, Special Service Area 25 – East Course Drive Debt Service Fund, Special Service Area 26 Kenilwood Lane Debt Service Fund, and Special Service Area 27 Windlake Terrace Debt Service Fund. In all cases, the excess was funded by existing fund balance.

The following funds had no appropriation for 2016:

- Special Service Area (SSA) 19 – Hiawatha Road Projects Debt Service Fund
- Special Service Area (SSA) 27 – Windlake Terrace Fund

The debt related to SSA 19 has been repaid, and there is no ongoing maintenance requirement in SSA 27. No appropriation was needed in either fund.

III. Deposits and Investments

The Village maintains a cash pool that is available for use by all funds. Each fund's portion of this pool is included in cash and cash equivalents on the governmental funds combining statement of assets and liabilities arising from cash transactions, the enterprise funds' combining statement of net position arising from cash transactions, or the statement of changes in assets and liabilities. In addition, deposits are separately held by several of the Village's funds.

The Village's investment policy is in line with state statutes. The investments that the Village may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits, or any other investments constituting direct obligations of any bank

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

III. Deposits and Investments (cont'd)

as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any country, township, city, village, incorporated town, municipal corporation, or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; (8) money market mutual funds and certain other instruments.

At December 31, 2016, the Village's deposits and investments consisted of the following:

	Government- wide	Agency Fund	Total
Cash and cash equivalents	\$ 6,490,640	\$ 373,536	\$ 6,864,176
Investments	7,288,823	-	7,288,823
	\$ 13,779,463	\$ 373,536	\$ 14,152,999

For disclosure purposes, the grand total above is segregated into four components: (1) cash on hand; (2) deposits with financial institutions, which include amounts held in demand accounts, savings accounts, and nonnegotiable certificates of deposit; (3) the Illinois Funds; and (4) other investments, which consist of all investments other than certificates of deposit, as follows:

Cash on hand	\$	300
Deposits with financial institutions		6,809,016
The Illinois Funds		54,860
Certificates of deposit		3,278,574
Other investments		4,010,249
	\$	14,152,999

At December 31, 2016, the Village's other investments consisted of the following:

Investment Type	Cost Basis	Maturity (In Years)		
		Less than 1	1 - 3	3 - 5
U.S. Treasury note	\$ 1,417,649	\$ 228,160	\$ 892,647	\$ 296,842
Federal Farm Credit Bank	107,429	-	107,429	-
Federal Home Loan Mortgage Corp.	778,723	228,723	550,000	-
Federal Home Loan Bank	228,723	228,723	-	-
Federal National Mortgage Association	241,986	-	241,986	-
Municipal bonds	1,235,739	301,086	934,653	-
	\$ 4,010,249	\$ 986,692	\$ 2,726,715	\$ 296,842

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

III. Deposits and Investments (cont'd)

A. Interest Rate Risk

The Village's investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increased interest rates. The objective is to maintain a core portfolio with short maturities.

B. Credit Risk

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security, while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds. The primary objectives of the policy are, in order of priority, safety of principal, liquidity, and rate of return.

The Illinois Funds are not registered with the Securities and Exchange Commission (SEC). The Illinois Funds are sponsored by the Illinois State Treasurer in accordance with state law. The fair value of the position in The Illinois Funds is the same as the value of The Illinois Funds shares.

C. Custodial Credit Risk

In the case of deposits, this is the risk that, in the event of a bank failure, the Village's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village's investment policy states that the investments in excess of Federal Deposit Insurance Corporation (FDIC) limits must be secured by some form of collateral, witnessed by a written agreement, and held at an independent, third-party institution in the name of the Village, and securities held by a third-party custodian designated by the Treasurer and evidenced by safekeeping receipts. The bank balances of the Village deposits with financial institutions were exposed to custodial credit risk of approximately \$1,200,000, as this balance, which is located at one financial institution, was not fully insured or collateralized as of December 31, 2016.

D. Concentration of Credit Risk

It is the policy of the Village to diversify its investment portfolio. Investments shall be diversified to eliminate the risk of loss resulting in an overconcentration in a security, maturity, issuer, or class of securities.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IV. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 3,061,072	\$ -	\$ -	\$ 3,061,072
Construction in progress	499,539	2,264,204	-	2,763,743
Total capital assets not being depreciated	<u>3,560,611</u>	<u>2,264,204</u>	<u>-</u>	<u>5,824,815</u>
Capital assets being depreciated:				
Buildings and improvements	2,112,291	-	-	2,112,291
Office equipment	221,876	37,235	-	259,111
Infrastructure	684,216	-	-	684,216
Vehicles and equipment	325,139	54,655	22,512	357,282
	<u>3,343,522</u>	<u>91,890</u>	<u>22,512</u>	<u>3,412,900</u>
Less accumulated depreciation for:				
Building and improvements	397,180	43,853	-	441,033
Office equipment	186,171	19,741	-	205,912
Infrastructure	107,168	19,128	-	126,296
Vehicles and equipment	222,980	46,448	22,512	246,916
Total accumulated depreciation	<u>913,499</u>	<u>129,170</u>	<u>22,512</u>	<u>1,020,157</u>
Total capital assets being depreciated, net	<u>2,430,023</u>	<u>(37,280)</u>	<u>-</u>	<u>2,392,743</u>
Governmental activities, capital assets, net	<u>\$ 5,990,634</u>	<u>\$ 2,226,924</u>	<u>\$ -</u>	<u>\$ 8,217,558</u>

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IV. Capital Assets (cont'd)

	Beginning Balance	Additions	Retirements	Ending Balance
Business-type Activities				
Capital assets being depreciated:				
Pumping stations and reservoirs	\$ 2,866,149	\$ -	\$ -	\$ 2,866,149
Water tower	50,000	-	-	50,000
Water meters	208,797	6,980	-	215,777
Water mains	9,567,829	-	-	9,567,829
Sewers	5,845,995	-	-	5,845,995
	<u>18,538,770</u>	<u>6,980</u>	<u>-</u>	<u>18,545,750</u>
Total capital assets being depreciated				
Less accumulated depreciation for:				
Pumping stations and reservoirs	1,245,405	57,323	-	1,302,728
Water tower	11,000	1,000	-	12,000
Water meters	102,012	22,276	-	124,288
Water mains	3,139,404	189,006	-	3,328,410
Sewers	3,083,929	116,504	-	3,200,433
	<u>7,581,750</u>	<u>386,109</u>	<u>-</u>	<u>7,967,859</u>
Total accumulated depreciation				
Business-type activities, capital assets, net	<u>\$ 10,957,020</u>	<u>\$ (379,129)</u>	<u>\$ -</u>	<u>\$ 10,577,891</u>

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

Governmental activities:	
Administration and general	\$ 29,632
Police	89,483
Public works	10,055
Total depreciation expense, governmental activities	\$ 129,170
Business-type activities:	
Consolidated water	\$ 269,605
Sewer	116,504
Total depreciation expense, business-type activities	\$ 386,109

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

V. Long-term Debt

A. Changes in Long-term Liabilities

During the year, the following changes occurred in long-term liabilities reported in the governmental funds:

	January 1, 2016	Additions	Retirements	December 31, 2016	Due Within One Year
Special Service Area Bonds:					
North Robinwood Sewer Special Service Area No. 10. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	\$ 65,802	\$ -	\$ 8,507	\$ 57,295	\$ 11,541
Village of Riverwoods Special Service Area No. 24. Issued May 7, 2013. Due Sept. 1, 2023, interest at 2.22%.	511,808	-	59,169	452,639	60,482
Village of Riverwoods Special Service Area No. 25. Issued September 20, 2013. Due March 1, 2024, interest at 4.90%.	233,507	-	22,805	210,702	23,922
Village of Riverwoods Special Service Area No. 26. Issued September 20, 2013. Due March 1, 2024, interest at 4.90%.	578,380	-	56,486	521,894	59,253
Village of Riverwoods Special Service Area No. 27. Issued February 27, 2014. Due March 1, 2024, interest at 4.60%.	52,640	-	5,200	47,440	5,440
Village of Riverwoods Special Service Area No. 30. Issued April 22, 2016. Due February 1, 2027, interest at 2.75%.	-	70,000	-	70,000	1,619
	<u>\$ 1,442,137</u>	<u>\$ 70,000</u>	<u>\$ 152,167</u>	<u>\$ 1,359,970</u>	<u>\$ 162,257</u>

The Village issued an \$803,000 Tax Increment Allocation Revenue Note, Series 2015, dated December 16, 2015, and maturing on December 15, 2035, between the General Fund and the Tax Increment Financing District. Interest is payable annually at a rate of 4%. The note is payable from incremental tax revenues generated by the Tax Increment Financing District, which are first used to reimburse the Village for any administrative or defense costs, and next any redevelopment costs, then interest expense, with any remaining increments used to pay down principal.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

V. Long-term Debt (cont'd)

A. Changes in Long-term Liabilities (cont'd)

During the year, the following changes occurred in long-term liabilities reported in business-type funds:

	January 1, 2016	Additions	Retirements	December 31, 2016	Due Within One Year
North Robinwood Water Special Service Area No. 16. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	\$ 59,637	\$ -	\$ 7,781	\$ 51,856	\$ 10,556

B. Annual Debt Service Requirements to Maturity

Annual Principal and Interest Requirements:

Years Ending December 31,	Special Service Area Bonds		
	Governmental	Business-type	Total
2017	\$ 215,042	\$ 13,817	\$ 228,859
2018	219,134	13,818	232,952
2019	219,071	13,818	232,889
2020	223,921	19,296	243,217
2021	203,796	-	203,796
2022-2027	498,797	-	498,797
	1,579,761	60,749	1,640,510
Less interest	219,791	8,893	228,684
	\$ 1,359,970	\$ 51,856	\$ 1,411,826

VI. Prior Period Restatement

A prior period restatement was made to correct revenues and expenses recorded in error in the prior year to the SSA 19 Hiawatha Road Debt Service Fund that should have been recorded in the SSA 19 Hiawatha Project (Special Revenue) Fund.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

VII. Interfund Receivables, Payables and Transfers

The General Fund has advanced the TIF Fund \$205,593 at December 31, 2016, which is expected to be repaid from future tax increments.

	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund:		
Capital Projects Fund	\$ -	\$ 4,000,000
Capital Projects Fund:		
General	4,000,000	-
Elimination of transfers to/from funds of the same type	(4,000,000)	(4,000,000)
Total	\$ -	\$ -

VIII. Joint Ventures

A. Solid Waste Agency of Lake County (SWALCO)

The Village is a member of the Solid Waste Agency of Lake County (the "Agency") which consists of 43 municipalities. The Agency is a municipal corporation and public body politic, established pursuant to the Illinois Intergovernmental Cooperation Act. The Agency is empowered under the Acts to plan, construct, finance, operate and maintain a solid waste disposal system to serve its members.

The percentage share of the Village, based on formulas contained in the Agency agreement as of December 31, 2016, is 0.94%. This percentage share is subject to change in future years based on the number of households.

The members form a contiguous geographic service area which is located in Lake County. Under the Agency agreement, additional members may join the Agency upon the approval of each member.

The Agency is governed by a Board of Directors which consists of one appointed mayor, president, trustee, or chief administrative officer from each member municipality. Each Director has an equal vote. The Board of Directors determines the policies of the Agency, makes all appropriations, approves contracts, adopts resolutions providing for the issuance of bonds or notes by the Agency, adopts by-laws, rules, and regulations, and exercises such powers and performs such duties as may be prescribed in the Agency agreement or the by-laws.

Complete financial statements are available from the Solid Waste Agency of Lake County, 1311 N. Estes Street, Gurnee, Illinois 60031.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

VIII. Joint Ventures (cont'd)

B. Northeastern Illinois Regional Crime Laboratory (NIRCL)

The Village is a member of the Northeastern Illinois Regional Crime Laboratory (the "Laboratory"). Each of the 43 members of the Laboratory are assessed annual fees based on their population, and assessments are due in May of each year. The Laboratory is organized as a tax-exempt organization qualifying under Internal Revenue Code Section 501(c)(3). The Village contributed \$7,879 to the Laboratory during 2016.

Complete financial statements are available from the Northeastern Illinois Regional Crime Laboratory, 1000 Butterfield Road, Suite 1009, Vernon Hills, Illinois 60061.

C. Northern Suburban Special Recreation Association (NSSRA)

The Village, along with twelve other governments, has entered into a joint agreement to provide cooperative recreational programs and other activities for handicapped and impaired individuals. Each partner agency provides funding based on a two-part formula that includes that partner's relative share of the aggregate equalized valuation and that partner's relative share of the aggregate gross population. The Village contributed \$41,115 to NSSRA during the current fiscal year.

The Village does not have a direct financial interest in NSSRA; its investment therein is not reported within the financial statements. Upon dissolution of NSSRA, the assets, if any, shall be divided among the members in accordance with an equitable formula as determined by a unanimous vote of the Board of Directors of NSSRA.

Complete financial statements of the Association can be obtained from the NSSRA's administrative offices at 3105 MacArthur Boulevard, Northbrook, Illinois 60062.

IX. Illinois Municipal Requirement Fund

General Information About the Pension Plan

Plan Description – The Village's defined benefit pension plan, the Illinois Municipal Retirement Fund ("IMRF") provides pensions for all full-time employees of the Village. IMRF is an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. The benefits, benefit levels, employee contributions, and employer contributions are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information (RSI). That report may be obtained on-line at www.imrf.org.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IX. Illinois Municipal Requirement Fund (cont'd)

General Information About the Pension Plan (cont'd)

At December 31, 2016, the IMRF Plan membership consisted of:

Retirees and beneficiaries	8
Inactive, non-retired members	7
Active members	<u>11</u>
Total	<u>26</u>

Benefits Provided – IMRF provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011, who retire at or after age 60 with 8 years of service, are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of their final rate of earnings (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2 percent of each year thereafter. Employees with at least 8 years of service may retire at or after age 55 and receive a reduced benefit. For participating members hired on or after January 1, 2011, who retire at or after age 67 with 10 years of service, are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3 percent of their final rate of earnings (average of the highest 96 consecutive months' earnings during the last 10 years), for each year of credited service, with a maximum salary cap of \$111,572 at January 1, 2015. The maximum salary cap increases each year thereafter. The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits.

Contributions – Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2016 was 11.02 percent. The Village's contribution to the Plan totaled \$107,938 in 2016 which was equal to its annual required contribution.

Net Pension Liability

The Village's financial statements are presented on the modified cash basis, and do not include the net pension liability as computed under Governmental Accounting Standard Board Statement 68 (GASB 68). The Village's net pension liability, determined in accordance with GASB 68, was measured as of December 31, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IX. Illinois Municipal Requirement Fund (cont'd)

General Information About the Pension Plan (cont'd)

Net Pension Liability (cont'd)

Actuarial Valuation and Assumptions – The actuarial assumptions used in the December 31, 2015, valuation were based on an actuarial experience study for the period January 1, 2011 – December 31, 2013, using the entry age normal actuarial cost method. The total pension liability in the December 31, 2015, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75% to 14.50%
Investment rate of return	7.44%
Post-retirement benefit increase:	
Tier 1	3.0%-simple
Tier 2	lesser of 3.0%-simple or ½ increase in CPI

The actuarial value of IMRF assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2016, was 28 years.

Mortality Rates – For non-disabled lives, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF projection experience. For disabled retirees, an IMRF specific mortality table was used with fully generational scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that was applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Long-term Expected Rate of Return – The long-term expected rate of return is the expected return to be earned over the entire trust portfolio based on the asset allocation of the portfolio, using best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) developed for each major asset class. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IX. Illinois Municipal Requirement Fund (cont'd)

Net Pension Liability (cont'd)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equities	38%	6.85%
International equities	17%	6.75%
Fixed income	27%	3.00%
Real estate	8%	5.75%
Alternatives:	9%	
Private equity		7.35%
Hedge funds		5.25%
Commodities		2.65%
Cash equivalents	1%	2.25%

Discount Rate – The discount rate used to measure the total pension liability was 7.44%. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees for a 60 year period. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments up until this crossover date, when the municipal bond rate of 3.57% was substituted, to determine the total pension liability.

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at 12/31/15	\$ 2,914,122	\$ 2,513,519	\$ 400,603
Changes for the year:			
Service cost	116,333	-	116,333
Interest	217,846	-	217,846
Differences between expected and actual experience	53,594	-	53,594
Changes in assumptions	7,031	-	7,031
Contributions – employer	-	117,485	(117,485)
Contributions – employee	-	43,801	(43,801)
Net investment income	-	12,710	(12,710)
Benefit payments, including refunds of employee contributions	(104,207)	(104,207)	-
Other changes	-	(17,479)	17,479
Net changes	290,597	52,310	238,287
Balances at 12/31/16	\$ 3,204,719	\$ 2,565,829	\$ 638,890

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

IX. Illinois Municipal Requirement Fund (cont'd)

Discount Rate Sensitivity – The following presents the net pension liability of the Village, calculated using the discount rate of 7.44%, as well as what the Village’s net pension liability would be if it were calculated using a discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (6.44%)	Current Discount Rate (7.44%)	1% Increase (8.44%)
Net pension (asset) liability	\$ 1,018,690	\$ 638,890	\$ 318,891

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued IMRF financial report.

Pension Expense – For the year ended December 31, 2016, the Village would have recognized, if reporting in accordance with GASB 68, pension expense of \$172,592.

X. Risk Management

The Village is exposed to various risks related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; and natural disasters. For all claims, settlement amounts have not exceeded insurance in the current or three prior years.

The Village is a member of the Illinois Municipal League Risk Management Association (IMLRMA), a joint risk management pool through which property, general liability, automobile liability, crime, boiler and machinery, public officials' and workers' compensation coverage is provided in excess of specified limits for the members, acting as a single insurable unit. The difference between the coverage limit and the self-insured retention represented the amount payable by the Association's reinsurance.

XI. Tax Abatement Agreements

The Village entered into an intergovernmental agreement with the Village of Deerfield whereby the Village of Deerfield agreed to deannex and permit the Village of Riverwoods to annex certain property (“subject property”) for which a plan for redevelopment of a restaurant has been submitted to the Village of Riverwoods. Under terms of the agreement, the Village of Riverwoods will pay the Village of Deerfield fifty percent of the property taxes levied and collected on the subject property commencing with the 2017 property taxes levied in 2018, and fifty percent of the sales tax revenue collected from the restaurant or any other business located on the subject property for a ten-year period commencing with the first day of the first full month after the restaurant opens for business. The agreement with the Village of Deerfield terminates on January 31, 2029. The Village has not yet been required to make any payments under this agreement.

Village of Riverwoods, Illinois
Notes to the Financial Statements (cont'd)

XI. Tax Abatement Agreements (cont'd)

The Village entered into an agreement on June 19, 2015, with a developer to construct a business within a Village redevelopment project area as defined by the Tax Increment Allocation Redevelopment Act ("Act"). The developer is eligible to share in the incremental property taxes as defined in the Act, generated by the developed property within the redevelopment project area, to the extent these incremental property taxes exceed certain thresholds established in the agreement, up to and including calendar year 2026. Total shared revenues cannot exceed \$300,000 over the life of the agreement. The Village has not yet been required to make any payments under this agreement.

XII. Contingencies

A. Grants

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

B. Litigation

The Village is not involved in any significant litigation that would materially affect the balances reported at December 31, 2016. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

XIII. Subsequent Events

Management has evaluated subsequent events through June 28, 2017, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**Village of Riverwoods, Illinois
Illinois Municipal Retirement Fund
Supplementary Information
Multiyear Schedule of Changes in Net Pension Liability and Related Ratios
Last Ten Calendar Years**

	<u>2016</u>	<u>2015</u>
Total Pension Liability:		
Service cost	\$ 116,333	\$ 117,907
Interest on the total pension liability	217,846	203,983
Benefit changes	-	-
Difference between expected and actual experience	53,594	(158,795)
Assumption changes	7,031	141,342
Benefit payments and refunds	<u>(104,207)</u>	<u>(116,816)</u>
Net changes in total pension liability	290,597	187,621
Total pension liability - beginning	<u>2,914,122</u>	<u>2,726,501</u>
Total pension liability - ending	<u>\$ 3,204,719</u>	<u>\$ 2,914,122</u>
Plan Fiduciary Net Position:		
Employer contributions	\$ 117,485	\$ 108,444
Employee contributions	43,801	43,728
Pension plan net investment income	12,710	144,290
Benefit payments and refunds	(104,207)	(116,816)
Other	<u>(17,479)</u>	<u>(13,857)</u>
Net changes in plan fiduciary net position	52,310	165,789
Plan fiduciary net position - beginning	<u>2,513,519</u>	<u>2,347,730</u>
Plan fiduciary net position - ending	<u>\$ 2,565,829</u>	<u>\$ 2,513,519</u>
Net pension liability	<u>\$ 638,890</u>	<u>\$ 400,603</u>
Plan fiduciary net position as a percentage of total pension liability	<u>80.06%</u>	<u>86.25%</u>
Covered valuation payroll	<u>\$ 973,360</u>	<u>\$ 971,724</u>
Net pension liability as a percentage of covered valuation payroll	<u>65.64%</u>	<u>41.23%</u>

Note - The Village adopted GASB 68 in the prior year and will build ten-year history prospectively.

See independent auditor's report.

**Village of Riverwoods, Illinois
 Illinois Municipal Retirement Fund
 Supplementary Information -
 Multiyear Schedule of Contributions - Last 10 Calendar Years
 December 31, 2016**

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2016	\$ 107,938	\$ 107,938	\$ -	\$ 979,474	11.02 %
2015	117,485	117,485	-	973,360	12.07 %
2014	109,495	108,444	1,051	971,724	11.16 %

Notes to Required Supplementary Information:

The information presented was determined as part of the actuarial valuations performed as of January 1 of the prior fiscal year. Additional information as of the latest actuarial information presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed, and the amortization period was 28 years; the asset valuation method was at five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.5% annually, projected salary increases assumption of 4.0% compounded annually and postemployment benefit increases of 3.0% compounded annually.

See independent auditor's report.

SUPPLEMENTAL DATA

Village of Riverwoods, Illinois
Schedule of Revenues Collected - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes - police	\$ 496,000	\$ 494,639	(1,361)
Township road and bridge tax	33,000	33,022	22
Other intergovernmental taxes:			
Personal property replacement taxes	2,000	2,011	11
Illinois municipal sales tax	400,000	562,415	162,415
Local use tax	75,000	93,425	18,425
State income taxes	350,000	359,208	9,208
Total other intergovernmental taxes	827,000	1,017,059	190,059
Local taxes:			
Village of Riverwoods sales tax 1/2%	190,500	321,183	130,683
Utility taxes:			
Electric	260,000	276,851	16,851
Gas	125,000	92,237	(32,763)
Simplified telecommunications tax	425,000	595,337	170,337
Hotel tax	120,000	128,911	8,911
Total local taxes	1,120,500	1,414,519	294,019
Licenses and permits:			
Liquor licenses	8,500	22,500	14,000
Cable television franchise fees	74,000	94,744	20,744
Telephone franchise fees	15,000	13,029	(1,971)
Building permits - construction fees	112,000	315,003	203,003
Special inspection - site development and inspection fees	3,000	4,338	1,338
Elevator permits	7,000	5,780	(1,220)
Forester fees	7,500	1,450	(6,050)
Forest program	12,950	120,420	107,470
Engineer fees	15,000	3,337	(11,663)
Total licenses and permits	254,950	580,601	325,651

(cont'd)

Village of Riverwoods, Illinois
Schedule of Revenues Collected - Budget and Actual (cont'd)
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected (cont'd):			
Fines and forfeits:			
Administrative tow	\$ 15,000	\$ 15,000	\$ -
Circuit court fines	157,000	109,772	(47,228)
False alarm fines	175	150	(25)
Patrol violation fines	4,500	3,355	(1,145)
Total fines and forfeits	<u>176,675</u>	<u>128,277</u>	<u>(48,398)</u>
Special use fees	<u>48,000</u>	<u>123,000</u>	<u>75,000</u>
Grants and donations	<u>2,000</u>	<u>1,779</u>	<u>(221)</u>
Investment income	<u>125,000</u>	<u>47,939</u>	<u>(77,061)</u>
Other:			
Burglar alarm registration	7,800	9,670	1,870
Rentals	110,000	103,326	(6,674)
Miscellaneous	29,075	33,309	4,234
Total other	<u>146,875</u>	<u>146,305</u>	<u>(570)</u>
Total revenues collected	<u>\$ 3,230,000</u>	<u>\$ 3,987,140</u>	<u>\$ 757,140</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Expenditures Paid - Budget and Actual
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid:			
Administration department:			
Personnel:			
Salaries	\$ 188,079	\$ 174,512	\$ 13,567
FICA	22,332	13,313	9,019
IMRF	12,471	16,692	(4,221)
Unemployment insurance	3,680	1,774	1,906
Health insurance	13,345	37,563	(24,218)
	<u>239,907</u>	<u>243,854</u>	<u>(3,947)</u>
Contractual services:			
Insurance	22,425	3,283	19,142
Office expenses	16,100	24,762	(8,662)
Forest program	125,350	133,607	(8,257)
Maintenance - building	23,345	29,829	(6,484)
Maintenance - equipment	42,550	49,623	(7,073)
Maintenance - grounds	29,325	26,585	2,740
Accounting services	48,300	26,855	21,445
Engineering services	103,500	61,308	42,192
Legal services	218,500	105,705	112,795
Other professional services	52,660	27,487	25,173
Postage	9,200	6,605	2,595
Telephone	34,500	49,953	(15,453)
Advertising and printing	6,325	4,699	1,626
Board expense	13,800	7,279	6,521
Village Voice	25,300	25,741	(441)
Senior transportation	575	515	60
Dues, subscriptions, and memberships	10,350	8,146	2,204
Travel and meeting	2,300	2,446	(146)
Training	2,875	139	2,736
Utilities	2,300	3,695	(1,395)
NSSRA	48,300	41,115	7,185
	<u>837,880</u>	<u>639,377</u>	<u>198,503</u>
Total contractual services			

(cont'd)

Village of Riverwoods, Illinois
Schedule of Expenditures Paid - Budget and Actual (cont'd)
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid (cont'd):			
Administration department (cont'd):			
Commodities:			
Office supplies	\$ 12,650	\$ 9,176	\$ 3,474
Publications	1,150	4,013	(2,863)
Total commodities	13,800	13,189	611
Other expenses:			
Donations	34,500	31,888	2,612
Miscellaneous	21,620	18,203	3,417
Total other expenses	56,120	50,091	6,029
Total administration department	1,147,707	946,511	201,196
Police department:			
Personnel:			
Salaries	1,149,828	965,697	184,131
FICA	87,962	72,309	15,653
IMRF	109,831	83,990	25,841
Health insurance	167,388	118,921	48,467
Total personnel	1,515,009	1,240,917	274,092
Contractual services:			
Insurance	91,907	-	91,907
Maintenance	52,348	34,116	18,232
Dispatch services	144,325	124,668	19,657
Legal services	25,300	18,888	6,412
Other professional services	1,150	(205)	1,355
Crime laboratory	9,384	7,879	1,505
Postage	1,035	1,007	28
Telephone	6,325	2,705	3,620
Dues, subscriptions, and memberships	14,605	17,345	(2,740)
Travel and meeting	805	180	625

(cont'd)

Village of Riverwoods, Illinois
Schedule of Expenditures Paid - Budget and Actual (cont'd)
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid (cont'd):			
Police department (cont'd):			
Contractual services (cont'd):			
Training	\$ 8,510	\$ 9,426	\$ (916)
Utilities	1,035	738	297
Computer expenses	48,185	27,290	20,895
Total contractual services	404,914	244,037	160,877
Commodities - fuel for squad cars	34,500	18,969	15,531
Other expense	9,028	7,390	1,638
Total police department	1,963,451	1,511,313	452,138
Building department:			
Personnel:			
Salaries	109,600	100,702	8,898
FICA	8,384	7,696	688
IMRF	13,228	5,345	7,883
Health insurance	21,977	-	21,977
Total personnel	153,189	113,743	39,446
Contractual services:			
Maintenance - auto	4,025	1,476	2,549
Engineering services	17,250	15,084	2,166
Other professional services	4,600	186	4,414
Printing	575	780	(205)
Dues, subscriptions, and memberships	1,725	598	1,127
Travel and meeting	575	2,194	(1,619)
Training	575	1,508	(933)
Total contractual services	29,325	21,826	7,499

(cont'd)

Village of Riverwoods, Illinois
Schedule of Expenditures Paid - Budget and Actual (cont'd)
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid (cont'd):			
Building department (cont'd):			
Other expenses:			
Inspection fees	\$ 9,488	\$ 9,496	\$ (8)
Miscellaneous	6,325	2,118	4,207
Total other expenses	15,813	11,614	4,199
Total building department	198,327	147,183	51,144
Public works department:			
Personnel:			
Salaries	15,501	14,402	1,099
FICA	1,186	1,102	84
IMRF	1,872	749	1,123
Total personnel	18,559	16,253	2,306
Contractual services:			
Maintenance - grounds	5,750	4,580	1,170
Maintenance - streets	5,750	21,988	(16,238)
Maintenance - culverts/drainage	4,600	1,960	2,640
Maintenance - bike path	40,250	260	39,990
Snow removal	69,000	47,210	21,790
Signs	2,300	3,337	(1,037)
Engineering services	7,475	36,857	(29,382)
Legal	2,300	-	2,300
Tree removal	-	2,368	(2,368)
Dues, subscriptions, and memberships	3,450	2,600	850
Street lighting	5,175	2,158	3,017
Total contractual services	146,050	123,318	22,732
Other expenses - miscellaneous	5,750	-	5,750
Total public works	170,359	139,571	30,788

(cont'd)

Village of Riverwoods, Illinois
Schedule of Expenditures Paid - Budget and Actual (cont'd)
General Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid (cont'd):			
Capital outlay:			
Equipment	\$ 24,438	\$ 44,735	\$ (20,297)
Facilities	318,125	74,955	243,170
New bike path	2,300,000	-	2,300,000
Total capital outlay	<u>2,642,563</u>	<u>119,690</u>	<u>2,522,873</u>
Total expenditures paid	<u>\$ 6,122,407</u>	<u>\$ 2,864,268</u>	<u>\$ 3,258,139</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Village Capital Projects
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid:			
Personnel			
Salaries	\$ 11,500	\$ -	\$ 11,500
FICA	1,150	-	1,150
IMRF	1,150	-	1,150
Total personnel	<u>13,800</u>	<u>-</u>	<u>13,800</u>
Contractual services:			
Engineering services	46,000	27,703	18,297
Architect expense	-	200,025	(200,025)
Legal services	34,500	22,459	12,041
Forester expense	5,750	(1,000)	6,750
Other professional services	40,250	-	40,250
Contractor expense	-	16,630	(16,630)
Utilities	-	4,550	(4,550)
Total contractual services	<u>126,500</u>	<u>270,367</u>	<u>(143,867)</u>
Debt service:			
Principal	500,000	-	500,000
Interest	100,000	-	100,000
Total debt service	<u>600,000</u>	<u>-</u>	<u>600,000</u>
Other expenses - miscellaneous	-	11,745	(11,745)
Capital outlay	5,520,000	1,993,837	3,526,163
Total expenditures paid	<u>6,260,300</u>	<u>2,275,949</u>	<u>3,984,351</u>
Other financing sources - transfers in	5,000,000	4,000,000	(1,000,000)
Net changes in fund balance	<u>(1,260,300)</u>	<u>1,724,051</u>	<u>2,984,351</u>
Fund balance:			
Beginning of year		<u>58,164</u>	
End of year		<u>\$ 1,782,215</u>	

See independent auditor's report.

NONMAJOR GOVERNMENTAL FUNDS

Village of Riverwoods, Illinois
Combining Statement of Assets Arising from Cash Transactions
Nonmajor Governmental Funds
December 31, 2016

	Special Revenue Funds										
	Motor Fuel Tax	SSA 5 Duffy Roads	SSA 7 Russell's Storm Sewer	SSA 19 Hiawatha Road Projects	SSA 22 Timbers Road	SSA 26 Kenilwood Lane	SSA 28 S. Robinwood Lane	SSA 29 Ringland Road	SSA 30 Burr Oak	TIF Fund	Total Special Revenue Funds
Assets											
Cash and cash equivalents	\$ 132,879	\$ 49,556	\$ 65,516	\$ 18,103	\$ 13,243	\$ 106,704	\$ 13,393	\$ 9,329	\$ 19,136	\$ -	\$ 427,859
Land held for resale	-	-	-	-	-	-	-	-	-	795,742	795,742
Other receivables	-	-	-	-	-	-	-	-	-	19,450	19,450
Total assets	\$ 132,879	\$ 49,556	\$ 65,516	\$ 18,103	\$ 13,243	\$ 106,704	\$ 13,393	\$ 9,329	\$ 19,136	\$ 815,192	\$ 1,243,051
Liabilities and Fund Balances											
Liabilities - due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,593	\$ 205,593
Fund balances:											
Restricted for repayment of bonds to General Fund	-	-	-	-	-	-	-	-	-	609,599	609,599
Restricted	132,879	49,556	65,516	18,103	13,243	106,704	13,393	9,329	19,136	-	427,859
Total fund balances	132,879	49,556	65,516	18,103	13,243	106,704	13,393	9,329	19,136	609,599	1,037,458
Total liabilities and fund balances	\$ 132,879	\$ 49,556	\$ 65,516	\$ 18,103	\$ 13,243	\$ 106,704	\$ 13,393	\$ 9,329	\$ 19,136	\$ 815,192	\$ 1,243,051

Village of Riverwoods, Illinois
Combining Statement of Assets Arising from Cash Transactions (cont'd)
Nonmajor Governmental Funds
December 31, 2016

	Capital Projects Funds				Debt Service Funds							Total Debt Service Funds	Total Nonmajor Governmental Funds
	SSA 24 Thornmeadow Road	SSA 25 East Course Drive	SSA 27 Windlake Terrace	SSA 30 Burr Oak	Total Capital Projects Funds	SSA 10 North Robinwood Sewer	SSA 19 Hiawatha Road	SSA 24 Thornmeadow Road	SSA 25 East Course Drive	SSA 26 Kenilwood Lane	SSA 27 Windlake Terrace		
Assets													
Cash and cash equivalents	\$ 11,790	\$ 23,938	\$ 10,619	\$ 15,806	\$ 62,153	\$ 30,499	\$ 40,771	\$ 43,697	\$ 25,738	\$ 54,861	\$ 3,873	\$ 199,439	\$ 689,451
Land held for resale	-	-	-	-	-	-	-	-	-	-	-	-	795,742
Other receivables	-	-	-	-	-	-	-	-	-	-	-	-	19,450
Total assets	\$ 11,790	\$ 23,938	\$ 10,619	\$ 15,806	\$ 62,153	\$ 30,499	\$ 40,771	\$ 43,697	\$ 25,738	\$ 54,861	\$ 3,873	\$ 199,439	\$ 1,504,643
Liabilities and Fund Balances													
Liabilities - due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 205,593
Fund balances:													
Restricted for repayment of bonds to General Fund	-	-	-	-	-	-	-	-	-	-	-	-	609,599
Restricted	11,790	23,938	10,619	15,806	62,153	30,499	40,771	43,697	25,738	54,861	3,873	199,439	689,451
Total fund balances	11,790	23,938	10,619	15,806	62,153	30,499	40,771	43,697	25,738	54,861	3,873	199,439	1,299,050
Total liabilities and fund balances	\$ 11,790	\$ 23,938	\$ 10,619	\$ 15,806	\$ 62,153	\$ 30,499	\$ 40,771	\$ 43,697	\$ 25,738	\$ 54,861	\$ 3,873	\$ 199,439	\$ 1,504,643

See independent auditor's report.

Village of Riverwoods, Illinois
Combining Statement of Revenues Collected, Expenditures Paid,
and Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Special Revenue Funds										
	Motor Fuel Tax	SSA 5 Duffy Roads	SSA 7 Russell's Storm Sewer	SSA 19 Hiawatha Road Projects	SSA 22 Timbers Road	SSA 26 Kenilwood Lane	SSA 28 S. Robinwood Lane	SSA 29 Ringland Road	SSA 30 Burr Oak	TIF Fund	Total Special Revenue Funds
Revenues collected:											
Property taxes	\$ -	\$ 5,995	\$ -	\$ 34,269	\$ 8,250	\$ -	\$ 7,200	\$ 4,500	\$ 12,000	\$ -	\$ 72,214
Other intergovernmental taxes	92,764	-	-	-	-	-	-	-	-	-	92,764
Investment income	457	-	-	-	-	-	-	-	-	-	457
Total revenues collected	93,221	5,995	-	34,269	8,250	-	7,200	4,500	12,000	-	165,435
Expenditures paid:											
Current:											
Administration	-	-	-	-	-	-	-	-	3,035	125,214	128,249
Public works	505,965	1,750	1,350	46,628	4,849	831	3,989	776	-	-	566,138
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-
Total expenditures paid	505,965	1,750	1,350	46,628	4,849	831	3,989	776	3,035	125,214	694,387
Excess (deficiency) of revenues collected over (under) expenditures paid	(412,744)	4,245	(1,350)	(12,359)	3,401	(831)	3,211	3,724	8,965	(125,214)	(528,952)
Other financing sources - debt issuance	-	-	-	-	-	-	-	-	-	-	-
Net changes in fund balances	(412,744)	4,245	(1,350)	(12,359)	3,401	(831)	3,211	3,724	8,965	(125,214)	(528,952)
Fund balances (deficit):											
Beginning of year, as previously reported	545,623	45,311	66,866	395	9,842	107,535	10,182	5,605	10,171	734,813	1,536,343
Prior period restatement	-	-	-	30,067	-	-	-	-	-	-	30,067
Beginning of year, as restated	545,623	45,311	66,866	30,462	9,842	107,535	10,182	5,605	10,171	734,813	1,566,410
End of year	\$ 132,879	\$ 49,556	\$ 65,516	\$ 18,103	\$ 13,243	\$ 106,704	\$ 13,393	\$ 9,329	\$ 19,136	\$ 609,599	\$ 1,037,458

(cont'd)

Village of Riverwoods, Illinois
Combining Statement of Revenues Collected, Expenditures Paid,
and Changes in Fund Balances (Deficit) (cont'd)
Nonmajor Governmental Funds
For the Year Ended December 31, 2016

	Capital Projects Funds				Total Capital Projects Funds	Debt Service Funds						Total Debt Service Funds	Total Nonmajor Governmental Funds
	SSA 24 Thornmeadow Road	SSA 25 East Course Drive	SSA 27 Windlake Terrace	SSA 30 Burr Oak		SSA 10 North Robinwood Sewer	SSA 19 Hiawatha Road	SSA 24 Thornmeadow Road	SSA 25 East Course Drive	SSA 26 Kenilwood Lane	SSA 27 Windlake Terrace		
Revenues collected:													
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,834	\$ -	\$ 73,002	\$ 36,838	\$ 90,515	\$ 7,600	\$ 222,789	\$ 295,003
Other intergovernmental taxes	-	-	-	-	-	-	-	-	-	-	-	-	92,764
Investment income	-	-	-	-	-	15	-	-	-	-	-	15	472
Total revenues collected	-	-	-	-	-	14,849	-	73,002	36,838	90,515	7,600	222,804	388,239
Expenditures paid:													
Current:													
Administration	-	-	-	-	-	25	-	-	-	-	-	25	128,274
Public Works	5,046	506	-	54,194	59,746	-	-	-	-	-	-	-	625,884
Debt service:													
Principal	-	-	-	-	-	8,507	-	59,169	22,805	56,486	5,200	152,167	152,167
Interest	-	-	-	-	-	4,139	-	11,036	11,166	27,657	2,362	56,360	56,360
Total expenditures paid	5,046	506	-	54,194	59,746	12,671	-	70,205	33,971	84,143	7,562	208,552	962,685
Excess (deficiency) of revenues collected over (under) expenditures paid	(5,046)	(506)	-	(54,194)	(59,746)	2,178	-	2,797	2,867	6,372	38	14,252	(574,446)
Other financing sources - debt issuance	-	-	-	70,000	70,000	-	-	-	-	-	-	-	70,000
Net changes in fund balances	(5,046)	(506)	-	15,806	10,254	2,178	-	2,797	2,867	6,372	38	14,252	(504,446)
Fund balances (deficit):													
Beginning of year, as previously reported	16,836	24,444	10,619	-	51,899	28,321	70,838	40,900	22,871	48,489	3,835	215,254	1,803,496
Prior period restatement	-	-	-	-	-	-	(30,067)	-	-	-	-	(30,067)	-
Beginning of year, as restated	16,836	24,444	10,619	-	51,899	28,321	40,771	40,900	22,871	48,489	3,835	185,187	1,803,496
End of year	\$ 11,790	\$ 23,938	\$ 10,619	\$ 15,806	\$ 62,153	\$ 30,499	\$ 40,771	\$ 43,697	\$ 25,738	\$ 54,861	\$ 3,873	\$ 199,439	\$ 1,299,050

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Motor Fuel Tax Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Intergovernmental - motor fuel tax	\$ 120,000	\$ 92,764	\$ (27,236)
Investment income	-	457	457
	<u>120,000</u>	<u>93,221</u>	<u>(26,779)</u>
Total revenues collected	120,000	93,221	(26,779)
Expenditures paid:			
Contractual services:			
Maintenance - streets	230,000	494,112	(264,112)
Engineering expense	-	11,853	(11,853)
	<u>230,000</u>	<u>505,965</u>	<u>(275,965)</u>
Total expenditures paid	230,000	505,965	(275,965)
Other financing sources - transfers in	<u>39,112</u>	<u>-</u>	<u>(39,112)</u>
Net changes in fund balance	\$ (70,888)	(412,744)	\$ (341,856)
Fund balance:			
Beginning of year		<u>545,623</u>	
End of year		\$ 132,879	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 5 - Duffy Roads Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 6,000	\$ 5,995	\$ (5)
Expenditures paid:			
Contractual services:			
Maintenance - streets	52,900	-	52,900
Maintenance - culverts	-	1,750	(1,750)
Engineering expense	11,500	-	11,500
Total expenditures paid	64,400	1,750	62,650
Net changes in fund balance	\$ (58,400)	4,245	\$ 62,645
Fund balance:			
Beginning of year		45,311	
End of year		\$ 49,556	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 7 - Russell's Storm Sewer Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid:			
Contractual services:			
Maintenance - grounds	\$ -	\$ 900	\$ (900)
Maintenance - drainage	52,900	450	52,450
Engineering expense	13,225	-	13,225
	66,125	1,350	64,775
Total expenditures paid			
	\$ (66,125)	(1,350)	\$ 64,775
Net changes in fund balance			
Fund balance:			
Beginning of year		66,866	
End of year		\$ 65,516	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance (Deficit) - Budget and Actual
Special Service Area 19 - Hiawatha Road Projects Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 34,500	\$ 34,269	\$ (231)
Expenditures paid:			
Contractual services:			
Snow removal	8,000	1,120	6,880
Engineering expense	3,000	495	2,505
Other professional services	46,000	45,013	987
Total expenditures paid	57,000	46,628	10,372
Net changes in fund balance	\$ (22,500)	(12,359)	\$ 10,141
Fund balance:			
Beginning of year, as previously reported		395	
Prior period restatement		<u>30,067</u>	
Beginning of year, as restated		<u>30,462</u>	
End of year		<u>\$ 18,103</u>	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 22 - Timbers Road Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 8,500	\$ 8,250	\$ (250)
Expenditures paid:			
Contractual services:			
Maintenance - streets	46,000	-	46,000
Snow removal	8,000	2,500	5,500
Engineering expense	3,000	-	3,000
Other professional services	-	2,349	(2,349)
Total expenditures paid	57,000	4,849	52,151
Net changes in fund balance	\$ (48,500)	3,401	\$ 51,901
Fund balance:			
Beginning of year		9,842	
End of year		\$ 13,243	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 26 - Kenilwood Lane Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 6,700	\$ -	\$ (6,700)
Expenditures paid:			
Contractual services:			
Maintenance - streets	13,225	-	13,225
Engineering expense	2,875	111	2,764
Legal services	-	720	(720)
Total expenditures paid	16,100	831	15,269
Net changes in fund balance	\$ (9,400)	(831)	\$ 8,569
Fund balance:			
Beginning of year		107,535	
End of year		\$ 106,704	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 28 - South Robinwood Lane Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 7,200	\$ 7,200	\$ -
Expenditures paid:			
Contractual services:			
Insurance - workers' compensation	-	1,125	(1,125)
Maintenance - streets	52,900	-	52,900
Snow removal	8,000	-	8,000
Engineering expense	3,000	-	3,000
Other professional services	-	2,864	(2,864)
Total expenditures paid	63,900	3,989	59,911
Net changes in fund balance	\$ (56,700)	3,211	\$ 59,911
Fund balance:			
Beginning of year		10,182	
End of year		\$ 13,393	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 29 - Ringland Road Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property taxes	\$ 4,500	\$ 4,500	\$ -
Expenditures paid:			
Contractual services:			
Maintenance - streets	115,000	-	115,000
Snow removal	9,200	-	9,200
Legal services	3,450	-	3,450
Total contractual services	127,650	-	127,650
Other expenses - miscellaneous	-	776	(776)
Total expenditures paid	127,650	776	126,874
Net changes in fund balance	\$ (123,150)	3,724	\$ 126,874
Fund balance:			
Beginning of year		5,605	
End of year		\$ 9,329	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 30 - Burr Oak Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 12,000	\$ 12,000	\$ -
Expenditures paid:			
Contractual services:			
Maintenance - streets	52,900	-	52,900
Snow removal	9,200	-	9,200
Engineering expense	3,450	388	3,062
Legal services	-	10	(10)
Other professional services	-	735	(735)
Total contractual services	65,550	1,133	64,417
Other expenses - miscellaneous	-	1,902	(1,902)
Total expenditures paid	65,550	3,035	62,515
Net changes in fund balance	\$ (53,550)	8,965	\$ 62,515
Fund balance:			
Beginning of year		10,171	
End of year		\$ 19,136	

See independent auditor's report.

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
TIF Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid:			
Personnel	\$ 13,800	\$ -	\$ 13,800
Maintenance - grounds	36,800	-	36,800
Accounting services	5,750	-	5,750
Engineering services	34,500	16,302	18,198
Legal services	46,000	39,089	6,911
Forester expense	5,750	-	5,750
Other professional services	40,250	48,106	(7,856)
Debt service:			
Principal	80,500	-	80,500
Interest	36,000	-	36,000
Capital outlay - facilities	230,000	-	230,000
Miscellaneous	-	21,717	(21,717)
	<u>529,350</u>	<u>125,214</u>	<u>404,136</u>
Total expenditures paid			
	529,350	125,214	404,136
Other financing sources - transfers in	50,000	-	(50,000)
	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
Net changes in fund balance	<u>\$ (479,350)</u>	<u>(125,214)</u>	<u>\$ 354,136</u>
Fund balance:			
Beginning of year		<u>734,813</u>	
End of year		<u>\$ 609,599</u>	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 24 - Thornmeadow Road Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Expenditures paid:			
Contractual services:			
Legal services	\$ -	\$ 5,046	\$ (5,046)
Total expenditures paid	-	5,046	(5,046)
Other financing sources - transfers out	(115,000)	-	115,000
Net changes in fund balance	\$ (115,000)	(5,046)	\$ 109,954
Fund balance:			
Beginning of year		16,836	
End of year		\$ 11,790	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 25 - East Course Drive Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 3,000	\$ -	\$ (3,000)
Expenditures paid:			
Contractual services:			
Maintenance - streets	11,500	-	11,500
Engineering expense	11,500	506	10,994
Total expenditures paid	23,000	506	22,494
Net changes in fund balance	\$ (20,000)	(506)	\$ 19,494
Fund balance:			
Beginning of year		24,444	
End of year		\$ 23,938	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 10 - North Robinwood Sewer Debt Service Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 13,500	\$ 14,834	\$ 1,334
Investment income	-	15	15
	<u>13,500</u>	<u>14,849</u>	<u>1,349</u>
Total revenues collected			
Expenditures paid:			
Debt service:			
Principal	12,650	8,507	4,143
Interest	4,600	4,139	461
Miscellaneous	-	25	(25)
	<u>17,250</u>	<u>12,671</u>	<u>4,579</u>
Total expenditures paid			
Net changes in fund balance	<u>\$ (3,750)</u>	<u>2,178</u>	<u>\$ 5,928</u>
Fund balance:			
Beginning of year		<u>28,321</u>	
End of year		<u>\$ 30,499</u>	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 24 - Thornmeadow Road Debt Service Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 73,000	\$ 73,002	\$ 2
Expenditures paid:			
Debt service:			
Principal	23,000	59,169	(36,169)
Interest	23,000	11,036	11,964
Total expenditures paid	46,000	70,205	(24,205)
Net changes in fund balance	\$ 27,000	2,797	\$ (24,203)
Fund balance:			
Beginning of year		40,900	
End of year		\$ 43,697	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 25 - East Course Drive Debt Service Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 33,837	\$ 36,838	\$ 3,001
Expenditures paid:			
Debt service:			
Principal	5,750	22,805	(17,055)
Interest	14,950	11,166	3,784
Total expenditures paid	20,700	33,971	(13,271)
Net changes in fund balance	\$ 13,137	2,867	\$ (10,270)
Fund balance:			
Beginning of year		22,871	
End of year		\$ 25,738	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 26 - Kenilwood Lane Debt Service Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 83,812	\$ 90,515	\$ 6,703
Expenditures paid:			
Debt service:			
Principal	14,950	56,486	(41,536)
Interest	35,650	27,657	7,993
Total expenditures paid	50,600	84,143	(33,543)
Net changes in fund balance	\$ 33,212	6,372	\$ (26,840)
Fund balance:			
Beginning of year		48,489	
End of year		\$ 54,861	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid, and
Changes in Fund Balance - Budget and Actual
Special Service Area 27 - Windlake Terrace Debt Service Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues collected:			
Property tax	\$ 7,600	\$ 7,600	\$ -
Expenditures paid:			
Debt service:			
Principal	2,875	5,200	(2,325)
Interest	1,725	2,362	(637)
Total expenditures paid	4,600	7,562	(2,962)
Net changes in fund balance	\$ 3,000	38	\$ (2,962)
Fund balance:			
Beginning of year		3,835	
End of year		\$ 3,873	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
Consolidated Water Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating revenues collected:			
Charges for sales and services:			
Water sales	\$ 802,200	\$ 889,327	\$ 87,127
Tap-on fees	12,000	(3,923)	(15,923)
Charges for sales and services	814,200	885,404	71,204
Operating expenses paid:			
Personnel:			
Salaries	19,636	18,856	780
FICA	1,502	1,319	183
IMRF	1,245	581	664
Total personnel	22,383	20,756	1,627
Contractual services:			
Public works expense	155,250	127,519	27,731
Maintenance - grounds	1,725	1,650	75
Engineering expense	5,750	14,327	(8,577)
Other professional services	23,000	1,772	21,228
Annual testing fees (IEPA)	9,200	1,678	7,522
Postage	2,070	200	1,870
Telephone	4,600	4,050	550
Advertising and printing	4,945	2,751	2,194
Utility expense	29,900	25,389	4,511
Water purchases	466,900	432,013	34,887
Maintenance - software	2,300	2,345	(45)
Total contractual services	705,640	613,694	91,946
Commodities - maintenance supplies	17,250	91,070	(73,820)
Capital outlay	592,250	-	592,250
Other expenses - miscellaneous	5,750	56	5,694
Total operating expenses paid	1,343,273	725,576	617,697

(cont'd)

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
Consolidated Water Fund (cont'd)
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Depreciation	\$ -	\$ 269,605	\$ (269,605)
Total operating expenses paid and depreciation	<u>1,343,273</u>	<u>995,181</u>	<u>348,092</u>
Deficiency of operating revenues collected under operating expenses paid and depreciation	<u>(529,073)</u>	<u>(109,777)</u>	<u>419,296</u>
Nonoperating revenues collected (expenses paid):			
Property taxes	14,750	13,573	(1,177)
Investment income	-	839	839
Miscellaneous income	-	90	90
Debt service - principal	(11,500)	-	11,500
Debt service - interest	<u>(6,900)</u>	<u>(3,751)</u>	<u>3,149</u>
Total nonoperating revenues collected (expenses paid)	<u>(3,650)</u>	<u>10,751</u>	<u>14,401</u>
Other financing sources - transfers out	<u>(705,000)</u>	<u>-</u>	<u>705,000</u>
Changes in net position	<u>\$ (1,237,723)</u>	<u>(99,026)</u>	<u>\$ 1,138,697</u>
Fund balance:			
Beginning of year		<u>10,612,985</u>	
End of year		<u>\$ 10,513,959</u>	

See independent auditor's report.

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
Sewer Fund
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Operating revenues collected:			
Charges for sales and services:			
User fees	\$ 44,000	\$ 417,666	\$ 373,666
Tap-on fees	300,000	7,000	(293,000)
Charges for sales and services	344,000	424,666	80,666
Operating expenses paid:			
Personnel:			
Salaries	10,321	9,436	885
FICA	789	722	67
IMRF	1,245	581	664
Total personnel	12,355	10,739	1,616
Contractual services:			
Maintenance:			
Grinder pump	138,000	119,937	18,063
Utility system	97,750	6,778	90,972
Supplies	345	-	345
Insurance - property	2,400	-	2,400
Engineering expense	16,100	4,156	11,944
Legal expense	115	-	115
Other professional services	2,300	-	2,300
Sewer transmission fee	1,840	1,563	277
Postage	-	200	(200)
Total contractual services	258,850	132,634	126,216
Capital outlay	230,000	-	230,000
Other expenses - miscellaneous	-	1,288	(1,288)
Total operating expenses paid	501,205	144,661	356,544

(cont'd)

Village of Riverwoods, Illinois
Statement of Revenues Collected, Expenditures Paid
and Changes in Net Position - Budget and Actual
Sewer Fund (cont'd)
For the Year Ended December 31, 2016

	Original and Final Budget	Actual	Variance With Final Budget Positive (Negative)
Depreciation	\$ -	\$ 116,504	\$ (116,504)
Total operating expenses paid and depreciation	<u>501,205</u>	<u>261,165</u>	<u>240,040</u>
Excess (deficiency) of operating revenues collected over (under) operating expenses paid and depreciation	<u>(157,205)</u>	<u>163,501</u>	<u>320,706</u>
Nonoperating revenues collected - investment income	<u>100</u>	<u>181</u>	<u>81</u>
Changes in net position	<u>\$ (157,105)</u>	<u>163,682</u>	<u>\$ 320,787</u>
Fund balance:			
Beginning of year		<u>3,165,893</u>	
End of year		<u>\$ 3,329,575</u>	

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Changes in Assets and Liabilities
Modified Cash Basis
For the Year Ended December 31, 2016

	Performance Bond and Escrow Fund			December 31, 2016
	January 1, 2016	Additions	Deductions	
Assets				
Cash and cash equivalents	\$ 247,869	\$ 119,095	\$ -	\$ 366,964
Investments	34,331	-	34,331	-
Due from developers - escrow bonds	147,044	-	73,714	73,330
Total assets	\$ 429,244	\$ 119,095	\$ 108,045	\$ 440,294
Liabilities				
Due to developers:				
Performance bonds	\$ 236,685	\$ 77,428	\$ -	\$ 314,113
Escrow bonds	192,559	-	66,378	126,181
Total liabilities	\$ 429,244	\$ 77,428	\$ 66,378	\$ 440,294

(cont'd)

Village of Riverwoods, Illinois
Schedule of Changes in Assets and Liabilities (cont'd)
Modified Cash Basis
For the Year Ended December 31, 2016

Special Service Area No. 23 Gemini Road Fund				
	<u>January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2016</u>
Assets				
Cash	\$ 1,953	\$ 8,750	\$ 4,131	\$ 6,572
Liabilities				
Due to Road Association	\$ 1,953	\$ 8,750	\$ 4,131	\$ 6,572
Total Agency Funds				
	<u>January 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2016</u>
Assets				
Cash and cash equivalents	\$ 249,822	\$ 127,845	\$ 4,131	\$ 373,536
Investments	34,331	-	34,331	-
Due from developers - escrow bonds	147,044	-	73,714	73,330
Total assets	\$ 431,197	\$ 127,845	\$ 112,176	\$ 446,866
Liabilities				
Due to developers:				
Performance bonds	\$ 236,685	\$ 77,428	\$ -	\$ 314,113
Escrow bonds	192,559	-	66,378	126,181
Due to Road Association	1,953	8,750	4,131	6,572
Total liabilities	\$ 431,197	\$ 86,178	\$ 70,509	\$ 446,866

See independent auditor's report.

OTHER SUPPLEMENTAL INFORMATION

Village of Riverwoods, Illinois
Schedule of Cash and Investments -
Modified Cash Basis
December 31, 2016

Cash and Investments by Fund	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
Governmental funds:			
General	\$ 686,725	\$ 7,288,823	\$ 7,975,548
TIF	-	-	-
Special Revenue Funds:			
Motor Fuel Tax	132,879	-	132,879
SSA 5 Duffy Roads	49,556	-	49,556
SSA 7 Russell's Storm Sewer	65,516	-	65,516
SSA 19 Hiawatha Road Projects	18,103	-	18,103
SSA 22 Timbers Road	13,243	-	13,243
SSA 26 Kenilworth Lane Fund	106,704	-	106,704
SSA 28 South Robinwood Lake Fund	13,393	-	13,393
SSA 29 Ringland Road Fund	9,329	-	9,329
SSA 30 Burr Oak Fund	19,136	-	19,136
Capital Projects Funds:			-
SSA 24 Thornmeadow Road Fund	11,790	-	11,790
SSA 25 East Course Drive Fund	23,938	-	23,938
SSA 27 Windlake Terrace Fund	10,619	-	10,619
SSA 30 Burr Oak Fund	15,806	-	15,806
Village Capital Projects Fund	1,782,215	-	1,782,215
Debt Service Funds:			
SSA 10 North Robinwood Sewer	30,499	-	30,499
SSA 19 Hiawatha Road	40,771	-	40,771
SSA 24 Thornmeadow Road Debt Service Fund	43,697	-	43,697
SSA 25 East Course Drive Debt Service Fund	25,738	-	25,738
SSA 26 Kenilworth Lane Debt Service Fund	54,861	-	54,861
SSA 27 Windlake Terrace Debt Service Fund	3,873	-	3,873
Total governmental funds	<u>3,158,391</u>	<u>7,288,823</u>	<u>10,447,214</u>
Enterprise Funds: ¹			
Consolidated Water:			
Consolidated water	2,601,182	-	2,601,182
SSA 16 North Robinwood Water	29,537	-	29,537
SSA 18 Water	17,517	-	17,517
Total Consolidated Water Fund	<u>2,648,236</u>	<u>-</u>	<u>2,648,236</u>
Sewer	684,013	-	684,013
Total enterprise funds	<u>3,332,249</u>	<u>-</u>	<u>3,332,249</u>
Total cash and investments reported on statement of net position	<u>6,490,640</u>	<u>7,288,823</u>	<u>13,779,463</u>

(cont'd)

Village of Riverwoods, Illinois
Schedule of Cash and Investments -
Modified Cash Basis (cont'd)
December 31, 2015

Cash and Investments by Fund (cont'd)	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
Agency Fund:			
Performance bond	\$ 366,964	\$ -	\$ 366,964
SSA 23 Gemini Road	6,572	-	6,572
	<u>373,536</u>	<u>-</u>	<u>373,536</u>
Total Agency Fund			
	<u>\$ 6,864,176</u>	<u>\$ 7,288,823</u>	<u>\$ 14,152,999</u>
Cash and Investments by Financial Institution (Book Balances)			
The Illinois Funds	\$ 54,860	\$ -	\$ 54,860
Northside Community Bank	400,790	250,000	650,790
US Bank	58,376	-	58,376
Chase Bank	6,349,850	-	6,349,850
JP Morgan	-	7,038,823	7,038,823
Cash on hand	300	-	300
	<u>\$ 6,864,176</u>	<u>\$ 7,288,823</u>	<u>\$ 14,152,999</u>
Total			

Total interest income for the year ended December 31, 2016, was \$49,431, which yielded an average of return on cash and investments of 0.35%.

¹ The Village's financial statements present two enterprise funds: The Consolidated Water Fund and the Sewer Fund. The Village's accounting system records multiple sub-funds which are combined for financial statement purposes.

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Insurance in Force
Illinois Municipal League Risk Management Association
Policy No. 0703B0497, Expiring 12/31/16
December 31, 2016

Description of Coverage	Coverage
Liability coverages:	
General liability	\$1,000,000 each occurrence, each Member, for all applicable coverages including "Special Liability Coverages" listed below - even if more than one coverage applies to the same loss.
Auto liability	
Broad form property	
Civil constitutional rights - assault/battery	
Contractual liability	
Employee benefit programs liability	
Incidental malpractice	
Intentional building removal	
Limited worldwide liability	
Personal injury/advertising liability	
Watercraft liability	
Personal injury as respects	
Employment practices	
Special liability coverages:	
Premises medical payments	\$3,000 each person \$1,000,000 each occurrence
Fire legal liability	\$100,000 each occurrence \$100,000 annual aggregate
Public officials/employees	\$1,000,000 each occurrence \$8,000,000 annual aggregate
Liquor liability	\$1,000,000 each occurrence \$1,000,000 annual aggregate
Auto medical payments	\$10,000 each person \$1,000,000 each occurrence
Uninsured/underinsured motorist	\$100,000 each person \$300,000 each accident
Property coverages:	
Auto physical damage	\$30,000,000 combined
Building/personal property	\$250,000,000 combined
Inland marine	\$50,000 extra expense
Valuable papers/records	\$50,000 each occurrence
Flood/earthquake	\$5,000,000 each occur./annual aggr.
Stand-alone coverages:	
Crime	\$100,000 each occurrence
Worker's comp/occupational disease	Statutory
Employer's liability	\$3,000,000 each accident
Public official position bond	As filed with IMLRMA



^[1] IMLRMA provides the first \$2,000,000 per occurrence, all lines. For property, inland marine, and auto physical damage, General Reinsurance Corporation provides \$28,000,000 and Lloyd's of London provides \$220,000,000, for a total of \$250,000,000 allocable to all member municipalities.

Note: The Village has renewed their insurance coverage through December 31, 2017.
See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 10 - North Robinwood Sewer Bond
December 31, 2016

Dated: December 15, 1999
Original Issue: \$164,000
Due: January 10, 2020
Payment Date: January 10
Interest Rate: 6.29%

Year	Principal	Interest	Annual Debt Service
2017	\$ 11,541	\$ 3,604	\$ 15,145
2018	12,267	2,878	15,145
2019	13,039	2,106	15,145
2020	20,448	1,286	21,734
	<u>\$ 57,295</u>	<u>\$ 9,874</u>	<u>\$ 67,169</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 16 - North Robinwood Water Bond
December 31, 2016

Dated: December 15, 1999
Original Issue: \$150,000
Due: January 10, 2020
Payment Date: January 10
Interest Rate: 6.29%

Year	Principal	Interest	Annual Debt Service
2017	\$ 10,556	\$ 3,262	\$ 13,818
2018	11,220	2,598	13,818
2019	11,926	1,892	13,818
2020	18,154	1,141	19,295
	<u>\$ 51,856</u>	<u>\$ 8,893</u>	<u>\$ 60,749</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 24 - Thornmeadow Road Bond
December 31, 2016

Dated: May 7, 2013
Original Issue: \$587,500
Due: September 1, 2023
Payment Date: March 1 and September 1
Interest Rate: 2.22%

Year	Principal	Interest	Annual Debt Service
2017	\$ 60,482	\$ 9,715	\$ 70,197
2018	61,825	8,364	70,189
2019	63,198	6,984	70,182
2020	64,601	5,574	70,175
2021	66,035	4,132	70,167
2022	67,501	2,658	70,159
2023	68,997	1,151	70,148
	<u>\$ 452,639</u>	<u>\$ 38,578</u>	<u>\$ 491,217</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 25 - East Course Drive Bond
December 31, 2016

Dated: September 20, 2013
Original Issue: \$260,000
Due: March 1, 2024
Payment Date: March 1 and September 1
Interest Rate: 4.90%

Year	Principal	Interest	Annual Debt Service
2017	\$ 23,922	\$ 10,035	\$ 33,957
2018	25,095	8,849	33,944
2019	26,324	7,604	33,928
2020	27,614	6,298	33,912
2021	28,967	4,929	33,896
2022	30,387	3,491	33,878
2023	31,875	1,986	33,861
2024	16,518	406	16,924
	<u>\$ 210,702</u>	<u>\$ 43,598</u>	<u>\$ 254,300</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 26 - Kenilwood Lane Bond
December 31, 2016

Dated: September 20, 2013
Original Issue: \$644,000
Due: March 1, 2024
Payment Date: March 1 and September 1
Interest Rate: 4.90%

Year	Principal	Interest	Annual Debt Service
2017	\$ 59,253	\$ 24,856	\$ 84,109
2018	62,157	21,917	84,074
2019	65,203	18,834	84,037
2020	68,398	13,925	82,323
2021	71,749	12,209	83,958
2022	75,265	8,651	83,916
2023	78,953	4,918	83,871
2024	40,916	1,002	41,918
	<u>\$ 521,894</u>	<u>\$ 106,312</u>	<u>\$ 628,206</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 27 - Windlake Terrace Bond
December 31, 2016

Dated: February 27, 2014
Original Issue: \$60,000
Due: March 1, 2024
Payment Date: March 1 and September 1
Interest Rate: 4.60%

Year	Principal	Interest	Annual Debt Service
2017	\$ 5,440	\$ 2,120	\$ 7,560
2018	5,690	1,867	7,557
2019	5,952	1,603	7,555
2020	6,226	1,326	7,552
2021	6,512	1,036	7,548
2022	6,811	733	7,544
2023	7,125	416	7,541
2024	3,684	85	3,769
	<u>\$ 47,440</u>	<u>\$ 9,186</u>	<u>\$ 56,626</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Annual Debt Service Requirements
Special Service Area 30 - Burr Oak Trail
December 31, 2016

Dated: April 22, 2016
Original Issue: \$70,000
Due: February 1, 2027
Payment Date: August 1 and February 1
Interest Rate: 2.75%

Year	Principal	Interest	Annual Debt Service
2017	\$ 1,619	\$ 2,454	\$ 4,073
2018	6,388	1,837	8,225
2019	6,565	1,660	8,225
2020	6,748	1,478	8,226
2021	6,936	1,291	8,227
2022	7,129	1,099	8,228
2023	7,327	902	8,229
2024	7,531	699	8,230
2025	7,740	491	8,231
2026	7,956	276	8,232
2027	4,061	56	4,117
	<u>\$ 70,000</u>	<u>\$ 12,243</u>	<u>\$ 82,243</u>

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected
General Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016 ^	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues collected:										
Taxes:										
Township road and bridge tax	\$ 33,022	\$ 33,085	\$ 33,248	\$ 33,615	\$ 33,313	\$ 35,039	\$ 36,239	\$ 35,551	\$ 34,719	\$ 32,438
State income taxes	359,208	386,554	350,333	380,217	334,513	322,321	260,839	269,503	372,423	345,412
Sales and local use taxes	977,023	725,893	666,846	480,096	418,240	398,068	338,609	339,336	377,682	371,183
Hotel tax	128,911	138,720	124,591	116,832	125,085	87,035	123,236	44,935	113,881	125,995
Personal property replacement	2,011	2,203	2,095	2,007	1,500	1,204	2,058	1,957	2,276	2,011
Total taxes	1,500,175	1,286,455	1,177,113	1,012,767	912,651	843,667	760,981	691,282	900,981	877,039
Utility taxes:										
Telecommunications	595,337	422,783	647,967	616,663	999,981	371,312	501,774	507,379	434,020	477,464
Electric	276,851	272,636	283,399	283,520	287,292	289,738	292,107	290,313	297,764	306,094
Gas	92,237	135,898	164,756	108,684	95,202	126,225	128,977	173,010	194,406	176,042
Total utility taxes	964,425	831,317	1,096,122	1,008,867	1,382,475	787,275	922,858	970,702	926,190	959,600
Licenses and permits:										
Liquor licenses	22,500	22,500	22,792	29,499	28,000	30,000	16,500	15,500	20,000	21,000
Franchise fees	107,773	88,509	85,000	83,778	78,977	74,327	66,641	64,610	57,474	50,427
Construction fees	315,003	129,034	148,721	103,389	51,206	57,544	79,232	51,520	139,996	115,765
Special inspection	4,338	3,419	275	350	-	1,269	400	761	870	1,091
Elevator permits	5,780	8,900	6,720	9,600	9,480	9,600	10,080	9,240	9,840	9,385
Forester fees	1,450	5,563	1,250	1,675	1,500	1,635	775	1,550	8,685	16,090
Forest program	120,420	12,400	12,428	13,275	16,639	10,897	18,738	15,022	44,487	40,245
Engineer fees	3,337	6,920	1,250	1,485	2,675	2,000	808	500	7,485	8,366
Total licenses and permits	580,601	277,245	278,436	243,051	188,477	187,272	193,174	158,703	288,837	262,369
Interest	47,939	88,020	36,539	163,329	160,157	112,875	177,497	238,390	347,522	394,258
Other revenue:										
Grants and contributions	-	-	15,000	-	-	-	25,000	-	-	-
Cell tower lease	103,326	115,080	-	-	-	-	-	-	83,460	83,140
Miscellaneous	17,257	48,089	44,109	47,723	30,878	53,911	32,142	18,125	19,630	16,749
Total other revenue	120,583	163,169	59,109	47,723	30,878	53,911	57,142	18,125	103,090	99,889
Total revenues collected	\$ 3,213,723	\$ 2,646,206	\$ 2,647,319	\$ 2,475,737	\$ 2,674,638	\$ 1,985,000	\$ 2,111,652	\$ 2,077,202	\$ 2,566,620	\$ 2,593,155

^ Police Fund was merged into the General Fund in 2016 for the fund financial statements. The Police Fund is not included in this schedule. It is presented beginning on page 101.

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Expenditures Paid
General Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016 ^	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures paid:										
Personnel:										
Salaries	\$ 289,616	\$ 278,627	\$ 280,278	\$ 279,970	\$ 297,239	\$ 313,463	\$ 284,584	\$ 333,445	\$ 333,089	\$ 321,686
FICA	22,111	21,315	21,169	21,417	39,950	42,528	21,744	25,191	25,481	24,566
IMRF	22,786	32,528	27,555	41,886	36,488	38,628	35,712	35,318	35,528	33,105
Unemployment insurance	1,774	(649)	1,607	2,939	3,286	3,028	1,813	2,200	2,794	2,986
Health insurance	37,563	42,399	38,218	49,331	48,496	45,910	31,320	31,686	38,052	41,850
Total personnel	373,850	374,220	368,827	395,543	425,459	443,557	375,173	427,840	434,944	424,193
Contractual services:										
Maintenance:										
Building	29,829	20,495	22,805	29,417	34,925	22,635	23,813	39,082	62,298	38,380
Equipment	49,623	22,515	25,320	10,163	6,500	11,245	7,984	9,429	2,083	3,170
Grounds	31,165	35,995	41,236	37,158	40,121	40,339	29,553	55,423	32,484	23,867
Streets	21,988	2,092	11,758	5,167	110,486	1,691	11,317	4,269	7,195	9,545
Drainage and culverts	1,960	21,379	10,090	1,430	425	5,209	629	50,431	132,633	8,615
Bike path	260	2,288	-	3,333	1,100	1,786	6,817	802	-	-
Insurance	3,283	106,485	20,362	19,914	18,788	16,908	32,533	71,274	60,059	54,220
Telephone	49,953	30,721	28,517	18,150	14,869	13,006	12,259	12,442	15,636	15,769
Travel and meetings	4,640	4,411	2,017	5,017	4,877	7,481	10,092	12,111	11,714	8,185
Postage	6,605	13,232	5,946	8,580	6,760	7,227	9,815	5,877	6,013	4,993
Advertising	4,699	3,018	3,477	5,059	6,700	4,899	3,995	3,452	1,085	1,542
Village Voice	25,741	21,487	17,531	20,184	17,645	17,794	16,862	18,805	15,267	16,309
Printing	780	356	475	95	-	-	-	8	-	-
Accounting	26,855	31,798	31,238	28,870	32,227	28,585	28,575	28,787	28,760	20,945
Engineering	113,249	83,965	94,157	106,841	98,508	103,308	246,007	141,215	140,670	96,496
Legal	105,705	132,636	161,792	211,140	156,477	183,113	109,532	113,980	107,321	112,821
Inspection fees	9,496	8,512	8,757	9,429	6,160	15,732	10,180	5,915	25,492	21,932
Other professional services	27,673	38,176	37,754	70,107	89,470	97,339	104,964	128,727	108,021	106,953
Dues and subscriptions	11,344	13,616	6,507	3,505	3,220	3,511	5,061	7,067	3,184	1,699
NSSRA	41,115	40,091	53,544	49,775	43,322	32,508	32,027	39,099	45,227	19,947
Forest program	133,607	165,565	80,017	111,442	151,018	72,025	85,037	169,660	67,715	69,588
Theater in the Woods	-	-	-	-	-	13,000	10,000	10,000	10,000	10,000
Arts and Riverwoods	-	-	-	-	-	-	-	-	-	14,000
Family Day	-	-	-	-	-	-	-	-	2,500	-
Senior transportation	515	480	405	245	165	1,111	185	240	44	-
Snow removal	47,210	53,805	89,965	49,470	37,257	92,351	80,190	99,554	98,466	36,814
Signs	3,337	1,163	1,118	1,055	734	2,644	927	658	1,125	1,115
Street lighting	2,158	4,100	3,164	2,357	1,485	1,400	2,576	3,485	1,196	2,478
Miscellaneous	93,436	91,261	93,328	96,230	79,285	55,330	60,809	61,223	38,045	40,879
Total contractual services	846,226	949,642	851,280	904,133	962,524	852,177	941,739	1,093,015	1,024,233	740,262

(cont'd)

Village of Riverwoods, Illinois
Schedule of Expenditures Paid (cont'd)
General Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016 ^	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures paid (cont'd):										
Commodities:										
Office supplies	\$ 9,176	\$ 7,569	\$ 5,940	\$ 9,542	\$ 9,122	\$ 10,506	\$ 13,027	\$ 24,985	\$ 14,085	\$ 13,012
Publications	4,013	616	1,870	629	3,538	1,845	1,427	1,058	4,116	1,225
Operating supplies	-	-	-	16,943	4,829	2,787	7,543	943	2,376	6,845
Total commodities	13,189	8,185	7,810	27,114	17,489	15,138	21,997	26,986	20,577	21,082
Capital outlay:										
Land acquisition	-	-	-	-	-	-	13,255	306,517	-	-
Village Hall renovation	-	4,532	484,451	-	-	-	-	-	-	-
Equipment	24,000	28,464	27,858	181,248	86,691	43,815	-	-	-	-
Total capital outlay	24,000	32,996	512,309	181,248	86,691	43,815	13,255	306,517	-	-
Total expenditures paid	\$ 1,257,265	\$ 1,365,043	\$ 1,740,226	\$ 1,508,038	\$ 1,492,163	\$ 1,354,687	\$ 1,352,164	\$ 1,854,358	\$ 1,479,754	\$ 1,185,537

^ Police Fund was merged into the General Fund in 2016 for the fund financial statements. The Police Fund is not included in this schedule. It is presented beginning on page 101.

Village of Riverwoods, Illinois
Schedule of Revenues Collected
Police Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016 ^	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues collected:										
Property taxes	\$ 494,639	\$ 487,218	\$ 478,587	\$ 470,900	\$ 455,470	\$ 447,896	\$ 436,637	\$ 431,615	\$ 411,196	\$ 390,356
COPS grant	-	-	-	-	-	-	-	2,100	750	8,942
Other grants	1,779	949	1,375	3,785	14,645	1,363	-	-	-	-
Fines and forfeits	128,277	147,051	170,762	213,147	188,159	147,181	149,098	186,841	236,286	247,401
Special use fees	123,000	46,700	55,080	78,868	82,000	72,800	86,900	78,100	53,100	83,500
Other revenues	25,722	37,545	22,727	66,926	32,554	29,881	122,005	53,928	28,722	38,185
Cell tower lease *	-	10,180	108,212	112,917	140,136	110,637	97,584	83,554	-	-
Interest	-	-	67,233	-	509	125	647	1,211	14,065	123,746
Total revenues collected	\$ 773,417	\$ 729,643	\$ 903,976	\$ 946,543	\$ 913,473	\$ 809,883	\$ 892,871	\$ 837,349	\$ 744,119	\$ 892,130

* Revenue recorded in the General Fund in 2016, 2015, and 2008 and prior years.

^ Police Fund was merged into the General Fund in 2016 for the fund financial statements. However, it is presented on this schedule for comparative purposes.

Village of Riverwoods, Illinois
Schedule of Expenditures Paid
Police Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016 ^	2015	2014	2013	2012	2011	2010	2009	2008	2007
Expenditures paid:										
Personnel:										
Salaries	\$ 965,697	\$ 938,499	\$ 960,511	\$ 899,384	\$ 865,153	\$ 806,672	\$ 807,624	\$ 773,066	\$ 707,653	\$ 640,930
FICA	72,309	71,000	72,920	65,680	35,052	41,945	55,724	58,970	54,135	47,968
IMRF	83,990	90,968	80,037	76,213	76,189	73,961	67,425	61,984	57,708	52,650
Health insurance	118,921	130,331	97,225	105,125	105,181	90,860	79,830	75,259	70,607	62,838
Total personnel	1,240,917	1,230,798	1,210,693	1,146,402	1,081,575	1,013,438	1,010,603	969,279	890,103	804,386
Contractual services:										
Insurance	-	-	77,614	66,543	53,530	47,616	40,984	-	-	-
Legal	18,888	15,690	19,934	29,897	32,423	35,997	36,961	49,585	86,116	42,034
Crime laboratory	7,879	7,866	7,758	7,881	7,881	7,881	7,881	7,881	9,111	9,111
Other professional	124,463	122,440	115,143	141,158	153,573	107,047	98,170	71,740	82,609	29,076
Telephone	2,705	4,582	7,906	5,947	5,465	5,503	6,165	4,226	4,064	3,543
Travel	180	676	349	288	309	366	264	865	297	200
Training	9,426	6,055	6,457	4,663	5,446	5,079	3,112	2,988	1,550	1,080
Forestry	-	-	-	-	13,174	54,163	-	-	-	-
Miscellaneous	87,886	84,906	50,632	19,774	33,360	3,812	5,215	11,730	5,934	2,064
Total contractual services	251,427	242,215	285,793	276,151	305,161	267,464	198,752	149,015	189,681	87,108
Commodities:										
Office expenses	-	-	14,925	4,699	5,246	4,201	2,456	3,024	2,672	3,549
Fuel for squad cars	18,969	23,907	34,671	36,692	39,045	38,250	30,222	24,045	35,975	29,847
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total commodities	18,969	23,907	49,596	41,391	44,291	42,451	32,678	27,069	38,647	33,396
Capital outlay:										
Squad cars and related equipment	-	-	-	22,653	12,857	9,761	158,222	49,008	86,375	59,447
Police facility	74,955	85,588	7,281	111,559	25,261	1,304,977	68,849	-	-	-
Police equipment	20,735	24,827	14,416	15,028	24,831	5,415	6,003	9,040	3,656	2,574
Total capital outlay	95,690	110,415	21,697	149,240	62,949	1,320,153	233,074	58,048	90,031	62,021
Total expenditures paid	\$ 1,607,003	\$ 1,607,335	\$ 1,567,779	\$ 1,613,184	\$ 1,493,976	\$ 2,643,506	\$ 1,475,107	\$ 1,203,411	\$ 1,208,462	\$ 986,911

^ Police Fund was merged into the General Fund in 2016 for the fund financial statements. However, it is presented separately on this schedule for comparative purposes.

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected and Expenses Paid and Depreciation
Consolidated Water Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues collected:										
Charges for sales and services	\$ 885,404	\$ 806,856	\$ 833,183	\$ 984,535	\$ 1,059,740	\$ 935,073	\$ 984,964	\$ 901,614	\$ 970,779	\$ 1,135,322
Property taxes	13,573	13,609	13,612	13,619	13,625	163,305	355,693	359,811	360,240	360,608
Interest income	839	234	677	2,604	1,778	806	3,307	14,996	36,860	93,817
Grant revenue	-	-	-	-	-	-	135,461	-	-	64,538
Other	90	-	-	2,386	145	380	300	670	980	255
Total revenues collected	\$ 899,906	\$ 820,699	\$ 847,472	\$ 1,003,144	\$ 1,075,288	\$ 1,099,564	\$ 1,479,725	\$ 1,277,091	\$ 1,368,859	\$ 1,654,540
Expenses paid and depreciation:										
Personnel	\$ 20,756	\$ 26,647	\$ 36,003	\$ 32,863	\$ 32,005	\$ 34,655	\$ 35,810	\$ 33,713	\$ 31,962	\$ 30,596
Contractual services	613,694	555,799	576,221	598,828	639,844	572,972	596,071	623,733	674,967	880,672
Commodities	91,070	14,403	53,315	50,789	29,378	36,040	29,628	36,171	31,359	42,086
Depreciation	269,605	268,208	268,210	268,209	255,143	249,323	240,532	236,044	235,649	214,357
Debt service - interest	3,751	4,241	4,730	5,220	5,703	16,308	32,259	47,006	61,190	75,527
Other	56	-	3,149	10,028	1,507	696	220	-	15,154	34,717
Total expenses paid and depreciation	\$ 998,932	\$ 869,298	\$ 941,628	\$ 965,937	\$ 963,580	\$ 909,994	\$ 934,520	\$ 976,667	\$ 1,050,281	\$ 1,277,955

See independent auditor's report.

Village of Riverwoods, Illinois
Schedule of Revenues Collected and Expenses Paid and Depreciation
Sewer Fund
Trend Information - Last Ten Years
Years Ended December 31,

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Revenues collected:										
Charges for sales and services	\$ 424,666	\$ 358,584	\$ 43,744	\$ 50,976	\$ 50,368	\$ 49,429	\$ 63,873	\$ 95,043	\$ 94,554	\$ 14,258
Property taxes	-	-	-	-	-	-	322,453	326,458	326,871	363,986
Interest income	181	50	160	682	608	-	294	663	6,726	17,546
Other	-	-	-	-	-	-	-	-	-	-
Total revenues collected	\$ 424,847	\$ 358,634	\$ 43,904	\$ 51,658	\$ 50,976	\$ 49,429	\$ 386,620	\$ 422,164	\$ 428,151	\$ 395,790
Expenses paid and depreciation:										
Personnel	\$ 10,739	\$ 9,297	\$ 6,680	\$ 4,513	\$ 4,118	\$ 7,237	\$ 8,853	\$ 8,518	\$ 8,007	\$ 7,902
Contractual services	132,634	118,104	235,909	80,970	173,054	117,451	200,763	109,332	165,319	96,020
Depreciation	116,504	116,503	116,503	116,504	117,672	117,463	117,463	117,463	117,463	115,487
Debt service	-	-	-	-	-	4,620	22,452	39,646	57,158	73,585
Other	1,288	-	-	-	-	-	-	-	-	634
Total expenses paid and depreciation	\$ 261,165	\$ 243,904	\$ 359,092	\$ 201,987	\$ 294,844	\$ 246,771	\$ 349,531	\$ 274,959	\$ 347,947	\$ 293,628

See independent auditor's report.