

Village of Riverwoods, Illinois

Annual Financial Report

**For the Year Ended
December 31, 2011**

Village of Riverwoods, Illinois

TABLE OF CONTENTS

	Page
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 10
BASIC FINANCIAL STATEMENTS	
Statement of Net Assets - Modified Cash Basis	11
Statement of Activities - Modified Cash Basis	12 - 13
Governmental Funds	
Combining Statement of Assets and Liabilities Arising from Cash Transactions	14
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances	15
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	16
Enterprise Funds	
Combining Statement of Net Assets - Modified Cash Basis	17
Combining Statement of Revenues Collected, Expenses Paid, and Changes in Net Assets - Modified Cash Basis	18
Combining Statement of Cash Flows - Modified Cash Basis	19 - 20
Agency Fund - Performance Bond Fund	
Statement of Changes in Assets and Liabilities - Modified Cash Basis	21
Index for Notes to the Financial Statements	22 - 23
Notes to the Financial Statements	24 - 39
REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)	
Illinois Municipal Retirement Fund Pension Data - Schedule of Funding Progress	40
General Fund	
Schedule of Revenues Collected, Expenditures Paid, Other Financing Uses, and Changes in Fund Balance - Appropriation and Actual	41
Police Fund	
Schedule of Revenues Collected, Expenditures Paid, Other Financing Sources, and Changes in Fund Balance - Appropriation and Actual	42
Note to the Required Supplementary Information	43

(Continued)

Village of Riverwoods, Illinois

TABLE OF CONTENTS (Continued)

	Page
SUPPLEMENTAL DATA	
Major Governmental Funds	
General Fund	
Schedule of Revenues Collected - Appropriation and Actual	44 - 45
Schedule of Expenditures Paid and Other Financing Uses - Appropriation and Actual	46 - 50
Police Fund	
Schedule of Revenues Collected and Other Financing Sources - Appropriation and Actual	51
Schedule of Expenditures Paid - Appropriation and Actual	52
Nonmajor Governmental Funds	
Combining Statement of Assets Arising from Cash Transactions	53 - 54
Combining Statement of Revenues Collected, Expenditures Paid, and Changes in Fund Balances	55 - 56
Schedules of Revenues Collected, Expenditures Paid, and Changes in Fund Balances - Appropriation and Actual	
Motor Fuel Tax Fund	57
Special Service Area 5 - Duffy Roads Fund	58
Special Service Area 7 - Russell's Storm Sewer Fund	59
Special Service Area 10 - North Robinwood Sewer Debt Service Fund	60
Special Service Area 19 - Hiawatha Road Debt Service Fund	61
Special Service Area 20 - Whigham Burr Oak Debt Service Fund	62
Enterprise Funds	
Schedules of Revenues Collected, Expenses Paid, and Changes in Net Assets - Appropriation and Actual	
Consolidated Water Fund	63 - 64
Sewer Fund	65 - 66

(Continued)

Village of Riverwoods, Illinois

TABLE OF CONTENTS (Continued)

	Page
OTHER SUPPLEMENTAL INFORMATION	
Schedule of Cash and Investments	67 - 68
Schedule of Insurance in Force	69
Schedules of Annual Debt Service Requirements	
North Robinwood Sewer - Special Service Area Number 10 Bonds	70
North Robinwood Water - Special Service Area Number 16 Bonds	71
Hiawatha Road - Special Service Area Number 19 Bonds	72
Whigham-Burr Oak - Special Service Area Number 20 Bonds	73
General Fund	
Schedule of Revenues Collected - Trend Information - Last Ten Years	74 - 77
Schedule of Expenditures Paid - Trend Information - Last Ten Years	78 - 81
Police Fund	
Schedule of Revenues Collected - Trend Information - Last Ten Years	82 - 83
Schedule of Expenditures Paid - Trend Information - Last Ten Years	84 - 85
Consolidated Water Fund	
Schedule of Revenues Collected - Trend Information - Last Nine Years	86 - 87
Schedule of Expenses Paid and Depreciation - Trend Information - Last Nine Years	88 - 89
Sewer Fund	
Schedule of Revenues Collected - Trend Information - Last Nine Years	90 - 91
Schedule of Expenses Paid and Depreciation - Trend Information - Last Nine Years	92 - 93

INDEPENDENT AUDITORS' REPORT

MILLER COOPER & Co., Ltd

ACCOUNTANTS AND CONSULTANTS

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor
Members of the Board of Trustees
Village of Riverwoods, Illinois

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Riverwoods, Illinois, as of and for the year ended December 31, 2011, which collectively comprise the Village's basic modified cash basis financial statements, as listed in the table of contents. These financial statements are the responsibility of the Village of Riverwoods' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As described in Note A-3 to the financial statements, the Village of Riverwoods, Illinois, prepares its financial statements on the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the basic modified cash basis financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the Village's governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Riverwoods, Illinois, as of December 31, 2011, and the respective revenues collected, expenditures/expenses paid, changes in fund balances, net assets, and cash flows, where applicable, for the year then ended, on the basis of accounting described in Note A-3.

(Continued)

The Honorable Mayor
Members of the Board of Trustees
Village of Riverwoods, Illinois

(Continued)

The management's discussion and analysis on pages 3 through 10 and the retirement fund historical data, budgetary comparison information, and notes to the required supplementary information on pages 40 through 43 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

MILLER, COOPER & CO., LTD.

Miller, Cooper & Co., Ltd.

Certified Public Accountants

Deerfield, Illinois

June 19, 2012

Management's Discussion and Analysis

December 31, 2011

The Village of Riverwoods (the "Village") presents this management discussion and analysis ("MDA") of the Village's financial activities for the fiscal year ended December 31, 2011, 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 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 asset position.** The total assets of the Village exceeded its liabilities at the close of the most recent fiscal year resulting in net assets of \$29,956,963.
- **Fund balance.** At the close of the most recent fiscal year, the Village's governmental funds reported combined ending fund balances of \$11,474,041, of which \$10,833,779 was unassigned and available for spending in the Village's discretion (unassigned fund balance).
- **Cash and investment balance.** The Village's cash and investment balance at the close of the most recent fiscal was \$13,449,591 against a monthly total expenditure average of \$363,105.
- **Short-term and long-term liabilities.** Of the Village's total liabilities at the end of the year (\$313,913), the sum of \$79,058 was due within one year. The Village's long term debt consists solely of limited obligation special service area bonds of \$234,855.
- **General fund summary.** The fund balance in the General Fund decreased from \$12,085,967 to \$10,882,695 (after paying for a new police station), and at the end of the most recent fiscal year was unassigned and available to be spent.

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. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village's financial accountability.

Government-Wide Financial Statements

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

Management's Discussion and Analysis

December 31, 2011

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 the Village's taxpayers.

The two 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 blend financial information from other legally separate entities into this report.

Fund Financial Statements

The Village has three kinds of funds: governmental funds, proprietary (enterprise) funds and fiduciary (agency) funds. Accordingly, this report includes basic *Governmental Fund Financial Statements*, which are presented on pages 14 through 16 of this report, basic *Enterprise Fund Financial Statements*, which are presented on pages 17 through 20 of this report, and an *Agency Fund Financial Statement*, which is presented on page 21 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, major 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 kinds of funds 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. Both 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 reconcile the differences between these two perspectives.

Budgetary comparison schedules can be found in the required supplementary information and supplemental data sections of this report. These schedules demonstrate compliance with the Village's budget.

Management's Discussion and Analysis

December 31, 2011

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 such as the Performance Bond Fund, are reported in the *Agency Fund Financial Statements*, but are excluded from the government-wide reporting. Resources reported in the Performance Bond Fund are not available to fund Village programs.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 24-39 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information and supplemental data. Required supplementary information, supplemental data, and other supplemental information can be found on pages 40-93 of this report.

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

By far the largest portion of the Village's net assets reflects its investment in capital assets (i.e., land, infrastructure, buildings and improvements, machinery, 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.

Page 6 reports a table summarizing the *Statement of Net Assets – Modified Cash Basis*, which is presented in its entirety on page 11 of this report. The Village's total net assets as of December 31, 2011 were \$29,956,963, of which \$16,351,439 represents governmental activities net assets and \$13,605,524 represents business-type activities net assets. The net assets of the Village decreased during 2011 by approximately .68% from 2010. Total assets of \$30,270,876 exceeded total liabilities of \$313,913 at the end of the year

Over a multi-year period, an increase or decrease in net assets 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.

Page 7 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 decreased during 2011 from \$3,213,496 to \$3,003,157, and revenues collected from business-type activities (water and sewer systems) decreased from \$1,866,125 to \$1,148,993.

Village expenses paid from governmental activities increased from \$2,697,732 to \$3,200,498, while expenses paid from business-type activities decreased from \$1,283,831 to \$1,156,765.

Management's Discussion and Analysis
December 31, 2011

SUMMARY STATEMENT OF NET ASSETS

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Current Assets	\$11,484,159	\$12,987,595	\$1,965,432	\$2,181,245	\$13,449,591	\$15,168,840
Noncurrent Assets	5,090,432	3,842,342	11,730,853	11,986,960	16,821,285	15,829,302
Total Assets	16,574,591	16,829,937	13,696,285	14,168,205	30,270,876	30,998,142
Noncurrent Liabilities due within one year	61,159	58,285	7,781	463,817	68,940	522,102
Noncurrent Liabilities due within more than one year	151,875	213,289	82,980	91,092	234,855	304,381
Other Liabilities	10,118	9,583	-	-	10,118	9,583
Total Liabilities	223,152	281,157	90,761	554,909	313,913	836,066
Net Assets:						
Invested in Capital Assets, net of Debt	4,877,398	3,570,768	11,640,092	11,432,051	16,517,490	15,002,819
Restricted for narcotics control	-	48,196	-	-	-	48,196
Restricted by enabling legislation	640,262	762,517	-	-	640,262	762,517
Unrestricted	10,833,779	12,166,579	1,965,432	2,181,245	12,799,211	14,347,824
Total Net Assets	<u>\$16,351,439</u>	<u>\$16,548,780</u>	<u>\$13,605,524</u>	<u>\$13,613,296</u>	<u>\$29,956,963</u>	<u>\$30,162,076</u>

Management's Discussion and Analysis December 31, 2011

SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenue Collected						
Program Revenue						
Charges for services						
Police	\$147,181	\$149,098	\$ -	\$ -	147,181	\$149,098
Administration	260,072	280,074	-	-	260,072	280,074
Water	-	-	935,073	984,964	935,073	984,964
Sewer	-	-	49,429	63,873	49,429	63,873
Grant Revenue	-	-	-	-	-	-
Administration	-	25,000	-	-	-	25,000
Water	-	-	-	135,461	-	135,461
Police	-	-	-	-	-	-
Public Works	112,397	115,842	-	-	112,397	115,842
Total Program Revenues	519,650	570,014	984,502	1,184,298	1,504,152	1,754,312
General revenues collected and transfers						
Property taxes	578,008	575,877	163,305	678,146	741,313	1,254,023
Intergovernmental	613,335	510,865	-	-	613,335	510,865
Other local taxes	982,568	1,136,735	-	-	982,568	1,136,735
Other revenues	195,792	239,491	380	80	195,792	239,571
Transfers	-	(28,802)	-	28,802	-	-
Interest income	113,804	180,514	806	3,601	114,610	184,115
Total General Revenues Collected and Transfers	2,483,507	2,614,680	164,491	710,629	2,647,998	3,325,309
Total Revenues Collected and Transfers	3,003,157	3,184,694	1,148,933	1,894,927	4,152,150	5,079,621
Expenses Paid:						
Administration and general government	1,170,659	1,315,496	-	-	1,170,659	1,315,496
Police	1,409,220	1,098,866	-	-	1,409,220	1,098,866
Public Works	606,910	260,987	-	-	606,910	260,987
Interest	13,709	22,383	-	-	13,709	22,383
Consolidated Water	-	-	909,994	934,300	909,994	943,300
Sewer	-	-	246,771	349,531	246,771	349,531
Total Expenses Paid	3,200,498	2,697,732	1,156,765	1,283,831	4,357,263	3,981,563
Increase (Decrease) in Net Assets	(197,341)	486,962	(7,772)	611,096	(205,113)	1,098,058
Net Assets, beginning of year	16,548,780	16,061,818	13,613,296	13,002,200	30,162,076	29,064,018
Net Assets, End of year	<u>\$16,351,439</u>	<u>\$16,548,780</u>	<u>\$13,605,524</u>	<u>\$13,613,296</u>	<u>\$29,956,963</u>	<u>\$30,162,076</u>

Management's Discussion and Analysis December 31, 2011

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. During 2011, revenues in the General Fund decreased by 6% from \$2,011,652 in 2010 to \$1,985,000 in 2011. Revenues from telecommunication taxes declined by \$130,462 during the year, an amount corresponding to the decline in the General Fund. At the close of the most recent fiscal year, the fund balance in the General Fund decreased from \$12,085,967 to \$10,882,695. The entire fund balance in the General Fund at the end of the most recent fiscal year was unassigned and available to be spent.

Police Fund The designated source of revenue for the Police Fund is a police property tax levy. That levy has not been not subject to the Property Tax Extension Limitation Law since the Village became a home rule community in 2006, but the Village Board has elected to maintain the police levy at the amount that generally would be permitted if the Village were still subject to that law. As a result, property taxes received during 2011 from the police levy were \$447,896 against police department expenditures of \$1,338,529 (excluding the police station). Other sources of revenue include fines from tickets, fees paid by certain commercial owners under special uses with police traffic agreements, rental income from cellular companies leasing space on the Village water tower, and interest income on invested funds. The remaining deficiency was erased by transfers from the General Fund recorded during the fiscal year. The total transfer from the General Fund to the Police Fund during 2011 was \$1,833,585, of which \$1,304,977 was needed to pay for the cost of construction of the police station.

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 \$95,439. The Village applies the balance in the Motor Fuel Tax Fund to a 10-year 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 2011, the Village adopted GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions ("GASB 54") but took no action that would require fund balance to be reported as committed or assigned under the GASB 54 definitions. At the close of the most recent fiscal year, the fund balance in the General Fund was unassigned. The Village at present relies on the General Fund for certain repairs and replacements. 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.

Management's Discussion and Analysis

December 31, 2011

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 and expenses 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 2011, 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 assets of the Consolidated Water Fund at the end of the year amounted to \$10,044,976, as compared to \$9,855,406 for the prior year, an increase of \$189,570. The undesignated amount at the end of the year is \$1,612,364, an increase from \$1,592,937 in the prior year. Although revenues from the sale of water to customers exceeded the Village's cash payments for water purchases by \$291,406, the excess did not significantly increase the undesignated amount of net assets because of depreciation of \$249,323 and other operating expenses. After excluding nonoperating revenues, particularly from special service area taxes, the Consolidated Water Fund experienced a surplus of operating revenues collected over operating expenses paid (and depreciation) of \$42,083 at the end of the year, as compared to \$82,923 for the prior year. The excess of operating revenues collected over operating expenses paid in 2011 remained about the same as in 2010. The fund's operating expenses are driven 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 will be held constant until 2015.

Sewer Fund. Net assets of the Sewer Fund at the end of the year amounted to \$3,560,548, as compared to \$3,757,890 for the prior year, a decrease of \$197,342. The designated amount in the Sewer Fund at the end of the year is \$353,068, as compared to \$359,099 for the prior year. After excluding nonoperating expenses, the Sewer Fund experienced a deficiency of operating revenues collected over operating expenses paid (and depreciation) of (\$192,722) at the end of the year, as compared to (\$263,206) in the prior year. 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 designated replacement account in the Sewer Fund to pay for future capital replacements. This account now has \$353,068, as mentioned above.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The budgeted revenues and other financing sources were not sufficient to offset budgeted expenditures and other financing uses. The budget numbers as reported for the General Fund on pages 44-50 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. Appropriations for the road and bike fund (potential bike path) and land acquisition were over \$3,000,000, but projects were never in fact authorized. One authorized transfer in 2011, however, was from the General Fund to the Police Fund to pay for the cost of a new police station and to offset the recurring operating shortfall of the police department. See the discussion under Police Fund above. Due to the transfer to the Police Fund, the fund balance of the General Fund declined from \$12,085,967 in 2010 to \$10,882,695 in 2011, despite an excess of operating revenues over expenditures in the amount of \$630,313 (see page 15 of this report). The actual expenditures of the General Fund, outside of transfers and major capital outlays, have held steady over a number of years (operating expenditures in 2010 of \$1,352,164 versus \$1,354,687 in 2011, see page 80 of this report).

Management's Discussion and Analysis

December 31, 2011

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

The Village did not incur any new long-term debt in 2011 and continues to service existing special service area bond issues. The Village is considering the renovation of the former police building located next to the Village Hall. One potential use is for a community center that could be enjoyed by residents for a variety of purposes.

Please see Notes E and F 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, and public buildings, and maintenance of its woodlands.

The Village has been reviewing capital needs and intends to adopt a reserve fund policy setting goals for increasing 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 under GASB 54 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 increase gradually so that less pressure will be exerted on the General Fund to absorb the costs for water and sewer system repairs.

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

The Village's population according to the official 2010 census was 3,660. The average selling price of homes sold in Riverwoods in 2011 was \$631,446. The Village is primarily a residential community. Its financial health stems from the beauty of the area and its attractive properties. The economic downturn has resulted in reduced revenues for the General Fund while costs for the Police Fund continue to increase. While the General Fund has an enviable fund balance, the recommended reserves for the Consolidated Water Fund and Sewer Fund are underfunded to some degree. The Village's goal is to manage the necessary build-up of reserves in the enterprise funds while maintaining the low tax burden and quality of life in the Village.

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 Village President, 300 Portwine Road, Riverwoods, Illinois 60015, or call 847-945-3990.

BASIC FINANCIAL STATEMENTS

Village of Riverwoods, Illinois
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
December 31, 2011

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 5,133,705	\$ 1,711,153	\$ 6,844,858
Investments	<u>6,350,454</u>	<u>254,279</u>	<u>6,604,733</u>
Total current assets	<u>11,484,159</u>	<u>1,965,432</u>	<u>13,449,591</u>
Noncurrent assets			
Capital assets, not being depreciated			
Land	2,683,072	-	2,683,072
Construction in progress	84,329	-	84,329
Capital assets, net of accumulated depreciation	<u>2,323,031</u>	<u>11,730,853</u>	<u>14,053,884</u>
Total noncurrent assets	<u>5,090,432</u>	<u>11,730,853</u>	<u>16,821,285</u>
Total assets	<u>16,574,591</u>	<u>13,696,285</u>	<u>30,270,876</u>
LIABILITIES			
Other liabilities	10,118	-	10,118
Noncurrent liabilities			
Due within one year	61,159	7,781	68,940
Due in more than one year	<u>151,875</u>	<u>82,980</u>	<u>234,855</u>
Total liabilities	<u>223,152</u>	<u>90,761</u>	<u>313,913</u>
NET ASSETS			
Invested in capital assets, net of related debt	4,877,398	11,640,092	16,517,490
Restricted by enabling legislation	640,262	-	640,262
Unrestricted	<u>10,833,779</u>	<u>1,965,432</u>	<u>12,799,211</u>
Total net assets	<u>\$ 16,351,439</u>	<u>\$ 13,605,524</u>	<u>\$ 29,956,963</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2011

Functions/programs	Expenses Paid	Program Revenues Collected	
		Charges for Services	Operating Grants
Governmental activities			
Administration and general government	\$ 1,170,659	\$ 260,072	\$ -
Police	1,409,220	147,181	-
Public works	606,910	-	112,397
Interest	13,709	-	-
Total governmental activities	<u>3,200,498</u>	<u>407,253</u>	<u>112,397</u>
Business-type activities			
Consolidated water	909,994	935,073	-
Sewer	246,771	49,429	-
Total business-type activities	<u>1,156,765</u>	<u>984,502</u>	<u>-</u>
Total	<u>\$ 4,357,263</u>	<u>\$ 1,391,755</u>	<u>\$ 112,397</u>

General revenues collected

Property and road and
bridge taxes

Intergovernmental

Other local taxes

Other revenues

Interest income

Total general revenues collected

Change in net assets

Net assets

Beginning of year

End of year

The accompanying notes are an integral part of this statement.

Net (Expense) Revenue and
Changes in Net Assets

Governmental Activities	Business-type Activities	Total
\$ (910,587)	\$ -	\$ (910,587)
(1,262,039)	-	(1,262,039)
(494,513)	-	(494,513)
(13,709)	-	(13,709)
<u>(2,680,848)</u>	<u>-</u>	<u>(2,680,848)</u>
-	25,079	25,079
-	(197,342)	(197,342)
<u>-</u>	<u>(172,263)</u>	<u>(172,263)</u>
<u>(2,680,848)</u>	<u>(172,263)</u>	<u>(2,853,111)</u>
578,008	163,305	741,313
613,335	-	613,335
982,568	-	982,568
195,792	380	196,172
113,804	806	114,610
<u>2,483,507</u>	<u>164,491</u>	<u>2,647,998</u>
(197,341)	(7,772)	(205,113)
<u>16,548,780</u>	<u>13,613,296</u>	<u>30,162,076</u>
<u>\$ 16,351,439</u>	<u>\$ 13,605,524</u>	<u>\$ 29,956,963</u>

Village of Riverwoods, Illinois
Governmental Funds
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
December 31, 2011

	<u>General Fund</u>	<u>Police Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 4,542,188	\$ 171	\$ 591,346	\$ 5,133,705
Investments	<u>6,350,454</u>	<u>-</u>	<u>-</u>	<u>6,350,454</u>
Total assets	<u>\$ 10,892,642</u>	<u>\$ 171</u>	<u>\$ 591,346</u>	<u>\$ 11,484,159</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Other liabilities	\$ <u>9,947</u>	\$ <u>171</u>	\$ <u>-</u>	\$ <u>10,118</u>
Total liabilities	<u>9,947</u>	<u>171</u>	<u>-</u>	<u>10,118</u>
Fund balances				
Restricted	-	48,916	591,346	640,262
Unassigned	<u>10,882,695</u>	<u>(48,916)</u>	<u>-</u>	<u>10,833,779</u>
Total fund balances	<u>10,882,695</u>	<u>-</u>	<u>591,346</u>	11,474,041
Total fund balances and liabilities	<u>\$ 10,892,642</u>	<u>\$ 171</u>	<u>\$ 591,346</u>	
 Amounts reported for governmental activities in the statement of net assets are different because:				
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds				5,090,432
Bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds				<u>(213,034)</u>
Net assets of governmental activities				<u>\$ 16,351,439</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois

Governmental Funds

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2011

	General Fund	Police Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues collected				
Property taxes				
Police	\$ -	\$ 447,896	\$ -	\$ 447,896
Special service areas	-	-	95,073	95,073
Other local taxes	982,568	-	-	982,568
Township road and bridge taxes	35,039	-	-	35,039
Other intergovernmental taxes	613,335	-	95,439	708,774
Grants and contributions	-	-	16,958	16,958
Licenses and permits	187,272	-	-	187,272
Fines and forfeits	-	147,181	-	147,181
Special use payments	-	72,800	-	72,800
Other	53,911	141,881	-	195,792
Interest income	112,875	125	804	113,804
Total revenues collected	<u>1,985,000</u>	<u>809,883</u>	<u>208,274</u>	<u>3,003,157</u>
Expenditures paid				
Current				
Administration	981,989	-	25	982,014
Building	165,941	-	-	165,941
Police	-	1,323,353	-	1,323,353
Public works	162,942	-	436,661	599,603
Capital outlay	43,815	1,320,153	-	1,363,968
Debt service				
Principal	-	-	58,540	58,540
Interest	-	-	13,709	13,709
Total expenditures paid	<u>1,354,687</u>	<u>2,643,506</u>	<u>508,935</u>	<u>4,507,128</u>
Excess (deficiency) of revenues collected over expenditures paid	630,313	(1,833,623)	(300,661)	(1,503,971)
Other financing sources (uses)				
Transfers in (out)	<u>(1,833,585)</u>	<u>1,833,585</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(1,203,272)	(38)	(300,661)	(1,503,971)
Fund balance, beginning of year	<u>12,085,967</u>	<u>38</u>	<u>892,007</u>	<u>12,978,012</u>
Fund balance, end of year	<u>\$ 10,882,695</u>	<u>\$ -</u>	<u>\$ 591,346</u>	<u>\$ 11,474,041</u>

The accompanying notes are an integral part of this statement.

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, 2011

Net change in fund balances - total governmental funds \$ (1,503,971)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which net capital outlays exceeded depreciation in the current period. 1,248,090

The repayment of the principal of long-term debt consumes the current financial resources of government funds. 58,540

Change in net assets of governmental activities \$ (197,341)

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
Enterprise Funds
COMBINING STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
December 31, 2011

	<u>Consolidated Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,358,085	\$ 353,068	\$ 1,711,153
Investments	<u>254,279</u>	<u>-</u>	<u>254,279</u>
Total current assets	<u>1,612,364</u>	<u>353,068</u>	<u>1,965,432</u>
Noncurrent assets:			
Capital assets	11,961,424	5,824,227	17,785,651
Accumulated depreciation	<u>(3,438,051)</u>	<u>(2,616,747)</u>	<u>(6,054,798)</u>
Total noncurrent assets	<u>8,523,373</u>	<u>3,207,480</u>	<u>11,730,853</u>
Total assets	<u>10,135,737</u>	<u>3,560,548</u>	<u>13,696,285</u>
LIABILITIES			
Current liabilities			
Bonds payable due within one year	<u>7,781</u>	<u>-</u>	<u>7,781</u>
Total current liabilities	<u>7,781</u>	<u>-</u>	<u>7,781</u>
Noncurrent liabilities			
Bonds payable	<u>82,980</u>	<u>-</u>	<u>82,980</u>
Total liabilities	<u>90,761</u>	<u>-</u>	<u>90,761</u>
NET ASSETS			
Invested in capital assets, net of related debt	8,432,612	3,207,480	11,640,092
Unreserved			
Designated for sewer replacement	-	353,068	353,068
Undesignated	<u>1,612,364</u>	<u>-</u>	<u>1,612,364</u>
Total net assets	<u>\$ 10,044,976</u>	<u>\$ 3,560,548</u>	<u>\$ 13,605,524</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois

Enterprise Funds

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENSES PAID, AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

For the Year Ended December 31, 2011

	Consolidated Water Fund	Sewer Fund	Totals
Operating revenues collected			
Charges for sales and services	\$ 935,073	\$ 49,429	\$ 984,502
Operating expenses paid			
Personnel	34,655	7,237	41,892
Contractual	572,972	117,451	690,423
Commodities	36,040	-	36,040
Total operating expenses paid	643,667	124,688	768,355
Depreciation	249,323	117,463	366,786
Total operating expenses paid and depreciation	892,990	242,151	1,135,141
Excess (deficiency) of operating revenues collected over operating expenses paid and depreciation	42,083	(192,722)	(150,639)
Nonoperating revenues collected (expenses paid)			
Property taxes	163,305	-	163,305
Interest income	806	-	806
Debt service - interest	(16,308)	(4,620)	(20,928)
Other revenue	380	-	380
Other expense	(696)	-	(696)
Total nonoperating revenues collected (expenses paid)	147,487	(4,620)	142,867
Change in net assets	189,570	(197,342)	(7,772)
Net assets, beginning of year	9,855,406	3,757,890	13,613,296
Net assets, end of year	\$ 10,044,976	\$ 3,560,548	\$ 13,605,524

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

For the Year Ended December 31, 2011

	Consolidated		
	Water	Sewer	Totals
	Fund	Fund	
Cash flows in operating activities			
Cash received from customers and users	\$ 935,073	\$ 49,429	\$ 984,502
Cash payments for goods and services	(609,012)	(117,451)	(726,463)
Cash payments to employees	(34,655)	(7,237)	(41,892)
Net cash provided by (used in) operating activities	<u>291,406</u>	<u>(75,259)</u>	<u>216,147</u>
Cash flows in noncapital financing activities			
Property tax revenues collected	163,305	-	163,305
Other	(316)	-	(316)
Net cash provided by noncapital financing activities	<u>162,989</u>	<u>-</u>	<u>162,989</u>
Cash flows in capital and related financing activities			
Purchases of capital assets	(110,679)	-	(110,679)
Principal payments	(308,787)	(155,361)	(464,148)
Interest payments	(16,308)	(4,620)	(20,928)
Net cash used in capital and related financing activities	<u>(435,774)</u>	<u>(159,981)</u>	<u>(595,755)</u>
Cash flows in investing activities			
Interest on cash and cash equivalents	<u>806</u>	<u>-</u>	<u>806</u>
Net cash provided by investing activities	<u>806</u>	<u>-</u>	<u>806</u>
Net increase (decrease) in cash and cash equivalents	19,427	(235,240)	(215,813)
Cash and cash equivalents, beginning of year	<u>1,338,658</u>	<u>588,308</u>	<u>1,926,966</u>
Cash and cash equivalents, end of year	<u>\$ 1,358,085</u>	<u>\$ 353,068</u>	<u>\$ 1,711,153</u>

(Continued)

Village of Riverwoods, Illinois

Enterprise Funds

COMBINING STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS (Continued)

For the Year Ended December 31, 2011

	Consolidated Water Fund	Sewer Fund	Totals
	<u> </u>	<u> </u>	<u> </u>
Reconciliation of excess (deficiency) of operating revenues collected over expenses paid and depreciation to net cash provided by (used in) operating activities			
Excess (deficiency) of operating revenues collected over expenses paid and depreciation	\$ 42,083	\$ (192,722)	\$ (150,639)
Adjustments to reconcile excess (deficiency) of operating revenues collected over expenses paid and depreciation to net cash provided by (used in) operating activities:			
Depreciation	<u>249,323</u>	<u>117,463</u>	<u>366,786</u>
Net cash provided by (used in) operating activities	<u>\$ 291,406</u>	<u>\$ (75,259)</u>	<u>\$ 216,147</u>

(Concluded)

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
Agency Fund - Performance Bond Fund
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2011

	January 1, 2011	Additions	Deductions	December 31, 2011
ASSETS				
Cash and cash equivalents	\$ 407,527	\$ 179,338	\$ 303,234	\$ 283,631
Investments	34,319	-	-	34,319
Due from developers				
Escrow bonds	104,213	296	70,020	34,489
Total assets	\$ 546,059	\$ 179,634	\$ 373,254	\$ 352,439
LIABILITIES				
Due to developers				
Performance bonds	\$ 292,779	\$ 89,168	\$ 159,629	\$ 222,318
Escrow bonds	253,280	20,150	143,309	130,121
Total liabilities	\$ 546,059	\$ 109,318	\$ 302,938	\$ 352,439

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
INDEX FOR NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

Page

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Reporting Entity	24
2. Government-Wide and Fund Financial Statements	24
3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	25 - 26
4. Appropriations	26
5. Cash and Cash Equivalents	26
6. Investments	26
7. Capital Assets	27
8. Long-Term Obligations	27
9. Fund Balance	28
10. Interfund Transactions	28
11. Property Taxes	29
12. Use of Estimates	29

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds combining statement of revenues collected, expenditures paid, and changes in fund balances and the government-wide statement of activities - modified cash basis	29
---	----

NOTE C - DEPOSITS AND INVESTMENTS

29 - 31

NOTE D - CAPITAL ASSETS

1. Governmental	32
2. Enterprise	33
3. Depreciation	33

NOTE E - LONG-TERM DEBT

1. Changes in Long-Term Liabilities	34
2. Annual Debt Service Requirements to Maturity	35

NOTE F - INTERFUND TRANSFERS

35

NOTE G - JOINT VENTURES

1. Solid Waste Agency of Lake County (SWALCO)	36
2. Northeastern Illinois Regional Crime Laboratory (NIRCL)	36
3. Northern Suburban Special Recreation Association (NSSRA)	37

Village of Riverwoods, Illinois
INDEX FOR NOTES TO THE FINANCIAL STATEMENTS (Continued)
December 31, 2011

	Page
NOTE H - ILLINOIS MUNICIPAL RETIREMENT FUND	
1. Plan Description	37
2. Funding Policy	37
3. Annual Pension Cost	38
4. Funded Status and Funding Progress	38
NOTE I - CONTINGENCIES	39
NOTE J - SUBSEQUENT EVENTS	39

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE A - 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.

1. 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.

2. Government-Wide and Fund Financial Statements

The Village uses funds 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 all or 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
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The government-wide financial statements are prepared using the modified cash basis of accounting. 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 modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

The Village reports the following major governmental funds:

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

The *Police Fund* accounts for operations associated with the Village's Police Department.

The Village reports the following major proprietary funds:

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.

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, including special assessments. 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
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 enterprise fund and of the Sewer enterprise fund 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 and 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.

4. Appropriations

The Village budgets on the modified cash basis of accounting. The appropriation ordinance, which is the legal authority to spend, was passed on March 15, 2011, and was not amended during the year. All appropriations lapse at the fiscal year-end.

5. Cash and Cash Equivalents

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

6. Investments

Investments consist of U.S. Government Agency Securities, U.S. Treasury Notes, mutual funds, and certificates of deposit with maturities greater than three months at the time of purchase. All investments are stated at cost or amortized cost, which approximates fair value.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

7. 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 statements. Capital assets are defined by the government 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 historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

The 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	40 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.

8. 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 assets. Bonds payable are reported net of the applicable bond premium or discount.

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

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), which was adopted by the Village during 2011. In the fund financial statements, governmental funds now report up to five components of fund balance: nonspendable, restricted, committed, assigned, and unassigned.

- a. *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.
- b. *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.
- c. *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.
- d. *Assigned* - refers to amounts that are constrained by the Village's intent to be used for a specific purpose, but are neither restricted or 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.
- e. *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.

10. Interfund Transactions

Quasi-external transactions are accounted for as revenues collected, expenditures paid, or expenses paid. Transactions that constitute reimbursements to a fund for expenditures/expenses paid initially from it, that are properly applicable to another fund, are recorded as expenditures/expenses paid in the reimbursing fund and as reductions of expenditures/expenses paid in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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 7, 2010). 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 2010 levy is reported in these statements.

12. 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.

NOTE B - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of certain differences between the governmental funds combining statement of revenues collected, expenditures paid, and changes in fund balances and the government-wide statement of activities - modified cash basis

One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 1,353,016
Depreciation expense	<u>(104,926)</u>
Net adjustment to increase net change in fund balances - total governmental funds to arrive at change in net assets of governmental activities	\$ <u><u>1,248,090</u></u>

NOTE C - 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, or the enterprise funds combining statement of net assets arising from cash transactions. In addition, deposits are separately held by several of the Village's funds.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

State statutes allow the Village to make deposits in: insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States of agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and The Illinois Funds investment pool.

At December 31, 2011, the Village's deposits and investments consisted of the following:

	<u>Government- Wide</u>	<u>Agency Fund</u>	<u>Total</u>
Cash and cash equivalents	\$ 6,844,858	\$ 283,631	\$ 7,128,489
Investments	<u>6,604,733</u>	<u>34,319</u>	<u>6,639,052</u>
	<u>\$ 13,449,591</u>	<u>\$ 317,950</u>	<u>\$ 13,767,541</u>

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

	<u>Total</u>
Cash on hand	\$ 300
Deposits with financial institutions	4,688,549
The Illinois Funds	6,461,089
Other investments	<u>2,617,603</u>
	<u>\$ 13,767,541</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2011, the Village's other investments consisted of the following:

<u>Investment Type</u>	<u>Cost Basis</u>	<u>Maturity (In Years)</u>		
		<u>Less Than 1</u>	<u>1 - 3</u>	<u>3 - 5</u>
U.S. Treasury Note	\$ 826,860	\$ 200,391	\$ 511,805	\$ 114,664
Federal Farm Credit Bank	793,724	180,560	-	613,164
Federal Home Loan Mortgage Corp.	267,215	-	267,215	-
Federal Home Loan Bank	168,147	-	168,147	-
Federal National Mortgage Assoc.	561,657	-	145,444	416,213
	<u>\$ 2,617,603</u>	<u>\$ 380,951</u>	<u>\$ 1,092,611</u>	<u>\$ 1,144,041</u>

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.

Credit Risk

State law and the Village's investment policy limit investments in commercial paper, corporate bonds, and mutual bond funds to the two top ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. As of December 31, 2011, The Illinois Funds Money Market was rated AAAM by Standard and Poor's.

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.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of a failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's controls custodial credit risk by diversifying its investment portfolio. The bank balance of the Village's deposits with financial institutions was not exposed to custodial credit risk as it was fully insured or collateralized as of December 31, 2011.

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
December 31, 2011

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2011, was as follows:

1. <u>Governmental</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 2,683,072	\$ -	\$ -	\$ 2,683,072
Construction in progress	<u>147,770</u>	<u>-</u>	<u>63,441</u>	<u>84,329</u>
Total capital assets not being depreciated	<u>2,830,842</u>	<u>-</u>	<u>63,441</u>	<u>2,767,401</u>
Capital assets being depreciated				
Buildings and improvements	700,558	1,386,472	-	2,087,030
Office equipment	168,421	29,985	-	198,406
Infrastructure	365,363	-	-	365,363
Vehicles	<u>223,784</u>	<u>-</u>	<u>-</u>	<u>223,784</u>
Total capital assets being depreciated	<u>1,458,126</u>	<u>1,416,457</u>	<u>-</u>	<u>2,874,583</u>
Less accumulated depreciation for:				
Buildings and improvements	178,424	43,347	-	221,771
Office equipment	153,176	11,338	-	164,514
Infrastructure	30,727	7,307	-	38,034
Vehicles	<u>84,299</u>	<u>42,934</u>	<u>-</u>	<u>127,233</u>
Total accumulated depreciation	<u>446,626</u>	<u>104,926</u>	<u>-</u>	<u>551,552</u>
Total capital assets being depreciated, net	<u>1,011,500</u>	<u>1,311,531</u>	<u>-</u>	<u>2,323,031</u>
Governmental activities capital assets, net	<u>\$ 3,842,342</u>	<u>\$ 1,311,531</u>	<u>\$ 63,441</u>	<u>\$ 5,090,432</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE D - CAPITAL ASSETS (Continued)

2. <u>Enterprise</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Pumping stations and reservoirs	\$ 2,866,149	\$ -	\$ -	\$ 2,866,149
Water tower	50,000	-	-	50,000
Water meters	44,878	110,679	-	155,557
Water mains	8,889,718	-	-	8,889,718
Sewers	<u>5,824,227</u>	<u>-</u>	<u>-</u>	<u>5,824,227</u>
Total capital assets being depreciated	<u>17,674,972</u>	<u>110,679</u>	<u>-</u>	<u>17,785,651</u>
Less accumulated depreciation for:				
Pumping stations and reservoirs	958,790	57,323	-	1,016,113
Water tower	6,000	1,000	-	7,000
Water meters	4,488	15,556	-	20,044
Water mains	2,219,450	175,444	-	2,394,894
Sewers	<u>2,499,284</u>	<u>117,463</u>	<u>-</u>	<u>2,616,747</u>
Total accumulated depreciation	<u>5,688,012</u>	<u>366,786</u>	<u>-</u>	<u>6,054,798</u>
Business-type activities capital assets, net	<u>\$ 11,986,960</u>	<u>\$ (256,107)</u>	<u>\$ -</u>	<u>\$ 11,730,853</u>

3. Depreciation

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

Governmental activities	
Administration and general	\$ 22,704
Police	74,915
Public works	<u>7,307</u>
Total depreciation expense - governmental activities	<u>\$ 104,926</u>
Business-type activities	
Consolidated water	\$ 249,323
Sewer	<u>117,463</u>
Total depreciation expense - business-type activities	<u>\$ 366,786</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE E - LONG-TERM DEBT

1. Changes in Long-Term Liabilities

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

	<u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u> <u>2011</u>	<u>Due Within</u> <u>One Year</u>
Special Service Area Bonds:					
North Robinwood Sewer Special Service Area Number 10. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	\$ 108,191	\$ -	\$ 8,360	\$ 99,831	\$ 8,507
Hiawatha Road Special Service Area Number 19. Issued November 18, 2002. Due February 1, 2013, interest at 6.00%.	52,421	-	20,032	32,389	21,267
Whigham-Burr Oak Special Service Area Number 20. Issued December 2, 2003. Due February 1, 2014, interest at 3.70%.	<u>110,962</u>	<u>-</u>	<u>30,148</u>	<u>80,814</u>	<u>31,385</u>
Total	<u>\$ 271,574</u>	<u>\$ -</u>	<u>\$ 58,540</u>	<u>\$ 213,034</u>	<u>\$ 61,159</u>

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

	<u>January 1,</u> <u>2011</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u> <u>2011</u>	<u>Due Within</u> <u>One Year</u>
Special Service Area Bonds:					
South Riverwood Sewer Special Service Area Number 12. Issued June 5, 2000. Due February 1, 2011, interest at 5.85%.	\$ 155,361	\$ -	\$ 155,361	\$ -	\$ -
North Central Water Special Service Area Number 14 Issued August 15, 2001. Due August 1, 2011, interest at 4.60%.	286,134	-	286,134	-	-
North Robinwood Water Special Service Area Number 16. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	98,412	-	7,651	90,761	7,781
Northwest Water Special Service Area Number 17. Issued August 17, 2000. Due February 1, 2011, interest at 5.25%.	<u>15,002</u>	<u>-</u>	<u>15,002</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 554,909</u>	<u>\$ -</u>	<u>\$ 464,148</u>	<u>\$ 90,761</u>	<u>\$ 7,781</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE E - LONG-TERM DEBT (Continued)

2. Annual Debt Service Requirements to Maturity

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

Years Ending December 31	Special Service Area Bonds		
	Governmental	Enterprise	Total
2012	\$ 71,856	\$ 13,473	\$ 85,329
2013	60,395	13,473	73,868
2014	31,929	13,474	45,403
2015	14,731	13,474	28,205
2016	14,730	13,473	28,203
2017-2021	59,815	54,157	113,972
	253,456	121,524	374,980
Less interest	40,422	30,763	71,185
	<u>\$ 213,034</u>	<u>\$ 90,761</u>	<u>\$ 303,795</u>

NOTE F - INTERFUND TRANSFERS

Governmental funds	Transfers In	Transfers Out
General		
Police	\$ -	\$ 1,833,585
Total General Fund	<u>-</u>	<u>1,833,585</u>
Police		
General	1,833,585	-
Total Police Fund	<u>1,833,585</u>	<u>-</u>
Total governmental funds	<u>1,833,585</u>	<u>1,833,585</u>
Elimination of transfers to/from funds of the same type	<u>(1,833,585)</u>	<u>(1,833,585)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE G - JOINT VENTURES

1. 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 41 municipalities. The Agency is a municipal corporation and public body politic established pursuant to the Constitution Act of the State of Illinois and the Intergovernmental Cooperation Act of the State of Illinois, as amended (the "Acts"). 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, 2011, is 0.94%. This percentage share is subject to change in future years based on the population and equalized assessed valuation of the municipalities.

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.

2. Northern Illinois Police Crime Laboratory (NIPCL)

The Village is a member of the Northern Illinois Police Crime Laboratory (the Laboratory). Each of the 40 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 \$7,881 to the Laboratory during 2011.

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

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE G - JOINT VENTURES (Continued)

3. 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 \$32,508 to the Association during the current fiscal year.

The Village does not have a direct financial interest in the Association; therefore, its investment therein is not reported within the financial statements. Upon dissolution of the Association, 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 the Association.

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

NOTE H - ILLINOIS MUNICIPAL RETIREMENT FUND

1. Plan Description

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

2. Funding Policy

As set by statute, the Village's regular plan members are required to contribute 4.5% of their annual covered salary. The statutes require the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual required contribution rate for calendar year 2011 was 11.04%. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Village of Riverwoods, Illinois
 NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE H - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

3. Annual Pension Cost

The required contribution for calendar year 2010 was \$112,907.

Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$ 112,907	100%	\$ -
12/31/2010	104,312	100%	-
12/31/2009	98,049	100%	-

The required contribution for 2011 was determined as part of the December 31, 2009 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009 included (a) 7.5% investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of the Village's regular plan 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. The Village's regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

4. Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the regular plan was 60.86% funded. The actuarial accrued liability for benefits was \$1,613,947, and the actuarial value of assets was \$982,245, resulting in an underfunded actuarial accrued liability (UAAL) of \$631,702. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$1,022,704, and the ratio of the UAAL to the covered payroll was 62%.

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

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2011

NOTE I - CONTINGENCIES

1. 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.

2. Litigation

The Village is party to various matters involving labor arbitration, disputes and/or litigation. While it is not possible at this time to determine the outcome of these matters, management believes that the ultimate liability, if any, will not be material to the financial statements.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 19, 2012, the date that these financial statements were available to be issued. Management has determined that no events or transactions have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Riverwoods, Illinois
 Illinois Municipal Retirement Fund Pension Data
 SCHEDULE OF FUNDING PROGRESS
December 31, 2011

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2011	\$ 982,245	\$ 1,613,947	\$ 631,702	60.86%	\$ 1,022,704	61.77%
12/31/2010	1,043,348	1,536,021	492,673	67.93%	956,991	51.48%
12/31/2009	872,140	1,325,468	453,328	65.80%	956,577	47.39%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$931,780. On a market basis, the funded ratio would be 57.73%.

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, OTHER FINANCING USES, AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	Original and Final Appropriation	Actual	Variance - Favorable (Unfavorable)
Revenues collected			
Township road and bridge tax	\$ 38,000	\$ 35,039	\$ (2,961)
Other intergovernmental taxes	538,100	613,335	75,235
Local taxes	1,135,000	982,568	(152,432)
License and permits	251,800	187,272	(64,528)
Interest income	175,000	112,875	(62,125)
Other revenues	-	53,911	53,911
	<u>2,137,900</u>	<u>1,985,000</u>	<u>(152,900)</u>
Total revenues collected			
Expenditures paid			
Current			
Administration	1,512,400	981,989	530,411
Building	537,500	165,941	371,559
Road and bridge	1,050,000	162,942	887,058
Capital outlay	<u>2,510,000</u>	<u>43,815</u>	<u>2,466,185</u>
	<u>5,609,900</u>	<u>1,354,687</u>	<u>4,255,213</u>
Total expenditures paid			
Excess (deficiency) of revenues collected over expenditures paid	(3,472,000)	630,313	4,102,313
Other			
Depreciation	(260,000)	-	260,000
Other financing uses			
Transfers out	<u>(2,700,000)</u>	<u>(1,833,585)</u>	<u>866,415</u>
Net change in fund balance	<u>\$ (6,432,000)</u>	<u>(1,203,272)</u>	<u>\$ 5,228,728</u>
Fund balance			
Beginning of year		<u>12,085,967</u>	
End of year		<u>\$ 10,882,695</u>	

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, OTHER FINANCING SOURCES, AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Local taxes - property taxes	\$ 448,000	\$ 447,896	\$ (104)
Special use fees	72,000	72,800	800
Fines and forfeits	126,100	147,181	21,081
Charges for services and other	100	141,881	141,781
Interest income	-	125	125
	<u>646,200</u>	<u>809,883</u>	<u>163,683</u>
Total revenues collected			
Expenditures paid			
Current			
Personnel	1,107,000	1,013,438	93,562
Contractual services	264,400	267,464	(3,064)
Commodities	41,000	42,451	(1,451)
Capital outlay	1,342,000	1,320,153	21,847
	<u>2,754,400</u>	<u>2,643,506</u>	<u>110,894</u>
Total expenditures paid			
Deficiency of revenues collected over expenditures paid	(2,108,200)	(1,833,623)	274,577
Other financing sources			
Transfer in	-	1,833,585	1,833,585
	<u>-</u>	<u>1,833,585</u>	<u>1,833,585</u>
Net change in fund balance	\$ <u>(2,108,200)</u>	(38)	\$ <u>2,108,162</u>
Fund balance			
Beginning of year		<u>38</u>	
End of year		<u>\$ -</u>	

Village of Riverwoods, Illinois
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2011

1. 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 holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the appropriations ordinance.

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. The following fund had an excess of expenditures over appropriation:

	<u>Appropriation</u>	<u>Actual</u>	<u>Variance</u>
Motor Fuel Tax Fund	\$ <u>280,000</u>	\$ <u>409,554</u>	\$ <u>(129,554)</u>

The following fund had no appropriation for 2011:

- Special Service Area (SSA) 19 - Hiawatha Road Projects Fund

SUPPLEMENTAL DATA

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF REVENUES COLLECTED -

APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Township road and bridge tax	\$ <u>38,000</u>	\$ <u>35,039</u>	\$ <u>(2,961)</u>
Other intergovernmental taxes			
Personal property replacement taxes	2,100	1,204	(896)
Illinois municipal sales tax	200,000	234,074	34,074
Local use tax	43,000	55,736	12,736
State income taxes	<u>293,000</u>	<u>322,321</u>	<u>29,321</u>
Total other intergovernmental taxes	<u>538,100</u>	<u>613,335</u>	<u>75,235</u>
Local taxes			
Village of Riverwoods sales tax 1/2%	95,000	108,258	13,258
Utility taxes			
Electric	290,000	289,738	(262)
Gas	150,000	126,225	(23,775)
Simplified telecommunications tax	500,000	371,312	(128,688)
Hotel tax	<u>100,000</u>	<u>87,035</u>	<u>(12,965)</u>
Total local taxes	<u>1,135,000</u>	<u>982,568</u>	<u>(152,432)</u>
Licenses and permits			
Liquor licenses	20,000	30,000	10,000
Cable television franchise fees	60,000	69,861	9,861
Telephone franchise fees	-	4,466	4,466
Building permits - construction fees	70,000	57,544	(12,456)
Special inspection - site development and inspection fees	800	1,269	469
Cell tower lease	101,000	-	(101,000)
Elevator permits	-	9,600	9,600
Forester fees	-	1,635	1,635
Forest program	-	10,897	10,897
Engineer fees	<u>-</u>	<u>2,000</u>	<u>2,000</u>
Total licenses and permits	<u>251,800</u>	<u>187,272</u>	<u>(64,528)</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF REVENUES COLLECTED -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected (continued)			
Interest income	\$ <u>175,000</u>	\$ <u>112,875</u>	\$ <u>(62,125)</u>
Other			
Miscellaneous	<u>-</u>	<u>53,911</u>	<u>53,911</u>
Total revenues collected	\$ <u><u>2,137,900</u></u>	\$ <u><u>1,985,000</u></u>	\$ <u><u>(152,900)</u></u>

(Concluded)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID AND OTHER FINANCING USES -

APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures paid			
Administration department			
Personnel			
Salaries	\$ 264,000	\$ 165,190	\$ 98,810
FICA	37,400	34,187	3,213
IMRF	73,000	38,628	34,372
Unemployment insurance	55,000	3,028	51,972
Health insurance	43,500	45,910	(2,410)
Total personnel	<u>472,900</u>	<u>286,943</u>	<u>185,957</u>
Contractual services			
Maintenance - building	100,000	22,635	77,365
Maintenance - equipment	15,000	11,245	3,755
Maintenance - grounds	24,000	21,884	2,116
Insurance	25,000	16,908	8,092
Telephone	25,000	12,931	12,069
Travel and meeting expense	20,000	7,228	12,772
Postage	10,000	7,227	2,773
Advertising and printing	2,500	4,899	(2,399)
Village Voice	21,000	17,794	3,206
Accounting services	30,000	28,585	1,415
Engineering services	150,000	72,242	77,758
Legal services	150,000	183,113	(33,113)
Other professional services	130,000	96,225	33,775
Dues, subscriptions, and memberships	3,000	3,223	(223)
Forest program	75,000	72,025	2,975
Theater In The Woods	20,000	13,000	7,000
Family Day	10,000	-	10,000
NSSRA	65,000	32,508	32,492
Miscellaneous contractual services	25,000	55,330	(30,330)
Senior transportation	5,000	1,111	3,889
Contingency	60,000	-	60,000
Total contractual services	<u>965,500</u>	<u>680,113</u>	<u>285,387</u>

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID AND OTHER FINANCING USES -

APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures paid (continued)			
Administration department (continued)			
Commodities			
Office supplies	\$ 22,000	\$ 10,301	\$ 11,699
Publications	2,000	1,845	155
Operating supplies	-	2,787	(2,787)
Total commodities	<u>24,000</u>	<u>14,933</u>	<u>9,067</u>
Other expenses			
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total administration department	<u>1,512,400</u>	<u>981,989</u>	<u>530,411</u>
Building department			
Personnel			
Salaries	205,000	140,683	64,317
FICA	18,000	7,912	10,088
IMRF	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total personnel	<u>236,500</u>	<u>148,595</u>	<u>87,905</u>
Contractual services			
Insurance	50,000	-	50,000
Telephone	25,000	75	24,925
Travel and meeting expense	11,000	253	10,747
Training	1,000	-	1,000
Postage	9,000	-	9,000
Advertising	3,000	-	3,000
Printing	2,000	-	2,000
Engineering services	100,000	500	99,500
Other professional services	30,000	293	29,707
Dues, subscriptions, and memberships	<u>2,000</u>	<u>288</u>	<u>1,712</u>
Total contractual services	<u>233,000</u>	<u>1,409</u>	<u>231,591</u>
			(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID AND OTHER FINANCING USES -

APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures paid (continued)			
Building department (continued)			
Commodities			
Office supplies	\$ <u>15,000</u>	\$ <u>205</u>	\$ <u>14,795</u>
Other expenses			
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Inspection fees - plumbing, elevator, and site	<u>3,000</u>	<u>15,732</u>	<u>(12,732)</u>
Total other expenses	<u>53,000</u>	<u>15,732</u>	<u>37,268</u>
Total building department	<u>537,500</u>	<u>165,941</u>	<u>371,559</u>
Road and Bridge			
Personnel			
Salaries	<u>-</u>	<u>7,590</u>	<u>(7,590)</u>
FICA	<u>-</u>	<u>429</u>	<u>(429)</u>
Total personnel	<u>-</u>	<u>8,019</u>	<u>(8,019)</u>
Contractual services			
Maintenance - streets	<u>100,000</u>	<u>1,691</u>	<u>98,309</u>
Maintenance - bike path	<u>30,000</u>	<u>1,786</u>	<u>28,214</u>
Maintenance - grounds	<u>3,500</u>	<u>18,455</u>	<u>(14,955)</u>
Maintenance - culverts/drainage	<u>500,000</u>	<u>5,209</u>	<u>494,791</u>
Snow removal	<u>140,000</u>	<u>92,351</u>	<u>47,649</u>
Signs - purchase and repair	<u>3,000</u>	<u>2,644</u>	<u>356</u>
Street lighting	<u>3,000</u>	<u>1,400</u>	<u>1,600</u>
Engineering services	<u>100,000</u>	<u>30,566</u>	<u>69,434</u>
Legal services	<u>500</u>	<u>-</u>	<u>500</u>
Other professional services	<u>10,000</u>	<u>821</u>	<u>9,179</u>
Total contractual services	<u>890,000</u>	<u>154,923</u>	<u>735,077</u>

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID AND OTHER FINANCING USES -

APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures paid (continued)			
Road and bridge (continued)			
Commodities			
Maintenance supplies	\$ 5,000	\$ -	\$ 5,000
Operating supplies	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total commodities	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Other expenses			
Contingencies	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total road and bridge	<u>1,050,000</u>	<u>162,942</u>	<u>887,058</u>
Total current expenditures paid	<u>3,099,900</u>	<u>1,310,872</u>	<u>1,789,028</u>
Capital outlay			
Administration department			
Land acquisition	2,000,000	-	2,000,000
Equipment	<u>10,000</u>	<u>43,815</u>	<u>(33,815)</u>
Total administration	<u>2,010,000</u>	<u>43,815</u>	<u>1,966,185</u>
Road and bridge			
New bike path construction	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total capital outlay	<u>2,510,000</u>	<u>43,815</u>	<u>2,466,185</u>
Total expenditures paid	<u>5,609,900</u>	<u>1,354,687</u>	<u>4,255,213</u>

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID AND OTHER FINANCING USES -

APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Depreciation	\$ 260,000	\$ -	\$ 260,000
Other financing uses			
Transfers out - Consolidated Water Fund	500,000	-	500,000
Transfers out - Sewer Fund	200,000	-	200,000
Transfers out - Police Fund	<u>2,000,000</u>	<u>1,833,585</u>	<u>166,415</u>
Total other financing uses	<u>2,700,000</u>	<u>1,833,585</u>	<u>866,415</u>
Total expenditures paid and other financing uses	<u>\$ 8,569,900</u>	<u>\$ 3,188,272</u>	<u>\$ 5,381,628</u>

(Concluded)

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF REVENUES COLLECTED AND OTHER FINANCING SOURCES -

APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Local taxes			
Property taxes	\$ <u>448,000</u>	\$ <u>447,896</u>	\$ <u>(104)</u>
Special use payments	<u>72,000</u>	<u>72,800</u>	<u>800</u>
Fines and forfeits			
Administrative tow	-	20,500	20,500
Circuit court fines	118,000	122,409	4,409
False alarm fines	600	75	(525)
Patrol violation fines	<u>7,500</u>	<u>4,197</u>	<u>(3,303)</u>
Total fines and forfeits	<u>126,100</u>	<u>147,181</u>	<u>21,081</u>
Charges for services and other			
Burglar alarm registration	100	460	360
Cell tower lease	-	110,637	110,637
Grants	-	1,363	1,363
Miscellaneous revenue	<u>-</u>	<u>29,421</u>	<u>29,421</u>
Total charges for services and other	<u>100</u>	<u>141,881</u>	<u>141,781</u>
Interest income	<u>-</u>	<u>125</u>	<u>125</u>
Total revenues collected	<u>646,200</u>	<u>809,883</u>	<u>163,683</u>
Other financing sources			
Transfer in from General Fund	<u>-</u>	<u>1,833,585</u>	<u>1,833,585</u>
Total revenues collected and other financing sources	\$ <u><u>646,200</u></u>	\$ <u><u>2,643,468</u></u>	\$ <u><u>1,997,268</u></u>

Village of Riverwoods, Illinois
Police Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Expenditures paid			
Personnel			
Salaries	\$ 838,000	\$ 806,672	\$ 31,328
Health insurance	62,000	90,860	(28,860)
FICA	57,000	41,945	15,055
IMRF	68,000	73,961	(5,961)
Unemployment insurance	82,000	-	82,000
Total personnel	<u>1,107,000</u>	<u>1,013,438</u>	<u>93,562</u>
Contractual services			
General insurance	-	47,616	(47,616)
Legal services	42,000	35,997	6,003
Crime laboratory	8,000	7,881	119
Other professional services	100,000	107,047	(7,047)
Postage	150	291	(141)
Telephone	6,200	5,503	697
Travel	550	366	184
Training	4,500	5,079	(579)
Landscaping	-	54,163	(54,163)
Miscellaneous	3,000	3,521	(521)
Contingency	100,000	-	100,000
Total contractual services	<u>264,400</u>	<u>267,464</u>	<u>(3,064)</u>
Commodities			
Office expenses	3,000	4,201	(1,201)
Fuel for squad cars	38,000	38,250	(250)
Total commodities	<u>41,000</u>	<u>42,451</u>	<u>(1,451)</u>
Capital outlay			
Police officer equipment	7,000	5,415	1,585
Squad cars and related equipment	15,000	9,761	5,239
Police facility	1,320,000	1,304,977	15,023
Total capital outlay	<u>1,342,000</u>	<u>1,320,153</u>	<u>21,847</u>
Total expenditures paid	<u>\$ 2,754,400</u>	<u>\$ 2,643,506</u>	<u>\$ 110,894</u>

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for revenues from specific taxes or other earmarked revenue sources that by law are designated to finance particular functions or activities of government and that cannot be diverted to other uses. The nonmajor special revenue funds maintained by the Village are as follows:

Motor Fuel Tax Fund - to account for state-shared revenues earmarked to finance road maintenance and improvements.

Special Service Area (SSA) 5 - Duffy Roads Fund - to account for revenues derived from a separate property tax levy and their use within the special service area.

Special Service Area (SSA) 7 - Russell's Storm Sewer Fund - to account for revenues derived from a separate property tax levy and their use within the special service area.

Special Service Area (SSA) 19 - Hiawatha Road Projects Fund - to account for revenues derived from a separate property tax levy and their use within the special service area.

DEBT SERVICE FUNDS

Debt service funds are used to account for monies accumulated to retire general long-term debt. The nonmajor debt service funds maintained by the Village are each related to a specific special service area and are funded by a separate property tax levy. They are as follows:

Special Service Area 10 - North Robinwood Sewer Debt Service Fund

Special Service Area 19 - Hiawatha Road Debt Service Fund

Special Service Area 20 - Whigham Burr Oak Debt Service Fund

Village of Riverwoods, Illinois
Nonmajor Governmental Funds
 COMBINING STATEMENT OF ASSETS
 ARISING FROM CASH TRANSACTIONS
December 31, 2011

Special Revenue Funds

	<u>Motor Fuel Tax</u>	<u>Special Service Area 5 Duffy Roads</u>	<u>Special Service Area 7 Russell's Storm Sewer</u>	<u>Special Service Area 19 Hiawatha Road Projects</u>	<u>Total Special Revenue Funds</u>
ASSETS					
Cash and cash equivalents	\$ 399,162	\$ 21,962	\$ 78,241	\$ 16,122	\$ 515,487
Total assets	<u>\$ 399,162</u>	<u>\$ 21,962</u>	<u>\$ 78,241</u>	<u>\$ 16,122</u>	<u>\$ 515,487</u>
FUND BALANCES					
Restricted	<u>399,162</u>	<u>21,962</u>	<u>78,241</u>	<u>16,122</u>	<u>515,487</u>
Total fund balances	<u>\$ 399,162</u>	<u>\$ 21,962</u>	<u>\$ 78,241</u>	<u>\$ 16,122</u>	<u>\$ 515,487</u>

Debt Service Funds

Special Service Area 10 North Robinwood Sewer	Special Service Area 19 Hiawatha Road	Special Service Area 20 Whigham Burr Oak	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 24,727	\$ 24,924	\$ 26,208	\$ 75,859	\$ 591,346
\$ 24,727	\$ 24,924	\$ 26,208	\$ 75,859	\$ 591,346
24,727	24,924	26,208	75,859	591,346
\$ 24,727	\$ 24,924	\$ 26,208	\$ 75,859	\$ 591,346

Village of Riverwoods, Illinois

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2011

Special Revenue Funds

	Motor Fuel Tax	Special Service Area 5 Duffy Roads	Special Service Area 7 Russell's Storm Sewer	Special Service Area 19 Hiawatha Road Projects	Total Special Revenue Funds
Revenues collected					
Property taxes	\$ -	\$ 5,655	\$ 6,263	\$ -	\$ 11,918
Intergovernmental taxes	95,439	-	-	-	95,439
Grants and contributions	16,958	-	-	-	16,958
Interest income	783	-	-	-	783
Total revenues collected	<u>113,180</u>	<u>5,655</u>	<u>6,263</u>	<u>-</u>	<u>125,098</u>
Expenditures paid					
Current					
Administration	-	-	-	-	-
Public works	409,554	-	2,705	22,378	434,637
Debt service					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures paid	<u>409,554</u>	<u>-</u>	<u>2,705</u>	<u>22,378</u>	<u>434,637</u>
Net change in fund balances	(296,374)	5,655	3,558	(22,378)	(309,539)
Fund balances					
Beginning of year	<u>695,536</u>	<u>16,307</u>	<u>74,683</u>	<u>38,500</u>	<u>825,026</u>
End of year	<u>\$ 399,162</u>	<u>\$ 21,962</u>	<u>\$ 78,241</u>	<u>\$ 16,122</u>	<u>\$ 515,487</u>

Debt Service Funds

Special Service Area 10 North Robinwood Sewer	Special Service Area 19 Hiawatha Road	Special Service Area 20 Whigham Burr Oak	Total Debt Service Funds	Total Nonmajor Governmental Funds
\$ 14,898	\$ 33,965	\$ 34,292	\$ 83,155	\$ 95,073
-	-	-	-	95,439
-	-	-	-	16,958
21	-	-	21	804
<u>14,919</u>	<u>33,965</u>	<u>34,292</u>	<u>83,176</u>	<u>208,274</u>
25	-	-	25	25
-	2,024	-	2,024	436,661
8,360	20,032	30,148	58,540	58,540
6,832	2,894	3,983	13,709	13,709
<u>15,217</u>	<u>24,950</u>	<u>34,131</u>	<u>74,298</u>	<u>508,935</u>
(298)	9,015	161	8,878	(300,661)
<u>25,025</u>	<u>15,909</u>	<u>26,047</u>	<u>66,981</u>	<u>892,007</u>
<u>\$ 24,727</u>	<u>\$ 24,924</u>	<u>\$ 26,208</u>	<u>\$ 75,859</u>	<u>\$ 591,346</u>

Village of Riverwoods, Illinois

Motor Fuel Tax Fund

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Intergovernmental			
Motor fuel tax	\$ 93,300	\$ 95,439	\$ 2,139
Grants and contributions	-	16,958	16,958
Interest income	<u>7,000</u>	<u>783</u>	<u>(6,217)</u>
Total revenues collected	<u>100,300</u>	<u>113,180</u>	<u>12,880</u>
Expenditures paid			
Contractual services			
Maintenance - Streets	220,000	-	220,000
Engineering services	10,000	44,481	(34,481)
Other professional services	-	365,073	(365,073)
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures paid	<u>280,000</u>	<u>409,554</u>	<u>(129,554)</u>
Net change in fund balance	\$ <u>(179,700)</u>	(296,374)	\$ <u>(116,674)</u>
Fund balance			
Beginning of year		<u>695,536</u>	
End of year		\$ <u><u>399,162</u></u>	

Village of Riverwoods, Illinois
Special Service Area 5 - Duffy Roads Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property taxes	\$ <u>6,000</u>	\$ <u>5,655</u>	\$ <u>(345)</u>
Expenditures paid			
Contractual services			
Maintenance			
Equipment	2,000	-	2,000
Streets	60,000	-	60,000
Drainage	30,000	-	30,000
Snow removal	20,000	-	20,000
Street lighting	1,000	-	1,000
Engineering services	30,000	-	30,000
Legal services	25,000	-	25,000
Other professional services	15,000	-	15,000
Other	20,000	-	20,000
Commodities			
Maintenance supplies	9,000	-	9,000
Operating supplies	<u>8,000</u>	<u>-</u>	<u>8,000</u>
Total expenditures paid	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Net change in fund balance	\$ <u><u>(214,000)</u></u>	5,655	\$ <u><u>219,655</u></u>
Fund balance			
Beginning of year		<u>16,307</u>	
End of year		\$ <u><u>21,962</u></u>	

Village of Riverwoods, Illinois
Special Service Area 7 - Russell's Storm Sewer Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax - special maintenance	\$ -	\$ 6,263	\$ 6,263
Interest	<u>500</u>	<u>-</u>	<u>(500)</u>
Total revenues collected	<u>500</u>	<u>6,263</u>	<u>5,763</u>
Expenditures paid			
Contractual services			
Maintenance			
Other	3,800	2,705	1,095
Engineering	20,000	-	20,000
Other professional services	10,000	-	10,000
Commodities			
Maintenance supplies	6,000	-	6,000
Operating supplies	6,000	-	6,000
Miscellaneous	<u>25,000</u>	<u>-</u>	<u>25,000</u>
Total expenditures paid	<u>70,800</u>	<u>2,705</u>	<u>68,095</u>
Net change in fund balance	<u>\$ (70,300)</u>	3,558	<u>\$ 73,858</u>
Fund balance			
Beginning of year		<u>74,683</u>	
End of year		<u>\$ 78,241</u>	

Village of Riverwoods, Illinois
Special Service Area 10 - North Robinwood Sewer Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property tax	\$ 15,000	\$ 14,898	\$ (102)
Interest income	<u>1,500</u>	<u>21</u>	<u>(1,479)</u>
Total revenues collected	<u>16,500</u>	<u>14,919</u>	<u>(1,581)</u>
Expenditures paid			
Debt service			
Principal	8,500	8,360	140
Interest	9,000	6,832	2,168
Miscellaneous	<u>-</u>	<u>25</u>	<u>(25)</u>
Total expenditures paid	<u>17,500</u>	<u>15,217</u>	<u>2,283</u>
Net change in fund balance	<u>\$ (1,000)</u>	(298)	<u>\$ 702</u>
Fund balance			
Beginning of year		<u>25,025</u>	
End of year		<u>\$ 24,727</u>	

Village of Riverwoods, Illinois
Special Service Area 19 - Hiawatha Road Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax	\$ 29,000	\$ 33,965	\$ 4,965
Special maintenance taxes			
Roads	5,000	-	(5,000)
Snow removal	6,000	-	(6,000)
Interest income	<u>25</u>	<u>-</u>	<u>(25)</u>
Total revenues collected	<u>40,025</u>	<u>33,965</u>	<u>(6,060)</u>
Expenditures paid			
Contractual services			
Maintenance			
Equipment	2,000	-	2,000
Streets	30,000	-	30,000
Drainage	2,000	-	2,000
Snow removal	11,000	2,024	8,976
Engineering services	5,000	-	5,000
Legal services	3,000	-	3,000
Other professional services	4,000	-	4,000
Debt service			
Principal	25,000	20,032	4,968
Interest	<u>7,000</u>	<u>2,894</u>	<u>4,106</u>
Total expenditures paid	<u>89,000</u>	<u>24,950</u>	<u>64,050</u>
Net change in fund balance	\$ <u>(48,975)</u>	9,015	\$ <u>57,990</u>
Fund balance			
Beginning of year		<u>15,909</u>	
End of year		\$ <u><u>24,924</u></u>	

Village of Riverwoods, Illinois
Special Service Area 20 - Whigham Burr Oak Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property tax	\$ 35,000	\$ 34,292	\$ (708)
Interest income	<u>250</u>	<u>-</u>	<u>(250)</u>
Total revenues collected	<u>35,250</u>	<u>34,292</u>	<u>(958)</u>
Expenditures paid			
Debt service			
Principal	33,000	30,148	2,852
Interest	<u>8,000</u>	<u>3,983</u>	<u>4,017</u>
Total expenditures paid	<u>41,000</u>	<u>34,131</u>	<u>6,869</u>
Net change in fund balance	\$ <u><u>(5,750)</u></u>	161	\$ <u><u>5,911</u></u>
Fund balance			
Beginning of year		<u>26,047</u>	
End of year		\$ <u><u>26,208</u></u>	

Village of Riverwoods, Illinois

Consolidated Water Fund

SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID, AND CHANGES IN NET ASSETS - APPROPRIATION AND ACTUAL For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Operating revenues collected			
Charges for sales and services			
Water sales	\$ 1,000,000	\$ 866,673	\$ (133,327)
Tap-on fees	<u>40,000</u>	<u>68,400</u>	<u>28,400</u>
Charges for sales and services	<u>1,040,000</u>	<u>935,073</u>	<u>(104,927)</u>
Operating expenses paid			
Personnel			
Salaries	34,000	32,802	1,198
FICA	3,000	1,853	1,147
IMRF	2,700	-	2,700
Unemployment insurance	<u>200</u>	<u>-</u>	<u>200</u>
Total personnel	<u>39,900</u>	<u>34,655</u>	<u>5,245</u>
Contractual services			
Maintenance			
Equipment	8,000	4,714	3,286
Utility system	15,000	-	15,000
Other	25,000	-	25,000
Insurance	10,000	6,001	3,999
Water purchases	500,000	421,704	78,296
Engineering services	65,000	21,200	43,800
Legal services	20,000	-	20,000
Other professional services	120,000	116,833	3,167
Annual testing fees (IEPA)	10,000	-	10,000
Other	<u>7,000</u>	<u>2,520</u>	<u>4,480</u>
Total contractual services	<u>780,000</u>	<u>572,972</u>	<u>207,028</u>
Commodities			
Maintenance supplies	<u>100,000</u>	<u>36,040</u>	<u>63,960</u>

(Continued)

Village of Riverwoods, Illinois

Consolidated Water Fund

SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID, AND CHANGES IN NET ASSETS - APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Operating expenses paid (continued)			
Total operating expenses paid before capital outlay	\$ <u>919,900</u>	\$ <u>643,667</u>	\$ <u>276,233</u>
Capital outlay			
Equipment	175,000	-	175,000
Extensions and connections	<u>4,000,000</u>	<u>-</u>	<u>4,000,000</u>
Total capital outlay	<u>4,175,000</u>	<u>-</u>	<u>4,175,000</u>
Total operating expenses paid	<u>5,094,900</u>	<u>643,667</u>	<u>4,451,233</u>
Depreciation	<u>-</u>	<u>249,323</u>	<u>(249,323)</u>
Total operating expenses paid and depreciation	<u>5,094,900</u>	<u>892,990</u>	<u>4,201,910</u>
Excess (deficiency) of operating revenues collected over operating expenses paid and depreciation	<u>(4,054,900)</u>	<u>42,083</u>	<u>4,096,983</u>
Nonoperating revenues collected (expenses paid)			
Property taxes	214,000	163,305	(50,695)
Interest income	1,400	806	(594)
Debt service-principal	(333,500)	-	333,500
Debt service-interest	(70,500)	(16,308)	54,192
Other revenues	-	380	380
Other expenses	<u>(15,000)</u>	<u>(696)</u>	<u>14,304</u>
Total nonoperating revenues collected (expenses paid)	<u>(203,600)</u>	<u>147,487</u>	<u>351,087</u>
Change in net assets	\$ <u>(4,258,500)</u>	189,570	\$ <u>4,448,070</u>
Net assets			
Beginning of year		<u>9,855,406</u>	
End of year		\$ <u>10,044,976</u>	

(Concluded)

Village of Riverwoods, Illinois

Sewer Fund

SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID, AND CHANGES IN
NET ASSETS - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2011

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Operating revenues collected			
Charges for sales and services			
Annual transmission (Lincolnshire)	\$ 8,000	\$ 49,429	\$ 41,429
Tap-on fees	20,000	-	(20,000)
User fees	108,000	-	(108,000)
Total operating revenues collected	<u>136,000</u>	<u>49,429</u>	<u>(86,571)</u>
Operating expenses paid			
Personnel			
Salaries	13,000	6,888	6,112
FICA	3,000	349	2,651
IMRF	3,000	-	3,000
Unemployment insurance	600	-	600
Total personnel	<u>19,600</u>	<u>7,237</u>	<u>12,363</u>
Contractual services			
Maintenance - utility system	20,000	-	20,000
Maintenance - other	80,000	75,406	4,594
Insurance	5,000	1,796	3,204
Utilities	1,000	250	750
Postage	500	-	500
Advertising	500	-	500
Engineering services	20,000	13,274	6,726
Legal services	20,000	-	20,000
Other professional services	20,000	1,926	18,074
Sewer connection fees	5,000	22,674	(17,674)
Miscellaneous	15,000	2,125	12,875
Total contractual services	<u>187,000</u>	<u>117,451</u>	<u>69,549</u>
Commodities			
Maintenance supplies	5,000	-	5,000
Operating supplies	5,000	-	5,000
Total commodities	<u>10,000</u>	<u>-</u>	<u>10,000</u>

(Continued)

Village of Riverwoods, Illinois

Sewer Fund

SCHEDULE OF REVENUES COLLECTED, EXPENSES PAID, AND CHANGES IN NET ASSETS - APPROPRIATION AND ACTUAL (Continued)

For the Year Ended December 31, 2011

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Operating expenses paid (continued)			
Capital outlay			
Equipment	\$ 4,500	\$ -	\$ 4,500
Extensions and connections	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total capital outlay	<u>154,500</u>	<u>-</u>	<u>154,500</u>
Total operating expenses paid	<u>371,100</u>	<u>124,688</u>	<u>246,412</u>
Depreciation	<u>-</u>	<u>117,463</u>	<u>(117,463)</u>
Total operating expenses paid and depreciation	<u>371,100</u>	<u>242,151</u>	<u>128,949</u>
Deficiency of operating revenues collected over operating expenses paid and depreciation	<u>(235,100)</u>	<u>(192,722)</u>	<u>42,378</u>
Nonoperating expenses paid			
Debt service-principal	(160,000)	-	160,000
Debt service-interest	<u>(70,000)</u>	<u>(4,620)</u>	<u>65,380</u>
Total nonoperating expenses paid	<u>(230,000)</u>	<u>(4,620)</u>	<u>225,380</u>
Change in net assets	<u>\$ (465,100)</u>	(197,342)	<u>\$ 267,758</u>
Net assets			
Beginning of year		<u>3,757,890</u>	
End of year		<u>\$ 3,560,548</u>	

(Concluded)

OTHER SUPPLEMENTAL INFORMATION

Village of Riverwoods, Illinois
SCHEDULE OF CASH AND INVESTMENTS
December 31, 2011

<u>Cash and Investments by Fund</u>	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
Governmental Funds:			
General	\$ 4,542,188	\$ 6,350,454	\$ 10,892,642
Police	171	-	171
Special Revenue Funds			
Motor Fuel Tax	399,162	-	399,162
Special Service Area 5 Duffy Roads	21,962	-	21,962
Special Service Area 7 Russell's Storm Sewer	78,241	-	78,241
Special Service Area 19 Hiawatha Road Projects	16,122	-	16,122
Debt Service Funds			
Special Service Area 10 North Robinwood Sewer	24,727	-	24,727
Special Service Area 19 Hiawatha Road	24,924	-	24,924
Special Service Area 20 Whigham Burr Oak	26,208	-	26,208
Total Governmental Funds	5,133,705	6,350,454	11,484,159
Enterprise Funds ¹ :			
Consolidated Water			
Consolidated Water	1,302,817	254,279	1,557,096
Special Service Area 16 North Robinwood Water	24,064	-	24,064
Special Service Area 17 Northwest Water	31,204	-	31,204
Total Consolidated Water Fund	1,358,085	254,279	1,612,364
Sewer			
Sewer	353,068	-	353,068
Total Enterprise Funds	1,711,153	254,279	1,965,432
Total cash and investments reported on Statement of Net Assets	6,844,858	6,604,733	13,449,591
Agency Fund:			
Performance Bond	\$ 283,631	\$ 34,319	\$ 317,950
Total - All Funds	\$ 7,128,489	\$ 6,639,052	\$ 13,767,541

(Continued)

Village of Riverwoods, Illinois
 SCHEDULE OF CASH AND INVESTMENTS (Continued)
December 31, 2011

Cash and Investments by Financial Institution - Book Balances

The Illinois Funds	\$ 6,461,089	\$ -	\$ 6,461,089
Northside Community Bank	433,156	622,553	1,055,709
US Bank	47,131	-	47,131
PNC	186,813	-	186,813
Wells Fargo	-	5,408,346	5,408,346
Ameriprise Financial	-	573,834	573,834
JP Morgan	-	34,319	34,319
Cash on hand	<u>300</u>	<u>-</u>	<u>300</u>
 Total	 <u>\$ 7,128,489</u>	 <u>\$ 6,639,052</u>	 <u>\$ 13,767,541</u>

Total interest income for the year ended December 31, 2011 was \$114,610, which yielded an average rate of return on cash and investments of 0.78%.

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.

(Concluded)

Village of Riverwoods, Illinois
SCHEDULE OF INSURANCE IN FORCE
December 31, 2011

Description of Coverage	Coverage	Company	Policy Number / Expiration Date
<u>LIABILITY COVERAGES</u>			
General Liability	\$ 8,000,000 each occur.,	Illinois Municipal League	0703B0497
Auto Liability	for all applicable	Risk Management Assoc. [1]	December 31, 2012
Broad Form Property	coverages, incl.		
Civil Constitutional Rights - Assault/ Battery	Special Liability		
Contractual Liability	coverages		
Employee Benefit Programs Liability	↓		
Incidental Malpractice			
Intentional Building Removal			
Limited Worldwide Liability			
Personal Injury/Advertising Liability			
Watercraft Liability			
<u>SPECIAL LIABILITY COVERAGES</u>			
Premises Medical Payments	\$ 3,000 each person		
	\$ 8,000,000 each occur.		
Fire Legal Liability	\$ 100,000 each occur.		
	\$ 100,000 annual aggr.		
Public Officials/Employees	\$ 2,500,000 each occur.		
	\$ 8,000,000 annual aggr.		
Liquor Liability	\$ 1,000,000 each occur.		
	\$ 1,000,000 annual aggr.		
Auto Medical Payments	\$ 10,000 each person		
	\$ 8,000,000 each occur.		
Uninsured/Underinsured Motorist	\$ 100,000 each person		
	\$ 300,000 each accident		
<u>PROPERTY COVERAGES</u>			
Auto Physical Damage	\$ 30,000,000 combined		
Building/Personal Property	limit each occurrence		
Inland Marine	\$ 50,000 extra expense		
Valuable Papers/Records	\$ 50,000 each occur.		
Flood/Earthquake	\$ 5,000,000 each occur./annual aggr.		
<u>STAND-ALONE COVERAGES</u>			
Crime	\$ 50,000 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.

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
North Robinwood Sewer
Special Service Area Number 10 Bonds
December 31, 2011

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2012	\$ 8,507	\$ 6,223	\$ 14,730
2013	9,042	5,688	14,730
2014	9,611	5,119	14,730
2015	10,216	4,515	14,731
2016	10,858	3,872	14,730
2017	11,541	3,189	14,730
2018	12,267	2,463	14,730
2019	13,039	1,692	14,731
2020	14,750	874	15,624
	<u>\$ 99,831</u>	<u>\$ 33,635</u>	<u>\$ 133,466</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Robinwood Water
 Special Service Area Number 16 Bonds
December 31, 2011

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2012	\$ 7,781	\$ 5,692	\$ 13,473
2013	8,270	5,203	13,473
2014	8,791	4,683	13,474
2015	9,344	4,130	13,474
2016	9,931	3,542	13,473
2017	10,556	2,917	13,473
2018	11,220	2,253	13,473
2019	11,926	1,547	13,473
2020	12,942	796	13,738
	<u>\$ 90,761</u>	<u>\$ 30,763</u>	<u>\$ 121,524</u>

Village of Riverwoods, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Hiawatha Road
 Special Service Area Number 19 Bonds
December 31, 2011

Dated: November 18, 2002
 Original Issue: \$167,000
 Due: February 1, 2013
 Payment Date: February 1 and August 1
 Interest Rate: 6.00%

Year	Principal	Interest	Annual Debt Service
2012	\$ 21,267	\$ 1,659	\$ 22,926
2013	11,122	343	11,465
	\$ 32,389	\$ 2,002	\$ 34,391

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Whigham-Burr Oak
 Special Service Area Number 20 Bonds
December 31, 2011

Dated: December 2, 2003
 Original Issue: \$280,750
 Due: February 1, 2014
 Payment Dates: February 1 and August 1
 Interest Rate: 3.70%

Year	Principal	Interest	Annual Debt Service
2012	\$ 31,385	\$ 2,815	\$ 34,200
2013	32,580	1,620	34,200
2014	16,849	350	17,199
	\$ 80,814	\$ 4,785	\$ 85,599

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF REVENUES COLLECTED
Trend Information - Last Ten Years
Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues collected				
Taxes				
Township road and bridge tax	\$ 35,039	\$ 36,239	\$ 35,551	\$ 34,719
State income taxes	322,321	260,839	269,503	372,423
Sales and local use taxes	398,068	338,609	339,336	377,682
Photo processing taxes	-	-	-	-
Hotel tax	87,035	123,236	44,935	113,881
Personal property replacement taxes	1,204	2,058	1,957	2,276
Total taxes	<u>843,667</u>	<u>760,981</u>	<u>691,282</u>	<u>900,981</u>
Utility taxes				
Telecommunications	371,312	501,774	507,379	434,020
Electric	289,738	292,107	290,313	297,764
Gas	126,225	128,977	173,010	194,406
Total utility taxes	<u>787,275</u>	<u>922,858</u>	<u>970,702</u>	<u>926,190</u>
Licenses and permits				
Liquor licenses	30,000	16,500	15,500	20,000
Franchise fees	74,327	66,641	64,610	57,474
Construction fees	57,544	79,232	51,520	139,996
Cell tower lease	-	-	-	83,460
Special inspection	1,269	400	761	870
Elevator permits	9,600	10,080	9,240	9,840
Certificate of occupancy fees	-	-	-	-
Forester fees	1,635	775	1,550	8,685
Forest program	10,897	18,738	15,022	44,487
Engineer fees	2,000	808	500	7,485
Office service reimbursements	-	-	-	-
Other	-	-	-	-
Total licenses and permits	<u>187,272</u>	<u>193,174</u>	<u>158,703</u>	<u>372,297</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	32,438	\$ 30,192	\$ 30,498	\$ -	\$ -	\$ -
	345,412	317,401	289,505	245,728	252,910	220,144
	371,183	357,254	311,594	251,785	126,319	169,463
	-	-	-	-	-	5,026
	125,995	122,492	92,245	68,985	83,336	65,713
	<u>2,011</u>	<u>1,941</u>	<u>1,765</u>	<u>-</u>	<u>1,181</u>	<u>1,205</u>
	<u>877,039</u>	<u>829,280</u>	<u>725,607</u>	<u>566,498</u>	<u>463,746</u>	<u>461,551</u>
	477,464	511,849	559,359	559,184	391,590	330,065
	306,094	295,059	315,698	262,758	234,781	163,626
	<u>176,042</u>	<u>259,439</u>	<u>110,201</u>	<u>129,760</u>	<u>197,802</u>	<u>135,654</u>
	<u>959,600</u>	<u>1,066,347</u>	<u>985,258</u>	<u>951,702</u>	<u>824,173</u>	<u>629,345</u>
	21,000	16,500	20,000	22,500	25,000	30,000
	50,427	43,520	37,866	34,316	31,467	19,925
	115,765	218,232	196,095	226,838	296,914	289,555
	83,140	82,160	80,300	80,603	53,600	57,800
	1,091	6,785	5,040	3,583	480	9,410
	9,385	12,240	8,690	7,576	5,680	3,372
	-	-	-	-	508	450
	16,090	19,002	28,652	11,735	21,279	15,515
	40,245	150,941	31,675	9,200	4,400	-
	8,366	19,646	17,472	12,350	10,313	1,895
	-	-	-	-	373	168
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207</u>	<u>65</u>	<u>300</u>
	<u>345,509</u>	<u>569,026</u>	<u>425,790</u>	<u>409,908</u>	<u>450,079</u>	<u>428,390</u>

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF REVENUES COLLECTED (Continued)

Trend Information - Last Ten Years

Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues collected (continued)				
Interest income	\$ <u>112,875</u>	\$ <u>177,497</u>	\$ <u>238,390</u>	\$ <u>347,522</u>
Other revenue				
Grants and contributions	-	25,000	-	-
Special use payments	-	-	-	-
Insurance reimbursements	-	-	-	-
Donation for bike path	-	-	-	-
Miscellaneous revenue	<u>53,911</u>	<u>32,142</u>	<u>18,125</u>	<u>19,630</u>
Total other revenue	<u>53,911</u>	<u>57,142</u>	<u>18,125</u>	<u>19,630</u>
Total revenues collected	\$ <u><u>1,985,000</u></u>	\$ <u><u>2,111,652</u></u>	\$ <u><u>2,077,202</u></u>	\$ <u><u>2,566,620</u></u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ <u>394,258</u>	\$ <u>287,881</u>	\$ <u>109,568</u>	\$ <u>31,824</u>	\$ <u>25,922</u>	\$ <u>16,122</u>
-	-	-	-	-	-
-	-	-	60,000	37,000	4,000
-	-	-	27,169	-	-
-	90,000	-	-	-	-
<u>16,749</u>	<u>37,279</u>	<u>132,191</u>	<u>32,662</u>	<u>44,979</u>	<u>11,855</u>
<u>16,749</u>	<u>127,279</u>	<u>132,191</u>	<u>119,831</u>	<u>81,979</u>	<u>15,855</u>
\$ <u><u>2,593,155</u></u>	\$ <u><u>2,879,813</u></u>	\$ <u><u>2,378,414</u></u>	\$ <u><u>2,079,763</u></u>	\$ <u><u>1,845,899</u></u>	\$ <u><u>1,551,263</u></u>

(Concluded)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID
Trend Information - Last Ten Years
Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures paid				
Personnel				
Salaries	\$ 313,463	\$ 284,584	\$ 333,445	\$ 333,089
FICA	42,528	21,744	25,191	25,481
IMRF	38,628	35,712	35,318	35,528
Unemployment insurance	3,028	1,813	2,200	2,794
Health insurance	45,910	31,320	31,686	38,052
	<u>443,557</u>	<u>375,173</u>	<u>427,840</u>	<u>434,944</u>
Contractual services				
Maintenance				
Building	22,635	23,813	39,082	62,298
Equipment	11,245	7,984	9,429	2,083
Grounds	40,339	29,553	55,423	32,484
Streets	1,691	11,317	4,269	7,195
Drainage and culverts	5,209	629	50,431	132,633
Bike path	1,786	6,817	802	-
Insurance	16,908	32,533	71,274	60,059
Telephone	13,006	12,259	12,442	15,636
Travel and meetings	7,481	10,092	12,111	11,714
Postage	7,227	9,815	5,877	6,013
Advertising	4,899	3,995	3,452	1,085
Village Voice	17,794	16,862	18,805	15,267
Printing	-	-	8	-
Accounting	28,585	28,575	28,787	28,760
Engineering	103,308	246,007	141,215	140,670
Legal	183,113	109,532	113,980	107,321
Inspection fees	15,732	10,180	5,915	25,492
Other professional	97,339	104,964	128,727	108,021
Dues and subscriptions	3,511	5,061	7,067	3,184
NSSRA	32,508	32,027	39,099	45,227
Forest program	72,025	85,037	169,660	67,715
Theater In The Woods	13,000	10,000	10,000	10,000
Arts and Riverwoods	-	-	-	-
Family Day	-	-	-	2,500
Senior transportation	1,111	185	240	44

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	321,686	\$ 307,646	\$ 313,019	\$ 305,739	\$ 308,226	\$ 267,096
	24,566	25,881	24,057	23,412	23,579	18,853
	33,105	30,076	28,350	29,748	30,170	27,469
	2,986	2,976	6,083	1,710	1,262	831
	41,850	38,350	33,865	36,507	34,542	76,287
	<u>424,193</u>	<u>404,929</u>	<u>405,374</u>	<u>397,116</u>	<u>397,779</u>	<u>390,536</u>
	38,380	22,880	24,005	30,007	38,240	29,490
	3,170	5,888	6,320	1,483	8,900	225
	23,867	24,722	12,767	9,971	11,995	10,796
	9,545	11,600	-	-	-	-
	8,615	14,702	1,770	-	-	-
	-	-	560	-	-	-
	54,220	52,036	42,552	63,452	108,087	92,640
	15,769	15,193	15,973	21,314	24,432	22,728
	8,185	9,103	9,135	7,619	6,206	4,576
	4,993	8,187	7,521	8,100	7,717	7,081
	1,542	355	1,531	2,391	1,480	2,369
	16,309	12,387	11,308	12,538	13,656	12,620
	-	628	2,244	2,240	844	-
	20,945	18,555	19,370	17,939	15,654	23,385
	96,496	130,590	130,343	137,227	135,525	68,363
	112,821	104,994	110,098	113,709	112,158	108,561
	21,932	44,492	17,396	46,413	35,572	-
	106,953	167,933	99,084	108,313	120,840	70,140
	1,699	1,944	3,459	2,910	1,832	1,685
	19,947	38,292	24,454	22,100	18,318	18,189
	69,588	75,545	45,432	44,115	35,145	-
	10,000	10,000	-	-	-	-
	14,000	14,000	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID (Continued)

Trend Information - Last Ten Years

Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures paid (continued)				
Contractual services (continued)				
Snow removal	\$ 92,351	\$ 80,190	\$ 99,554	\$ 98,466
Signs	2,644	927	658	1,125
Street lighting	1,400	2,576	3,485	1,196
Miscellaneous	<u>55,330</u>	<u>60,809</u>	<u>61,223</u>	<u>38,045</u>
Total contractual services	<u>852,177</u>	<u>941,739</u>	<u>1,093,015</u>	<u>1,024,233</u>
Commodities				
Office supplies	10,506	13,027	24,985	14,085
Publications	1,845	1,427	1,058	4,116
Operating supplies	<u>2,787</u>	<u>7,543</u>	<u>943</u>	<u>2,376</u>
Total commodities	<u>15,138</u>	<u>21,997</u>	<u>26,986</u>	<u>20,577</u>
Capital outlay				
Land acquisition	-	13,255	306,517	-
Equipment	43,815	-	-	-
Police garage	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>43,815</u>	<u>13,255</u>	<u>306,517</u>	<u>-</u>
Total expenditures paid	<u>\$ 1,354,687</u>	<u>\$ 1,352,164</u>	<u>\$ 1,854,358</u>	<u>\$ 1,479,754</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	36,814	\$ 23,888	\$ 44,558	\$ -	\$ -	\$ -
	1,115	1,705	1,586	-	-	-
	2,478	1,628	967	-	-	-
	<u>40,879</u>	<u>164,760</u>	<u>78,615</u>	<u>71,137</u>	<u>101,798</u>	<u>10,038</u>
	<u>740,262</u>	<u>976,007</u>	<u>711,048</u>	<u>722,978</u>	<u>798,399</u>	<u>482,886</u>
	13,012	13,337	17,700	15,829	20,438	14,464
	1,225	71	-	80	203	-
	<u>6,845</u>	<u>9,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>21,082</u>	<u>22,674</u>	<u>17,700</u>	<u>15,909</u>	<u>20,641</u>	<u>14,464</u>
	-	-	-	-	-	686,287
	-	-	-	790	-	21,455
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,475</u>	<u>115,061</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>790</u>	<u>10,475</u>	<u>822,803</u>
\$	<u><u>1,185,537</u></u>	<u><u>1,403,610</u></u>	<u><u>1,134,122</u></u>	<u><u>1,136,793</u></u>	<u><u>1,227,294</u></u>	<u><u>1,710,689</u></u>

(Concluded)

Village of Riverwoods, Illinois
Police Fund
SCHEDULE OF REVENUES COLLECTED
Trend Information - Last Ten Years
Years Ended December 31

	2011	2010	2009	2008
Revenues collected				
Property taxes	\$ 447,896	\$ 436,637	\$ 431,615	\$ 411,196
COPS grant	-	-	2,100	750
Other grants	1,363	-	-	-
Fines and forfeits	147,181	149,098	186,841	236,286
Special use payments	72,800	86,900	78,100	53,100
Other revenues	29,881	122,005	53,928	28,722
Cell tower lease *	110,637	97,584	83,554	-
Interest income	125	647	1,211	14,065
	<u>809,883</u>	<u>892,871</u>	<u>837,349</u>	<u>744,119</u>
Total revenues collected	<u>\$ 809,883</u>	<u>\$ 892,871</u>	<u>\$ 837,349</u>	<u>\$ 744,119</u>

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

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$ 390,356	\$ 371,532	\$ 353,603	\$ 326,899	\$ 316,277	\$ 295,712
8,942	28,904	113,753	210,103	388,284	-
-	-	-	-	-	-
247,401	247,497	183,146	187,301	141,352	89,736
83,500	35,000	37,000	-	26,000	32,200
38,185	33,752	24,980	1,784	26,137	9,807
-	-	-	-	-	-
<u>123,746</u>	<u>118,751</u>	<u>152,101</u>	<u>158,145</u>	<u>120,867</u>	<u>140,839</u>
<u>\$ 892,130</u>	<u>\$ 835,436</u>	<u>\$ 864,583</u>	<u>\$ 884,232</u>	<u>\$ 1,018,917</u>	<u>\$ 568,294</u>

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF EXPENDITURES PAID

Trend Information - Last Ten Years

Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenditures paid				
Personnel				
Salaries	\$ 806,672	\$ 807,624	\$ 773,066	\$ 707,653
Health insurance	90,860	79,830	75,259	70,607
FICA	41,945	55,724	58,970	54,135
IMRF	73,961	67,425	61,984	57,708
Total personnel	<u>1,013,438</u>	<u>1,010,603</u>	<u>969,279</u>	<u>890,103</u>
Contractual services				
Insurance	47,616	40,984	-	-
Legal	35,997	36,961	49,585	86,116
Crime laboratory	7,881	7,881	7,881	9,111
Other professional	107,047	98,170	71,740	82,609
Telephone	5,503	6,165	4,226	4,064
Travel	366	264	865	297
Training	5,079	3,112	2,988	1,550
Forestry	54,163	-	-	-
Miscellaneous	3,812	5,215	11,730	5,934
Total contractual services	<u>267,464</u>	<u>198,752</u>	<u>149,015</u>	<u>189,681</u>
Commodities				
Office expenses	4,201	2,456	3,024	2,672
Fuel for squad cars	38,250	30,222	24,045	35,975
Miscellaneous	-	-	-	-
Total commodities	<u>42,451</u>	<u>32,678</u>	<u>27,069</u>	<u>38,647</u>
Capital outlay				
Squad cars and related equipment	9,761	158,222	49,008	86,375
Police facility	1,304,977	68,849	-	-
Police equipment	5,415	6,003	9,040	3,656
Total capital outlay	<u>1,320,153</u>	<u>233,074</u>	<u>58,048</u>	<u>90,031</u>
Total expenditures paid	<u>\$ 2,643,506</u>	<u>\$ 1,475,107</u>	<u>\$ 1,203,411</u>	<u>\$ 1,208,462</u>

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
\$	640,930	\$ 600,733	\$ 544,197	\$ 489,393	\$ 416,620	\$ 322,210
	62,838	63,522	57,568	43,669	45,105	28,886
	47,968	45,240	41,009	33,889	31,901	24,649
	52,650	50,704	41,832	33,441	31,269	24,087
	<u>804,386</u>	<u>760,199</u>	<u>684,606</u>	<u>600,392</u>	<u>524,895</u>	<u>399,832</u>
	-	-	-	-	-	-
	42,034	34,240	26,500	16,160	20,430	8,720
	9,111	9,111	6,111	6,111	6,111	6,051
	29,076	71,396	69,161	66,046	70,232	68,023
	3,543	4,055	5,384	4,362	5,195	3,147
	200	266	45	16	223	1,257
	1,080	1,991	1,174	2,108	3,221	-
	-	-	-	-	-	-
	2,064	-	-	-	-	-
	<u>87,108</u>	<u>121,059</u>	<u>108,375</u>	<u>94,803</u>	<u>105,412</u>	<u>87,198</u>
	3,549	5,098	4,209	4,572	2,300	3,164
	29,847	28,048	20,941	18,195	14,403	7,465
	-	2,542	7,983	4,045	12,657	8,441
	<u>33,396</u>	<u>35,688</u>	<u>33,133</u>	<u>26,812</u>	<u>29,360</u>	<u>19,070</u>
	59,447	68,891	34,197	52,723	81,830	6,176
	-	-	-	-	-	-
	2,574	4,534	1,719	4,704	3,004	6,158
	<u>62,021</u>	<u>73,425</u>	<u>35,916</u>	<u>57,427</u>	<u>84,834</u>	<u>12,334</u>
\$	<u><u>986,911</u></u>	<u><u>990,371</u></u>	<u><u>862,030</u></u>	<u><u>779,434</u></u>	<u><u>744,501</u></u>	<u><u>518,434</u></u>

Village of Riverwoods, Illinois
Consolidated Water Fund
SCHEDULE OF REVENUES COLLECTED
Trend Information - Last Nine Years
Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Revenues collected				
Charges for sales and services	\$ 935,073	\$ 984,964	\$ 901,614	\$ 970,779
Property taxes	163,305	355,693	359,811	360,240
Interest income	806	3,307	14,996	36,860
Grant revenue	-	135,461	-	-
Other	<u>380</u>	<u>300</u>	<u>670</u>	<u>980</u>
 Total revenues collected	 <u>\$ 1,099,564</u>	 <u>\$ 1,479,725</u>	 <u>\$ 1,277,091</u>	 <u>\$ 1,368,859</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 1,135,322	\$ 1,049,323	\$ 1,154,043	\$ 995,610	\$ 1,042,030
360,608	361,582	358,792	364,127	329,213
93,817	46,306	29,900	12,644	11,632
64,538	-	-	-	-
<u>255</u>	<u>789</u>	<u>-</u>	<u>9,030</u>	<u>-</u>
<u>\$ 1,654,540</u>	<u>\$ 1,458,000</u>	<u>\$ 1,542,735</u>	<u>\$ 1,381,411</u>	<u>\$ 1,382,875</u>

Village of Riverwoods, Illinois
Consolidated Water Fund
SCHEDULE OF EXPENSES PAID AND DEPRECIATION
Trend Information - Last Nine Years
Years Ended December 31

	2011	2010	2009	2008
Expenses paid and depreciation				
Personnel	\$ 34,655	\$ 35,810	\$ 33,713	\$ 31,962
Contractual services	572,972	596,071	623,733	674,967
Commodities	36,040	29,628	36,171	31,359
Depreciation	249,323	240,532	236,044	235,649
Debt service - interest	16,308	32,259	47,006	61,190
Other	696	220	-	15,154
 Total expenses paid and depreciation	 \$ 909,994	 \$ 934,520	 \$ 976,667	 \$ 1,050,281

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 30,596	\$ 29,237	\$ 28,576	\$ 32,129	\$ 37,246
880,672	784,143	917,191	753,793	770,172
42,086	568	-	-	-
214,357	214,357	214,355	211,899	231,972
75,527	87,578	99,453	102,635	130,862
<u>34,717</u>	<u>3,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,277,955</u>	<u>\$ 1,119,309</u>	<u>\$ 1,259,575</u>	<u>\$ 1,100,456</u>	<u>\$ 1,170,252</u>

Village of Riverwoods, Illinois
Sewer Fund
 SCHEDULE OF REVENUES COLLECTED
 Trend Information - Last Nine Years
Years Ended December 31

	2011	2010	2009	2008
Revenues collected				
Charges for sales and services	\$ 49,429	\$ 63,873	\$ 95,043	\$ 94,554
Property taxes	-	322,453	326,458	326,871
Interest income	-	294	663	6,726
Other revenues	-	-	-	-
Total revenues collected	\$ 49,429	\$ 386,620	\$ 422,164	\$ 428,151

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 14,258	\$ 18,631	\$ 126,804	\$ 80,874	\$ 164,819
363,986	364,560	400,224	408,183	398,879
17,546	15,665	11,087	3,640	2,480
-	75	2,249	-	-
<u>395,790</u>	<u>398,931</u>	<u>540,364</u>	<u>492,697</u>	<u>566,178</u>

Village of Riverwoods, Illinois

Sewer Fund

SCHEDULE OF EXPENSES PAID AND DEPRECIATION

Trend Information - Last Nine Years

Years Ended December 31

	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Expenses paid and depreciation				
Personnel	\$ 7,237	\$ 8,853	\$ 8,518	\$ 8,007
Contractual services	117,451	200,763	109,332	165,319
Depreciation	117,463	117,463	117,463	117,463
Debt service	4,620	22,452	39,646	57,158
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total expenses paid and depreciation	 \$ <u>246,771</u>	 \$ <u>349,531</u>	 \$ <u>274,959</u>	 \$ <u>347,947</u>

<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 7,902	\$ 7,373	\$ 8,127	\$ 8,010	\$ 8,522
96,020	91,366	66,103	21,355	99,918
115,487	115,487	115,487	114,886	111,033
73,585	90,219	106,516	112,887	147,231
<u>634</u>	<u>4,439</u>	<u>197</u>	<u>417</u>	<u>-</u>
<u>\$ 293,628</u>	<u>\$ 308,884</u>	<u>\$ 296,430</u>	<u>\$ 257,555</u>	<u>\$ 366,704</u>
