

Village of Riverwoods, Illinois

Annual Financial Report

**For the Year Ended
December 31, 2012**

Village of Riverwoods, Illinois
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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

Report on the Financial Statements

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 (the "Village"), as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

(Continued)

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village, as of December 31, 2012, and the respective changes in financial position-modified cash basis and, where applicable, cash flows, thereof for the year then ended on the basis of accounting described in Note A.

Basis of Accounting

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

Other Matters

Supplementary Information

The management's discussion and analysis on pages 4 through 11, the Illinois Municipal Retirement Fund historical data on page 42, and the budgetary comparison schedules and notes to supplementary information on pages 43 through 45 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is considered to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic modified cash basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

MILLER, COOPER & CO., LTD.



Certified Public Accountants

Deerfield, Illinois
June 28, 2013

Village of Riverwoods Management's Discussion and Analysis December 31, 2012

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, 2012, 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 position.** The total assets of the Village exceeded its liabilities at the close of the most recent year resulting in net position of \$30,597,501.
- **Fund balance.** At the close of the most recent fiscal year, the Village's governmental funds reported combined ending fund balances of \$12,166,211.
- **Cash and investment balance.** The Village's cash and investment balance at the close of the most recent year was \$14,223,642 against a monthly total expenditure average of \$357,059.
- **Long-term liabilities.** Of the Village's total long term liabilities at the end of the year (\$244,485), the sum of \$61,013 was due within one year. The Village's long term debt consists solely of limited obligation special service area bonds of \$234,854.
- **General fund summary.** The fund balance in the General Fund increased from \$10,882,695 to \$11,484,667, during the most recent year. Of this amount, \$1,800,000 was assigned for purposes of capital replacements in the Sewer Fund, and the remaining fund balance, \$9,684,667, was unassigned and available to be spent at the Village's discretion (unassigned fund balance).

II. OVERVIEW OF FINANCIAL STATEMENTS

The accounting standards under which this report are presented and 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 12 through 14 of this report. Financial reporting presented here uses the modified cash basis of accounting. These statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. These statements combine and consolidate short-term, spendable resources with capital assets and long-term obligations. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

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

Village of Riverwoods Management's Discussion and Analysis December 31, 2012

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 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 fund types: governmental funds, proprietary (enterprise) funds and fiduciary (agency) funds. Accordingly, this report includes *Governmental Fund Financial Statements*, which are presented on pages 15 through 17 of this report, *Enterprise Fund Financial Statements*, which are presented on pages 18 through 21 of this report, and an *Agency Fund Financial Statement*, which are presented on pages 22 and 23 of this report. The agency fund is not included in the entity-wide statements since it is not available for general Village uses.

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

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

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

Comparisons between the individual governmental fund statements and the government-wide statements provide information about financing decisions and the amount invested in maintaining and improving infrastructure. These two perspectives can provide insight into the long-term impact of short-term financing decisions. 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.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2012**

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 24-41 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, supplemental data and other supplemental information. Supplementary information, supplemental data, and other supplemental information can be found on pages 42-96 of this report.

III. GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2012**

The MDA reports a table summarizing the *Statement of Net Position – Modified Cash Basis*, which is presented in its entirety on page 11 of this report. The Village's total net position as of December 31, 2012 was \$30,597,501, of which \$17,124,137 represents governmental activities net assets and \$13,473,364 represents business-type activities net assets. The net position of the Village increased during 2012 by approximately 2.1% from 2011. Total assets of \$30,841,986 exceeded total liabilities of \$244,485 at the end of the year.

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

SUMMARY STATEMENT OF NET POSITION

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Current Assets	\$12,175,842	\$11,484,159	\$2,047,800	\$1,965,432	\$14,223,642	\$13,449,591
Noncurrent Assets	5,109,800	5,090,432	11,508,544	11,730,853	16,618,344	16,821,285
Total Assets	17,285,642	16,574,591	13,556,344	13,696,285	30,841,986	30,270,876
Noncurrent Liabilities due within one year	52,743	61,159	8,270	7,781	61,013	68,940
Noncurrent Liabilities due within more than one year	99,131	151,875	74,710	82,980	173,841	234,855
Other Liabilities	9,631	10,118	-	-	9,361	10,118
Total Liabilities	161,505	223,152	82,980	90,761	244,485	313,913
Net Assets:						
Invested in Capital Assets, net of Debt	4,957,926	4,877,398	11,425,564	11,640,092	16,383,490	16,517,490
Restricted by enabling legislation	701,530	640,262	-	-	701,530	640,262
Unrestricted	11,464,681	10,833,779	2,047,800	1,965,432	13,512,481	12,799,211
Total Net Position	<u>\$17,124,137</u>	<u>\$16,351,439</u>	<u>\$13,473,364</u>	<u>\$13,605,524</u>	<u>\$30,597,501</u>	<u>\$29,956,963</u>

The MDA reports a table summarizing the *Statement of Activities – Modified Cash Basis*, which is presented in its entirety on pages 12 and 13 of this report. Village revenues collected (excluding transfers) from governmental activities increased during 2012 from \$3,003,157 to \$3,798,980, and revenues collected from business-type activities (water and sewer systems) decreased from \$1,148,993 to \$1,126,264.

**Village of Riverwoods
Management's Discussion and Analysis
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Village expenses paid from governmental activities decreased from \$3,200,498 to \$3,026,282, while expenses paid from business-type activities increased from \$1,156,765 to \$1,258,424.

SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities		Business Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Revenue Collected						
Program Revenue						
Charges for services						
Police	\$188,159	\$147,181	\$ -	\$ -	188,159	\$147,181
Administration	270,477	260,072	-	-	270,477	260,072
Water	-	-	1,059,740	935,073	1,059,740	935,073
Sewer	-	-	50,368	49,429	50,368	49,429
Operating Grants						
Public Works	106,335	112,397	-	-	106,335	112,397
Total Program Revenues	564,971	519,650	1,110,108	984,502	1,675,079	1,504,152
General revenues collected						
Property taxes	590,848	578,008	13,625	163,305	604,473	741,313
Intergovernmental	639,125	613,335	-	-	639,125	613,335
Other local taxes	1,622,688	982,568	-	-	1,622,688	982,568
Other revenues	218,213	195,792	145	380	218,358	195,792
Interest income	163,135	113,804	2,386	806	165,521	114,610
Total General Revenues Collected	3,234,009	2,483,507	16,156	164,491	3,250,165	2,647,998
Total Revenues Collected	3,798,980	3,003,157	1,126,264	1,148,933	4,925,244	4,152,150
Expenses Paid:						
Administration and general government	1,245,999	1,170,659	-	-	1,245,999	1,170,659
Police	1,525,959	1,409,220	-	-	1,525,959	1,409,220
Public Works	243,647	606,910	-	-	243,647	606,910
Interest	10,677	13,709	-	-	10,677	13,709
Consolidated Water	-	-	963,580	909,994	963,580	909,994
Sewer	-	-	294,844	246,771	294,844	246,771
Total Expenses Paid	3,026,282	3,200,498	1,258,424	1,156,765	4,284,706	4,357,263
Increase (Decrease) in Net Assets	772,698	(197,341)	(132,160)	(7,772)	640,538	(205,113)
Net position, beginning of year	16,351,439	16,548,780	13,605,524	13,613,296	29,956,963	30,162,076
Net position, end of year	<u>\$17,124,137</u>	<u>\$16,351,439</u>	<u>\$13,473,364</u>	<u>\$13,605,524</u>	<u>\$30,597,501</u>	<u>\$29,956,963</u>

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2012**

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. Revenues in the General Fund increased by 3.47% from \$1,985,000 in 2011 to \$2,674,638 in 2012. Revenues from telecommunication taxes were approximately \$600,000 higher than normal after the State of Illinois concluded that telecom companies had underpaid for prior years, but this extra revenue is not expected to be recurring. At the close of the most recent fiscal year, the fund balance in the General Fund increased from \$10,882,695 to \$11,484,667. A portion of the fund balance in the General Fund was "assigned" in 2012 (see discussion under "Reporting Fund Balances in Governmental Funds under GASB 54").

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 2012 from the police levy were \$455,470 against police department expenditures of \$1,493,976. 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. 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 2012 was \$580,503.

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 \$81,000. The Village applies the balance in the Motor Fuel Tax Fund to its on-going program of street repair and maintenance. The Village's special revenue funds had no unusual activity.

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

Reporting Fund Balances in Governmental Funds under GASB 54. The Village has adopted GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("GASB 54"). In 2012, the Village "assigned" \$1,800,000 of the fund balance in the General Fund to pay for necessary capital replacements to the Village's sanitary sewer system if the financial reserves in the Sewer Fund are insufficient for such purposes. The Village took this action to acknowledge that the net assets of the Sewer Fund were underfunded by this amount in relation to financial reserves which the Village has determined to establish. Under the Village Replacement Reserve Policy adopted December 4, 2012, the Water Fund and Sewer Fund shall each be managed to accumulate financial reserves of \$2 million, as a reserve to pay for the costs (anticipated and unanticipated) of capital repairs and replacements.

**Village of Riverwoods
Management's Discussion and Analysis
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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 \$10,156,684, as compared to \$10,044,976 for the prior year. The undesignated amount at the end of the year is \$1,831,346, an increase from \$1,612,364 in the prior year. 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 \$103,370 at the end of the year, as compared to \$42,083 for the prior year. The fund's operating expenses are driven principally by the costs of water purchases under a long term supply agreement entered into with the Village of Northbrook in 2006 under which the price of water will be held constant until 2015.

Sewer Fund. Net assets of the Sewer Fund at the end of the year amounted to \$3,316,680, as compared to \$3,560,548 for the prior year. The designated amount in the Sewer Fund at the end of the year is \$216,454, as compared to \$353,068 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 (\$244,476) at the end of the year, as compared to (\$192,722) in the prior year. The Village has assigned a portion of the fund balance in the General Fund to pay for certain capital replacements (see discussion under "Reporting Fund Balances in Governmental Funds under GASB 54"). The Village's sewer system interconnects with Lake County mains. Lake County charges fees to Village residents for transmission and treatment services. Under a long-term intergovernmental agreement with the Village signed in 2008, Lake County also performs routine maintenance of the Village's sewer system, while the Village remains responsible for performing and paying for capital repairs. Under this agreement, residents receive quarterly a single sewer bill from Lake County. Lake County deducts a portion of the user charges to pay for Lake County's charges and then remits the balance to the Village. The Village's share of user fees is recorded in a designated replacement account in the Sewer Fund to pay for future capital replacements.

V. GENERAL FUND BUDGETARY HIGHLIGHTS

The budgeted revenues and other financing sources were sufficient to offset budgeted expenditures and other financing uses but largely due to the additional telecommunication tax revenues offsetting the annual transfer to the Police Fund. 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. The General Fund is the only fund with significant cash, cash equivalents, and investments and is *de facto* the source of funds for nonrecurring repairs or capital expenses (except to the extent of borrowed funds) which might be incurred, among other purposes, for repair and replacements of the Village's water system, sanitary sewer system, streets and culverts, and for covering annual deficiencies projected to result from the operation of the police department or other funds. The fund balance in the General Fund increased from \$10,882,695 to \$11,484,667, and at the end of the most recent fiscal year. Other than the amount "assigned" as described above, the rest of the fund balance in the General Fund, \$9,684,667, was unassigned and available to be spent in the Village's discretion.

**Village of Riverwoods
Management's Discussion and Analysis
December 31, 2012**

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

The Village did not incur any new long-term debt in 2012 and continues to service existing special service area bond issues.

Please see Notes D and E 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.

The Village approved the formation of a tax increment finance district in 2012 and adopted tax increment allocation financing. Under the ordinances establishing the TIF, the Village may issue obligations repayable from the incremental property tax revenues received from taxable property in the TIF project area. The Village did not authorize any such issuance in 2012.

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 2012 was \$618,878. 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 POSITION - MODIFIED CASH BASIS
December 31, 2012

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 4,385,534	\$ 2,047,800	\$ 6,433,334
Investments	<u>7,790,308</u>	<u>-</u>	<u>7,790,308</u>
Total current assets	<u>12,175,842</u>	<u>2,047,800</u>	<u>14,223,642</u>
Noncurrent assets			
Capital assets, not being depreciated			
Land	2,683,072	-	2,683,072
Capital assets, net of accumulated depreciation	<u>2,426,728</u>	<u>11,508,544</u>	<u>13,935,272</u>
Total noncurrent assets	<u>5,109,800</u>	<u>11,508,544</u>	<u>16,618,344</u>
Total assets	<u>17,285,642</u>	<u>13,556,344</u>	<u>30,841,986</u>
LIABILITIES			
Other liabilities	9,631	-	9,631
Noncurrent liabilities			
Due within one year	52,743	8,270	61,013
Due in more than one year	<u>99,131</u>	<u>74,710</u>	<u>173,841</u>
Total liabilities	<u>161,505</u>	<u>82,980</u>	<u>244,485</u>
NET POSITION			
Invested in capital assets, net of related debt	4,957,926	11,425,564	16,383,490
Restricted by enabling legislation	701,530	-	701,530
Unrestricted	<u>11,464,681</u>	<u>2,047,800</u>	<u>13,512,481</u>
Total net position	<u>\$ 17,124,137</u>	<u>\$ 13,473,364</u>	<u>\$ 30,597,501</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, 2012

Functions/programs	Expenses Paid	Program Revenues Collected	
		Charges for Services	Operating Grants
Governmental activities			
Administration and general government	\$ 1,245,999	\$ 270,477	\$ -
Police	1,525,959	188,159	-
Public works	243,647	-	106,335
Interest	10,677	-	-
Total governmental activities	<u>3,026,282</u>	<u>458,636</u>	<u>106,335</u>
Business-type activities			
Consolidated water	963,580	1,059,740	-
Sewer	294,844	50,368	-
Total business-type activities	<u>1,258,424</u>	<u>1,110,108</u>	<u>-</u>
Total	<u>\$ 4,284,706</u>	<u>\$ 1,568,744</u>	<u>\$ 106,335</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 position

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
\$ (975,522)	-	\$ (975,522)
(1,337,800)	-	(1,337,800)
(137,312)	-	(137,312)
(10,677)	-	(10,677)
(2,461,311)	-	(2,461,311)
-	96,160	96,160
-	(244,476)	(244,476)
-	(148,316)	(148,316)
(2,461,311)	(148,316)	(2,609,627)
590,848	13,625	604,473
639,125	-	639,125
1,622,688	-	1,622,688
218,213	145	218,358
163,135	2,386	165,521
3,234,009	16,156	3,250,165
772,698	(132,160)	640,538
16,351,439	13,605,524	29,956,963
\$ 17,124,137	\$ 13,473,364	\$ 30,597,501

Village of Riverwoods, Illinois
Governmental Funds
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
December 31, 2012

	<u>General Fund</u>	<u>Police Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 3,703,947	\$ 43	\$ 681,544	\$ 4,385,534
Investments	<u>7,790,308</u>	<u>-</u>	<u>-</u>	<u>7,790,308</u>
Total assets	<u>\$ 11,494,255</u>	<u>\$ 43</u>	<u>\$ 681,544</u>	<u>\$ 12,175,842</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Other liabilities	\$ <u>9,588</u>	\$ <u>43</u>	\$ <u>-</u>	\$ <u>9,631</u>
Total liabilities	<u>9,588</u>	<u>43</u>	<u>-</u>	<u>9,631</u>
Fund balances				
Restricted	-	19,986	681,544	701,530
Assigned	1,800,000	-	-	1,800,000
Unassigned	<u>9,684,667</u>	<u>(19,986)</u>	<u>-</u>	<u>9,664,681</u>
Total fund balances	<u>11,484,667</u>	<u>-</u>	<u>681,544</u>	12,166,211
Total fund balances and liabilities	<u>\$ 11,494,255</u>	<u>\$ 43</u>	<u>\$ 681,544</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				5,109,800
Bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds				<u>(151,874)</u>
Net assets of governmental activities				<u>\$ 17,124,137</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, 2012

	General Fund	Police Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues collected				
Property taxes				
Police	\$ -	\$ 455,470	\$ -	\$ 455,470
Special service areas	-	-	102,065	102,065
Other local taxes	1,622,688	-	-	1,622,688
Township road and bridge taxes	33,313	-	-	33,313
Other intergovernmental taxes	639,125	-	106,335	745,460
Licenses and permits	188,477	-	-	188,477
Fines and forfeits	-	188,159	-	188,159
Special use fees	-	82,000	-	82,000
Other	30,878	187,335	-	218,213
Interest income	160,157	509	2,469	163,135
Total revenues collected	<u>2,674,638</u>	<u>913,473</u>	<u>210,869</u>	<u>3,798,980</u>
Expenditures paid				
Current				
Administration	1,092,033	-	26	1,092,059
Building	128,498	-	-	128,498
Police	-	1,431,027	-	1,431,027
Public works	184,941	-	48,808	233,749
Capital outlay	86,691	62,949	-	149,640
Debt service				
Principal	-	-	61,160	61,160
Interest	-	-	10,677	10,677
Total expenditures paid	<u>1,492,163</u>	<u>1,493,976</u>	<u>120,671</u>	<u>3,106,810</u>
Excess (deficiency) of revenues collected over expenditures paid	1,182,475	(580,503)	90,198	692,170
Other financing sources (uses)				
Transfers in (out)	<u>(580,503)</u>	<u>580,503</u>	<u>-</u>	<u>-</u>
Net change in fund balances	601,972	-	90,198	692,170
Fund balance, beginning of year	<u>10,882,695</u>	<u>-</u>	<u>591,346</u>	<u>11,474,041</u>
Fund balance, end of year	<u>\$ 11,484,667</u>	<u>\$ -</u>	<u>\$ 681,544</u>	<u>\$ 12,166,211</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, 2012

Net change in fund balances - total governmental funds \$ 692,170

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 outlay exceeded depreciation in the current period. 19,368

The repayment of the principal of long-term debt consumes the current financial resources of government funds. 61,160

Change in net assets of governmental activities \$ 772,698

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois

Enterprise Funds

COMBINING STATEMENT OF NET POSITION - MODIFIED CASH BASIS

December 31, 2012

	<u>Consolidated Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ <u>1,831,346</u>	\$ <u>216,454</u>	<u>2,047,800</u>
Total current assets	<u>1,831,346</u>	<u>216,454</u>	<u>2,047,800</u>
Noncurrent assets:			
Capital assets	12,101,512	5,834,645	17,936,157
Accumulated depreciation	<u>(3,693,194)</u>	<u>(2,734,419)</u>	<u>(6,427,613)</u>
Total noncurrent assets	<u>8,408,318</u>	<u>3,100,226</u>	<u>11,508,544</u>
Total assets	<u>10,239,664</u>	<u>3,316,680</u>	<u>13,556,344</u>
LIABILITIES			
Noncurrent liabilities			
Due within one year	7,781	-	7,781
Due in more than one year	<u>75,199</u>	<u>-</u>	<u>75,199</u>
Total liabilities	<u>82,980</u>	<u>-</u>	<u>82,980</u>
NET POSITION			
Invested in capital assets, net of related debt	8,325,338	3,100,226	11,425,564
Unreserved			
Designated for sewer replacement	-	216,454	216,454
Undesignated	<u>1,831,346</u>	<u>-</u>	<u>1,831,346</u>
Total net position	\$ <u>10,156,684</u>	\$ <u>3,316,680</u>	\$ <u>13,473,364</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 POSITION - MODIFIED CASH BASIS

For the Year Ended December 31, 2012

	Consolidated Water Fund	Sewer Fund	Totals
Operating revenues collected			
Charges for sales and services	\$ 1,059,740	\$ 50,368	\$ 1,110,108
Operating expenses paid			
Personnel	32,005	4,118	36,123
Contractual	639,844	173,054	812,898
Commodities	29,378	-	29,378
Total operating expenses paid	701,227	177,172	878,399
Depreciation	255,143	117,672	372,815
Total operating expenses paid and depreciation	956,370	294,844	1,251,214
Excess (deficiency) of operating revenues collected over operating expenses paid and depreciation	103,370	(244,476)	(141,106)
Nonoperating revenues collected (expenses paid)			
Property taxes	13,625	-	13,625
Interest income	1,778	608	2,386
Debt service - interest	(5,703)	-	(5,703)
Other revenue	145	-	145
Other expense	(1,507)	-	(1,507)
Total nonoperating revenues collected	8,338	608	8,946
Change in net position	111,708	(243,868)	(132,160)
Net position, beginning of year	10,044,976	3,560,548	13,605,524
Net position, end of year	\$ 10,156,684	\$ 3,316,680	\$ 13,473,364

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, 2012

	Consolidated		
	Water	Sewer	Totals
	Fund	Fund	
Cash flows in operating activities			
Cash received from customers and users	\$ 1,059,740	\$ 50,368	\$ 1,110,108
Cash payments for goods and services	(669,222)	(173,054)	(842,276)
Cash payments to employees	(32,005)	(4,118)	(36,123)
	<u>358,513</u>	<u>(126,804)</u>	<u>231,709</u>
Net cash provided by (used in) operating activities			-
Cash flows in noncapital financing activities			-
Property tax revenues collected	13,625	-	13,625
Other	(1,362)	-	(1,362)
	<u>12,263</u>	<u>-</u>	<u>12,263</u>
Net cash provided by noncapital financing activities			-
Cash flows in capital and related financing activities			
Purchases of capital assets	(140,088)	(10,418)	(150,506)
Principal payments	(7,781)	-	(7,781)
Interest payments	(5,703)	-	(5,703)
	<u>(153,572)</u>	<u>(10,418)</u>	<u>(163,990)</u>
Net cash used in capital and related financing activities			-
Cash flows in investing activities			
Sale of investments	254,279	-	254,279
Interest on cash and cash equivalents	1,778	608	2,386
	<u>256,057</u>	<u>608</u>	<u>256,665</u>
Net cash provided by investing activities			-
Net increase (decrease) in cash and cash equivalents	473,261	(136,614)	336,647
Cash and cash equivalents, beginning of year	<u>1,358,085</u>	<u>353,068</u>	<u>1,711,153</u>
Cash and cash equivalents, end of year	\$ <u>1,831,346</u>	\$ <u>216,454</u>	\$ <u>2,047,800</u>

(Continued)

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois

Enterprise Funds

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

For the Year Ended December 31, 2012

	Consolidated		
	Water	Sewer	Totals
	Fund	Fund	
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	\$ 103,370	\$ (244,476)	\$ (141,106)
Adjustments to reconcile excess of operating revenues collected over expenses paid and depreciation to net cash provided by operating activities:			
Depreciation	<u>255,143</u>	<u>117,672</u>	<u>372,815</u>
Net cash provided by (used in) operating activities	<u>\$ 358,513</u>	<u>\$ (126,804)</u>	<u>\$ 231,709</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, 2012

	January 1, 2012	Additions	Deductions	December 31, 2012
ASSETS				
Cash and cash equivalents	\$ 283,631	\$ 135,655	\$ 156,463	\$ 262,823
Investments	34,319	-	-	34,319
Due from developers				
Escrow bonds	34,489			34,489
Total assets	\$ 352,439	\$ 135,655	\$ 156,463	\$ 331,631
LIABILITIES				
Due to developers				
Performance bonds	\$ 222,318	\$ 140,493	\$ 148,592	\$ 214,219
Escrow bonds	130,121	-	12,709	117,412
Total liabilities	\$ 352,439	\$ 140,493	\$ 161,301	\$ 331,631

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
Agency Fund - Special Service Area No. 23 Gemini Road Fund
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - MODIFIED CASH BASIS
For the Year Ended December 31, 2012

	<u>January 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2012</u>
ASSETS				
Cash	\$ -	\$ 8,000	\$ 6,403	\$ 1,597
Total assets	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 6,403</u>	<u>\$ 1,597</u>
LIABILITIES				
Due to road association	\$ -	\$ 8,000	\$ 6,403	\$ 1,597
Total liabilities	<u>\$ -</u>	<u>\$ 8,000</u>	<u>\$ 6,403</u>	<u>\$ 1,597</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
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December 31, 2012

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Village of Riverwoods, Illinois
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Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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

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

Governmental funds are used to account for 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, 2012

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 enterprise (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, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Enterprise (proprietary) funds distinguish operating revenues collected and expenses paid from nonoperating items. Operating revenues collected and expenses paid generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Consolidated Water 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 appropriates on the modified cash basis of accounting. The appropriation ordinance, which is the legal authority to spend, was passed on March 20, 2012, 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 and noninterest bearing and noninterest-bearing checking accounts, money market accounts, and certificates of deposits with original maturities of three months or less from the date of acquisition.

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, 2012

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	50 years
Office equipment	5 - 10 years
Infrastructure	20 - 50 years
Vehicles	5 years
Water/sewer systems *	10 - 50 years

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

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, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

9. Fund Balance

In accordance with the Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54), 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. The Board of Trustees has not delegated this authority to an individual. The Village established a fund balance assignment of \$1,800,000 in the General Fund, for the purpose of paying for necessary capital replacements to the Village's sanitary sewer system.
- 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, 2012

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 6, 2011). 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 2011 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 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	\$ 129,707
Depreciation expense	<u>(110,339)</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>19,368</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, the enterprise funds combining statement of net assets arising from cash transactions, or the Statement of Changes in Assets and Liabilities. In addition, deposits are separately held by several of the Village's funds.

Village of Riverwoods, Illinois
 NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

The Village's investment policy is in line with state statutes. The investments that the Village may purchase are limited by Illinois law to the following: (1) securities that are fully guaranteed by the U.S. government as to principal and interest; (2) certain U.S. government agency securities; (3) interest-bearing savings accounts, interest-bearing certificates of deposit or time deposits or any other investments constituting direct obligations of any bank as defined by the Illinois Banking Act; (4) short-term discount obligations of corporations organized in the United States with assets exceeding \$500,000,000; (5) interest-bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district; (6) fully collateralized repurchase agreements; (7) the State Treasurer's Illinois and Prime Funds; and (8) money market mutual funds and certain other instruments.

At December 31, 2012, the Village's deposits and investments consisted of the following:

	Government- Wide	Agency Fund	Total
Cash and cash equivalents	\$ 6,433,334	\$ 264,420	\$ 6,697,754
Investments	7,790,308	34,319	7,824,627
	\$ 14,223,642	\$ 298,739	\$ 14,522,381

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:

	Total
Cash on hand	\$ 300
Deposits with financial institutions	11,613,350
The Illinois Funds	29,383
Other investments	2,879,348
	\$ 14,522,381

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

NOTE C - DEPOSITS AND INVESTMENTS (Continued)

At December 31, 2012, 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	\$ 626,469	\$ 199,164	\$ 427,305	\$ -
Federal Farm Credit Bank	1,066,907	46,855	795,430	224,622
Federal Home Loan Mortgage Corp.	383,375	-	383,375	-
Federal Home Loan Bank	98,910	-	98,910	-
Federal National Mortgage Assoc.	703,687	-	561,657	142,030
	<u>\$ 2,879,348</u>	<u>\$ 246,019</u>	<u>\$ 2,266,677</u>	<u>\$ 366,652</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

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

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

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.

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, 2012

NOTE D - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2012, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
1. <u>Governmental</u>				
Capital assets not being depreciated				
Land	\$ 2,683,072	\$ -	\$ -	\$ 2,683,072
Construction in progress	<u>84,329</u>	<u>-</u>	<u>84,329</u>	<u>-</u>
Total capital assets not being depreciated	<u>2,767,401</u>	<u>-</u>	<u>84,329</u>	<u>2,683,072</u>
Capital assets being depreciated				
Buildings and improvements	2,087,030	25,261	-	2,112,291
Office equipment	198,406	7,302	18,000	187,708
Infrastructure	365,363	166,578	-	531,941
Vehicles	<u>223,784</u>	<u>14,895</u>	<u>-</u>	<u>238,679</u>
Total capital assets being depreciated	<u>2,874,583</u>	<u>214,036</u>	<u>18,000</u>	<u>3,070,619</u>
Less accumulated depreciation for:				
Buildings and improvements	221,771	43,852	-	265,623
Office equipment	164,514	12,798	18,000	159,312
Infrastructure	38,034	11,749	-	49,783
Vehicles	<u>127,233</u>	<u>41,940</u>	<u>-</u>	<u>169,173</u>
Total accumulated depreciation	<u>551,552</u>	<u>110,339</u>	<u>18,000</u>	<u>643,891</u>
Total capital assets being depreciated, net	<u>2,323,031</u>	<u>103,697</u>	<u>-</u>	<u>2,426,728</u>
Governmental activities capital assets, net	<u>\$ 5,090,432</u>	<u>\$ 103,697</u>	<u>\$ 84,329</u>	<u>\$ 5,109,800</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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	155,557	37,716	-	193,273
Water mains	8,889,718	102,372	-	8,992,090
Sewers	<u>5,824,227</u>	<u>10,418</u>	<u>-</u>	<u>5,834,645</u>
Total capital assets being depreciated	<u>17,785,651</u>	<u>150,506</u>	<u>-</u>	<u>17,936,157</u>
Less accumulated depreciation for:				
Pumping stations and reservoirs	1,016,113	57,323	-	1,073,436
Water tower	7,000	1,000	-	8,000
Water meters	20,044	19,328	-	39,372
Water mains	2,394,894	177,492	-	2,572,386
Sewers	<u>2,616,747</u>	<u>117,672</u>	<u>-</u>	<u>2,734,419</u>
Total accumulated depreciation	<u>6,054,798</u>	<u>372,815</u>	<u>-</u>	<u>6,427,613</u>
Business-type activities capital assets, net	<u>\$ 11,730,853</u>	<u>\$ (222,309)</u>	<u>\$ -</u>	<u>\$ 11,508,544</u>

3. Depreciation

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

Governmental activities	
Administration and general	\$ 25,442
Police	74,999
Public works	<u>9,898</u>
Total depreciation expense - governmental activities	<u>\$ 110,339</u>
Business-type activities	
Consolidated water	\$ 255,143
Sewer	<u>117,672</u>
Total depreciation expense - business-type activities	<u>\$ 372,815</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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:

	January 1, 2012	Additions	Retirements	December 31, 2012	Due Within One Year
Special Service Area Bonds:					
North Robinwood Sewer Special Service Area Number 10. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	\$ 99,831	\$ -	\$ 8,507	\$ 91,324	\$ 9,042
Hiawatha Road Special Service Area Number 19. Issued November 18, 2002. Due February 1, 2013, interest at 6.00%.	32,389	-	21,268	11,121	11,121
Whigham-Burr Oak Special Service Area Number 20. Issued December 2, 2003. Due February 1, 2014, interest at 3.70%.	80,814	-	31,385	49,429	32,580
Total	\$ 213,034	\$ -	\$ 61,160	\$ 151,874	\$ 52,743

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

	January 1, 2012	Additions	Retirements	December 31, 2012	Due Within One Year
North Robinwood Water Special Service Area Number 16. Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	90,761	-	7,781	82,980	8,270
Total	\$ 90,761	\$ -	\$ 7,781	\$ 82,980	\$ 8,270

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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
2013	\$ 60,394	\$ 13,473	\$ 73,867
2014	31,929	13,474	45,403
2015	14,731	13,474	28,205
2016	14,730	13,473	28,203
2017	14,730	13,473	28,203
2018-2020	45,085	40,684	85,769
	181,599	108,051	289,650
Less interest	29,725	25,071	54,796
	<u>\$ 151,874</u>	<u>\$ 82,980</u>	<u>\$ 234,854</u>

NOTE F - INTERFUND TRANSFERS

Governmental funds	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Police	\$ -	\$ 580,503
Total General Fund	<u>-</u>	<u>580,503</u>
Police		
General	580,503	-
Total Police Fund	<u>580,503</u>	<u>-</u>
Total governmental funds	<u>580,503</u>	<u>580,503</u>
Elimination of transfers to/from funds of the same type	<u>(580,503)</u>	<u>(580,503)</u>
Total	<u>\$ -</u>	<u>\$ -</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2012

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, 2012, is 0.94%. This percentage share is subject to change in future years based on the number of households.

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

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

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

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 2012.

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, 2012

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 \$43,322 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 2012 was 11.24%. 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, 2012

NOTE H - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

3. Annual Pension Cost

The required contribution for calendar year 2012 was \$112,976.

Trend Information			
Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	\$ 112,976	100%	\$ -
12/31/2011	112,907	100%	-
12/31/2010	104,312	100%	-

The required contribution for 2011 was determined as part of the December 31, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010 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, 2010 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, 2012, the most recent actuarial valuation date, the regular plan was 66.41% funded. The actuarial accrued liability for benefits was \$1,800,762, and the actuarial value of assets was \$1,195,840, resulting in an unfunded actuarial accrued liability (UAAL) of \$604,922. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$1,005,124, and the ratio of the UAAL to the covered payroll was 60%.

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, 2012

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 not involved in any significant litigation that would materially affect the balances reported at December 31, 2012. With regard to other pending matters, the eventual outcome and related liability, if any, are not determinable at this time. No provision has been made in the accompanying financial statements for settlement costs.

NOTE J - SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 28, 2013, the date that these financial statements were available to be issued. Management has determined that no events or transactions, other than those events noted below, have occurred subsequent to the balance sheet date that require disclosure in the financial statements.

On May 7, 2013, the Board of Trustees approved an ordinance providing for the issuance of \$587,500 Special Services Area 24 Special Tax Bonds. These bonds were subsequently issued on May 10, 2013. The bonds will mature on September 1, 2023.

SUPPLEMENTARY INFORMATION
(Unaudited)

Village of Riverwoods, Illinois
 Illinois Municipal Retirement Fund Pension Data
 SCHEDULE OF FUNDING PROGRESS
December 31, 2012

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)
12/31/2012	\$ 1,195,840	\$ 1,800,762	\$ 604,922	66.41%	\$ 1,005,124	60.18%
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%

On a market value basis, the actuarial value of assets as of December 31, 2012 is \$1,235,837. On a market basis, the funded ratio would be 68.63%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with the Village of Riverwoods. They do not include amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

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, 2012

	Original and Final Appropriation	Actual	Over (Under) Appropriation
Revenues collected			
Township road and bridge tax	\$ 38,000	\$ 33,313	\$ (4,687)
Other intergovernmental taxes	609,100	639,125	30,025
Other local taxes	1,033,000	1,622,688	589,688
License and permits	252,000	188,477	(63,523)
Interest income	120,000	160,157	40,157
Other	-	30,878	30,878
Total revenues collected	<u>2,052,100</u>	<u>2,674,638</u>	<u>622,538</u>
Expenditures paid			
Current			
Administration	1,399,400	1,092,033	307,367
Building	537,500	128,498	409,002
Public works	721,500	184,941	536,559
Capital outlay	<u>2,525,000</u>	<u>86,691</u>	<u>2,438,309</u>
Total expenditures paid	<u>5,183,400</u>	<u>1,492,163</u>	<u>3,691,237</u>
Excess (deficiency) of revenues collected over expenditures paid	(3,131,300)	1,182,475	4,313,775
Other			
Depreciation	(260,000)	-	260,000
Other financing uses			
Transfers out	<u>(1,900,000)</u>	<u>(580,503)</u>	<u>1,319,497</u>
Net change in fund balance	<u>\$ (5,291,300)</u>	601,972	<u>\$ 5,893,272</u>
Fund balance			
Beginning of year		<u>10,882,695</u>	
End of year		<u>\$ 11,484,667</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Local taxes - property taxes	\$ 497,000	\$ 455,470	\$ (41,530)
Special use fees	72,000	82,000	10,000
Fines and forfeits	122,050	188,159	66,109
Other	500	187,335	186,835
Interest income	-	509	509
	<u>691,550</u>	<u>913,473</u>	<u>221,923</u>
Total revenues collected			
Expenditures paid			
Current			
Personnel	1,135,000	1,081,575	53,425
Contractual services	267,400	305,161	(37,761)
Commodities	41,000	44,291	(3,291)
Capital outlay	72,000	62,949	9,051
	<u>1,515,400</u>	<u>1,493,976</u>	<u>21,424</u>
Total expenditures paid			
Deficiency of revenues collected over expenditures paid	(823,850)	(580,503)	243,347
Other financing sources			
Transfer in	-	580,503	580,503
	<u>-</u>	<u>580,503</u>	<u>580,503</u>
Net change in fund balance	\$ <u>(823,850)</u>	-	\$ <u>823,850</u>
Fund balance			
Beginning of year		-	
End of year		\$ <u>-</u>	

Village of Riverwoods, Illinois
NOTE TO THE SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2012

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 appropriation ordinance was approved by the Board of Trustees on March 30, 2012.

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. There were no funds with excess expenditures over appropriations.

The following fund had no appropriation for 2012:

- 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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Township road and bridge tax	\$ <u>38,000</u>	\$ <u>33,313</u>	\$ <u>(4,687)</u>
Other intergovernmental taxes			
Personal property replacement taxes	2,100	1,500	(600)
Illinois municipal sales tax	280,000	246,974	(33,026)
Local use tax	45,000	56,138	11,138
State income taxes	<u>282,000</u>	<u>334,513</u>	<u>52,513</u>
Total other intergovernmental taxes	<u>609,100</u>	<u>639,125</u>	<u>30,025</u>
Local taxes			
Village of Riverwoods sales tax 1/2%	108,000	115,128	7,128
Utility taxes			
Electric	290,000	287,292	(2,708)
Gas	135,000	95,202	(39,798)
Simplified telecommunications tax	400,000	999,981	599,981
Hotel tax	<u>100,000</u>	<u>125,085</u>	<u>25,085</u>
Total local taxes	<u>1,033,000</u>	<u>1,622,688</u>	<u>589,688</u>
Licenses and permits			
Liquor licenses	20,000	28,000	8,000
Cable television franchise fees	60,000	68,815	8,815
Telephone franchise fees	-	10,162	10,162
Building permits - construction fees	70,000	51,206	(18,794)
Special inspection - site development and inspection fees	1,000	-	(1,000)
Cell tower lease	101,000	-	(101,000)
Elevator permits	-	9,480	9,480
Forester fees	-	1,500	1,500
Forest program	-	16,639	16,639
Engineer fees	<u>-</u>	<u>2,675</u>	<u>2,675</u>
Total licenses and permits	<u>252,000</u>	<u>188,477</u>	<u>(63,523)</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
 SCHEDULE OF REVENUES COLLECTED -
 APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2012

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</u>
Revenues collected (continued)			
Interest income	\$ <u>120,000</u>	\$ <u>160,157</u>	\$ <u>40,157</u>
Other			
Miscellaneous	<u>-</u>	<u>30,878</u>	<u>30,878</u>
Total revenues collected	\$ <u><u>2,052,100</u></u>	\$ <u><u>2,674,638</u></u>	\$ <u><u>622,538</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Expenditures paid			
Administration department			
Personnel			
Salaries	\$ 264,000	\$ 174,781	\$ 89,219
FICA	37,400	33,031	4,369
IMRF	73,000	36,488	36,512
Unemployment insurance	55,000	3,286	51,714
Health insurance	43,500	48,496	(4,996)
Total personnel	<u>472,900</u>	<u>296,082</u>	<u>176,818</u>
Contractual services			
Maintenance - building	50,000	34,925	15,075
Maintenance - equipment	15,000	6,500	8,500
Maintenance - grounds	24,000	22,781	1,219
Insurance	25,000	18,788	6,212
Telephone	25,000	14,846	10,154
Travel and meeting expense	20,000	4,877	15,123
Postage	10,000	6,760	3,240
Advertising and printing	2,500	6,700	(4,200)
Village Voice	21,000	17,645	3,355
Accounting services	30,000	32,227	(2,227)
Engineering services	100,000	95,772	4,228
Legal services	150,000	156,477	(6,477)
Other professional services	130,000	83,154	46,846
Dues, subscriptions, and memberships	3,000	3,220	(220)
Forest program	75,000	151,018	(76,018)
Theater In The Woods	10,000	-	10,000
Family Day	10,000	-	10,000
NSSRA	40,000	43,322	(3,322)
Miscellaneous contractual services	25,000	79,285	(54,285)
Senior transportation	5,000	165	4,835
Training	2,000	-	2,000
Donations CEO/Willow House	20,000	-	20,000
Contingency	60,000	-	60,000
Total contractual services	<u>852,500</u>	<u>778,462</u>	<u>74,038</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Expenditures paid (continued)			
Administration department (continued)			
Commodities			
Office supplies	\$ 22,000	\$ 9,122	\$ 12,878
Publications	2,000	3,538	(1,538)
Operating supplies	-	4,829	(4,829)
	<u>24,000</u>	<u>17,489</u>	<u>6,511</u>
Total commodities			
Other expenses			
Miscellaneous	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total administration department	<u>1,399,400</u>	<u>1,092,033</u>	<u>307,367</u>
Building department			
Personnel			
Salaries	205,000	114,661	90,339
FICA	18,000	6,478	11,522
IMRF	<u>13,500</u>	<u>-</u>	<u>13,500</u>
Total personnel	<u>236,500</u>	<u>121,139</u>	<u>115,361</u>
Contractual services			
Insurance	50,000	-	50,000
Telephone	25,000	23	24,977
Travel and meeting expense	11,000	-	11,000
Training	1,000	-	1,000
Postage	9,000	-	9,000
Advertising	3,000	-	3,000
Printing	2,000	-	2,000
Engineering services	100,000	650	99,350
Other professional services	30,000	526	29,474
Dues, subscriptions, and memberships	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total contractual services	<u>233,000</u>	<u>1,199</u>	<u>231,801</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Expenditures paid (continued)			
Building department (continued)			
Commodities			
Office supplies	\$ 15,000	\$ -	\$ 15,000
Other expenses			
Miscellaneous	50,000	-	50,000
Inspection fees - plumbing, elevator, and site	3,000	6,160	(3,160)
Total other expenses	53,000	6,160	46,840
Total building department	537,500	128,498	409,002
Road and Bridge			
Personnel			
Salaries	-	7,797	(7,797)
FICA	-	441	(441)
Total personnel	-	8,238	(8,238)
Contractual services			
Maintenance - streets	100,000	110,486	(10,486)
Maintenance - bike path	30,000	1,100	28,900
Maintenance – grounds	25,000	17,340	7,660
Maintenance – culverts/drainage	150,000	425	149,575
Snow removal	140,000	37,257	102,743
Signs - purchase and repair	3,000	734	2,266
Street lighting	3,000	1,485	1,515
Engineering services	100,000	2,086	97,914
Legal services	500	-	500
Other professional services	10,000	5,790	4,210
Total contractual services	561,500	176,703	384,797

(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, 2012**

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</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>721,500</u>	<u>184,941</u>	<u>536,559</u>
Total current expenditures paid	<u>2,658,400</u>	<u>1,405,472</u>	<u>1,252,928</u>
Capital outlay			
Administration department			
Land acquisition	2,000,000	-	2,000,000
Equipment	<u>25,000</u>	<u>86,691</u>	<u>(61,691)</u>
Total administration	<u>2,025,000</u>	<u>86,691</u>	<u>1,938,309</u>
Road and bridge			
New bike path construction	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total capital outlay	<u>2,525,000</u>	<u>86,691</u>	<u>2,438,309</u>
Total expenditures paid	<u>5,183,400</u>	<u>1,492,163</u>	<u>3,691,237</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, 2012**

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Depreciation	\$ <u>260,000</u>	\$ <u>-</u>	\$ <u>260,000</u>
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>1,200,000</u>	<u>580,503</u>	<u>619,497</u>
Total other financing uses	<u>1,900,000</u>	<u>580,503</u>	<u>1,319,497</u>
Total expenditures paid and other financing uses	\$ <u><u>7,343,400</u></u>	\$ <u><u>2,072,666</u></u>	\$ <u><u>5,270,734</u></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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Local taxes			
Property taxes	\$ <u>497,000</u>	\$ <u>455,470</u>	\$ <u>(41,530)</u>
Special use payments	<u>72,000</u>	<u>82,000</u>	<u>10,000</u>
Fines and forfeits			
Administrative tow	-	28,500	28,500
Circuit court fines	118,000	153,206	35,206
False alarm fines	50	265	215
Patrol violation fines	<u>4,000</u>	<u>6,188</u>	<u>2,188</u>
Total fines and forfeits	<u>122,050</u>	<u>188,159</u>	<u>66,109</u>
Other			
Burglar alarm registration	500	165	(335)
Cell tower lease	-	140,136	140,136
Grants	-	14,645	14,645
Miscellaneous revenue	<u>-</u>	<u>32,389</u>	<u>32,389</u>
Total charges for services and other	<u>500</u>	<u>187,335</u>	<u>186,835</u>
Interest income	<u>-</u>	<u>509</u>	<u>509</u>
Total revenues collected	<u>691,550</u>	<u>913,473</u>	<u>221,923</u>
Other financing sources			
Transfer in from General Fund	<u>-</u>	<u>580,503</u>	<u>580,503</u>
Total revenues collected and other financing sources	\$ <u><u>691,550</u></u>	\$ <u><u>1,493,976</u></u>	\$ <u><u>802,426</u></u>

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF EXPENDITURES PAID -

APPROPRIATION AND ACTUAL

For the Year Ended December 31, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Expenditures paid			
Personnel			
Salaries	\$ 860,000	\$ 865,153	\$ (5,153)
Health insurance	64,000	105,181	(41,181)
FICA	59,000	35,052	23,948
IMRF	69,000	76,189	(7,189)
Unemployment insurance	83,000	-	83,000
Total personnel	<u>1,135,000</u>	<u>1,081,575</u>	<u>53,425</u>
Contractual services			
General insurance	-	53,530	(53,530)
Legal services	45,000	32,423	12,577
Crime laboratory	8,000	7,881	119
Other professional services	100,000	153,573	(53,573)
Postage	150	881	(731)
Telephone	6,200	5,465	735
Travel	550	309	241
Training	4,500	5,446	(946)
Landscaping	-	13,174	(13,174)
Miscellaneous	3,000	32,479	(29,479)
Contingency	100,000	-	100,000
Total contractual services	<u>267,400</u>	<u>305,161</u>	<u>(37,761)</u>
Commodities			
Office expenses	3,000	5,246	(2,246)
Fuel for squad cars	38,000	39,045	(1,045)
Total commodities	<u>41,000</u>	<u>44,291</u>	<u>(3,291)</u>
Capital outlay			
Police officer equipment	7,000	24,831	(17,831)
Squad cars and related equipment	15,000	12,857	2,143
Police facility	50,000	25,261	24,739
Total capital outlay	<u>72,000</u>	<u>62,949</u>	<u>9,051</u>
Total expenditures paid	<u>\$ 1,515,400</u>	<u>\$ 1,493,976</u>	<u>\$ 21,424</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.

Special Service Area (SSA) 22 - Timbers Road 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, 2012

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>Special Service Area 22 Timbers Road</u>	<u>Total Special Revenue Funds</u>
ASSETS						
Cash and cash equivalents	\$ 467,908	\$ 27,964	\$ 75,336	\$ 12,735	\$ 4,835	\$ 588,778
Total assets	<u>\$ 467,908</u>	<u>\$ 27,964</u>	<u>\$ 75,336</u>	<u>\$ 12,735</u>	<u>\$ 4,835</u>	<u>\$ 588,778</u>
FUND BALANCES						
Restricted	\$ 467,908	\$ 27,964	\$ 75,336	\$ 12,735	\$ 4,835	\$ 588,778
Total fund balances	<u>\$ 467,908</u>	<u>\$ 27,964</u>	<u>\$ 75,336</u>	<u>\$ 12,735</u>	<u>\$ 4,835</u>	<u>\$ 588,778</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
\$ 24,832	\$ 41,279	\$ 26,655	\$ 92,766	\$ 681,544
<u>\$ 24,832</u>	<u>\$ 41,279</u>	<u>\$ 26,655</u>	<u>\$ 92,766</u>	<u>\$ 681,544</u>
\$ 24,832	\$ 41,279	\$ 26,655	\$ 92,766	\$ 681,544
<u>\$ 24,832</u>	<u>\$ 41,279</u>	<u>\$ 26,655</u>	<u>\$ 92,766</u>	<u>\$ 681,544</u>

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, 2012

	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	Special Service Area 22 Timbers Road		Total Special Revenue Funds
Revenues collected							
Property taxes	\$ -	\$ 6,002	\$ -	\$ -	\$ 7,310	\$	13,312
Intergovernmental taxes	106,335	-	-	-	-		106,335
Interest income	2,452	-	-	-	-		2,452
Total revenues collected	<u>108,787</u>	<u>6,002</u>	<u>-</u>	<u>-</u>	<u>7,310</u>		<u>122,099</u>
Expenditures paid							
Current							
Administration	-	-	-	-	-		-
Public works	40,041	-	2,905	3,387	2,475		48,808
Debt service							
Principal	-	-	-	-	-		-
Interest	-	-	-	-	-		-
Total expenditures paid	<u>40,041</u>	<u>-</u>	<u>2,905</u>	<u>3,387</u>	<u>2,475</u>		<u>48,808</u>
Net change in fund balances	68,746	6,002	(2,905)	(3,387)	4,835		73,291
Fund balances							
Beginning of year	<u>399,162</u>	<u>21,962</u>	<u>78,241</u>	<u>16,122</u>	<u>-</u>		<u>515,487</u>
End of year	<u>\$ 467,908</u>	<u>\$ 27,964</u>	<u>\$ 75,336</u>	<u>\$ 12,735</u>	<u>\$ 4,835</u>	<u>\$</u>	<u>\$ 588,778</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
\$ 14,894	\$ 39,281	\$ 34,578	\$ 88,753	\$ 102,065
-	-	-	-	106,335
<u>17</u>	<u>-</u>	<u>-</u>	<u>17</u>	<u>2,469</u>
<u>14,911</u>	<u>39,281</u>	<u>34,578</u>	<u>88,770</u>	<u>210,869</u>
26	-	-	26	26
-	-	-	-	48,808
8,507	21,268	31,385	61,160	61,160
<u>6,273</u>	<u>1,658</u>	<u>2,746</u>	<u>10,677</u>	<u>10,677</u>
<u>14,806</u>	<u>22,926</u>	<u>34,131</u>	<u>71,863</u>	<u>120,671</u>
105	16,355	447	16,907	90,198
<u>24,727</u>	<u>24,924</u>	<u>26,208</u>	<u>75,859</u>	<u>591,346</u>
<u>\$ 24,832</u>	<u>\$ 41,279</u>	<u>\$ 26,655</u>	<u>\$ 92,766</u>	<u>\$ 681,544</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Intergovernmental			
Motor fuel tax	\$ 81,000	\$ 106,335	\$ 25,335
Grants and contributions	-	-	-
Interest income	<u>7,000</u>	<u>2,452</u>	<u>(4,548)</u>
Total revenues collected	<u>88,000</u>	<u>108,787</u>	<u>20,787</u>
Expenditures paid			
Contractual services			
Maintenance - Streets	220,000	507	219,493
Engineering services	45,000	28,811	16,189
Other professional services	-	10,723	(10,723)
Contingency	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures paid	<u>315,000</u>	<u>40,041</u>	<u>274,959</u>
Net change in fund balance	\$ <u>(227,000)</u>	68,746	\$ <u>295,746</u>
Fund balance			
Beginning of year		<u>399,162</u>	
End of year		\$ <u>467,908</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Property taxes	\$ <u>6,000</u>	\$ <u>6,002</u>	\$ <u>2</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>	6,002	\$ <u><u>220,002</u></u>
Fund balance			
Beginning of year		<u>21,962</u>	
End of year		\$ <u><u>27,964</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, 2012

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</u>
Revenues collected			
Interest	\$ 300	\$ -	\$ (300)
Total revenues collected	<u>300</u>	<u>-</u>	<u>(300)</u>
Expenditures paid			
Contractual services			
Maintenance			
Other	3,800	2,905	895
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>2,905</u>	<u>67,895</u>
Net change in fund balance	<u>\$ (70,500)</u>	(2,905)	<u>\$ 67,595</u>
Fund balance			
Beginning of year		<u>78,241</u>	
End of year		<u>\$ 75,336</u>	

Village of Riverwoods, Illinois
Special Service Area 22 - Timbers Road Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Property tax	\$ 7,310	\$ 7,310	\$ -
Total revenues collected	<u>7,310</u>	<u>7,310</u>	<u>-</u>
Expenditures paid			
Contractual services			
Maintenance			
Equipment	2,000	-	2,000
Streets	10,000	175	9,825
Drainage and landscaping	2,000	-	2,000
Engineering	5,000	-	5,000
Snow removal	11,000	2,300	8,700
Legal	3,000	-	3,000
Other professional services	4,000	-	4,000
Total expenditures paid	<u>37,000</u>	<u>2,475</u>	<u>34,525</u>
Net change in fund balance	<u>\$ (29,690)</u>	4,835	<u>\$ 34,525</u>
Fund balance			
Beginning of year		<u>-</u>	
End of year		<u>\$ 4,835</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, 2012

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</u>
Revenues collected			
Property tax	\$ 15,000	\$ 14,894	\$ (106)
Interest income	<u>1,500</u>	<u>17</u>	<u>(1,483)</u>
Total revenues collected	<u>16,500</u>	<u>14,911</u>	<u>(1,589)</u>
Expenditures paid			
Debt service			
Principal	8,500	8,507	(7)
Interest	9,000	6,273	2,727
Miscellaneous	<u>-</u>	<u>26</u>	<u>(26)</u>
Total expenditures paid	<u>17,500</u>	<u>14,806</u>	<u>2,694</u>
Net change in fund balance	<u>\$ (1,000)</u>	105	<u>\$ 1,105</u>
Fund balance			
Beginning of year		<u>24,727</u>	
End of year		<u>\$ 24,832</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Revenues collected			
Property tax	\$ 29,000	\$ 39,281	\$ 10,281
Special maintenance taxes			
Roads	10,000	-	(10,000)
Snow removal	6,000	-	(6,000)
Interest income	<u>25</u>	<u>-</u>	<u>(25)</u>
Total revenues collected	<u>45,025</u>	<u>39,281</u>	<u>(5,744)</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	-	11,000
Engineering services	5,000	-	5,000
Legal services	3,000	-	3,000
Other professional services	4,000	-	4,000
Debt service			
Principal	25,000	21,268	3,732
Interest	<u>7,000</u>	<u>1,658</u>	<u>5,342</u>
Total expenditures paid	<u>89,000</u>	<u>22,926</u>	<u>66,074</u>
Net change in fund balance	<u>\$ (43,975)</u>	16,355	<u>\$ 60,330</u>
Fund balance			
Beginning of year		<u>24,924</u>	
End of year		<u>\$ 41,279</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, 2012

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</u>
Revenues collected			
Property tax	\$ 41,000	\$ 34,578	\$ (6,422)
Interest income	<u>250</u>	<u>-</u>	<u>(250)</u>
Total revenues collected	<u>41,250</u>	<u>34,578</u>	<u>(6,672)</u>
Expenditures paid			
Debt service			
Principal	33,000	31,385	1,615
Interest	<u>8,000</u>	<u>2,746</u>	<u>5,254</u>
Total expenditures paid	<u>41,000</u>	<u>34,131</u>	<u>6,869</u>
Net change in fund balance	<u>\$ 250</u>	447	<u>\$ 197</u>
Fund balance			
Beginning of year		<u>26,208</u>	
End of year		<u>\$ 26,655</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Operating revenues collected			
Charges for sales and services			
Water sales	\$ 1,000,000	\$ 988,451	\$ (11,549)
Tap-on fees	<u>70,000</u>	<u>71,289</u>	<u>1,289</u>
Charges for sales and services	<u>1,070,000</u>	<u>1,059,740</u>	<u>(10,260)</u>
Operating expenses paid			
Personnel			
Salaries	34,000	30,293	3,707
FICA	3,000	1,712	1,288
IMRF	2,700	-	2,700
Unemployment insurance	<u>200</u>	<u>-</u>	<u>200</u>
Total personnel	<u>39,900</u>	<u>32,005</u>	<u>7,895</u>
Contractual services			
Maintenance			
Equipment	4,000	19,227	(15,227)
Utility system	15,000	-	15,000
Other	25,000	-	25,000
Insurance	10,000	7,449	2,551
Water purchases	500,000	484,371	15,629
Engineering services	65,000	9,773	55,227
Legal services	20,000	-	20,000
Other professional services	120,000	115,974	4,026
Annual testing fees (IEPA)	10,000	-	10,000
Other	<u>7,000</u>	<u>3,050</u>	<u>3,950</u>
Total contractual services	<u>776,000</u>	<u>639,844</u>	<u>136,156</u>
Commodities			
Maintenance supplies	<u>50,000</u>	<u>29,378</u>	<u>20,622</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, 2012

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Over (Under) Appropriation</u>
Operating expenses paid (continued)			
Total operating expenses paid before capital outlay	\$ <u>865,900</u>	\$ <u>701,227</u>	\$ <u>164,673</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>5,040,900</u>	<u>701,227</u>	<u>4,339,673</u>
Depreciation	<u>-</u>	<u>255,143</u>	<u>(255,143)</u>
Total operating expenses paid and depreciation	<u>5,040,900</u>	<u>956,370</u>	<u>4,084,530</u>
Excess (deficiency) of operating revenues collected over operating expenses paid and depreciation	<u>(3,970,900)</u>	<u>103,370</u>	<u>4,074,270</u>
Nonoperating revenues collected (expenses paid)			
Property taxes	16,000	13,625	(2,375)
Interest income	10,700	1,778	(8,922)
Debt service-principal	(8,500)	-	8,500
Debt service-interest	(7,500)	(5,703)	1,797
Other revenues	-	145	145
Other expenses	<u>(15,000)</u>	<u>(1,507)</u>	<u>13,493</u>
Total nonoperating revenues collected (expenses paid)	<u>(4,300)</u>	<u>8,338</u>	<u>12,638</u>
Change in net assets	<u>\$ (3,975,200)</u>	111,708	<u>\$ 4,086,908</u>
Net assets			
Beginning of year		<u>10,044,976</u>	
End of year		<u>\$ 10,156,684</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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</u>
Operating revenues collected			
Charges for sales and services			
Annual transmission (Lincolnshire)	\$ 8,000	\$ 50,368	\$ 42,368
Tap-on fees	70,000	-	(70,000)
User fees	<u>108,000</u>	<u>-</u>	<u>(108,000)</u>
Total operating revenues collected	<u>186,000</u>	<u>50,368</u>	<u>(135,632)</u>
Operating expenses paid			
Personnel			
Salaries	13,000	3,898	9,102
FICA	3,000	220	2,780
IMRF	3,000	-	3,000
Unemployment insurance	<u>600</u>	<u>-</u>	<u>600</u>
Total personnel	<u>19,600</u>	<u>4,118</u>	<u>15,482</u>
Contractual services			
Maintenance - utility system	20,000	-	20,000
Maintenance - other	80,000	114,004	(34,004)
Insurance	5,000	2,229	2,771
Utilities	1,000	300	700
Postage	500	-	500
Advertising	500	-	500
Engineering services	20,000	19,870	130
Legal services	20,000	-	20,000
Other professional services	20,000	35,140	(15,140)
Sewer connection fees	5,000	-	5,000
Miscellaneous	<u>15,000</u>	<u>1,511</u>	<u>13,489</u>
Total contractual services	<u>187,000</u>	<u>173,054</u>	<u>13,946</u>
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>

(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, 2012

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Over (Under) <u>Appropriation</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>177,172</u>	<u>193,928</u>
Depreciation	<u>-</u>	<u>117,672</u>	<u>(117,672)</u>
Total operating expenses paid and depreciation	<u>371,100</u>	<u>294,844</u>	<u>76,256</u>
Deficiency of operating revenues collected over operating expenses paid and depreciation	<u>(185,100)</u>	<u>(244,476)</u>	<u>(59,376)</u>
Nonoperating revenues collected			
Interest income	-	608	608
Debt service-principal	-	-	-
Debt service-interest	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating expenses paid	<u>-</u>	<u>608</u>	<u>608</u>
Change in net assets	<u><u>\$ (185,100)</u></u>	<u>(243,868)</u>	<u><u>\$ (58,768)</u></u>
Net assets			
Beginning of year		<u>3,560,548</u>	
End of year		<u><u>\$ 3,316,680</u></u>	

(Concluded)

OTHER SUPPLEMENTAL INFORMATION

Village of Riverwoods, Illinois
SCHEDULE OF CASH AND INVESTMENTS
December 31, 2012

<u>Cash and Investments by Fund</u>	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
Governmental Funds:			
General	\$ 3,703,947	\$ 7,790,308	\$ 11,494,255
Police	43	-	43
Special Revenue Funds			
Motor Fuel Tax	467,908	-	467,908
Special Service Area 5 Duffy Roads	27,964	-	27,964
Special Service Area 7 Russell's Storm Sewer	75,336	-	75,336
Special Service Area 19 Hiawatha Road Projects	12,735	-	12,735
Debt Service Funds			
Special Service Area 10 North Robinwood Sewer	24,832	-	24,832
Special Service Area 19 Hiawatha Road	41,279	-	41,279
Special Service Area 20 Whigham Burr Oak	26,655	-	26,655
Special Service Area 22 Timbers Road	4,835	-	4,835
Total Governmental Funds	<u>4,385,534</u>	<u>7,790,308</u>	<u>12,175,842</u>
Enterprise Funds ¹:			
Consolidated Water			
Consolidated Water	1,807,140	-	1,807,140
Special Service Area 16 North Robinwood Water	24,206	-	24,206
Total Consolidated Water Fund	<u>1,831,346</u>	<u>-</u>	<u>1,831,346</u>
Sewer			
Sewer	<u>216,454</u>	<u>-</u>	<u>216,454</u>
Total Enterprise Funds	<u>2,047,800</u>	<u>-</u>	<u>2,047,800</u>
Total cash and investments reported on Statement of Net Assets	6,433,334	7,790,308	14,223,642
Agency Fund:			
Performance Bond	\$ 262,823	\$ 34,319	\$ 297,142
Special Service Area 23 Gemini Road	<u>1,597</u>	<u>-</u>	<u>1,597</u>
Total Agency Fund	<u>264,420</u>	<u>34,319</u>	<u>298,739</u>
Total - All Funds	<u>\$ 6,697,754</u>	<u>\$ 7,824,627</u>	<u>\$ 14,522,381</u>

(Continued)

Village of Riverwoods, Illinois
 SCHEDULE OF CASH AND INVESTMENTS (Continued)
December 31, 2012

Cash and Investments by Financial Institution - Book Balances

	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
The Illinois Funds	\$ 29,383	\$ -	\$ 29,383
Northside Community Bank	214,455	250,000	464,455
US Bank	47,378	-	47,378
Chase Bank	6,406,238	-	6,406,238
Wells Fargo	-	5,468,860	5,468,860
Ameriprise Financial	-	581,880	581,880
JP Morgan	-	1,523,887	1,523,887
Cash on hand	300	-	300
Total	<u>\$ 6,697,754</u>	<u>\$ 7,824,627</u>	<u>\$ 14,522,381</u>

Total interest income for the year ended December 31, 2012 was \$165,521, which yielded an average rate of return on cash and investments of 1.17%.

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, 2012

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.

Note: The Village has renewed their insurance coverage through December 31, 2013.

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Robinwood Sewer
 Special Service Area Number 10 Bonds
December 31, 2012

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>
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>\$ 91,324</u>	<u>\$ 27,412</u>	<u>\$ 118,736</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Robinwood Water
 Special Service Area Number 16 Bonds
December 31, 2012

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>
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>\$ 82,980</u>	<u>\$ 25,071</u>	<u>\$ 108,051</u>

Village of Riverwoods, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Hiawatha Road
 Special Service Area Number 19 Bonds
December 31, 2012

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
2013	\$ <u>11,121</u>	\$ <u>343</u>	\$ <u>11,464</u>

Village of Riverwoods, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Whigham-Burr Oak
 Special Service Area Number 20 Bonds
December 31, 2012

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
2013	\$ 32,580	\$ 1,620	\$ 34,200
2014	16,849	350	17,199
	\$ 49,429	\$ 1,970	\$ 51,399

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues collected				
Taxes				
Township road and bridge tax	\$ 33,313	\$ 35,039	\$ 36,239	\$ 35,551
State income taxes	334,513	322,321	260,839	269,503
Sales and local use taxes	418,240	398,068	338,609	339,336
Hotel tax	125,085	87,035	123,236	44,935
Personal property replacement taxes	<u>1,500</u>	<u>1,204</u>	<u>2,058</u>	<u>1,957</u>
Total taxes	<u>912,651</u>	<u>843,667</u>	<u>760,981</u>	<u>691,282</u>
Utility taxes				
Telecommunications	999,981	371,312	501,774	507,379
Electric	287,292	289,738	292,107	290,313
Gas	<u>95,202</u>	<u>126,225</u>	<u>128,977</u>	<u>173,010</u>
Total utility taxes	<u>1,382,475</u>	<u>787,275</u>	<u>922,858</u>	<u>970,702</u>
Licenses and permits				
Liquor licenses	28,000	30,000	16,500	15,500
Franchise fees	78,977	74,327	66,641	64,610
Construction fees	51,206	57,544	79,232	51,520
Cell tower lease	-	-	-	-
Special inspection	-	1,269	400	761
Elevator permits	9,480	9,600	10,080	9,240
Certificate of occupancy fees	-	-	-	-
Forester fees	1,500	1,635	775	1,550
Forest program	16,639	10,897	18,738	15,022
Engineer fees	2,675	2,000	808	500
Office service reimbursements	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total licenses and permits	<u>188,477</u>	<u>187,272</u>	<u>193,174</u>	<u>158,703</u>

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	34,719	\$ 32,438	\$ 30,192	\$ 30,498	\$ -	\$ -
	372,423	345,412	317,401	289,505	245,728	252,910
	377,682	371,183	357,254	311,594	251,785	126,319
	113,881	125,995	122,492	92,245	68,985	83,336
	<u>2,276</u>	<u>2,011</u>	<u>1,941</u>	<u>1,765</u>	<u>-</u>	<u>1,181</u>
	<u>900,981</u>	<u>877,039</u>	<u>829,280</u>	<u>725,607</u>	<u>566,498</u>	<u>463,746</u>
	434,020	477,464	511,849	559,359	559,184	391,590
	297,764	306,094	295,059	315,698	262,758	234,781
	194,406	176,042	259,439	110,201	129,760	197,802
	<u>926,190</u>	<u>959,600</u>	<u>1,066,347</u>	<u>985,258</u>	<u>951,702</u>	<u>824,173</u>
	20,000	21,000	16,500	20,000	22,500	25,000
	57,474	50,427	43,520	37,866	34,316	31,467
	139,996	115,765	218,232	196,095	226,838	296,914
	83,460	83,140	82,160	80,300	80,603	53,600
	870	1,091	6,785	5,040	3,583	480
	9,840	9,385	12,240	8,690	7,576	5,680
	-	-	-	-	-	508
	8,685	16,090	19,002	28,652	11,735	21,279
	44,487	40,245	150,941	31,675	9,200	4,400
	7,485	8,366	19,646	17,472	12,350	10,313
	-	-	-	-	-	373
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,207</u>	<u>65</u>
	<u>372,297</u>	<u>345,509</u>	<u>569,026</u>	<u>425,790</u>	<u>409,908</u>	<u>450,079</u>

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF REVENUES COLLECTED (Continued)

Trend Information - Last Ten Years

Years Ended December 31

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Revenues collected (continued)				
Interest income	\$ <u>160,157</u>	\$ <u>112,875</u>	\$ <u>177,497</u>	\$ <u>238,390</u>
Other revenue				
Grants and contributions	-	-	25,000	-
Special use payments	-	-	-	-
Insurance reimbursements	-	-	-	-
Donation for bike path	-	-	-	-
Miscellaneous revenue	<u>30,878</u>	<u>53,911</u>	<u>32,142</u>	<u>18,125</u>
Total other revenue	<u>30,878</u>	<u>53,911</u>	<u>57,142</u>	<u>18,125</u>
Total revenues collected	\$ <u><u>2,674,638</u></u>	\$ <u><u>1,985,000</u></u>	\$ <u><u>2,111,652</u></u>	\$ <u><u>2,077,202</u></u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ <u>347,522</u>	\$ <u>394,258</u>	\$ <u>287,881</u>	\$ <u>109,568</u>	\$ <u>31,824</u>	\$ <u>25,922</u>
-	-	-	-	-	-
-	-	-	-	60,000	37,000
-	-	-	-	27,169	-
-	-	90,000	-	-	-
<u>19,630</u>	<u>16,749</u>	<u>37,279</u>	<u>132,191</u>	<u>32,662</u>	<u>44,979</u>
<u>19,630</u>	<u>16,749</u>	<u>127,279</u>	<u>132,191</u>	<u>119,831</u>	<u>81,979</u>
\$ <u><u>2,566,620</u></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>

(Concluded)

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

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures paid				
Personnel				
Salaries	\$ 297,239	\$ 313,463	\$ 284,584	\$ 333,445
FICA	39,950	42,528	21,744	25,191
IMRF	36,488	38,628	35,712	35,318
Unemployment insurance	3,286	3,028	1,813	2,200
Health insurance	48,496	45,910	31,320	31,686
	<u>425,459</u>	<u>443,557</u>	<u>375,173</u>	<u>427,840</u>
Contractual services				
Maintenance				
Building	34,925	22,635	23,813	39,082
Equipment	6,500	11,245	7,984	9,429
Grounds	40,121	40,339	29,553	55,423
Streets	110,486	1,691	11,317	4,269
Drainage and culverts	425	5,209	629	50,431
Bike path	1,100	1,786	6,817	802
Insurance	18,788	16,908	32,533	71,274
Telephone	14,869	13,006	12,259	12,442
Travel and meetings	4,877	7,481	10,092	12,111
Postage	6,760	7,227	9,815	5,877
Advertising	6,700	4,899	3,995	3,452
Village Voice	17,645	17,794	16,862	18,805
Printing	-	-	-	8
Accounting	32,227	28,585	28,575	28,787
Engineering	98,508	103,308	246,007	141,215
Legal	156,477	183,113	109,532	113,980
Inspection fees	6,160	15,732	10,180	5,915
Other professional	89,470	97,339	104,964	128,727
Dues and subscriptions	3,220	3,511	5,061	7,067
NSSRA	43,322	32,508	32,027	39,099
Forest program	151,018	72,025	85,037	169,660
Theater In The Woods	-	13,000	10,000	10,000
Arts and Riverwoods	-	-	-	-
Family Day	-	-	-	-
Senior transportation	165	1,111	185	240

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	333,089	\$ 321,686	\$ 307,646	\$ 313,019	\$ 305,739	\$ 308,226
	25,481	24,566	25,881	24,057	23,412	23,579
	35,528	33,105	30,076	28,350	29,748	30,170
	2,794	2,986	2,976	6,083	1,710	1,262
	38,052	41,850	38,350	33,865	36,507	34,542
	<u>434,944</u>	<u>424,193</u>	<u>404,929</u>	<u>405,374</u>	<u>397,116</u>	<u>397,779</u>
	62,298	38,380	22,880	24,005	30,007	38,240
	2,083	3,170	5,888	6,320	1,483	8,900
	32,484	23,867	24,722	12,767	9,971	11,995
	7,195	9,545	11,600	-	-	-
	132,633	8,615	14,702	1,770	-	-
	-	-	-	560	-	-
	60,059	54,220	52,036	42,552	63,452	108,087
	15,636	15,769	15,193	15,973	21,314	24,432
	11,714	8,185	9,103	9,135	7,619	6,206
	6,013	4,993	8,187	7,521	8,100	7,717
	1,085	1,542	355	1,531	2,391	1,480
	15,267	16,309	12,387	11,308	12,538	13,656
	-	-	628	2,244	2,240	844
	28,760	20,945	18,555	19,370	17,939	15,654
	140,670	96,496	130,590	130,343	137,227	135,525
	107,321	112,821	104,994	110,098	113,709	112,158
	25,492	21,932	44,492	17,396	46,413	35,572
	108,021	106,953	167,933	99,084	108,313	120,840
	3,184	1,699	1,944	3,459	2,910	1,832
	45,227	19,947	38,292	24,454	22,100	18,318
	67,715	69,588	75,545	45,432	44,115	35,145
	10,000	10,000	10,000	-	-	-
	-	14,000	14,000	-	-	-
	2,500	-	-	-	-	-
	44	-	-	-	-	-

(Continued)

Village of Riverwoods, Illinois

General Fund

SCHEDULE OF EXPENDITURES PAID (Continued)

Trend Information - Last Ten Years

Years Ended December 31

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures paid (continued)				
Contractual services (continued)				
Snow removal	\$ 37,257	\$ 92,351	\$ 80,190	\$ 99,554
Signs	734	2,644	927	658
Street lighting	1,485	1,400	2,576	3,485
Miscellaneous	<u>79,285</u>	<u>55,330</u>	<u>60,809</u>	<u>61,223</u>
Total contractual services	<u>962,524</u>	<u>852,177</u>	<u>941,739</u>	<u>1,093,015</u>
Commodities				
Office supplies	9,122	10,506	13,027	24,985
Publications	3,538	1,845	1,427	1,058
Operating supplies	<u>4,829</u>	<u>2,787</u>	<u>7,543</u>	<u>943</u>
Total commodities	<u>17,489</u>	<u>15,138</u>	<u>21,997</u>	<u>26,986</u>
Capital outlay				
Land acquisition	-	-	13,255	306,517
Equipment	86,691	43,815	-	-
Police garage	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital outlay	<u>86,691</u>	<u>43,815</u>	<u>13,255</u>	<u>306,517</u>
Total expenditures paid	<u>\$ 1,492,163</u>	<u>\$ 1,354,687</u>	<u>\$ 1,352,164</u>	<u>\$ 1,854,358</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 98,466	\$ 36,814	\$ 23,888	\$ 44,558	\$ -	\$ -
1,125	1,115	1,705	1,586	-	-
1,196	2,478	1,628	967	-	-
<u>38,045</u>	<u>40,879</u>	<u>164,760</u>	<u>78,615</u>	<u>71,137</u>	<u>101,798</u>
<u>1,024,233</u>	<u>740,262</u>	<u>976,007</u>	<u>711,048</u>	<u>722,978</u>	<u>798,399</u>
14,085	13,012	13,337	17,700	15,829	20,438
4,116	1,225	71	-	80	203
<u>2,376</u>	<u>6,845</u>	<u>9,266</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,577</u>	<u>21,082</u>	<u>22,674</u>	<u>17,700</u>	<u>15,909</u>	<u>20,641</u>
-	-	-	-	-	-
-	-	-	-	790	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,475</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>790</u>	<u>10,475</u>
<u>\$ 1,479,754</u>	<u>\$ 1,185,537</u>	<u>\$ 1,403,610</u>	<u>\$ 1,134,122</u>	<u>\$ 1,136,793</u>	<u>\$ 1,227,294</u>

(Concluded)

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

	2012	2011	2010	2009
Revenues collected				
Property taxes	\$ 455,470	\$ 447,896	\$ 436,637	\$ 431,615
COPS grant	-	-	-	2,100
Other grants	14,645	1,363	-	-
Fines and forfeits	188,159	147,181	149,098	186,841
Special use payments	82,000	72,800	86,900	78,100
Other revenues	32,554	29,881	122,005	53,928
Cell tower lease *	140,136	110,637	97,584	83,554
Interest income	509	125	647	1,211
	<u>913,473</u>	<u>809,883</u>	<u>892,871</u>	<u>837,349</u>
Total revenues collected	<u>\$ 913,473</u>	<u>\$ 809,883</u>	<u>\$ 892,871</u>	<u>\$ 837,349</u>

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

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 411,196	\$ 390,356	\$ 371,532	\$ 353,603	\$ 326,899	\$ 316,277
750	8,942	28,904	113,753	210,103	388,284
-	-	-	-	-	-
236,286	247,401	247,497	183,146	187,301	141,352
53,100	83,500	35,000	37,000	-	26,000
28,722	38,185	33,752	24,980	1,784	26,137
-	-	-	-	-	-
<u>14,065</u>	<u>123,746</u>	<u>118,751</u>	<u>152,101</u>	<u>158,145</u>	<u>120,867</u>
<u>\$ 744,119</u>	<u>\$ 892,130</u>	<u>\$ 835,436</u>	<u>\$ 864,583</u>	<u>\$ 884,232</u>	<u>\$ 1,018,917</u>

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF EXPENDITURES PAID

Trend Information - Last Ten Years

Years Ended December 31

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenditures paid				
Personnel				
Salaries	\$ 865,153	\$ 806,672	\$ 807,624	\$ 773,066
Health insurance	105,181	90,860	79,830	75,259
FICA	35,052	41,945	55,724	58,970
IMRF	76,189	73,961	67,425	61,984
Total personnel	<u>1,081,575</u>	<u>1,013,438</u>	<u>1,010,603</u>	<u>969,279</u>
Contractual services				
Insurance	53,530	47,616	40,984	-
Legal	32,423	35,997	36,961	49,585
Crime laboratory	7,881	7,881	7,881	7,881
Other professional	153,573	107,047	98,170	71,740
Telephone	5,465	5,503	6,165	4,226
Travel	309	366	264	865
Training	5,446	5,079	3,112	2,988
Forestry	13,174	54,163	-	-
Miscellaneous	33,360	3,812	5,215	11,730
Total contractual services	<u>305,161</u>	<u>267,464</u>	<u>198,752</u>	<u>149,015</u>
Commodities				
Office expenses	5,246	4,201	2,456	3,024
Fuel for squad cars	39,045	38,250	30,222	24,045
Miscellaneous	-	-	-	-
Total commodities	<u>44,291</u>	<u>42,451</u>	<u>32,678</u>	<u>27,069</u>
Capital outlay				
Squad cars and related equipment	12,857	9,761	158,222	49,008
Police facility	25,261	1,304,977	68,849	-
Police equipment	24,831	5,415	6,003	9,040
Total capital outlay	<u>62,949</u>	<u>1,320,153</u>	<u>233,074</u>	<u>58,048</u>
Total expenditures paid	<u>\$ 1,493,976</u>	<u>\$ 2,643,506</u>	<u>\$ 1,475,107</u>	<u>\$ 1,203,411</u>

	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$	707,653	\$ 640,930	\$ 600,733	\$ 544,197	\$ 489,393	\$ 416,620
	70,607	62,838	63,522	57,568	43,669	45,105
	54,135	47,968	45,240	41,009	33,889	31,901
	57,708	52,650	50,704	41,832	33,441	31,269
	<u>890,103</u>	<u>804,386</u>	<u>760,199</u>	<u>684,606</u>	<u>600,392</u>	<u>524,895</u>
	-	-	-	-	-	-
	86,116	42,034	34,240	26,500	16,160	20,430
	9,111	9,111	9,111	6,111	6,111	6,111
	82,609	29,076	71,396	69,161	66,046	70,232
	4,064	3,543	4,055	5,384	4,362	5,195
	297	200	266	45	16	223
	1,550	1,080	1,991	1,174	2,108	3,221
	-	-	-	-	-	-
	5,934	2,064	-	-	-	-
	<u>189,681</u>	<u>87,108</u>	<u>121,059</u>	<u>108,375</u>	<u>94,803</u>	<u>105,412</u>
	2,672	3,549	5,098	4,209	4,572	2,300
	35,975	29,847	28,048	20,941	18,195	14,403
	-	-	2,542	7,983	4,045	12,657
	<u>38,647</u>	<u>33,396</u>	<u>35,688</u>	<u>33,133</u>	<u>26,812</u>	<u>29,360</u>
	86,375	59,447	68,891	34,197	52,723	81,830
	-	-	-	-	-	-
	3,656	2,574	4,534	1,719	4,704	3,004
	<u>90,031</u>	<u>62,021</u>	<u>73,425</u>	<u>35,916</u>	<u>57,427</u>	<u>84,834</u>
\$	<u><u>1,208,462</u></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>

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

	2012	2011	2010	2009
Revenues collected				
Charges for sales and services	\$ 1,059,740	\$ 935,073	\$ 984,964	\$ 901,614
Property taxes	13,625	163,305	355,693	359,811
Interest income	1,778	806	3,307	14,996
Grant revenue	-	-	135,461	-
Other	145	380	300	670
 Total revenues collected	 \$ 1,075,288	 \$ 1,099,564	 \$ 1,479,725	 \$ 1,277,091

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 970,779	\$ 1,135,322	\$ 1,049,323	\$ 1,154,043	\$ 995,610	\$ 1,042,030
360,240	360,608	361,582	358,792	364,127	329,213
36,860	93,817	46,306	29,900	12,644	11,632
-	64,538	-	-	-	-
<u>980</u>	<u>255</u>	<u>789</u>	<u>-</u>	<u>9,030</u>	<u>-</u>
<u>\$ 1,368,859</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 Ten Years
Years Ended December 31

	2012	2011	2010	2009
Expenses paid and depreciation				
Personnel	\$ 32,005	\$ 34,655	\$ 35,810	\$ 33,713
Contractual services	639,844	572,972	596,071	623,733
Commodities	29,378	36,040	29,628	36,171
Depreciation	255,143	249,323	240,532	236,044
Debt service - interest	5,703	16,308	32,259	47,006
Other	1,507	696	220	-
 Total expenses paid and depreciation	 \$ 963,580	 \$ 909,994	 \$ 934,520	 \$ 976,667

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 31,962	\$ 30,596	\$ 29,237	\$ 28,576	\$ 32,129	\$ 37,246
674,967	880,672	784,143	917,191	753,793	770,172
31,359	42,086	568	-	-	-
235,649	214,357	214,357	214,355	211,899	231,972
61,190	75,527	87,578	99,453	102,635	130,862
<u>15,154</u>	<u>34,717</u>	<u>3,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,050,281</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 Ten Years
Years Ended December 31

	2012	2011	2010	2009
Revenues collected				
Charges for sales and services	\$ 50,368	\$ 49,429	\$ 63,873	\$ 95,043
Property taxes	-	-	322,453	326,458
Interest income	608	-	294	663
Other revenues	-	-	-	-
Total revenues collected	\$ 50,976	\$ 49,429	\$ 386,620	\$ 422,164

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 94,554	\$ 14,258	\$ 18,631	\$ 126,804	\$ 80,874	\$ 164,819
326,871	363,986	364,560	400,224	408,183	398,879
6,726	17,546	15,665	11,087	3,640	2,480
-	-	75	2,249	-	-
<u>\$ 428,151</u>	<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 Ten Years

Years Ended December 31

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Expenses paid and depreciation				
Personnel	\$ 4,118	\$ 7,237	\$ 8,853	\$ 8,518
Contractual services	173,054	117,451	200,763	109,332
Depreciation	117,672	117,463	117,463	117,463
Debt service	-	4,620	22,452	39,646
Other	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses paid and depreciation	\$ <u>294,844</u>	\$ <u>246,771</u>	\$ <u>349,531</u>	\$ <u>274,959</u>

<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
\$ 8,007	\$ 7,902	\$ 7,373	\$ 8,127	\$ 8,010	\$ 8,522
165,319	96,020	91,366	66,103	21,355	99,918
117,463	115,487	115,487	115,487	114,886	111,033
57,158	73,585	90,219	106,516	112,887	147,231
-	634	4,439	197	417	-
<u>-</u>	<u>634</u>	<u>4,439</u>	<u>197</u>	<u>417</u>	<u>-</u>
\$ <u>347,947</u>	\$ <u>293,628</u>	\$ <u>308,884</u>	\$ <u>296,430</u>	\$ <u>257,555</u>	\$ <u>366,704</u>
