

Village of Riverwoods, Illinois

Annual Financial Report

**For the Year Ended
December 31, 2007**

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

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Riverwoods, Illinois, as of and for the year ended December 31, 2007, which collectively comprise the Village's basic modified cash basis financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Riverwoods' management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the basic modified cash basis financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of the primary government's governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Riverwoods, Illinois, as of December 31, 2007, and the respective revenues collected, expenditures paid, changes in fund balances, and cash flows, where applicable, for the year then ended, on the basis of accounting described in Note A-3.

(Continued)

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

(Continued)

The management's discussion and analysis on pages 3 through 8 and the retirement fund historical data, budgetary comparison information, and notes to the required supplementary information on pages 38 through 41 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the modified cash basis financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund statements and schedules and capital assets used in the operations of governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules and capital assets used in the operations of governmental funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

As described in Note J to the financial statements, the fund balance of the General Fund as of the beginning of the year has been restated to correct an error in an account balance.

MILLER, COOPER & CO., LTD.


Certified Public Accountants

Northbrook, Illinois
July 25, 2008

Management's Discussion and Analysis

December 31, 2007

The Village of Riverwoods implemented Governmental Accounting Standards Board (GASB) Statements 34, 37 and 38 in 2004. A comparative analysis is presented in this discussion. The usefulness of this information will increase over time where sufficient data exists to identify long-term trends. The Village prepares its financial statements on the modified cash basis of accounting.

These accounting standards are designed to provide two perspectives of the Village's financial performance; a focus on the Village as a whole (government-wide) and a focus on the major individual funds. Both perspectives (government-wide and major fund) provide a broader basis upon which to compare and judge the Village's financial accountability. This improved accountability is in part achieved by

- a. Consolidating financial transactions (eliminating activities between certain funds and focusing on major funds),
- b. Allocating specific revenues that finance operations to those expenditures, and
- c. Displaying information about long-term financial decisions (showing whether debt is used to finance operations, the extent of financial investments made in capital, and the impact of outstanding or newly issued debt).

FINANCIAL HIGHLIGHTS (2006 versus 2007) - COMPARATIVE ANALYSIS

Village revenues collected from governmental activities decreased from \$3,986,496 to \$3,860,775, while revenues collected from business-type activities (water and sewer systems) increased from \$1,862,130 to \$1,985,792.

Village expenditures for governmental activities decreased from \$2,424,033 to \$2,290,041, while expenses paid for business-type activities increased from \$1,427,329 to \$1,571,583.

The net assets of the Village, \$26,804,515, exceeded its liabilities (\$3,272,033) by a ratio of 8 to 1.

The Village's cash and investment balance at the end of the fiscal year was \$14,603,103 against a monthly total expenditure average of \$321,802.

Of the Village's total liabilities of \$3,272,033 at the end of the fiscal year, only \$746,507 was due within one year.

During 2007, the Village's net assets increased by approximately 9%.

ANALYSIS OF BALANCES AND TRANSACTIONS OF INDIVIDUAL FUNDS

The Village's General Fund increased its fund balance by \$1,407,618. Most non-enterprise revenue sources for the Village are received into the General Fund. While some administrative and general costs are allocated to the Consolidated Water Fund and Sewer Fund, the bulk of operating expenditures are incurred in running the administrative and building departments within the Village. Thus, an increase in the fund balance of the General Fund indicates that the Village is financially performing well and is able to cover the costs of its day-to day operations. The General Fund has a diverse set of revenue sources, which include (i) the Village's share of state sales tax and state income tax, (ii) utility and telecommunications taxes, (iii) hotel tax, and (iv) license and permit fees. Some of these revenue sources increased, while license and permit fees were particularly affected by weakness in the real estate market and declined. As a result, overall revenues received by the General Fund declined from 2006 to 2007. However, since total operating expenditures paid from the General Fund also declined, the General Fund still managed to increase its fund balance.

The General Fund is the only fund with significant cash, cash equivalents, and investments and is *de facto* likely to be 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, and Village streets and culverts, and for covering annual deficiencies projected to result from the operation of the Police Department.

The Consolidated Water Fund and Sewer Fund are the Enterprise Funds within the Village. It is important to understand that nonoperating revenues and expenditures in these funds include the special service area property taxes and debt service for various special service area bonds that paid for sewer and water system improvements. Between 1992 and 2003, the Village formed 14 special service areas that installed sewers or water mains throughout previously unserved areas of the Village.

After excluding nonoperating revenues, particularly from special service area taxes, the Consolidated Water Fund experienced a deficiency of operating revenues collected over operating expenses paid (and depreciation) of \$32,389. The Village, in late 2006, concluded a new water purchase agreement with the Village of Northbrook, under which the Village's costs of purchasing water will decrease. The project to install the connecting main was substantially completed in 2007, and the Village began purchasing water from the Village of Northbrook in May 2008. The Village is projecting savings of approximately \$10,000 per month due to the lower price for water. The Village intends to maintain the same user charges to its residents so as not to experience a decline in operating revenue and to begin offsetting the deficiency of operating revenues collected over expenditures.

The operating revenues of the sewer fund consist mainly of sewer tap-on fees, but few properties in the Village remain to be connected to the Village's sewer system. The Village has historically not charged user charges to its residents because residents pay sewer user charges to Lake County, whose department of public works provides routine maintenance of sewers in the Village and provides wastewater treatment. After excluding nonoperating revenues, particularly from special service area taxes, the Sewer Fund experienced a deficiency of operating revenues collected over operating expenses paid (and depreciation) of \$205,151. The Village is working with Lake County to collect a Village user fee surcharge from residents to address this deficiency.

If reserves for replacing the capital assets of the Village were fully funded (using monies in the general fund) based on the remaining useful life and estimated replacement costs of such assets, such as water mains and sewer mains, the balance of the General Fund would be substantially reduced. Rather than so encumber the General Fund, the Village has taken the approach of maintaining an adequate fund balance in the General Fund to pay for capital projects as they are needed. However, the Village also recently established a replacement reserve account in the Sewer Fund into which the user fee surcharge received from Lake County will be directed, to begin building up the reserves for the Village's sewer system, which is aging and more likely to begin needing replacements.

The Police Fund collected revenues and paid for expenditures consistently with the department budget, despite rising fuel costs for squad cars and health insurance costs. However, the Police Fund experienced a deficiency of operating revenues collected over operating expenditures paid of \$94,781, despite receiving impact fees and related interest earnings in the Police Fund. The Police Fund also benefited from a small grant in the amount of \$8,942, but COPS funding (which benefited the department in prior years) concluded prior to 2007. Therefore, transfers from the General Fund to cover anticipated recurring deficiencies in the Police Fund are likely in the future.

The Village's special revenue funds had no unusual activity. The debt service funds were maintained to track receipt of special service area taxes and debt service of the corresponding bond issues.

DESCRIPTION OF SIGNIFICANT CAPITAL ASSET AND LONG-TERM DEBT ACTIVITY

The Village received an operating grant from the state of Illinois for deposit in the Motor Fuel Tax Fund of \$111,966. The Village applies the balance in the Motor Fuel Tax Fund to a 10-year program of street repair and maintenance.

The Village did not incur any new long-term debt in 2007, and continues to service existing bond issues from the special service areas.

REPORTING THE VILLAGE AS A WHOLE

Government-Wide Financial Statements

The Village's Annual Report includes two government-wide financial statements, which are presented in full on pages 10 through 12 of this Report. These statements provide both long-term and short-term information about the Village's overall financial status. Financial reporting presented here uses the modified cash basis of accounting. Inter-fund activity is eliminated and the cost of assets with a long service life is spread out over future years so that capital expenditures are amortized (through depreciation) when the benefits are realized.

The first government-wide statement is the *Statement of Net Assets* that presents information about all of the Village's assets and liabilities, with the difference reported as *net assets*.

The second government-wide statement is the *Statement of Activities*, which reports how the Village's net assets changed during the current fiscal year. All current year revenues and expenses are included when the cash is received or paid.

Below is a table summarizing the *Statement of Net Assets*, which is presented in its entirety on page 9 of this report. The Village's total net assets for the current year were \$26,804,515, of which \$16,108,906 represents governmental net assets and \$10,695,609 represents business-type activity net assets.

STATEMENT OF NET ASSETS

	Governmental Activities		Business Type Activities		Total Primary Activities	
	2007	2006	2007	2006	2007	2006
Current Assets	\$12,894,522	\$12,345,866	\$1,708,581	\$947,895	\$14,603,103	\$13,293,761
Noncurrent Assets	4,136,241	3,116,873	11,337,204	12,171,399	15,473,445	15,288,272
Total Assets	17,030,763	15,462,739	13,045,785	13,119,294	30,076,548	28,582,033
Noncurrent Liabilities due within one year	159,525	151,239	586,982	557,321	746,507	708,560
Noncurrent Liabilities due within more than one year	615,031	775,277	1,757,294	2,344,211	2,372,325	3,119,488
Other Liabilities	147,301	145,967	5,900	900	153,201	146,867
Total Liabilities	921,857	1,072,483	2,350,176	2,902,432	3,272,033	3,974,915
Net Assets:						
Invested in Capital Assets, net of Debt	2,317,593	2,190,357	10,037,020	9,269,867	12,354,613	11,460,224
Restricted for Advances	1,044,092	-	-	-	1,044,092	-
Unrestricted	12,747,221	12,199,899	658,589	946,995	13,405,810	13,146,894
Total Net Assets	\$16,108,906	\$14,390,256	\$10,695,609	\$10,216,862	\$26,804,515	\$24,607,118

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

On the next two pages is a table summarizing the *Statement of Activities*, which is presented in its entirety on pages 10 and 11 of this report.

STATEMENT OF ACTIVITIES

	Governmental Activities		Business Type Activities		Total Primary Activities	
	2007	2006	2007	2006	2007	2006
Revenue Collected						
Program Revenue						
Charges for services						
Police	\$247,401	\$247,497	\$ -	\$ -	\$247,401	\$247,497
Water	-	-	1,135,322	1,049,323	1,135,322	1,049,323
Sewer			14,258	18,631	14,258	18,631
Grant Revenue						
Capital	-	90,000	64,538	-	64,538	90,000
Police	8,942	28,904	-	-	8,942	28,904
Public Works	111,966	112,305	-	-	111,966	112,305
Total Program Revenues	368,309	478,706	1,214,118	1,067,954	1,582,427	1,546,660
General revenues and transfers						
Property taxes	648,884	627,095	724,594	726,142	1,373,478	1,353,237
Intergovernmental	618,135	799,088	-	-	618,135	799,088
Other local taxes	1,186,066	1,066,347	-	-	1,186,066	1,066,347
Licenses, permits	345,509	569,026	-	-	345,509	569,026
Impact fees	83,500	35,000			83,500	35,000
Other revenues	46,922	(27,573)	255	-	47,177	(27,573)
Transfers	-	(6,063)	-	6,063	-	-
Interest income	563,450	444,870	111,363	61,971	674,813	506,841
Total General Revenues and Transfers	3,492,466	3,507,790	836,212	794,176	4,328,678	4,301,966
Total Revenues Collected	3,860,775	3,986,496	2,050,330	1,862,130	5,911,105	5,848,626
Expenses Paid:						
Administrative and general government	1,108,716	1,267,027	-	-	1,108,716	1,267,027
Police	983,975	974,536	-	-	983,975	974,536
Public Works	150,924	128,508	-	-	150,924	128,508
Interest	46,426	53,962	-	-	46,426	53,962
Consolidated Water	-	-	1,277,955	1,118,520	1,277,955	1,118,520
Sewer	-	-	293,628	308,809	293,628	308,809
Total Expenses Paid	2,290,041	2,424,033	1,571,583	1,427,329	3,861,624	3,851,362
Increase in Net Assets	1,570,734	1,562,463	478,747	434,801	1,985,039	1,997,264
Net Assets, beginning of year	14,390,256	12,827,793	10,216,862	9,782,061	24,607,118	22,609,854
Restatement	147,916	-	-	-	147,916	-
Net Assets, as restated	14,538,172	-	10,216,862	-	24,755,034	-
Net Assets, Ending	<u>\$16,108,906</u>	<u>\$14,390,256</u>	<u>\$10,695,609</u>	<u>\$10,216,862</u>	<u>\$26,804,515</u>	<u>\$24,607,118</u>

An important purpose of the design of the *Statement of Activities* is to show the financial reliance of the Village's distinct activities or functions on revenues provided by the Village's taxpayers.

Both 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 the 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.

REPORTING THE VILLAGE'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The Village has three kinds of funds. Accordingly, the Village's Annual Report includes basic *Governmental Fund Financial Statements*, which are presented on pages 12 and 13 of this report, basic *Proprietary Fund Financial Statements*, which are presented on pages 15 through 17 of this report, and *Agency Fund Financial Statements*, which are presented on page 18 of this report. The agency funds are not included in the entity-wide statements since they are not available for general Village uses.

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

The Village's three kinds of funds are described below.

Governmental funds are reported in the fund financial statements included later in this Annual Report, and they 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 fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances reconcile the differences between these two perspectives.

Budgetary comparison statements are included in the basic financial statements for the General Fund. Budgetary comparison schedules for other funds can be found in a later section of this Annual Report. These statements and schedules demonstrate compliance with the Village's budget.

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.

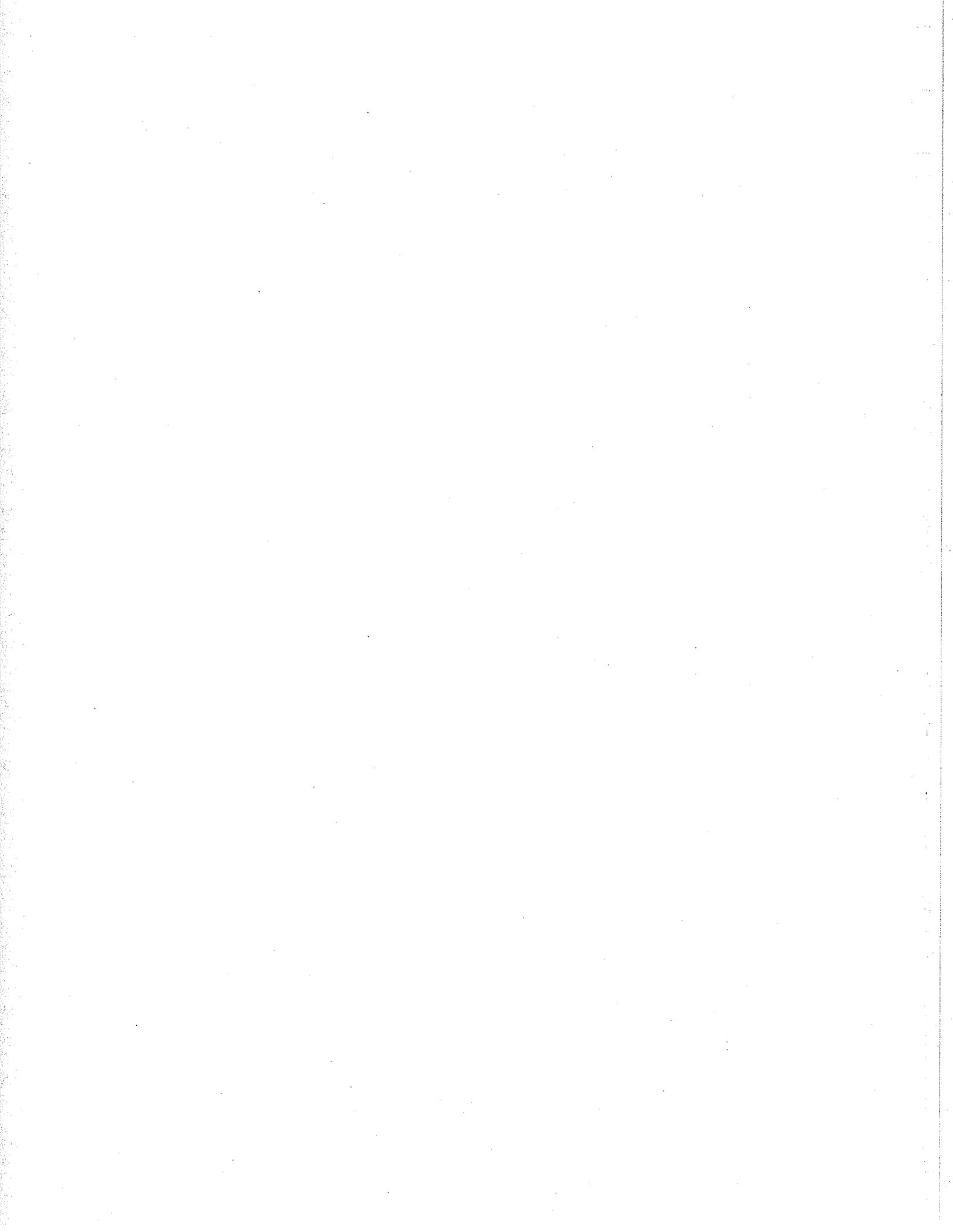
Proprietary fund statements provide both long-term and short-term financial information consistent with the focus provided by the government-wide financial statements.

Agency funds 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, for example, are not available to fund Village programs.

OTHER

At the close of the fiscal year, the Village's population was approximately 4,000. The average selling price of homes sold in Riverwoods in 2007 was \$864,129.

BASIC FINANCIAL STATEMENTS



Village of Riverwoods, Illinois
STATEMENT OF NET ASSETS - MODIFIED CASH BASIS
December 31, 2007

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Current assets			
Cash and cash equivalents	\$ 7,170,400	\$ 1,474,269	\$ 8,644,669
Investments	<u>5,724,122</u>	<u>234,312</u>	<u>5,958,434</u>
Total current assets	<u>12,894,522</u>	<u>1,708,581</u>	<u>14,603,103</u>
Noncurrent assets			
Internal balances - advances	1,044,092	(1,044,092)	-
Capital assets, not being depreciated			
Land	2,363,300	-	2,363,300
Construction in progress	-	557,781	557,781
Capital assets, net of accumulated depreciation	<u>728,849</u>	<u>11,823,515</u>	<u>12,552,364</u>
Total noncurrent assets	<u>4,136,241</u>	<u>11,337,204</u>	<u>15,473,445</u>
Total assets	<u>17,030,763</u>	<u>13,045,785</u>	<u>30,076,548</u>
LIABILITIES			
Other liabilities	7,344	5,900	13,244
Advances from agency fund	139,957	-	139,957
Noncurrent liabilities			
Due within one year	159,525	586,982	746,507
Due in more than one year	<u>615,031</u>	<u>1,757,294</u>	<u>2,372,325</u>
Total liabilities	<u>921,857</u>	<u>2,350,176</u>	<u>3,272,033</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,317,593	10,037,020	12,354,613
Restricted for advances	1,044,092	-	1,044,092
Unrestricted	<u>12,747,221</u>	<u>658,589</u>	<u>13,405,810</u>
Total net assets	<u>\$ 16,108,906</u>	<u>\$ 10,695,609</u>	<u>\$ 26,804,515</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, 2007

Functions/programs	Expenses Paid	Program Revenues Collected		
		Charges for Services	Operating Grants	Capital Grants
Governmental activities				
Administration and general government	\$ 1,108,716	\$ -	\$ -	\$ -
Police	983,975	247,401	8,942	-
Public works	150,924	-	111,966	-
Interest	46,426	-	-	-
Total governmental activities	2,290,041	247,401	120,908	-
Business-type activities				
Consolidated water	1,277,955	1,135,322	-	64,538
Sewer	293,628	14,258	-	-
Total business-type activities	1,571,583	1,149,580	-	64,538
Total	\$ 3,861,624	\$ 1,396,981	\$ 120,908	\$ 64,538

General revenues collected

Property and road and
bridge taxes

Intergovernmental

Other local taxes

Licenses and permits

Impact fees

Other revenues

Interest income

Total general revenues collected

Change in net assets

Net assets, beginning of year

As originally stated

Restatement (Note J)

As restated

Net assets, 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
\$ (1,108,716)	\$ -	\$ (1,108,716)
(727,632)	-	(727,632)
(38,958)	-	(38,958)
(46,426)	-	(46,426)
<u>(1,921,732)</u>	<u>-</u>	<u>(1,921,732)</u>
-	(78,095)	(78,095)
-	(279,370)	(279,370)
-	(357,465)	(357,465)
<u>(1,921,732)</u>	<u>(357,465)</u>	<u>(2,279,197)</u>
648,884	724,594	1,373,478
618,135	-	618,135
1,186,066	-	1,186,066
345,509	-	345,509
83,500	-	83,500
46,922	255	47,177
563,450	111,363	674,813
<u>3,492,466</u>	<u>836,212</u>	<u>4,328,678</u>
1,570,734	478,747	2,049,481
14,390,256	10,216,862	24,607,118
147,916	-	147,916
<u>14,538,172</u>	<u>10,216,862</u>	<u>24,755,034</u>
<u>\$ 16,108,906</u>	<u>\$ 10,695,609</u>	<u>\$ 26,804,515</u>

Village of Riverwoods, Illinois
Governmental Funds
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
December 31, 2007

	<u>General Fund</u>	<u>Police Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 6,105,783	\$ 64,046	\$ 1,000,571	\$ 7,170,400
Investments	5,724,122	-	-	5,724,122
Advances to other funds	<u>1,184,264</u>	<u>-</u>	<u>15,964</u>	<u>1,200,228</u>
Total assets	<u>\$ 13,014,169</u>	<u>\$ 64,046</u>	<u>\$ 1,016,535</u>	<u>\$ 14,094,750</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Advances from other funds	\$ 155,921	\$ 25,312	\$ 114,860	\$ 296,093
Other liabilities	<u>7,344</u>	<u>-</u>	<u>-</u>	<u>7,344</u>
Total liabilities	<u>163,265</u>	<u>25,312</u>	<u>114,860</u>	<u>303,437</u>
Fund balances				
Reserved for advances	1,184,264	-	15,964	1,200,228
Unreserved, designated	2,499,430	-	-	2,499,430
Unreserved, undesignated	<u>9,167,210</u>	<u>38,734</u>	<u>885,711</u>	<u>10,091,655</u>
Total fund balances	<u>12,850,904</u>	<u>38,734</u>	<u>901,675</u>	<u>13,791,313</u>
Total fund balances and liabilities	<u>\$ 13,014,169</u>	<u>\$ 64,046</u>	<u>\$ 1,016,535</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				3,092,149
Bonds payable are not due and payable in the current period and, therefore, are not reported in the governmental funds				<u>(774,556)</u>
Net assets of governmental activities				<u>\$ 16,108,906</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, 2007

	<u>General Fund</u>	<u>Police Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues collected				
Property taxes				
Police	\$ -	\$ 390,356	\$ -	\$ 390,356
Special service areas	-	-	226,090	226,090
Other local taxes	1,186,066	-	-	1,186,066
Township road and bridge taxes	32,438	-	-	32,438
Other intergovernmental taxes	618,135	-	111,966	730,101
Grants and contributions	-	8,942	-	8,942
Licenses and permits	345,509	-	-	345,509
Fines and forfeits	-	247,401	-	247,401
Impact fees	-	83,500	-	83,500
Other	16,749	38,185	-	54,934
Interest income	394,258	123,746	45,446	563,450
Total revenues collected	<u>2,593,155</u>	<u>892,130</u>	<u>383,502</u>	<u>3,868,787</u>
Expenditures paid				
Current				
Administration	932,723	-	1,038	933,761
Building	159,131	-	-	159,131
Police	-	924,890	-	924,890
Public works	93,683	-	53,417	147,100
Capital outlay	-	62,021	-	62,021
Debt service				
Principal	-	-	151,960	151,960
Interest	-	-	46,426	46,426
Total expenditures paid	<u>1,185,537</u>	<u>986,911</u>	<u>252,841</u>	<u>2,425,289</u>
Net changes in fund balances	1,407,618	(94,781)	130,661	1,443,498
Fund balance, beginning of year				
As originally stated	11,295,370	133,515	771,014	12,199,899
Restatement (Note J)	147,916	-	-	147,916
As restated	<u>11,443,286</u>	<u>133,515</u>	<u>771,014</u>	<u>12,347,815</u>
Fund balance, end of year	<u>\$ 12,850,904</u>	<u>\$ 38,734</u>	<u>\$ 901,675</u>	<u>\$ 13,791,313</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, 2007

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

Net change in fund balances - total governmental funds	\$ 1,443,498
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 depreciation exceeded net capital outlays in the current period.	(24,724)
The repayment of the principal of long-term debt consumes the current financial resources of government funds.	<u>151,960</u>
Change in net assets of governmental activities	<u>\$ 1,570,734</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
Enterprise Funds
COMBINING STATEMENT OF NET ASSETS ARISING FROM CASH TRANSACTIONS
December 31, 2007

	Consolidated Water Fund	Sewer Fund	Totals
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 758,081	\$ 716,188	\$ 1,474,269
Investments	234,312	-	234,312
Total current assets	992,393	716,188	1,708,581
Noncurrent assets:			
Advances to other funds	27,043	29,045	56,088
Capital assets	11,279,287	5,725,407	17,004,694
Accumulated depreciation	(2,476,503)	(2,146,895)	(4,623,398)
Total noncurrent assets	8,829,827	3,607,557	12,437,384
Total assets	9,822,220	4,323,745	14,145,965
LIABILITIES			
Current liabilities			
Bonds payable due within one year	288,507	298,475	586,982
Other current liabilities	5,900	-	5,900
Total current liabilities	294,407	298,475	592,882
Noncurrent liabilities			
Advances from other funds	883,042	217,138	1,100,180
Bonds payable	1,024,108	733,186	1,757,294
	1,907,150	950,324	2,857,474
Total liabilities	2,201,557	1,248,799	3,450,356
NET ASSETS			
Reserved for advances	27,043	29,045	56,088
Invested in capital assets, net of related debt	7,490,169	2,546,851	10,037,020
Unrestricted	103,451	499,050	602,501
Total net assets	\$ 7,620,663	\$ 3,074,946	\$ 10,695,609

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 FUND NET ASSETS For the Year Ended December 31, 2007

	<u>Consolidated Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
Operating revenues collected			
Charges for sales and services	\$ <u>1,135,322</u>	\$ <u>14,258</u>	\$ <u>1,149,580</u>
Operating expenses paid			
Personal services	30,596	7,902	38,498
Contractual	880,672	96,020	976,692
Commodities	<u>42,086</u>	<u>-</u>	<u>42,086</u>
Total operating expenses paid	<u>953,354</u>	<u>103,922</u>	<u>1,057,276</u>
Depreciation	<u>214,357</u>	<u>115,487</u>	<u>329,844</u>
Total operating expenses paid and depreciation	<u>1,167,711</u>	<u>219,409</u>	<u>1,387,120</u>
Deficiency of operating revenues collected over operating expenses paid and depreciation	<u>(32,389)</u>	<u>(205,151)</u>	<u>(237,540)</u>
Nonoperating revenues collected (expenses paid)			
Property taxes	360,608	363,986	724,594
Grant revenue	64,538	-	64,538
Interest income	93,817	17,546	111,363
Debt service - interest	(75,527)	(73,585)	(149,112)
Other revenue collected	255	-	255
Other expense - miscellaneous	<u>(34,717)</u>	<u>(634)</u>	<u>(35,351)</u>
Total nonoperating revenues collected	<u>408,974</u>	<u>307,313</u>	<u>716,287</u>
Change in net assets	376,585	102,162	478,747
Net assets, beginning of year	<u>7,244,078</u>	<u>2,972,784</u>	<u>10,216,862</u>
Net assets, end of year	\$ <u><u>7,620,663</u></u>	\$ <u><u>3,074,946</u></u>	\$ <u><u>10,695,609</u></u>

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, 2007

	<u>Consolidated Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
Cash flows from operating activities			
Deficiency of operating revenues collected over operating expenses paid and depreciation	\$ (32,389)	\$ (205,151)	\$ (237,540)
Adjustments to reconcile deficiency of operating revenues collected over operating expenses paid and depreciation, to net cash provided by (used in) operating activities			
Depreciation	<u>214,357</u>	<u>115,487</u>	<u>329,844</u>
Net cash provided by (used in) operating activities	<u>181,968</u>	<u>(89,664)</u>	<u>92,304</u>
Cash flows from capital and related financing activities			
Property tax revenues collected	360,608	363,986	724,594
Grant revenues collected	64,538	-	64,538
Principal paid on revenue bonds	(274,664)	(282,592)	(557,256)
Interest paid on revenue bonds	(75,527)	(73,585)	(149,112)
Purchase of capital assets (net of capital contributed)	<u>(539,741)</u>	<u>-</u>	<u>(539,741)</u>
Net cash provided by (used in) capital and related financing activities	<u>(464,786)</u>	<u>7,809</u>	<u>(456,977)</u>
Cash flows from noncapital financing activities			
Other	<u>(29,348)</u>	<u>(634)</u>	<u>(29,982)</u>
Net cash used in noncapital financing activities	<u>(29,348)</u>	<u>(634)</u>	<u>(29,982)</u>
Cash flows from investing activities			
Interest received	<u>59,505</u>	<u>17,546</u>	<u>77,051</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(252,661)	(64,943)	(317,604)
Cash and cash equivalents			
Beginning of year	<u>1,010,742</u>	<u>781,131</u>	<u>1,791,873</u>
End of year	<u>\$ 758,081</u>	<u>\$ 716,188</u>	<u>\$ 1,474,269</u>

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, 2007

	<u>January 1, 2007</u>	<u>Additions</u>	<u>Deductions</u>	<u>December 31, 2007</u>
ASSETS				
Cash and cash equivalents	\$ 579,347	\$ 201,836	\$ 277,628	\$ 503,555
Investments	32,498	1,571	-	34,069
Due from developers				
Escrow bonds	104,743	2,661	4,296	103,108
Advances to other funds	139,957	-	-	139,957
Total assets	\$ <u>856,545</u>	\$ <u>206,068</u>	\$ <u>281,924</u>	\$ <u>780,689</u>
LIABILITIES				
Due to developers				
Performance bonds	\$ 661,807	\$ 170,065	\$ 239,552	\$ 592,320
Escrow bonds	194,738	27,475	33,844	188,369
Total liabilities	\$ <u>856,545</u>	\$ <u>197,540</u>	\$ <u>273,396</u>	\$ <u>780,689</u>

The accompanying notes are an integral part of this statement.

Village of Riverwoods, Illinois
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December 31, 2007

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Village of Riverwoods, Illinois
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Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

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 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. These financial statements present the Village (the primary government) and its component units, if applicable. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the significance of its operational or financial relationships with the primary government. No entities met the requirements to be reported as a component unit.

2. **Government-Wide and Fund Financial Statements**

The Village uses funds to report on 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.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. Government-Wide and Fund Financial Statements (Continued)

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.

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 and the related liabilities, such as accounts payable and accrued items, are recognized when paid, rather than when the obligation is incurred. The financial statements reflect assets and liabilities arising from cash transactions, revenues collected, and expenditures/expenses paid. The modified cash basis of accounting is a comprehensive basis of accounting other than GAAP.

The Village reports the following major governmental funds:

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

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

The Village reports the following major proprietary funds:

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

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

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

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Proprietary funds distinguish operating revenues collected and expenditures paid from nonoperating items. Operating revenues and expenditures 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 the portion of tap-on fees intended to recover the cost of connecting new customers to the system. Operating expenditures for enterprise funds include the cost of sales and services and administrative expenses. All revenues and expenditures not meeting this definition (except depreciation on capital assets) are reported as nonoperating revenues and expenditures.

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

4. Appropriations

The Village budgets on the modified cash basis of accounting. The appropriation ordinance, which is the legal authority to spend, was passed on March 20, 2007, and was not amended during the year. All appropriations lapse at the fiscal year-end. The Village appropriated for all funds, with the exception of the capital projects funds.

5. Cash and Cash Equivalents

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

6. Investments

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

7. Advances to Other Funds

Noncurrent portions of interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

8. Capital Assets

Capital assets, which include property, plant, and equipment and infrastructure assets (e.g. roads, storm sewers, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life of more than one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of the donation.

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

The following estimated useful lives are used to compute depreciation:

Buildings and improvements	40 years
Office equipment	5 - 10 years
Infrastructure - roads	20 years
Infrastructure - storm sewers	50 years
Vehicles	5 years
Water/sewer systems *	20 - 50 years

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

9. 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.

10. Fund Equity

Designations of fund balance represent management plans that are subject to change. Designated fund balances in the General Fund represent Board plans for future use of financial resources, as follows:

Police impact fees	\$ <u>2,499,430</u>
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Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

11. 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.

12. 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 5, 2006). Tax bills are payable in two installments, on or about June 1 and on or about September 1 of the following year. The County collects such taxes and remits them periodically. Property tax revenues are recognized when collected. The 2006 levy is reported in these statements.

13. 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 - LEGAL COMPLIANCE AND ACCOUNTABILITY

1. Deficit Fund Balances of Individual Funds

The following funds had deficits in fund balance as of December 31, 2007:

<u>Fund</u>	<u>Deficit Balance</u>
Special Service Area 5 - Duffy Roads Fund	\$ (1,648)
Special Service Area 19 - Hiawatha Road Debt Service Fund	(5,500)
Special Service Area 20 - Whigham Burr Oak Debt Service Fund	(21,543)

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

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

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

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

Capital outlay	\$	39,735
Depreciation expense		(56,447)
Disposals		<u>(8,012)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	\$	<u><u>(24,724)</u></u>

NOTE D - DEPOSITS AND INVESTMENTS

At December 31, 2007, the Village had the following investments and maturities:

Investment Type	Investment Maturities (In Years)			Total
	Less than 1	1 - 5	6 - 10	
The Illinois Funds *	\$ 8,042,337	\$ -	\$ -	\$ 8,042,337
Money Market/Liquid Assets	366,577	-	-	366,577
Certificates of Deposit	1,580,557	1,925,439	-	3,505,996
Federal Home Loan Mortgage	129,796	207,738	1,000,550	1,338,084
Federal Home Loan Bank	-	-	350,000	350,000
Federal National Mortgage Assoc.	-	101,457	102,398	203,855
U.S. Treasuries	-	227,991	-	227,991
	<u>\$ 10,119,267</u>	<u>\$ 2,462,625</u>	<u>\$ 1,452,948</u>	<u>\$ 14,034,840</u>

* These items are considered cash equivalents for purposes of the statement of net assets and the governmental funds combining statement of assets and liabilities arising for cash transactions.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE D - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Statement of Net Assets - Modified Cash Basis

Investments per table above	\$ 14,034,840
Less amounts included in cash and cash	
The Illinois Funds	(8,042,337)
Agency fund investment	<u>(34,069)</u>
Investments per statement of net assets - modified cash basis	\$ <u>5,958,434</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 maturities of less than one year.

Credit Risk

State law and the Village's investment policy limit investments in commercial paper, corporate bonds, and mutual bond funds to the two top ratings issued by nationally recognized statistical rating organizations. The Village's investment policy does not impose further limits on investment choices. As of December 31, 2007, The Illinois Funds Money Market and Prime Funds were rated AAAM by Standard and Poor's.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

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, 2007

NOTE E - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007, was as follows:

1. <u>Governmental</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 2,363,300	\$ -	\$ -	\$ 2,363,300
Capital assets being depreciated				
Buildings and improvements	595,580	-	-	595,580
Office equipment	152,966	-	-	152,966
Infrastructure	191,221	-	-	191,221
Vehicles	141,656	39,735	20,027	161,364
Total capital assets being depreciated	<u>1,081,423</u>	<u>39,735</u>	<u>20,027</u>	<u>1,101,131</u>
Less accumulated depreciation for:				
Buildings and improvements	125,848	11,912	-	137,760
Office equipment	126,710	8,439	-	135,149
Infrastructure	5,705	3,824	-	9,529
Vehicles	69,587	32,272	12,015	89,844
Total accumulated depreciation	<u>327,850</u>	<u>56,447</u>	<u>12,015</u>	<u>372,282</u>
Total capital assets being depreciated, net	<u>753,573</u>	<u>(16,712)</u>	<u>8,012</u>	<u>728,849</u>
Governmental activities capital assets, net	<u>\$ 3,116,873</u>	<u>\$ (16,712)</u>	<u>\$ 8,012</u>	<u>\$ 3,092,149</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE E - CAPITAL ASSETS (Continued)

2. <u>Enterprise</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Construction in progress	\$ 18,040	\$ 539,741	\$ -	\$ 557,781
Capital assets being depreciated				
Pumping stations and reservoirs	2,866,149	-	-	2,866,149
Water tower	50,000	-	-	50,000
Water mains	7,805,357	-	-	7,805,357
Sewers	5,725,408	-	-	5,725,408
Total capital assets being depreciated	<u>16,446,914</u>	<u>-</u>	<u>-</u>	<u>16,446,914</u>
Less accumulated depreciation for:				
Pumping stations and reservoirs	729,498	57,323	-	786,821
Water tower	2,000	1,000	-	3,000
Water mains	1,530,648	156,034	-	1,686,682
Sewers	2,031,409	115,487	-	2,146,896
Total accumulated depreciation	<u>4,293,555</u>	<u>329,844</u>	<u>-</u>	<u>4,623,399</u>
Business-type activities capital assets, net	<u>\$ 12,171,399</u>	<u>\$ 209,897</u>	<u>\$ -</u>	<u>\$ 12,381,296</u>

3. Depreciation

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

Governmental activities	
Administration and general government	\$ 15,824
Police	36,799
Public works	<u>3,824</u>
Total depreciation expense - governmental activities	<u>\$ 56,447</u>
Business-type activities	
Consolidated water	\$ 214,357
Sewer	<u>115,487</u>
Total depreciation expense - business-type activities	<u>\$ 329,844</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE F - LONG-TERM DEBT

1. Changes in Long-Term Liabilities

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

	<u>January 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2007</u>	<u>Due Within One Year</u>
Special Service Area Bonds:					
Special Service Area Number 8 Issued August 10, 1999. Due January 10, 2010, interest at 4.70%.	\$ 125,379	\$ -	\$ 29,222	\$ 96,157	\$ 30,595
Special Service Area Number 9 Issued August 10, 1999. Due January 10, 2010, interest at 4.70%.	33,433	-	7,792	25,641	8,159
Special Service Area Number 10 Issued December 15, 1999. Due January 10, 2020, interest at 6.29%.	135,735	-	6,271	129,464	6,665
Special Service Area Number 11 Issued August 10, 1999. Due January 10, 2010, interest at 4.70%.	102,162	-	23,811	78,351	24,929
Special Service Area Number 15 Issued December 15, 1999. Due January 10, 2010, interest at 5.55%.	186,969	-	43,030	143,939	45,418
Special Service Area Number 19 Issued November 18, 2002. Due February 1, 2013, interest at 6.00%.	121,547	-	15,765	105,782	16,722
Special Service Area Number 20 Issued December 2, 2003. Due February 1, 2014, interest at 3.70%.	221,291	-	26,069	195,222	27,037
Total	\$ 926,516	\$ -	\$ 151,960	\$ 774,556	\$ 159,525

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE F - LONG-TERM DEBT (Continued)

1. Changes in Long-Term Liabilities (Continued)

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

	<u>January 1, 2007</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31, 2007</u>	<u>Due Within One Year</u>
Special Service Area Bonds:					
Thornmeadow Sewer					
Issued January 1, 1997. Due					
January 1, 2008, interest at 4.80%.	\$ 67,000	\$ -	\$ 33,000	\$ 34,000	\$ 34,000
South Riverwood Sewer					
Issued June 5, 2000. Due					
February 1, 2011, interest at 5.85%.	1,247,253	-	249,592	997,661	264,475
North Central Water					
Issued August 15, 2001. Due					
August 1, 2011, interest at 4.60%.	1,308,874	-	238,546	1,070,328	249,526
North Robinwood Water					
Issued December 15, 1999. Due					
January 10, 2020, interest at 6.29%.	123,598	-	5,735	117,863	6,096
Northwest Water					
Issued August 17, 2000. Due					
February 1, 2011, interest at 5.25%.	121,831	-	24,010	97,821	25,961
Cherrywood Road					
Issued September 22, 2000. Due					
August 1, 2010, interest at 7.00%.	32,976	-	6,373	26,603	6,924
Total	\$ 2,901,532	\$ -	\$ 557,256	\$ 2,344,276	\$ 586,982

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE F - LONG-TERM DEBT (Continued)

2. Annual Debt Service Requirements to Maturity

ANNUAL PRINCIPAL AND INTEREST REQUIREMENTS

Years Ending <u>December 31</u>	Special Service Area Bonds <u>Governmental</u>	Special Service Area Bonds <u>Enterprise</u>	<u>Total</u>
2008	\$ 198,353	\$ 703,004	\$ 901,357
2009	198,354	669,004	867,358
2010	198,353	669,004	867,357
2011	71,857	489,996	561,853
2012	71,856	13,473	85,329
2013-2017	136,414	67,367	203,781
2018-2020	45,434	41,003	86,437
	<u>920,621</u>	<u>2,652,851</u>	<u>3,573,472</u>
Less interest	<u>146,065</u>	<u>308,575</u>	<u>454,640</u>
	<u>\$ 774,556</u>	<u>\$ 2,344,276</u>	<u>\$ 3,118,832</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE G - INTERFUND ADVANCES

At December 31, 2007, interfund advances consist of the following:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Governmental funds		
General		
Police	\$ 25,312	\$ -
Nonmajor governmental funds		
Motor Fuel Tax	58,772	-
Duffy Roads	-	15,964
Consolidated Water	883,042	-
Sewer	217,138	-
Total General fund	<u>1,184,264</u>	<u>15,964</u>
Police		
General	<u>-</u>	<u>25,312</u>
Total Police fund	<u>-</u>	<u>25,312</u>
Motor Fuel Tax		
General	<u>-</u>	<u>58,772</u>
Total Motor Fuel Tax fund	<u>-</u>	<u>58,772</u>
Duffy Roads		
General	15,964	-
Sewer	<u>-</u>	<u>29,045</u>
Total Duffy Roads funds	<u>15,964</u>	<u>29,045</u>
Special Service Area Number 19		
Consolidated Water	<u>-</u>	<u>5,500</u>
Total Special Service Area Number 19 fund	<u>-</u>	<u>5,500</u>
Special Service Area Number 20		
Consolidated Water	<u>-</u>	<u>21,543</u>
Total Special Service Area Number 20 fund	<u>-</u>	<u>21,543</u>
Total governmental funds	<u>1,200,228</u>	<u>156,136</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE G - INTERFUND ADVANCES (Continued)

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
Enterprise funds		
Consolidated Water		
General	\$ -	\$ 883,042
Special Service Area Number 19	5,500	-
Special Service Area Number 20	21,543	-
Total Consolidated Water fund	<u>27,043</u>	<u>883,042</u>
Sewer		
General	-	217,138
Duffy Roads	29,045	-
Total Sewer fund	<u>29,045</u>	<u>217,138</u>
Total enterprise funds	<u>56,088</u>	<u>1,100,180</u>
Total governmental and enterprise funds	1,256,316	1,256,316
Elimination of advances to/from funds of the same type	<u>(100,048)</u>	<u>(100,048)</u>
Total	<u>\$ 1,156,268</u>	<u>\$ 1,156,268</u>
General fund		
Agency fund-Performance Bond	\$ -	\$ 139,957
Total General fund	<u>-</u>	<u>139,957</u>
Agency fund-Performance Bond		
General fund	139,957	-
Total agency fund-Performance Bond	<u>139,957</u>	<u>-</u>
Total - Statement of Net Assets and Statement of Changes in Assets and Liabilities - Agency Fund		
Performance Bond fund	<u>\$ 139,957</u>	<u>\$ 139,957</u>

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE H - 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 42 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, 2007, is 0.94%. This percentage share is subject to change in future years based on the population and equalized assessed valuation of the municipalities.

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

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

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

2. Northeastern Illinois Regional Crime Laboratory (NIRCL)

The Village is a member of the Northeastern Illinois Regional Crime Laboratory (the Laboratory), formerly known as the Northern Illinois Police Crime Laboratory. Each of the 43 members of the Laboratory are assessed annual fees based on their population, and assessments are due in May of each year. The Laboratory is organized as a tax-exempt organization qualifying under Internal Revenue Code Section 501(c)(3). The Village contributed \$9,111 to the Laboratory during 2007.

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

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE H - 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 \$19,947 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.

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

NOTE I - ILLINOIS MUNICIPAL RETIREMENT FUND

The defined benefit pension plan, Illinois Municipal Retirement Fund (IMRF), provides retirement, disability, annual cost of living adjustments, and death benefits to plan members and beneficiaries. IMRF is an agent multiple-employer pension plan that acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The Village's rate for calendar year 2007 was 10.07% of payroll. The Village's contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability is amortized on an open basis). The amortization period at December 31, 2007 was 25 years.

Village of Riverwoods, Illinois
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2007

NOTE I - ILLINOIS MUNICIPAL RETIREMENT FUND (Continued)

For the year ended December 31, 2007, the Village's annual pension cost of \$86,490 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2005 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.5% investment rate of return (net of administrative expenses), (b) projected salary increases of 4% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2007 actuarial valuation were based on the 2002 - 2004 experience study.

Trend information for the employer's annual pension cost, percentage of annual pension cost contributed, and net pension obligation for the last three years consists of the following:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2007	\$ 86,490	100%	\$ -
12/31/2006	81,465	100%	-
12/31/2005	70,811	100%	-

NOTE J - RESTATEMENT

The fund balance of the General fund has been restated as of the beginning of the year to correct an error in an account balance. The City's records have been adjusted to equal the detailed listing of certificates of deposit held at a bank. The details of the restatement are as follows:

Increase in fund balance due to correction of an error	\$ <u>147,916</u>
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NOTE K - COMMITMENT

The Village has entered into a construction contract with a contractor, relating to a water main connection. The Village's commitment under the contract is approximately \$464,000 at December 31, 2007.

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Village of Riverwoods, Illinois
 Illinois Municipal Retirement Fund Pension Data
 SCHEDULE OF FUNDING PROGRESS
December 31, 2007
 (Unaudited)

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)
12/31/2007	\$ 826,398	\$ 1,081,429	\$ 255,031	76.42%	\$ 858,890	29.69%
12/31/2006	653,012	869,712	216,700	75.08%	807,380	26.84%
12/31/2005	503,925	656,811	152,886	76.72%	746,949	20.47%
12/31/2004	428,462	551,263	122,801	77.72%	698,913	17.57%
12/31/2003	341,165	431,002	89,837	79.16%	660,254	13.61%
12/31/2002	310,984	355,747	44,763	87.42%	568,365	7.88%
12/31/2001	186,488	245,045	58,557	76.10%	325,907	17.97%
12/31/2000	111,776	170,653	58,877	65.50%	238,309	24.71%
12/31/1999	67,811	142,977	75,166	47.43%	205,610	36.56%
12/31/1998	174,061	262,029	87,968	66.43%	151,804	57.95%

On a market value basis, the actuarial value of assets as of December 31, 2007 is \$876,475. On a market basis, the funded ratio would be 81.05%.

* Digest of Changes

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

The principal changes were:

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

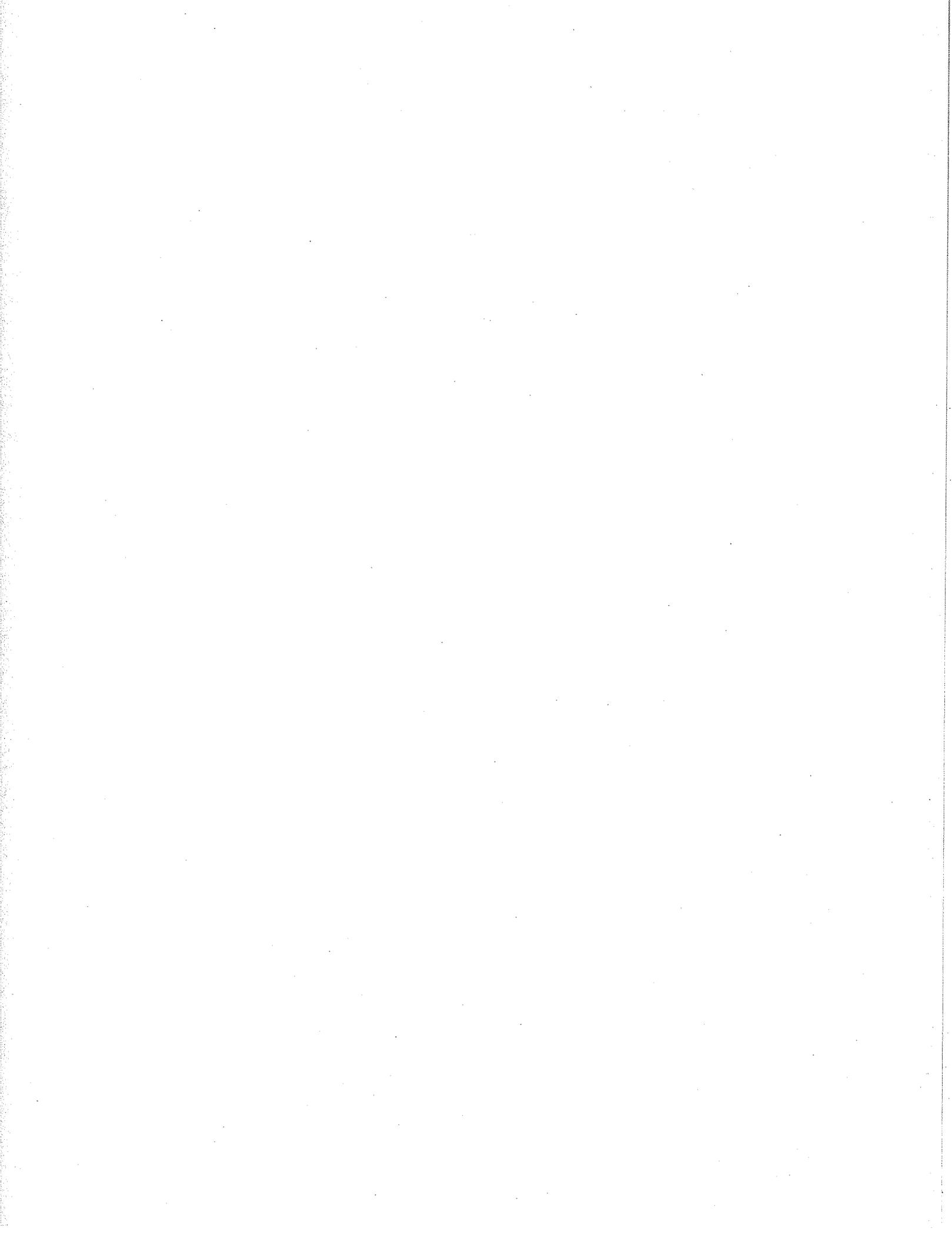
Village of Riverwoods, Illinois

General Fund

SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues collected			
Township road and bridge tax	\$ 25,000	\$ 32,438	\$ 7,438
Other intergovernmental taxes	612,000	618,135	6,135
Local taxes	1,310,000	1,186,066	(123,934)
License and permits	359,000	345,509	(13,491)
Interest income	210,000	394,258	184,258
Other revenues	-	16,749	16,749
Total revenues collected	<u>2,516,000</u>	<u>2,593,155</u>	<u>77,155</u>
Expenditures paid			
Current			
Administration	1,247,800	932,723	315,077
Building	474,800	159,131	315,669
Road and bridge	477,500	93,683	383,817
Capital outlay	<u>5,810,000</u>	<u>-</u>	<u>5,810,000</u>
Total expenditures paid	<u>8,010,100</u>	<u>1,185,537</u>	<u>6,824,563</u>
Excess (deficiency) of revenues collected over expenditures paid	(5,494,100)	1,407,618	6,901,718
Other			
Depreciation	40,000	-	40,000
Other financing uses			
Transfers out	<u>1,550,000</u>	<u>-</u>	<u>1,550,000</u>
Net change in fund balance	<u>\$ (7,084,100)</u>	<u>1,407,618</u>	<u>\$ 8,491,718</u>
Fund balances			
Beginning of year - as originally stated		11,295,370	
Restatement (Note J)		<u>147,916</u>	
Beginning of year - as restated		<u>11,443,286</u>	
End of year		<u>\$ 12,850,904</u>	

REQUIRED SUPPLEMENTARY INFORMATION



Village of Riverwoods, Illinois

Police Fund

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

For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Grants and contributions	\$ 2,500	\$ 8,942	\$ 6,442
Local taxes - property taxes	405,000	390,356	(14,644)
Impact fees	72,000	83,500	11,500
Fines and forfeits	191,300	247,401	56,101
Other - charges for services	150	38,185	38,035
Interest income	-	123,746	123,746
Total revenues collected	<u>670,950</u>	<u>892,130</u>	<u>221,180</u>
Expenditures paid			
Current			
Personal services	869,100	804,386	64,714
Contractual services	310,800	87,108	223,692
Commodities	54,000	33,396	20,604
Total current	<u>1,233,900</u>	<u>924,890</u>	<u>309,010</u>
Capital outlay	59,000	62,021	(3,021)
Total expenditures paid	<u>1,292,900</u>	<u>986,911</u>	<u>305,989</u>
Deficiency of revenues collected over expenditures paid	(621,950)	(94,781)	527,169
Other financing sources			
Transfers in	350,000	-	(350,000)
Net change in fund balance	<u>\$ (271,950)</u>	<u>(94,781)</u>	<u>\$ 177,169</u>
Fund Balances			
Beginning of year		<u>133,515</u>	
End of year		<u>\$ 38,734</u>	

Village of Riverwoods, Illinois
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the Year Ended December 31, 2007

1. Appropriations

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

The proposed appropriation ordinance is presented to the Board of Trustees for review. The Board of Trustees holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the appropriations ordinance.

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

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

Expenditures may not legally exceed appropriations at the fund level.

The following funds had no appropriation for 2007:

- Special Service Area (SSA) 19 - Hiawatha Road Projects Fund
- Special Service Area (SSA) 20 - Whigham Burr Oak Projects Fund

SUPPLEMENTAL DATA

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF REVENUES COLLECTED -
APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Township road and bridge tax	\$ 25,000	\$ 32,438	\$ 7,438
Other intergovernmental taxes			
Personal property replacement taxes	2,000	2,011	11
Illinois municipal sales tax	230,000	219,855	(10,145)
Local use tax	55,000	50,857	(4,143)
State income taxes	325,000	345,412	20,412
Total other intergovernmental taxes	<u>612,000</u>	<u>618,135</u>	<u>6,135</u>
Local taxes			
Village of Riverwoods sales tax 1/2%	100,000	100,471	471
Utility taxes			
Electric	300,000	306,094	6,094
Gas	260,000	176,042	(83,958)
Simplified telecommunications tax	520,000	477,464	(42,536)
Hotel tax	130,000	125,995	(4,005)
Total local taxes	<u>1,310,000</u>	<u>1,186,066</u>	<u>(123,934)</u>
Licenses and permits			
Liquor licenses	20,000	21,000	1,000
Telephone franchise fees	-	26,292	26,292
Cable television franchise fees	50,000	24,135	(25,865)
Building permits - construction fees	200,000	115,765	(84,235)
Special inspection - site development and inspection fees	7,000	1,091	(5,909)
Cell tower lease	82,000	83,140	1,140
Elevator permits	-	9,385	9,385
Forester fees	-	16,090	16,090
Forest program	-	40,245	40,245
Engineer fees	-	8,366	8,366
Total licenses and permits	<u>359,000</u>	<u>345,509</u>	<u>(13,491)</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF REVENUES COLLECTED -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected (continued)			
Interest income	\$ <u>210,000</u>	\$ <u>394,258</u>	\$ <u>184,258</u>
Other			
Miscellaneous	<u>-</u>	<u>16,749</u>	<u>16,749</u>
Total revenues collected	\$ <u><u>2,516,000</u></u>	\$ <u><u>2,593,155</u></u>	\$ <u><u>77,155</u></u>

(Concluded)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Expenditures paid			
Administration			
Personal services			
Salaries	\$ 208,000	\$ 210,185	\$ (2,185)
FICA	15,600	14,202	1,398
IMRF	34,700	33,105	1,595
Unemployment insurance	2,000	2,986	(986)
Health insurance	40,000	41,850	(1,850)
Total personal services	<u>300,300</u>	<u>302,328</u>	<u>(2,028)</u>
Contractual services			
Maintenance - building	135,000	38,380	96,620
Maintenance - equipment	10,000	3,170	6,830
Maintenance - grounds	10,000	5,272	4,728
Insurance	15,000	54,220	(39,220)
Telephone	25,000	15,722	9,278
Travel and meeting expense	20,000	8,157	11,843
Postage	10,000	4,993	5,007
Advertising	2,500	1,542	958
Village Voice	18,000	16,309	1,691
Accounting services	25,000	20,945	4,055
Engineering services	150,000	88,559	61,441
Legal services	150,000	112,821	37,179
Other professional services	100,000	83,322	16,678
Dues, subscriptions, and memberships	3,000	1,699	1,301
Forest program	75,000	69,588	5,412
Theater In The Woods	15,000	10,000	5,000
Arts and Riverwoods	25,000	14,000	11,000
Family Day	10,000	-	10,000
NSSRA	50,000	19,947	30,053
Miscellaneous contractual services	5,000	1,440	3,560
Contingency	60,000	-	60,000
Total contractual services	<u>913,500</u>	<u>570,086</u>	<u>343,414</u>
			(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Expenditures paid (continued)			
Administration (continued)			
Commodities			
Office supplies	\$ 22,000	\$ 12,847	\$ 9,153
Publications	2,000	1,225	775
Operating supplies	-	6,845	(6,845)
Total commodities	<u>24,000</u>	<u>20,917</u>	<u>3,083</u>
Other expense			
Miscellaneous expense	<u>10,000</u>	<u>39,392</u>	<u>(29,392)</u>
Total administration	<u>1,247,800</u>	<u>932,723</u>	<u>315,077</u>
Building department			
Personal services			
Salaries	185,000	105,358	79,642
FICA	16,300	9,894	6,406
IMRF	<u>12,000</u>	<u>-</u>	<u>12,000</u>
Total personal services	<u>213,300</u>	<u>115,252</u>	<u>98,048</u>
Contractual services			
Insurance	50,000	-	50,000
Telephone	25,000	47	24,953
Travel and meeting expense	11,000	28	10,972
Training	1,000	-	1,000
Postage	9,000	-	9,000
Advertising	1,500	-	1,500
Printing	2,000	-	2,000
Engineering services	55,000	2,500	52,500
Other professional services	30,000	19,160	10,840
Dues, subscriptions, and memberships	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total contractual services	<u>186,500</u>	<u>21,735</u>	<u>164,765</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Expenditures paid (continued)			
Building department (continued)			
Commodities			
Office supplies	\$ 15,000	\$ 165	\$ 14,835
Other expenses			
Miscellaneous expense	50,000	47	49,953
Inspection fees - plumbing and site	10,000	21,932	(11,932)
Total other expenses	60,000	21,979	38,021
Total building department	474,800	159,131	315,669
Road and Bridge			
Personal services			
Salaries	-	6,143	(6,143)
FICA	-	470	(470)
Total personal services	-	6,613	(6,613)
Contractual services			
Maintenance - streets	100,000	9,545	90,455
Maintenance - bike path	30,000	-	30,000
Maintenance - grounds	3,500	18,595	(15,095)
Maintenance - culverts/drainage	85,000	8,615	76,385
Snow removal	60,000	36,814	23,186
Signs - purchase and repair	2,000	1,115	885
Street lighting	2,000	2,478	(478)
Engineering services	25,000	5,437	19,563
Other professional services	10,000	4,471	5,529
Total contractual services	317,500	87,070	230,430

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Expenditures paid (continued)			
Road and bridge (continued)			
Commodities			
Maintenance supplies	\$ 5,000	\$ -	\$ 5,000
Operating supplies	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total commodities	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Other expenses			
Contingencies	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total road and bridge	<u>477,500</u>	<u>93,683</u>	<u>383,817</u>
Total current expenditures paid	<u>2,200,100</u>	<u>1,185,537</u>	<u>1,014,563</u>
Capital outlay			
Administration			
Land acquisition	5,000,000	-	5,000,000
Equipment	10,000	-	10,000
Bike path contingency	<u>300,000</u>	<u>-</u>	<u>300,000</u>
Total administration	<u>5,310,000</u>	<u>-</u>	<u>5,310,000</u>
Road and bridge			
New bike path construction	<u>500,000</u>	<u>-</u>	<u>500,000</u>
Total capital outlay	<u>5,810,000</u>	<u>-</u>	<u>5,810,000</u>
Total expenditures paid	<u>8,010,100</u>	<u>1,185,537</u>	<u>6,824,563</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL (Continued)
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Depreciation	40,000	-	40,000
Other financing uses			
Transfers out - Consolidated Water Fund	1,000,000	-	1,000,000
Transfers out - Sewer Fund	200,000	-	200,000
Transfers out - Police Fund	350,000	-	350,000
Total other financing uses	1,550,000	-	1,550,000
Total expenditures paid and other financing uses	\$ 9,600,100	\$ 1,185,537	\$ 8,414,563

(Concluded)

Village of Riverwoods, Illinois
Police Fund
SCHEDULE OF REVENUES COLLECTED -
APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Grants and contributions			
COPS grant - contributed capital	\$ 2,500	\$ 8,942	\$ 6,442
Local taxes			
Property taxes	405,000	390,356	(14,644)
Impact fees	72,000	83,500	11,500
Fines and forfeits			
Administration tow	-	5,965	5,965
Circuit court fines	183,000	230,546	47,546
False alarm fines	800	165	(635)
Patrol violation fines	7,500	10,725	3,225
Total fines and forfeits	191,300	247,401	56,101
Other - charges for services			
Burglar alarm registration	150	360	210
Miscellaneous revenue	-	37,825	37,825
Total other - charges for services	150	38,185	38,035
Interest income	-	123,746	123,746
Total revenues collected	670,950	892,130	221,180
Other financing sources			
Transfers in - General fund	350,000	-	(350,000)
Total revenues collected and other financing sources	\$ 1,020,950	\$ 892,130	\$ (128,820)

Village of Riverwoods, Illinois
Police Fund
SCHEDULE OF EXPENDITURES PAID -
APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Expenditures paid			
Personal services			
Salaries	\$ 700,000	\$ 640,930	\$ 59,070
Health insurance	70,000	62,838	7,162
FICA	50,000	47,968	2,032
IMRF	49,000	52,650	(3,650)
Unemployment insurance	100	-	100
	<u>869,100</u>	<u>804,386</u>	<u>64,714</u>
Contractual services			
Legal	36,000	42,034	(6,034)
Crime laboratory	10,000	9,111	889
Other professional	80,000	29,076	50,924
Postage	600	-	600
Telephone	5,700	3,543	2,157
Travel	4,500	200	4,300
Training	4,000	1,080	2,920
Miscellaneous	70,000	2,064	67,936
Contingency	100,000	-	100,000
	<u>310,800</u>	<u>87,108</u>	<u>223,692</u>
Commodities			
Office expenses	14,000	3,549	10,451
Fuel for squad cars	40,000	29,847	10,153
	<u>54,000</u>	<u>33,396</u>	<u>20,604</u>
Capital outlay			
Police officer equipment	9,000	2,574	6,426
Squad cars and related equipment	50,000	59,447	(9,447)
	<u>59,000</u>	<u>62,021</u>	<u>(3,021)</u>
Total expenditures paid	<u>\$ 1,292,900</u>	<u>\$ 986,911</u>	<u>\$ 305,989</u>

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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.

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 8 - Cherrywood Sewer Debt Service Fund
- Special Service Area 9 - North Duffy Sewer Debt Service Fund
- Special Service Area 10 - North Robinwood Sewer Debt Service Fund
- Special Service Area 11 - Forest Glen Water Debt Service Fund
- Special Service Area 15 - South Robinwood Water Debt Service Fund
- Special Service Area 19 - Hiawatha Road Debt Service Fund
- Special Service Area 20 - Whigham Burr Oak Debt Service Fund

CAPITAL PROJECTS FUNDS

Capital projects funds account for the resources used by the Village for the acquisition and/or construction of capital facilities. The nonmajor capital projects funds maintained by the Village are as follows:

Special Service Area (SSA) 19 - Hiawatha Road Projects Fund - to account for the proceeds of special service area bonds used for capital improvements in a special service district within the Village.

Special Service Area (SSA) 20 - Whigham Burr Oak Projects Fund - to account for the proceeds of special service area bonds used for capital improvements in a special service district within the Village.

Village of Riverwoods, Illinois
Nonmajor Governmental Funds
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS
December 31, 2007

	Special Revenue Funds			
	Motor Fuel Tax	Special Service Area 5 Duffy Roads	Special Service Area 7 Russell's Storm Sewer	Total Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 686,444	\$ 11,433	\$ 48,800	\$ 746,677
Advances to other funds	-	15,964	-	15,964
Total assets	\$ 686,444	\$ 27,397	\$ 48,800	\$ 762,641
 LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities				
Advances from other funds	\$ 58,772	\$ 29,045	\$ -	\$ 87,817
Fund balances (deficits)				
Unreserved, undesignated	627,672	(1,648)	48,800	674,824
Total liabilities and fund balances (deficits)	\$ 686,444	\$ 27,397	\$ 48,800	\$ 762,641

Debt Service Funds

Special Service Area 8 Cherrywood Sewer	Special Service Area 9 North Duffy Sewer	Special Service Area 10 North Robinwood Sewer	Special Service Area 11 Forest Glen Water	Special Service Area 15 South Robinwood Water
\$ 43,157	\$ 11,446	\$ 24,311	\$ 40,294	\$ 73,661
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 43,157</u>	<u>\$ 11,446</u>	<u>\$ 24,311</u>	<u>\$ 40,294</u>	<u>\$ 73,661</u>
\$ -	\$ -	\$ -	\$ -	\$ -
<u>43,157</u>	<u>11,446</u>	<u>24,311</u>	<u>40,294</u>	<u>73,661</u>
<u>\$ 43,157</u>	<u>\$ 11,446</u>	<u>\$ 24,311</u>	<u>\$ 40,294</u>	<u>\$ 73,661</u>

(Continued)

Village of Riverwoods, Illinois
Nonmajor Governmental Funds
COMBINING STATEMENT OF ASSETS AND LIABILITIES
ARISING FROM CASH TRANSACTIONS (Continued)
December 31, 2007

	Debt Service Funds (Continued)		
	Special Service Area 19 Hiawatha Road	Special Service Area 20 Whigham Burr Oak	Total Debt Service Funds
ASSETS			
Cash and cash equivalents	\$ 37,068	\$ 23,957	\$ 253,894
Advances to other funds	-	-	-
Total assets	\$ 37,068	\$ 23,957	\$ 253,894
 LIABILITIES AND FUND BALANCES (DEFICITS)			
Liabilities			
Advances from other funds	\$ -	\$ -	\$ -
Fund balances (deficits)			
Unreserved, undesignated	37,068	23,957	253,894
Total liabilities and fund balances (deficits)	\$ 37,068	\$ 23,957	\$ 253,894

(Continued)

Capital Projects Funds

<u>Special Service Area 19 Hiawatha Road Projects</u>	<u>Special Service Area 20 Whigham Burr Oak Projects</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 1,000,571
<u>-</u>	<u>-</u>	<u>-</u>	<u>15,964</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016,535</u>
\$ 5,500	\$ 21,543	\$ 27,043	\$ 114,860
<u>(5,500)</u>	<u>(21,543)</u>	<u>(27,043)</u>	<u>901,675</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,016,535</u>

(Concluded)

Village of Riverwoods, Illinois

Nonmajor Governmental Funds

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

For the Year Ended December 31, 2007

	Special Revenue Funds			Total Special Revenue Funds
	Motor Fuel Tax	Special Service Area 5 Duffy Roads	Special Service Area 7 Russell's Storm Sewer	
Revenues collected				
Property taxes	\$ -	\$ 6,046	\$ 12,079	\$ 18,125
Intergovernmental	111,966	-	-	111,966
Interest income	41,452	-	-	41,452
Total revenues collected	153,418	6,046	12,079	171,543
Expenditures paid				
Current				
Administration	-	-	-	-
Public works	50,696	-	2,721	53,417
Debt service				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures paid	50,696	-	2,721	53,417
Net change in fund balances	102,722	6,046	9,358	118,126
Fund balances (deficits)				
Beginning of year	524,950	(7,694)	39,442	556,698
End of year	\$ 627,672	\$ (1,648)	\$ 48,800	\$ 674,824

Debt Service Funds

Special Service Area 8 Cherrywood Sewer	Special Service Area 9 North Duffy Sewer	Special Service Area 10 North Robinwood Sewer	Special Service Area 11 Forest Glen Water	Special Service Area 15 South Robinwood Water
\$ 35,892	\$ 9,564	\$ 15,060	\$ 29,248	\$ 54,594
-	-	-	-	-
<u>358</u>	<u>258</u>	<u>33</u>	<u>1,059</u>	<u>1,432</u>
<u>36,250</u>	<u>9,822</u>	<u>15,093</u>	<u>30,307</u>	<u>56,026</u>
-	-	-	1,038	-
-	-	-	-	-
29,222	7,792	6,271	23,811	43,030
<u>5,893</u>	<u>1,572</u>	<u>8,510</u>	<u>4,851</u>	<u>10,377</u>
<u>35,115</u>	<u>9,364</u>	<u>14,781</u>	<u>29,700</u>	<u>53,407</u>
1,135	458	312	607	2,619
<u>42,022</u>	<u>10,988</u>	<u>23,999</u>	<u>39,687</u>	<u>71,042</u>
<u>\$ 43,157</u>	<u>\$ 11,446</u>	<u>\$ 24,311</u>	<u>\$ 40,294</u>	<u>\$ 73,661</u>

(Continued)

Village of Riverwoods, Illinois

Nonmajor Governmental Funds

COMBINING STATEMENT OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCES (DEFICITS) (Continued)

For the Year Ended December 31, 2007

	Debt Service Funds (Continued)		
	Special Service Area 19 Hiawatha Road	Special Service Area 20 Whigham Burr Oak	Total Debt Service Funds
Revenues collected			
Property taxes	\$ 28,668	\$ 34,939	\$ 207,965
Intergovernmental	-	-	-
Interest income	567	287	3,994
Total revenues collected	29,235	35,226	211,959
Expenditures paid			
Current			
Administration	-	-	1,038
Public works	-	-	-
Debt service			
Principal	15,765	26,069	151,960
Interest	7,161	8,062	46,426
Total expenditures paid	22,926	34,131	199,424
Net change in fund balances	6,309	1,095	12,535
Fund balances (deficits)			
Beginning of year	30,759	22,862	241,359
End of year	\$ 37,068	\$ 23,957	\$ 253,894

Capital Project Funds

Special Service Area 19 Hiawatha Road Projects	Special Service Area 20 Whigham Burr Oak Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ 226,090
-	-	-	111,966
-	-	-	45,446
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	383,502
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	1,038
-	-	-	53,417
-	-	-	151,960
-	-	-	46,426
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	252,841
<hr/>	<hr/>	<hr/>	<hr/>
-	-	-	130,661
<hr/>	<hr/>	<hr/>	<hr/>
(5,500)	(21,543)	(27,043)	771,014
<hr/>	<hr/>	<hr/>	<hr/>
\$ (5,500)	\$ (21,543)	\$ (27,043)	\$ 901,675
<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

(Concluded)

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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Intergovernmental			
Motor fuel tax	\$ 112,000	\$ 111,966	\$ (34)
Interest income	<u>7,000</u>	<u>41,452</u>	<u>34,452</u>
Total revenues collected	<u>119,000</u>	<u>153,418</u>	<u>34,418</u>
Expenditures paid			
Contractual services	<u>31,000</u>	<u>50,696</u>	<u>(19,696)</u>
Net change in fund balance	\$ <u>88,000</u>	102,722	\$ <u>14,722</u>
Fund balance			
Beginning of year		<u>524,950</u>	
End of year		\$ <u>627,672</u>	

Village of Riverwoods, Illinois
Special Service Area 5 - Duffy Roads Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND DEFICIT - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property taxes	\$ <u>6,100</u>	\$ <u>6,046</u>	\$ <u>(54)</u>
Expenditures paid			
Contractual services	183,000	-	183,000
Commodities	17,000	-	17,000
Miscellaneous	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenditures paid	<u>220,000</u>	<u>-</u>	<u>220,000</u>
Net change in fund balance	\$ <u>(213,900)</u>	6,046	\$ <u>219,946</u>
Fund deficit			
Beginning of year		<u>(7,694)</u>	
End of year		<u>\$ (1,648)</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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax - special maintenance	\$ <u>12,000</u>	\$ <u>12,079</u>	\$ <u>79</u>
Expenditures paid			
Contractual services	33,500	2,721	30,779
Commodities	12,000	-	12,000
Miscellaneous	25,000	-	25,000
Capital outlay	<u>55,000</u>	<u>-</u>	<u>55,000</u>
Total expenses paid	<u>125,500</u>	<u>2,721</u>	<u>122,779</u>
Net change in fund balance	\$ <u><u>(113,500)</u></u>	9,358	\$ <u><u>122,858</u></u>
Fund balance			
Beginning of year		<u>39,442</u>	
End of year		<u><u>\$ 48,800</u></u>	

Village of Riverwoods, Illinois
Special Service Area 8 - Cherrywood Sewer Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax	\$ 35,000	\$ 35,892	\$ 892
Interest income	<u>-</u>	<u>358</u>	<u>358</u>
Total revenues collected	<u>35,000</u>	<u>36,250</u>	<u>1,250</u>
Expenditures paid			
Debt service			
Principal	27,000	29,222	(2,222)
Interest	<u>7,500</u>	<u>5,893</u>	<u>1,607</u>
Total expenditures paid	<u>34,500</u>	<u>35,115</u>	<u>(615)</u>
Net change in fund balance	\$ <u>500</u>	1,135	\$ <u>635</u>
Fund balance			
Beginning of year		<u>42,022</u>	
End of year		\$ <u>43,157</u>	

Village of Riverwoods, Illinois
Special Service Area 9 - North Duffy Sewer Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property tax	\$ 9,500	\$ 9,564	\$ 64
Interest income	<u>200</u>	<u>258</u>	<u>58</u>
Total revenues collected	<u>9,700</u>	<u>9,822</u>	<u>122</u>
Expenditures paid			
Debt service			
Principal	7,500	7,792	(292)
Interest	<u>1,000</u>	<u>1,572</u>	<u>(572)</u>
Total expenditures paid	<u>8,500</u>	<u>9,364</u>	<u>(864)</u>
Net change in fund balance	\$ <u>1,200</u>	458	\$ <u>(742)</u>
Fund balance			
Beginning of year		<u>10,988</u>	
End of year		<u>\$ 11,446</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, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property tax	\$ 15,000	\$ 15,060	\$ 60
Interest income	<u>1,500</u>	<u>33</u>	<u>(1,467)</u>
Total revenues collected	<u>16,500</u>	<u>15,093</u>	<u>(1,407)</u>
Expenditures paid			
Debt service			
Principal	-	6,271	(6,271)
Interest	<u>15,000</u>	<u>8,510</u>	<u>6,490</u>
Total expenditures paid	<u>15,000</u>	<u>14,781</u>	<u>219</u>
Net change in fund balance	<u>\$ 1,500</u>	312	<u>\$ (1,188)</u>
Fund balance			
Beginning of year		<u>23,999</u>	
End of year		<u>\$ 24,311</u>	

Village of Riverwoods, Illinois
Special Service Area 11 - Forest Glen Water Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues collected			
Property tax	\$ 29,000	\$ 29,248	\$ 248
Interest income	<u>1,450</u>	<u>1,059</u>	<u>(391)</u>
Total revenues collected	<u>30,450</u>	<u>30,307</u>	<u>(143)</u>
Expenditures paid			
Administration			
Miscellaneous expense	-	1,038	(1,038)
Debt service			
Principal	21,000	23,811	(2,811)
Interest	<u>7,000</u>	<u>4,851</u>	<u>2,149</u>
Total expenditures paid	<u>28,000</u>	<u>29,700</u>	<u>(1,700)</u>
Net change in fund balance	<u>\$ 2,450</u>	607	<u>\$ (1,843)</u>
Fund balance			
Beginning of year		<u>39,687</u>	
End of year		<u>\$ 40,294</u>	

Village of Riverwoods, Illinois
Special Service Area 15 - South Robinwood Water Debt Service Fund
SCHEDULE OF REVENUES COLLECTED, EXPENDITURES PAID, AND
CHANGES IN FUND BALANCE - APPROPRIATION AND ACTUAL
For the Year Ended December 31, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax	\$ 54,000	\$ 54,594	\$ 594
Interest income	<u>600</u>	<u>1,432</u>	<u>832</u>
Total revenues collected	<u>54,600</u>	<u>56,026</u>	<u>1,426</u>
Expenditures paid			
Debt service			
Principal	40,000	43,030	(3,030)
Interest	<u>12,000</u>	<u>10,377</u>	<u>1,623</u>
Total expenditures paid	<u>52,000</u>	<u>53,407</u>	<u>(1,407)</u>
Net change in fund balance	\$ <u><u>2,600</u></u>	2,619	\$ <u><u>19</u></u>
Fund balance			
Beginning of year		<u>71,042</u>	
End of year		\$ <u><u>73,661</u></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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax	\$ 28,000	\$ 28,668	\$ 668
Special maintenance tax	400	-	(400)
Interest income	<u>25</u>	<u>567</u>	<u>542</u>
Total revenues collected	<u>28,425</u>	<u>29,235</u>	<u>810</u>
Expenditures paid			
Debt service			
Principal	15,000	15,765	(765)
Interest	<u>5,000</u>	<u>7,161</u>	<u>(2,161)</u>
Total expenditures paid	<u>20,000</u>	<u>22,926</u>	<u>(2,926)</u>
Net change in fund balance	\$ <u>8,425</u>	6,309	\$ <u>(2,116)</u>
Fund balance			
Beginning of year		<u>30,759</u>	
End of year		<u>\$ 37,068</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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Revenues collected			
Property tax	\$ 34,000	\$ 34,939	\$ 939
Interest income	<u>250</u>	<u>287</u>	<u>37</u>
Total revenues collected	<u>34,250</u>	<u>35,226</u>	<u>976</u>
Expenditures paid			
Debt service			
Principal	17,000	26,069	(9,069)
Interest	<u>17,000</u>	<u>8,062</u>	<u>8,938</u>
Total expenditures paid	<u>34,000</u>	<u>34,131</u>	<u>(131)</u>
Net change in fund balance	\$ <u>250</u>	1,095	\$ <u>845</u>
Fund balance			
Beginning of year		<u>22,862</u>	
End of year		\$ <u>23,957</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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Operating revenues collected			
Charges for sales and services			
Water sales	\$ 1,000,000	\$ 1,050,297	\$ 50,297
Tap-on fees	<u>100,000</u>	<u>85,025</u>	<u>(14,975)</u>
Charges for sales and services	<u>1,100,000</u>	<u>1,135,322</u>	<u>35,322</u>
Operating expenses paid			
Personal services			
Salaries	30,000	28,413	1,587
FICA	3,100	2,183	917
IMRF	2,500	-	2,500
Unemployment insurance	<u>200</u>	<u>-</u>	<u>200</u>
Total personal services	<u>35,800</u>	<u>30,596</u>	<u>5,204</u>
Contractual services			
Maintenance	52,000	11,430	40,570
Insurance	10,000	-	10,000
Water purchases	800,000	718,876	81,124
Engineering services	65,000	34,699	30,301
Legal services	20,000	-	20,000
Other professional services	120,000	112,879	7,121
Annual testing fees (IEPA)	10,000	1,058	8,942
Other	<u>7,000</u>	<u>1,730</u>	<u>5,270</u>
Total contractual services	<u>1,084,000</u>	<u>880,672</u>	<u>203,328</u>
Commodities	<u>100,000</u>	<u>42,086</u>	<u>57,914</u>
Capital outlay	<u>2,675,000</u>	<u>-</u>	<u>2,675,000</u>
Total operating expenses paid	<u>3,894,800</u>	<u>953,354</u>	<u>2,941,446</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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable <u>(Unfavorable)</u>
Depreciation expense	\$ -	\$ 214,357	\$ (214,357)
Total operating expenses paid and depreciation	<u>3,894,800</u>	<u>1,167,711</u>	<u>2,727,089</u>
Deficiency of operating revenues collected over operating expenses paid and depreciation	<u>(2,794,800)</u>	<u>(32,389)</u>	<u>2,762,411</u>
Nonoperating revenues collected (expenses paid)			
Property taxes	362,500	360,608	(1,892)
Grant revenue	-	64,538	64,538
Interest income	41,875	93,817	51,942
Special maintenance tax	2,000	-	(2,000)
Debt service-principal	(251,000)	-	251,000
Debt service-interest	(103,700)	(75,527)	28,173
Other income	-	255	255
Other expense - miscellaneous	<u>(15,000)</u>	<u>(34,717)</u>	<u>(19,717)</u>
Total nonoperating revenues collected (expenses paid)	<u>36,675</u>	<u>408,974</u>	<u>372,299</u>
Excess (deficiency) of revenues collected over expenses paid before other financing sources	<u>(2,758,125)</u>	376,585	3,134,710
Other financing sources			
Transfers in from General Fund	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Change in net assets	<u>\$ (1,758,125)</u>	376,585	<u>\$ 2,134,710</u>
Net assets			
Beginning of year		<u>7,244,078</u>	
End of year		<u>\$ 7,620,663</u>	

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, 2007

	<u>Original and Final Appropriation</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Operating revenues collected			
Charges for sales and services			
Annual transmission (Lincolnshire)	\$ 8,000	\$ 7,758	\$ (242)
Tap-on fees	10,000	6,500	(3,500)
Grinder pump maintenance fees	5,700	-	(5,700)
	<u>23,700</u>	<u>14,258</u>	<u>(9,442)</u>
Operating expenses paid			
Personal services			
Salaries	10,500	6,613	3,887
FICA	2,000	1,289	711
IMRF	2,000	-	2,000
Unemployment insurance	600	-	600
	<u>15,100</u>	<u>7,902</u>	<u>7,198</u>
Contractual services			
Maintenance	70,000	80,968	(10,968)
Insurance	5,000	-	5,000
Utilities	1,000	-	1,000
Engineering services	3,000	314	2,686
Legal services	20,000	-	20,000
Other professional services	20,000	-	20,000
Sewer connection	5,000	14,738	(9,738)
Other	1,000	-	1,000
	<u>125,000</u>	<u>96,020</u>	<u>28,980</u>
Commodities	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Capital outlay			
Equipment	4,500	-	4,500
Extensions and connections	150,000	-	150,000
	<u>154,500</u>	<u>-</u>	<u>154,500</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, 2007

	Original and Final <u>Appropriation</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Total operating expenses paid	\$ 304,600	\$ 103,922	\$ 200,678
Depreciation	-	115,487	(115,487)
Total operating expenses paid and depreciation	<u>304,600</u>	<u>219,409</u>	<u>85,191</u>
Deficiency of operating revenues collected over operating expenses paid	<u>(280,900)</u>	<u>(205,151)</u>	<u>75,749</u>
Nonoperating revenues collected (expenses paid)			
Property taxes	364,000	363,986	(14)
Interest income	-	17,546	17,546
Debt service-principal	(181,000)	-	181,000
Debt service-interest	(114,500)	(73,585)	40,915
Other expense	<u>(15,000)</u>	<u>(634)</u>	<u>14,366</u>
Total nonoperating revenues collected and expenses paid	<u>53,500</u>	<u>307,313</u>	<u>253,813</u>
Excess (deficiency) of revenues collected and expenses paid before other financing sources	(227,400)	102,162	329,562
Other financing sources			
Transfer in from General Fund	<u>200,000</u>	<u>-</u>	<u>(200,000)</u>
Change in net assets	<u>\$ (27,400)</u>	102,162	<u>\$ 129,562</u>
Net assets			
Beginning of year		<u>2,972,784</u>	
End of year		<u>\$ 3,074,946</u>	

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**CAPITAL ASSETS USED IN THE OPERATION OF
GOVERNMENTAL FUNDS**

Village of Riverwoods, Illinois
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE
December 31, 2007

Governmental funds capital assets:

Land	
Parcels	\$ 1,855,000
Rights of way	508,300
Buildings and improvements	595,580
Infrastructure	
Sidewalks	144,226
Storm sewers	46,995
Equipment	
Office equipment	152,966
Vehicles	<u>161,364</u>
 Total governmental funds capital assets	 \$ <u><u>3,464,431</u></u>

Investments in governmental funds capital assets by source:

General revenues	\$ <u><u>3,464,431</u></u>
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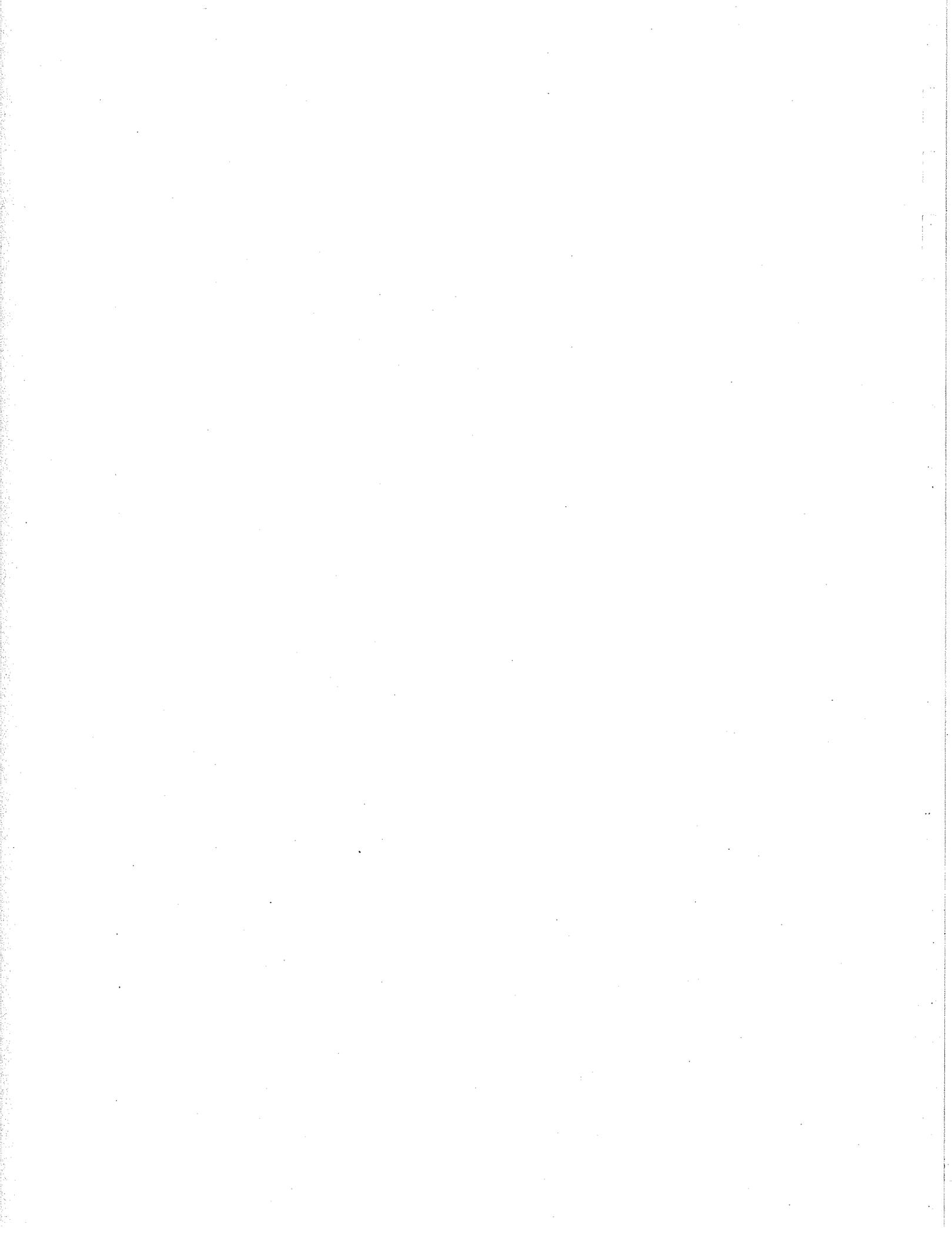
Village of Riverwoods, Illinois
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY
December 31, 2007

FUNCTION AND ACTIVITY	Land	Buildings and Improvements	Infrastructure	Equipment	Total
Administration and general government	\$ 1,855,000	\$ 400,000	\$ -	\$ 129,892	\$ 2,384,892
Police	-	195,580	-	184,438	380,018
Public works	<u>508,300</u>	<u>-</u>	<u>191,221</u>	<u>-</u>	<u>699,521</u>
Total governmental funds capital assets	<u>\$ 2,363,300</u>	<u>\$ 595,580</u>	<u>\$ 191,221</u>	<u>\$ 314,330</u>	<u>\$ 3,464,431</u>

Village of Riverwoods, Illinois
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
For the Year Ended December 31, 2007

FUNCTION AND ACTIVITY	Capital Assets January 1, 2007	Additions	Deletions	Capital Assets December 31, 2007
Administration and general government \$	2,384,892	\$ -	\$ -	\$ 2,384,892
Police	360,310	39,735	20,027	380,018
Public works	699,521	-	-	699,521
 Total governmental funds capital assets	 \$ 3,444,723	 \$ 39,735	 \$ 20,027	 \$ 3,464,431

OTHER SUPPLEMENTAL INFORMATION



Village of Riverwoods, Illinois
SCHEDULE OF CASH AND INVESTMENTS
December 31, 2007

<u>Cash and Investments by Fund</u>	<u>Cash</u>	<u>Investments</u>	<u>Totals</u>
General Fund	\$ 6,105,783	\$ 5,724,122	\$ 11,829,905
Special Revenue Funds:			
Police	64,046	-	64,046
Motor Fuel Tax	686,444	-	686,444
Duffy Roads	11,433	-	11,433
Russell Storm Sewer	48,800	-	48,800
	<u>810,723</u>	<u>-</u>	<u>810,723</u>
Debt Service Funds:			
Special Service Area # 8	43,157	-	43,157
Special Service Area # 9	11,446	-	11,446
Special Service Area # 10	24,311	-	24,311
Special Service Area # 11	40,294	-	40,294
Special Service Area # 15	73,661	-	73,661
Special Service Area # 19	37,068	-	37,068
Special Service Area # 20	23,957	-	23,957
	<u>253,894</u>	<u>-</u>	<u>253,894</u>
Enterprise Funds:			
Consolidated Water	758,081	234,312	992,393
Sewer	716,188	-	716,188
	<u>1,474,269</u>	<u>234,312</u>	<u>1,708,581</u>
Agency Fund:			
Performance Bond	503,555	34,069	537,624
Total - All Funds	<u>\$ 9,148,224</u>	<u>\$ 5,992,503</u>	<u>\$ 15,140,727</u>

(Continued)

Village of Riverwoods, Illinois
SCHEDULE OF CASH AND INVESTMENTS
December 31, 2007

Cash and Investments by Financial Institution - Book Balances

The Illinois Funds	\$ 8,042,337
Northside Community Bank	2,482,984
US Bank	72,345
National City	331,034
Wachovia	3,586,574
Howe Barnes Hoefler & Arnett	491,084
Citigroup	100,000
JP Morgan	34,069
Cash on hand	<u>300</u>
 Total	 \$ <u><u>15,140,727</u></u>

Total investment income for the year ended December 31, 2007 was \$674,813, which yielded an average rate of return of 4.75%.

(Concluded)

Village of Riverwoods, Illinois
SCHEDULE OF INSURANCE IN FORCE
December 31, 2007

Description of Coverage	Coverage	Company	Policy Number / Expiration Date
<u>LIABILITY COVERAGES</u>			
General Liability	\$ 8,000,000 each occur., for all applicable coverages, incl. Special Liability coverages	Illinois Municipal League Risk Management Assoc. [1]	0703B0497 December 31, 2008
Auto Liability			
Broad Form Property			
Civil Constitutional Rights - Assault/ Battery			
Contractual Liability			
Employee Benefit Programs Liability			
Incidental Malpractice			
Intentional Building Removal			
Limited Worldwide Liability			
Personal Injury/Advertising Liability			
Watercraft Liability			
<u>SPECIAL LIABILITY COVERAGES</u>			
Premises Medical Payments	\$ 3,000 each person		
Fire Legal Liability	\$ 8,000,000 each occur. \$ 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 limit each occurrence		
Building/Personal Property			
Inland Marine	\$ 50,000 extra expense		
Valuable Papers/Records	\$ 50,000 each occur.		
Flood/Earthquake	\$ 5,000,000 each occur./annual aggr.		
<u>STAND-ALONE COVERAGES</u>			
Crime	\$ 50,000 each occurrence		
Worker's Comp/Occupational Disease	Statutory		
Employer's Liability	\$ 3,000,000 each accident		
Public Official Position Bond	As filed with IMLRMA		

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

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Thornmeadow Sewer
 Special Service Area Number 6
December 31, 2007

Dated: January 1, 1997
 Original Issue: \$278,800
 Due: January 1, 2008
 Payment Dates: January 1 and July 1
 Interest Rate: 4.80%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ <u>34,000</u>	\$ <u>-</u>	\$ <u>34,000</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Cherrywood Sewer
 Special Service Area Number 8
December 31, 2007

Dated: August 10, 1999
 Original Issue: \$270,000
 Due: January 10, 2010
 Payment Date: January 10
 Interest Rate: 4.70%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 30,595	\$ 4,519	\$ 35,114
2009	32,024	3,090	35,114
2010	33,538	1,576	35,114
	<u>\$ 96,157</u>	<u>\$ 9,185</u>	<u>\$ 105,342</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Duffy Sewer
 Special Service Area Number 9
December 31, 2007

Dated: August 10, 1999
 Original Issue: \$72,000
 Due: January 10, 2010
 Payment Date: January 10
 Interest Rate: 4.70%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 8,159	\$ 1,205	\$ 9,364
2009	8,539	825	9,364
2010	8,943	421	9,364
	<u>\$ 25,641</u>	<u>\$ 2,451</u>	<u>\$ 28,092</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
North Robinwood Sewer
Special Service Area Number 10
December 31, 2007

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>
2008	\$ 6,665	\$ 8,065	\$ 14,730
2009	7,085	7,646	14,731
2010	7,530	7,200	14,730
2011	8,004	6,727	14,731
2012	8,507	6,223	14,730
2013	9,042	5,688	14,730
2014	9,611	5,119	14,730
2015	10,216	4,515	14,731
2016	10,858	3,872	14,730
2017	11,541	3,189	14,730
2018	12,267	2,463	14,730
2019	13,039	1,692	14,731
2020	15,099	874	15,973
	<u>\$ 129,464</u>	<u>\$ 63,273</u>	<u>\$ 192,737</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Forest Glen Water
 Special Service Area Number 11
December 31, 2007

Dated: August 10, 1999
 Original Issue: \$220,000
 Due: January 10, 2010
 Payment Date: January 10
 Interest Rate: 4.70%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 24,929	\$ 3,683	\$ 28,612
2009	26,094	2,518	28,612
2010	27,328	1,284	28,612
	<u>\$ 78,351</u>	<u>\$ 7,485</u>	<u>\$ 85,836</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 South Riverwood Sewer
 Special Service Area Number 12
December 31, 2007

Dated: June 5, 2000
 Original Issue: \$2,300,000
 Due: February 1, 2011
 Payment Date: February 1 and August 1
 Interest Rate: 5.85%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 264,475	\$ 55,486	\$ 319,961
2009	280,316	39,645	319,961
2010	297,509	22,452	319,961
2011	155,361	4,620	159,981
	<u>\$ 997,661</u>	<u>\$ 122,203</u>	<u>\$ 1,119,864</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Central Water
 Special Service Area Number 14
December 31, 2007

Dated: August 15, 2001
 Original Issue: \$2,211,600
 Due: August 1, 2011
 Payment Date: February 1 and August 1
 Interest Rate: 4.60%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 249,526	\$ 46,544	\$ 296,070
2009	261,256	34,814	296,070
2010	273,412	22,658	296,070
2011	286,134	9,936	296,070
	<u>\$ 1,070,328</u>	<u>\$ 113,952</u>	<u>\$ 1,184,280</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 South Robinwood Water
 Special Service Area Number 15
December 31, 2007

Dated:	December 15, 1999
Original Issue:	\$400,000
Due:	January 10, 2010
Payment Date:	January 10
Interest Rate:	5.55%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 45,418	\$ 7,989	\$ 53,407
2009	47,924	5,483	53,407
2010	<u>50,597</u>	<u>2,810</u>	<u>53,407</u>
	<u>\$ 143,939</u>	<u>\$ 16,282</u>	<u>\$ 160,221</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 North Robinwood Water
 Special Service Area Number 16
December 31, 2007

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>
2008	\$ 6,096	\$ 7,377	\$ 13,473
2009	6,480	6,993	13,473
2010	6,887	6,586	13,473
2011	7,320	6,153	13,473
2012	7,781	5,692	13,473
2013	8,270	5,203	13,473
2014	8,791	4,683	13,474
2015	9,344	4,130	13,474
2016	9,931	3,542	13,473
2017	10,556	2,917	13,473
2018	11,220	2,253	13,473
2019	11,926	1,547	13,473
2020	13,261	796	14,057
	<u>\$ 117,863</u>	<u>\$ 57,872</u>	<u>\$ 175,735</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
Northwest Water
Special Service Area Number 17
December 31, 2007

Dated: August 17, 2000
Original Issue: \$231,000
Due: February 1, 2011
Payment Date: February 1 and August 1
Interest Rate: 5.25%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 25,961	\$ 4,848	\$ 30,809
2009	27,374	3,435	30,809
2010	28,850	1,959	30,809
2011	<u>15,636</u>	<u>402</u>	<u>16,038</u>
	<u>\$ 97,821</u>	<u>\$ 10,644</u>	<u>\$ 108,465</u>

Village of Riverwoods, Illinois
 SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Cherrywood Road
 Special Service Area Number 18
December 31, 2007

Dated: September 22, 2000
 Original Issue: \$60,000
 Due: August 1, 2010
 Payment Date: February 1 and August 1
 Interest Rate: 7.00%

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 6,924	\$ 1,767	\$ 8,691
2009	7,429	1,262	8,691
2010	7,965	726	8,691
2011	4,285	149	4,434
	<u>\$ 26,603</u>	<u>\$ 3,904</u>	<u>\$ 30,507</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
 Hiawatha Road
 Special Service Area Number 19
December 31, 2007

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 16,722	\$ 6,204	\$ 22,926
2009	17,771	5,155	22,926
2010	18,868	4,058	22,926
2011	20,034	2,892	22,926
2012	21,267	1,659	22,926
2013	11,120	343	11,463
	<u>\$ 105,782</u>	<u>\$ 20,311</u>	<u>\$ 126,093</u>

Village of Riverwoods, Illinois
SCHEDULE OF ANNUAL DEBT SERVICE REQUIREMENTS
Whigham-Burr Oak
Special Service Area Number 20
December 31, 2007

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2008	\$ 27,037	\$ 7,163	\$ 34,200
2009	28,080	6,120	34,200
2010	29,143	5,057	34,200
2011	30,247	3,953	34,200
2012	31,385	2,815	34,200
2013	32,580	1,620	34,200
2014	16,750	350	17,100
	<u>\$ 195,222</u>	<u>\$ 27,078</u>	<u>\$ 222,300</u>

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues collected						
Taxes						
Township road and bridge tax	\$ 32,438	\$ 30,192	\$ 30,498	\$ -	\$ -	\$ -
State income taxes	345,412	317,401	289,505	245,728	252,910	220,144
Sales and local use taxes	371,183	357,254	311,594	251,785	110,281	169,463
Photo processing taxes	-	-	-	-	-	5,026
Hotel tax	125,995	122,492	92,245	68,985	83,336	65,713
Infrastructure sales tax	-	-	-	-	16,038	-
Personal property replacement taxes	2,011	1,941	1,765	-	1,181	1,205
Total taxes	<u>877,039</u>	<u>829,280</u>	<u>725,607</u>	<u>566,498</u>	<u>463,746</u>	<u>461,551</u>
Utility taxes						
Telecommunications	477,464	511,849	559,359	559,184	391,590	330,065
Electric	306,094	295,059	315,698	262,758	234,781	163,626
Gas	176,042	259,439	110,201	129,760	197,802	135,654
Total utility taxes	<u>959,600</u>	<u>1,066,347</u>	<u>985,258</u>	<u>951,702</u>	<u>824,173</u>	<u>629,345</u>
Licenses and permits						
Liquor licenses	21,000	16,500	20,000	22,500	25,000	30,000
Franchise fees	50,427	43,520	37,866	34,316	31,467	19,925
Construction fees	115,765	218,232	196,095	226,838	296,914	289,555
Cell tower lease	83,140	82,160	80,300	80,603	53,600	57,800
Special inspection	1,091	6,785	5,040	3,583	480	9,410
Elevator permits	9,385	12,240	8,690	7,576	5,680	3,372
Certificate of occupancy	-	-	-	-	508	450
Forester fees	16,090	19,002	28,652	11,735	21,279	15,515
Forest program	40,245	150,941	31,675	9,200	4,400	-
Engineer fees	8,366	19,646	17,472	12,350	10,313	1,895
Office service reimbursements	-	-	-	-	373	168
Other	-	-	-	1,207	65	300
Total licenses and permits	<u>345,509</u>	<u>569,026</u>	<u>425,790</u>	<u>409,908</u>	<u>450,079</u>	<u>428,390</u>

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF REVENUES COLLECTED (Continued)
Trend Information - Last Six Years
Years Ended December 31

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Revenues collected (continued)						
Interest income	\$ 394,258	\$ 287,881	\$ 109,568	\$ 31,824	\$ 25,922	\$ 16,122
Other revenue						
Impact fees	-	-	-	60,000	37,000	4,000
Insurance reimbursements	-	-	-	27,169	-	-
Donation for bike path	-	90,000	-	-	-	-
Miscellaneous revenue	16,749	37,279	132,191	32,662	44,979	11,855
Total other revenue	16,749	127,279	132,191	119,831	81,979	15,855
Total revenues collected	\$ <u>2,593,155</u>	\$ <u>2,879,813</u>	\$ <u>2,378,414</u>	\$ <u>2,079,763</u>	\$ <u>1,845,899</u>	\$ <u>1,551,263</u>

(Concluded)

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

	2007	2006	2005	2004	2003	2002
Expenditures paid						
Personal services						
Salaries	\$ 321,686	\$ 307,646	\$ 313,019	\$ 305,739	\$ 308,226	\$ 267,096
FICA	24,566	25,881	24,057	23,412	23,579	18,853
IMRF	33,105	30,076	28,350	29,748	30,170	27,469
Unemployment insurance	2,986	2,976	6,083	1,710	1,262	831
Health insurance	41,850	38,350	33,865	36,507	34,542	76,287
Total personal services	424,193	404,929	405,374	397,116	397,779	390,536
Contractual services						
Maintenance						
Building	38,380	22,880	24,005	30,007	38,240	29,490
Equipment	3,170	5,888	6,320	1,483	8,900	225
Grounds	23,867	24,722	12,767	9,971	11,995	10,796
Streets	9,545	11,600	-	-	-	-
Drainage and culverts	8,615	14,702	1,770	-	-	-
Bike path	-	-	560	-	-	-
Insurance	54,220	52,036	42,552	63,452	108,087	92,640
Telephone	15,769	15,193	15,973	21,314	24,432	22,728
Travel and meetings	8,185	9,103	9,135	7,619	6,206	4,576
Training	-	-	-	-	-	-
Postage	4,993	8,187	7,521	8,100	7,717	7,081
Advertising	1,542	355	1,531	2,391	1,480	2,369
Village Voice	16,309	12,387	11,308	12,538	13,656	12,620
Printing	-	628	2,244	2,240	844	-
Accounting	20,945	18,555	19,370	17,939	15,654	23,385
Engineering	96,496	130,590	130,343	137,227	135,525	68,363
Legal	112,821	104,994	110,098	113,709	112,158	108,561
Inspection fees	21,932	44,492	17,396	46,413	35,572	-
Other professional	106,953	167,933	99,084	108,313	120,840	70,140
Dues and subscriptions	1,699	1,944	3,459	2,910	1,832	1,685
NSSRA	19,947	38,292	24,454	22,100	18,318	18,189
Forest program	69,588	75,545	45,432	44,115	35,145	-
Theater In The Woods	10,000	10,000	-	-	-	-
Arts & Riverwoods	14,000	14,000	-	-	-	-

(Continued)

Village of Riverwoods, Illinois
General Fund
SCHEDULE OF EXPENDITURES PAID (Continued)
Trend Information - Last Six Years
Years Ended December 31

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>
Expenditures paid (continued)						
Contractual services (continued)						
Snow removal	\$ 36,814	\$ 23,888	\$ 44,558	\$ -	\$ -	\$ -
Signs	1,115	1,705	1,586	-	-	-
Street lighting	2,478	1,628	967	-	-	-
Miscellaneous	40,879	164,760	78,615	71,137	101,798	10,038
Total contractual services	<u>740,262</u>	<u>976,007</u>	<u>711,048</u>	<u>722,978</u>	<u>798,399</u>	<u>482,886</u>
Commodities						
Office supplies	13,012	13,337	17,700	15,829	20,438	14,464
Publications	1,225	71	-	80	203	-
Operating supplies	6,845	9,266	-	-	-	-
Total commodities	<u>21,082</u>	<u>22,674</u>	<u>17,700</u>	<u>15,909</u>	<u>20,641</u>	<u>14,464</u>
Capital outlay						
Land acquisition	-	-	-	-	-	686,287
Equipment	-	-	-	790	-	21,455
Bike path contingency	-	-	-	-	-	-
Police garage	-	-	-	-	10,475	115,061
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>790</u>	<u>10,475</u>	<u>822,803</u>
Total expenditures paid	<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>	<u>\$ 1,710,689</u>

(Concluded)

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

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

Village of Riverwoods, Illinois

Police Fund

SCHEDULE OF EXPENDITURES PAID

Trend Information - Last Six Years

Years Ended December 31

	2007	2006	2005	2004	2003	2002
Expenditures paid						
Personal services						
Salaries	\$ 640,930	\$ 600,733	\$ 544,197	\$ 489,393	\$ 416,620	\$ 322,210
Health insurance	62,838	63,522	57,568	43,669	45,105	28,886
FICA	47,968	45,240	41,009	33,889	31,901	24,649
IMRF	52,650	50,704	41,832	33,441	31,269	24,087
Total personal services	804,386	760,199	684,606	600,392	524,895	399,832
Contractual services						
Legal	42,034	34,240	26,500	16,160	20,430	8,720
Crime laboratory	9,111	9,111	6,111	6,111	6,111	6,051
Other professional	29,076	71,396	69,161	66,046	70,232	68,023
Postage	-	-	-	-	14	-
Telephone	3,543	4,055	5,384	4,362	5,195	3,147
Travel	200	266	45	16	209	1,257
Training	1,080	1,991	1,174	2,108	3,221	-
Miscellaneous	2,064	-	-	-	-	-
Total contractual services	87,108	121,059	108,375	94,803	105,412	87,198
Commodities						
Office expenses	3,549	5,098	4,209	4,572	2,300	3,164
Fuel for squad cars	29,847	28,048	20,941	18,195	14,403	7,465
Miscellaneous	-	2,542	7,983	4,045	12,657	8,441
Total commodities	33,396	35,688	33,133	26,812	29,360	18,070
Capital outlay						
Squad cars and related equipment	59,447	68,891	34,197	52,723	81,830	6,176
Police equipment	2,574	4,534	1,719	4,704	3,004	6,158
Total capital outlay	62,021	73,425	35,916	57,427	84,834	12,334
Total expenditures paid	\$ 986,911	\$ 990,371	\$ 862,030	\$ 779,434	\$ 744,501	\$ 517,434

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

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Revenues collected					
Charges for sales and services	\$ 1,135,322	\$ 1,049,323	\$ 1,154,043	\$ 995,610	\$ 1,042,030
Property taxes	360,608	361,582	358,792	364,127	329,213
Interest income	93,817	46,306	29,900	12,644	11,632
Grant revenue	64,538	-	-	-	-
Other	255	789	-	9,030	-
 Total revenues collected	 <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 EXPENDITURES PAID
Trend Information - Last Five Years
Years Ended December 31

	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
Expenditures paid					
Personal services	\$ 30,596	\$ 29,237	\$ 28,576	\$ 32,129	\$ 37,246
Contractual services	880,672	784,143	917,191	753,793	770,172
Commodities	42,086	568	-	-	-
Depreciation	214,357	214,357	214,355	211,899	231,972
Debt service	75,527	87,578	99,453	102,635	130,862
Other	34,717	3,426	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total expenditures paid	\$ <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 Five Years
Years Ended December 31

	2007	2006	2005	2004	2003
Revenues collected					
Charges for sales and services	\$ 14,258	\$ 18,631	\$ 126,804	\$ 80,874	\$ 164,819
Property taxes	363,986	364,560	400,224	408,183	398,879
Interest income	17,546	15,665	11,087	3,640	2,480
Other revenues	-	75	2,249	-	-
 Total revenues collected	\$ 395,790	\$ 398,931	\$ 540,364	\$ 492,697	\$ 566,178

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

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