

VILLAGE OF RIVERSIDE, ILLINOIS

COMPREHENSIVE ANNUAL  
FINANCIAL REPORT

For the Year Ended  
December 31, 2005

Prepared by the Finance Department

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## **INTRODUCTORY SECTION**

VILLAGE OF RIVERSIDE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2005

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LEGISLATIVE

VILLAGE BOARD OF TRUSTEES

Harold J. Wiaduck, Jr., President

Cindy Gustafson

John E. Scully

William Scanlon

Thomas C. Shields

Candice Grace

Kevin F. Smith

Arlene Blaha, Village Clerk

Pat Dragisic, Deputy Village Clerk

ADMINISTRATIVE

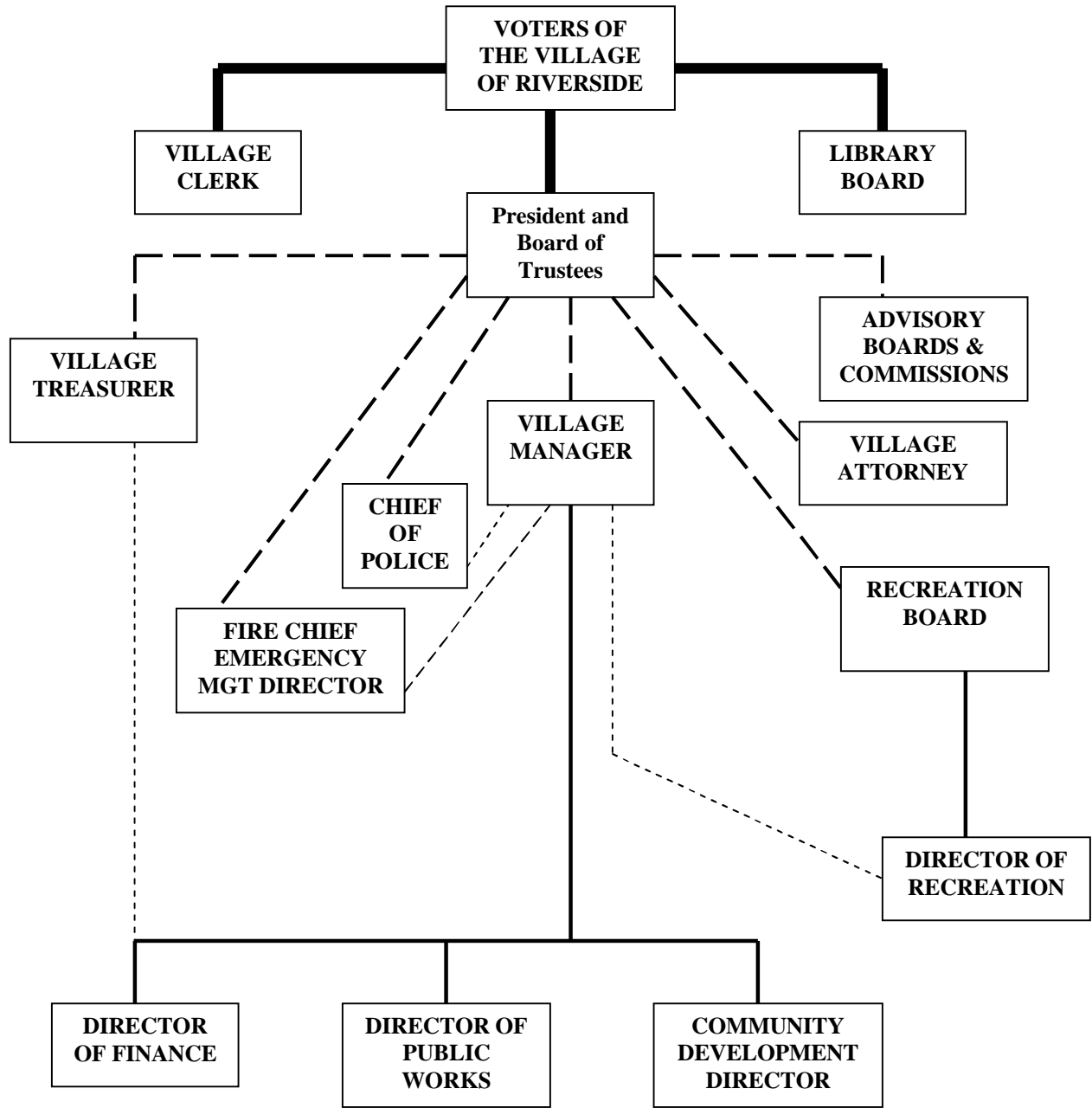
Kathleen Rush, Village Manager  
and Interim Treasurer

FINANCE DEPARTMENT

Marco Salinas, Acting Finance Director



# VILLAGE OF RIVERSIDE, ILLINOIS ORGANIZATIONAL CHART



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Village of Riverside,  
Illinois

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director



27 RIVERSIDE ROAD • RIVERSIDE, ILLINOIS 60546-2299 • 708/447/2700 • FAX:708/447/2704

June 30, 2006

To the Citizens, President and Board of Trustees  
of the Village of Riverside

The Comprehensive Annual Financial Report of the Village of Riverside (the "Village") for the year ended December 31, 2005, is hereby submitted as mandated by both local ordinance and state statute. The aforementioned ordinances and statutes require the Village to publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the Village. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Village has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village's financial statements have been audited by Sikich LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village for the fiscal year ended December 31, 2005 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor has concluded, based upon the audit, that there is a reasonable basis for rendering an unqualified opinion that the Village's financial statements for the fiscal year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The Village's MD&A can be found immediately following the report of the independent auditors.

## **Profile of the Government**

The Village of Riverside, Cook County, Illinois, encompasses 1.9 square miles and is located in western Cook County approximately eleven miles west of Chicago's "Loop." The Village was incorporated in 1875 and serves a population of 8,895. The Village is primarily a residential community originally conceived and planned in 1869 as a model suburb by Frederick Law Olmsted. In 1970, the Village was designated a National Historic Landmark by the U.S. Department of Interior, who considered it a model of suburban planning with streets and areas conforming to natural contours. Riverside homes are a collection of over 130 years of architecture, ranging from small ranches to grand Queen Annes and farmhouses. The Village is home to five Frank Lloyd Wright designed houses, two of which have been designated as National Historic Landmarks by the National Park Service.

The Village operates under the mayor-council form of government. Policy-making and legislative authority are vested in a governing board consisting of a President and six Trustees. Elections are held every two years, at which time half of the Village board is elected at large. The President is elected every four years. The Village board appoints the Village Manager, who is responsible for administration of the Village.

The Board of Trustees exercises, or has the ability to exercise, oversight of the various boards, commissions and departments as depicted in the organizational chart, as well as the Police Pension and Library funds; therefore, these activities are included in the reporting entity. However, the Intergovernmental Risk Management Agency (IRMA) and Intergovernmental Personnel Benefit Cooperative (IPBC) do not meet the established criteria for inclusion in the reporting entity, and accordingly, are excluded from this report.

The Village provides a full range of services including police, fire, emergency medical services, streets, water, sewer, infrastructure improvements, planning and zoning, building inspection, code enforcement, and recreational services in addition to general administrative services. The Village also operates and maintains several residential and commuter parking lots for the convenience of its residents and commuters on the Burlington Northern Santa Fe Line. The Village also acts as a landlord for two commercial venues associated with the train station.

The annual budget serves as the foundation for the Village's financial planning and control. All departments of the Village are required to submit budget requests to the Village Manager by mid-July of each year. The Village Manager uses these requests as the starting point for developing a proposed budget. The Village Manager and the Finance Director present a proposed budget to the Village Board for review in October of each year. The Village Board is required to hold a public hearing on the proposed budget and to adopt a final budget prior to the last Tuesday in December. Activities of the general, special revenue, debt service, capital

projects, proprietary and trust funds are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established at the department level. Increases in departmental budgets require the special approval in the form of a budget amendment by the Village Board. Budget-to-actual comparisons are provided in this report for each individual governmental fund.

In 2005, the Village prepared its second biannual budget covering the fiscal years 2006 and 2007. Only the 2006 budget was formally adopted. The 2007 budget was discussed in an effort to highlight any trends in revenues and expenditures and the consequences of those trends. In order to provide the present high level of services for the community, the Village continues to explore new methods of obtaining financial resources, and plans expenditures prudently.

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Village operates.

**Local economy.** Per capita income in Riverside is \$34,712 compared to \$23,227 for Cook County and \$23,104 for the State of Illinois, as reported by the Bureau of the Census in 2000. Home sales remain strong indicating Riverside's desirability. The 2000 Census reports the median home value was \$264,200 for Riverside compared to \$157,700 for Cook County. In 2005, home sales in the Village averaged \$464,600, which is a 76% increase over 2000. More than 70% of the homes are owner occupied, and more than 51% of the residents age 25 years old or more hold at least a bachelor's degree.

Riverside remains intensely dependent on its property tax revenue base to fund municipal services. The Village's high property tax collection rate is expected to continue; however, the Village must maintain its current economic stability, particularly in holding home values, by maintaining its level of services and community desirability. The Village's EAV (equalized assessed value) increased in 2004 by \$10,847,783 or 4.6%. However, the EAV of the Village's commercial properties is decreasing (from 14.9% in 1995 to 11% in 2002), thereby increasing the property tax burden on residences. The state multiplier, set by the Illinois Department of Revenue to even out or "equalize" differences in assessments from county to county across the state, increased from 2.4598 in 2003 to 2.5757 in for tax year 2004. In 2002, the Village's EAV increased by 37.2% after the county's tri-annual reassessment that took place that year. In 2003, the EAV decreased by 0.7%, which is a typical correction the year after a triennial reassessment.

**Long-term financial planning.** Some of the important long-term challenges facing the Village involve enhancing the Central Business District as a commercial center as well as improving the Village's infrastructure and services. In 2006, the Village anticipates several programs and initiatives to help shore up the Village's long-term financial viability.

In 2005 and into 2006, the Village worked with a group of concerned residents, businesses and officials to develop a Transit Oriented Development Plan for the Central Business District, focused in the area of the train station. The Village received a grant of \$60,000 for a consultant

to examine parking improvements, way finding, railscape, urban design and other areas which might make our community more attractive and vital. The Village funded the remaining \$15,000 of the \$75,000 total project cost. To further enhance the Central Business District, the Village has hired a consultant to work with the community and determine the feasibility of establishing a Tax Increment Financing (TIF) District to provide financing for the preservation of the area.

Also in the Central Business District, the Historic Water Tower was decommissioned from utility operations and the exterior, including two well houses, was renovated at a cost exceeding \$1.4M. The Village has received a \$75,000 grant from the State to renovate the interior space of the southwest well house for museum exhibit space. The Village also will be remodeling the Recreation space to include public washrooms, program space and new offices to better serve the public. While the preliminary interior renovation estimates were \$200,000, we now anticipate the total cost for this improvement to be approximately \$400,000. In addition, the Village has received a \$336,400 grant from the Illinois Department of Transportation to reestablish the visual and pedestrian connection between the train station and the water tower campus, Centennial Plaza. This grant requires a 20% Village share, or \$84,100. Centennial Plaza will serve as both a welcoming point for visitors and a focus for Village events.

There has been a significant focus on improving the condition of Village streets. In March of 2004, Village residents overwhelmingly supported (80%+) the passage of a bond referendum that provided \$2.06 million in bond proceeds to fund the Village's street program. In March, 2006, voters of Riverside approved an additional 1.0% Non-Home Rule Sales Tax, which is legally restricted to certain infrastructure. The Village has earmarked these additional funds, estimated at \$170,000 annually, to supplement the Village's road program. This additional revenue, along with the annual MFT allotment by the State, will significantly support the Village's streets providing a regular resurfacing program.

The Village continues to make improvements to its water and sewer infrastructure. In 2006, the Village will complete the third year of a three year water meter replacement program, changing all water meters for all water customers. The total cost of \$250,000 is paid by those customers. In addition, the Kent Street water and sewer main will be replaced in 2006 at a cost of \$450,000 to be funded by Water and Sewer Fund reserves. Engineering will occur in 2006 for the Northgate watermain, with estimated costs of \$30,000 in 2006 for design and \$530,000 in 2007 for construction, also funded by reserves in the Water and Sewer Fund.

There are several Village facilities that require ongoing maintenance and will require significant renovation to make them usable in the future. The Village's Northgate facility, Youth Center, and Fire Department need major renovation. The Police Department requires less intense modifications. Preliminary cost estimates for these projects total \$6.8M and there is currently no funding source available.

**Cash Management.** Cash temporarily idle during the year was invested in the Illinois Funds, the Illinois Metropolitan Investment Fund, commercial paper and U.S. government securities. The Village's investment policy strives to minimize credit and market risks while maintaining competitive yields on its portfolio. Accordingly, deposits were either insured by federal

depository insurance or collateralized. All collateral on deposits was held by the Village's agent or a financial institution's trust department in the Village's name.

**Risk Management.** The Intergovernmental Risk Management Agency, (IRMA) provides comprehensive liability and worker's compensation insurance for the Village based on rates determined by a revenue formula. Adjustments to these rates are made depending on IRMA's interest earnings and claims experience.

Employee health insurance is provided through the Intergovernmental Personnel Benefit Cooperative, (IPBC). Depending on the applicable union contract or personnel manual, the Village pays between 90% and 95% of the health insurance premiums for the HMO medical plan. A dental indemnity program is also offered to employees, with the Village paying 95% of premiums. The HMO rate is adjusted annually to a level that assures a profit position, allowing rebates to be placed into an internal service fund for future claim funding.

**Pension benefits.** The Village of Riverside sponsors a single-employer defined benefit pension plan for its police employees. Each year, an independent actuary engaged by the Village calculates the amount of the annual contribution that the Village must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis. The Village fully funds each year's required contribution to the pension plan as determined by the actuary. As a result of the Village of Riverside's conservative funding policy, the Village of Riverside has successfully funded 64.9% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 28 years (2033) as part of the annual required contribution calculated by the actuary.

The investment portfolio of the Police Pension Fund includes U.S. Treasury notes, U.S. Treasury Stripped Coupon Bonds, U.S. Government Agency Notes, mutual funds and separate accounts managed by insurance companies that are invested in growth stock funds. The pension fund philosophy is to buy intermediate term investments providing greater stability over time and allowing for an appropriate return on investments.

The Village also provides pension benefits for all other employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the annual hourly standard (1,000 hours). These benefits are provided through an agent-multiple-employer defined pension plan. The Village of Riverside has no obligation in connection with employee benefits offered through this plan beyond its annual contractual payment to the Illinois Municipal Retirement Fund.

Additional information on the Village of Riverside's pension arrangements can be found in Notes 9a- 9c.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Riverside for its comprehensive annual financial report for the year ended December 31, 2004.

The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards in governmental and financial reporting.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents adhere to program standards. This report must satisfy both generally accepted accounting principles and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. The Village has received a Certificate of Achievement for the last fifteen out of sixteen years, (fiscal years ended 1989 – 2004, not including 1999). The 1999 report was not submitted to GFOA due to an oversight. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


The preparation of the Comprehensive Annual Financial Report was made possible by the dedicated service of the Finance Department staff. Each member of the department has our sincere appreciation for the contributions made in preparation of this report.

We would also like to express our appreciation to the personnel at Sikich LLP who performed the examination in an effective and cooperative manner.

Respectfully submitted,

**VILLAGE OF RIVERSIDE**

  
\_\_\_\_\_  
Kevin Wachtel  
Village Treasurer

  
\_\_\_\_\_  
Kathleen Rush  
Village Manager



## **FINANCIAL SECTION**



998 Corporate Boulevard • Aurora, IL 60502

*Members of American Institute of  
Certified Public Accountants &  
Illinois CPA Society*

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President  
Members of the Board of Trustees  
Village of Riverside  
Riverside, Illinois

We have audited the basic financial statements of the Village of Riverside, Illinois, as of and for the year ended December 31, 2005, as listed in the accompanying table of contents. These basic financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

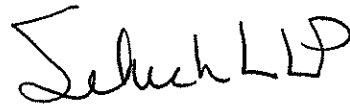
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Village of Riverside, Illinois, as of December 31, 2005, and the results of its operations and the cash flows of its proprietary funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Riverside, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The Management's Discussion and Analysis and other required supplementary information listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

The introductory and statistical section listed in the table of contents was not audited by us and, accordingly, we do not express an opinion thereon.

A handwritten signature in black ink that reads "Seluch LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois  
May 9, 2006

**GENERAL PURPOSE EXTERNAL  
FINANCIAL STATEMENTS**

**VILLAGE OF RIVERSIDE, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**December 31, 2005**

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As the management of the Village of Riverside (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2005. The Management's Discussion and Analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial authority, (3) identify changes in the Village's financial position (its ability to address the subsequent years' challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which may be found on pages iv through viii of this report.

**Financial Highlights**

- The Village's Net Assets increased by \$734,924, or 2.3% during 2005. Of that, \$307,736 is attributable to governmental activities and \$427,188 is related to business-type activities.
- The total fund balance of Governmental Funds decreased by \$1,148,462, or 10.4%, to \$9,853,910. This decrease is due to the \$1.4M expenditure for the renovation of the Historic Water Tower.
- The General Fund unreserved fund balance (including designated for cash flow and designated for contingencies) is \$4,799,165, or 63% of General Fund expenditures and other financing uses.

**USING THE FINANCIAL SECTION OF THIS COMPREHENSIVE ANNUAL REPORT**

The Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. The focus is on both the Village as a whole (government-wide) and on the major individual funds. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year to year or government to government) and enhance the Village's accountability.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

## **VILLAGE OF RIVERSIDE, ILLINOIS MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Governmental and business-type activities are consolidated into columns that add to a total for the Primary Government.

The Statement of Net Assets presents information on all of the Village’s assets and liabilities, with the difference between the two reported as net assets. This statement combines and consolidates governmental funds’ current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The Statement of Activities presents information showing how the government’s net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused sick leave).

The Governmental Activities reflect the Village’s basic services, including police, fire, emergency medical services, streets, infrastructure improvements, planning and zoning, building inspection, code enforcement and recreational services in addition to general administrative services. Property taxes, shared State sales taxes, local utility taxes, and shared State income taxes, finance the majority of these activities. The Business-Type Activities reflect private sector-type operations (Water and Sewer Fund and the Parking Lot Fund), where the fee for service covers all or most of the cost of operation, including depreciation.)

The government-wide financial statements include not only the Village itself (known as the primary government), but also the Riverside Public Library (the “Library”). The Village is financially accountable for the Library but the Library has a separate governing board. Because the Library is a component unit, its financial information is reported separately from the financial information of the Village.

### **Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the fund financial statements is now on major funds rather than fund types. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

***Governmental Funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financing requirements.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 6 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, both of which are considered to be “major” funds. Data from the other 4 governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

***Proprietary Funds.*** The Village maintains one type of proprietary fund: enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewer system, and parking lot operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Fund, which is considered to be a major fund of the Village.

The basic proprietary fund financial statements can be found on pages 10 through 14 of this report.

***Fiduciary Funds.*** Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains one fiduciary fund: the Police Pension Fund.

The basic fiduciary fund financial statements can be found on pages 15 through 16 of this report.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

**Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17 through 51 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village’s progress in funding its obligation to provide benefits to its employees. Required supplementary information can be found on pages 52 through 57 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and nonmajor enterprise funds are presented. Combining and individual fund statements and schedules can be found on pages 58 through 87 of this report.

**Financial Analysis of the Village as a Whole**

In accordance with GASB Statement No. 34, the Village is not required to restate prior periods for the purposes of providing comparative information. However, in future years, when prior year information is available, a comparative analysis of government-wide information will be presented.

**GOVERNMENT-WIDE STATEMENTS**

**Net Assets**

As noted earlier, net assets may serve over time as a useful indicator of a government’s financial position. In the case of the Village, assets exceeded liabilities by \$33,205,500 at the close of the most recent fiscal year.

By far the largest portion of the Village’s net assets (62%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets that are still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Village’s investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following table reflects the condensed Statement of Net Assets.



**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Table 1  
Statement of Net Assets  
As of December 31, 2005 and 2004**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2004	2005	2004	2005	2004	2005
<b>Assets</b>						
Current Assets	\$16,115,257	\$15,637,649	\$2,856,538	\$3,410,744	\$18,971,795	\$19,048,393
Noncurrent Assets	17,183,770	18,154,790	12,797,250	12,594,826	29,981,020	30,749,616
<b>Total Assets</b>	<b>\$33,299,027</b>	<b>\$33,792,439</b>	<b>\$15,653,788</b>	<b>\$16,005,570</b>	<b>\$48,952,815</b>	<b>\$49,798,009</b>
<b>Liabilities</b>						
Long-Term Liabilities	\$5,532,079	\$5,441,862	\$5,224,388	\$5,118,455	\$10,756,467	\$10,560,317
Current Liabilities	5,343,994	5,619,887	381,778	412,305	5,725,772	6,032,192
<b>Total Liabilities</b>	<b>\$10,876,073</b>	<b>\$11,061,749</b>	<b>\$5,606,166</b>	<b>\$5,530,760</b>	<b>\$16,482,239</b>	<b>\$16,592,509</b>
<b>Net Assets</b>						
Invested in Capital Assets,						
Net of Debt	\$13,460,653	\$14,147,540	\$7,346,512	\$7,289,826	\$20,807,165	\$21,437,366
Restricted	3,783,568	3,552,745	-	-	3,783,568	3,552,745
Unrestricted	5,178,733	5,030,405	2,701,110	3,184,984	7,879,843	8,215,389
<b>Total Net Assets</b>	<b>\$22,422,954</b>	<b>\$22,730,690</b>	<b>\$10,047,622</b>	<b>\$10,474,810</b>	<b>\$32,470,576</b>	<b>\$33,205,500</b>

An additional portion of the Village's net assets (15.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$5,030,405, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Village is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The Village's combined net assets increased from \$32,470,576 in 2004 to \$33,205,500 for 2005. Of this \$734,924 increase, \$307,736 is attributable to governmental activities and \$427,188 is related to business-type activities. The increase that occurred in net assets for the governmental funds was due in part to various capital projects, including \$1.4M renovation of the Historic Water Tower, the bond funded street program and other capital projects. Net assets of the business-type activities increased as result of major capital projects in the Water and Sewer Fund, including the meter replacement program and Selborne sewer.

For more detailed information, see the Statement of Net Assets on page 3.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

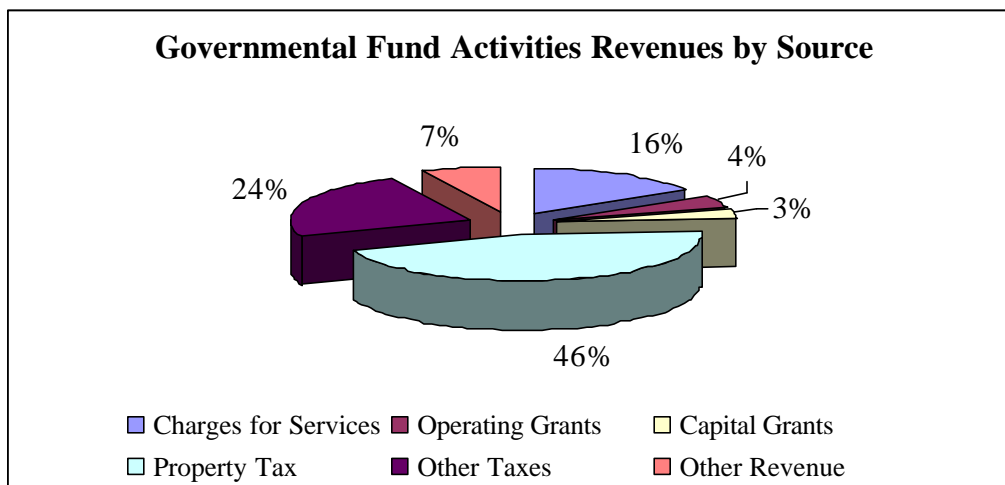
**Activities**

The following table summarizes the revenue and expenses of the Village's activities.

**Table 2  
Changes in Net Assets  
For the Fiscal Year Ended December 31, 2005 and 2004**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total Primary Government</b>	
	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>	<b>2004</b>	<b>2005</b>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$1,403,539	\$1,383,657	\$2,445,064	\$2,776,913	\$3,848,603	\$4,160,570
Operating Grants	281,911	382,744	-	-	281,911	382,744
Capital Grants	201,860	289,157	-	50,000	201,860	339,157
General Revenues						
Property Tax	3,788,624	3,884,860	-	-	3,788,624	3,884,860
Other Taxes	1,810,711	2,013,313	-	-	1,810,711	2,013,313
Other Revenue	492,344	607,843	96,773	55,585	589,117	663,428
<b>Total Revenues</b>	<b>\$7,978,989</b>	<b>\$8,561,574</b>	<b>\$2,541,837</b>	<b>\$2,882,498</b>	<b>\$10,520,826</b>	<b>\$11,444,072</b>
<b>Expenses</b>						
General Government	\$1,796,603	\$1,611,117	-	-	1,796,603	1,611,117
Public Safety	4,102,866	4,657,227	-	-	4,102,866	4,657,227
Highways and Streets	1,225,435	1,125,089	-	-	1,225,435	1,125,089
Culture and Recreation	832,524	761,705	-	-	832,524	761,705
Interest	84,257	98,700	-	-	84,257	98,700
Water and Sewer	-	-	2,914,681	2,338,845	2,914,681	2,338,845
Parking System	-	-	127,391	116,465	127,391	116,465
<b>Total Expenses</b>	<b>\$8,041,685</b>	<b>\$8,253,838</b>	<b>\$3,042,072</b>	<b>\$2,455,310</b>	<b>\$11,083,757</b>	<b>\$10,709,148</b>
<b>Change in Net Assets</b>	<b>(62,696)</b>	<b>307,736</b>	<b>(500,235)</b>	<b>427,188</b>	<b>(562,931)</b>	<b>734,924</b>
<b>Net Assets, January 1</b>	<b>22,485,650</b>	<b>22,422,954</b>	<b>10,547,857</b>	<b>10,047,622</b>	<b>33,033,507</b>	<b>32,470,576</b>
<b>Net Assets, December 31</b>	<b>\$22,422,954</b>	<b>\$22,730,690</b>	<b>\$10,047,622</b>	<b>\$10,474,810</b>	<b>\$32,470,576</b>	<b>\$33,205,500</b>

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**



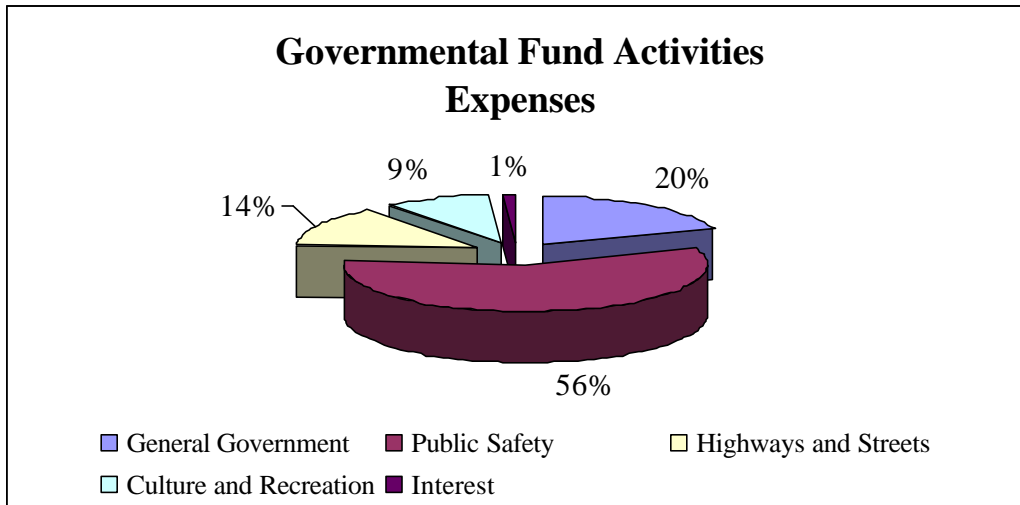
For the fiscal year ended December 31, 2005, revenues from Governmental Activities totaled \$8,561,574. Taxes generate the largest share of governmental fund revenues. More than 46% of all governmental revenue is derived from property taxes. Property taxes support governmental activities, including the Village’s contribution to the Police Pension Fund. During the fiscal year \$3,884,860 in property taxes were collected. Sales tax revenues combined with the local utility tax, and shared state income tax revenues total \$2,013,313 representing 24% of the total Governmental Activity Other Taxes revenue.

There was an increase in the Capital Grants category, in 2005, as the Village received a Save America’s Treasures Grant from the U.S. Department of the Interior for \$275,000. This grant related to the rehabilitation of the Historic Water Tower. In addition, a grant for \$60,000 was received to complete a Transit Oriented Development (TOD) study for the Central Business District, funded by the Regional Transit Authority (RTA).

Included in Charges for Services, in 2005, was an 8% decrease in fines and forfeitures. Fines and forfeitures, in 2004, generated \$246,457 compared to 2005 revenue of \$226,422. Also included in Charges for Services are program fees for Park and Recreation programs. This revenue decreased in 2005 to \$145,500 from revenue in 2004 of \$158,681. This decline is due to a change in facilities and limited enrollment for the Village’s basketball, volleyball and in-door soccer programs. In 2004, these changes in facilities affected only a few months of the year and had a negative affect on revenues. However, in 2005, enrollment was restricted for the entire year, further constraining program revenue.

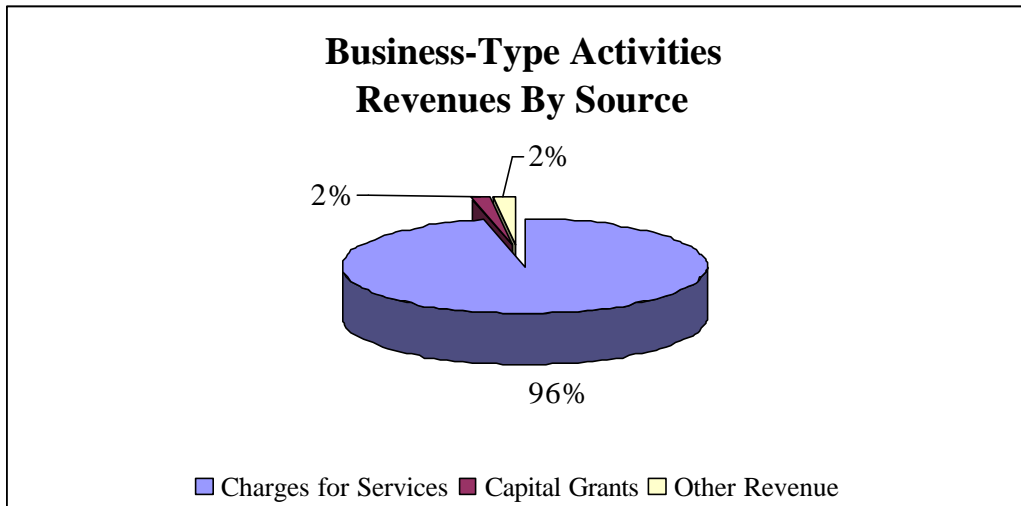
**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**

In 2005, building permit revenue, which is included in the category “Charges for Services”, totaled \$255,968 for the year. This is a decrease of 11% or \$31,810 below fiscal year 2004. The reduction in revenue is due to 12% fewer permits issued (929 in 2004 to 819 in 2005). However, the value of the construction that occurred actually increased by 7% (\$16,811,517) and averaging \$20,494 per residential permit in 2005, up from \$15,701,662 in total construction or \$16,902 per residential permit in 2004.

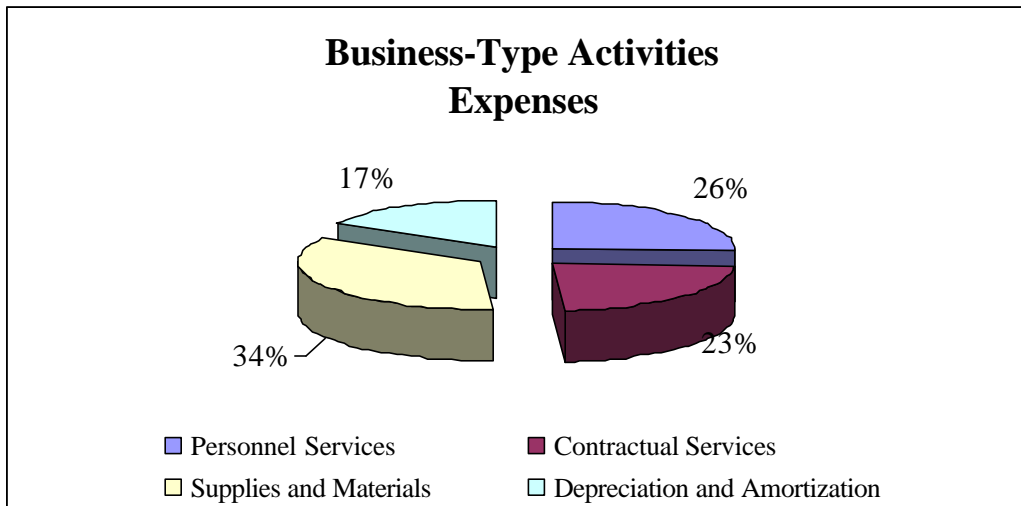


Governmental fund activity expenses amounted to a total of \$8,253,838 in 2005. Total expenses for governmental fund activities were 2.6% higher than in 2004. Public safety expenses related to the operations of the Police Department and Fire Department accounted for the largest share of the total, with a combined expense of \$4,657,227, which is an increase of \$554,361 (13.5%) from 2004. The cost of operating the Village’s Police Department is increasing at a greater rate than other departments due to significant increases (20%+) in funding state mandatory contributions to the Village’s Police Pension Fund. Overall expenses in the Police Department increased by 9.3% and the Fire Department increased by 8.0%, which are the two largest departments in the General Fund.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS (continued)**



The major revenue component in Charges for Services is fees from the Village’s water and sewer utility. Water and sewer fee revenue were up 13.5% in 2005, \$2,776,913, compared with \$2,445,064 in 2004. The majority of this increase is due to a general increase in water consumption with unusually dry weather during 2005.



Expenses for the Water and Sewer Fund make up 95% of total business-type activity expenses. Water and Sewer contractual expenses are down 42% over last year due to expenses of approximately \$350,000 relating to the 2004 decommissioning of the Village’s old gravity water system, which was not capitalized as it did not result in the addition of a new asset. Supplies and materials also decreased by 18% due to the receipt of a credit from the Village of McCook (the Village’s water supplier) as the result of being over charged in the prior fiscal year.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS**

*Governmental Funds*

At December 31, 2005, the Governmental Funds reported a combined fund balance of \$9,853,910 which is a 10.4% decrease from the beginning of the year of \$11,002,372. This decrease in fund balance is mainly attributed the \$1.4M historic water tower renovation project that was completed in 2005.

Of the total combined fund balance, \$6,300,451 is unreserved indicating funds available for continuing Village services. Reserved fund balance of \$3,553,459 includes \$1,571,087 for capital projects related to the bond issue for the rehabilitation of streets, \$638,534 for advances to other funds, \$420,887 for highways and streets, \$366,037 for public safety, \$316,125 for debt service, \$201,126 for working cash, and \$39,663 for various other purposes.

The General Fund is the Village's primary operating fund and the largest source of day-to-day service delivery. The total fund balance of the General Fund decreased by \$1,135,584, or 18.9%, from Fiscal Year 2004. The net change in fund balance was anticipated due to transfers of \$1,248,266 from the General Fund, which \$1,190,000 was from the Unreserved Fund Balance, Designated for Capital Projects to the Capital Projects Fund for the historic water tower renovation. In addition, a \$58,266 transfer from the General Fund to the Debt Service Fund for various debt obligations was made. Revenues increased by \$412,376, or 6.2%, and net financing uses decreased by \$125,890 or 11% due to the aforementioned operating transfer out which had a negative effect on the change in fund balance. Expenditures increased by \$528,981 or 8.3% from the prior year.

**Table 3  
General Fund Budgetary Highlights  
For the Fiscal Year Ended December 31, 2005 and 2004**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>2005 Actual</u>	<u>2004 Actual</u>
Revenues	\$ 6,789,724	\$ 6,823,643	\$ 7,027,783	\$ 6,615,407
Expenditures	<u>(6,763,198)</u>	<u>(7,064,289)</u>	<u>(6,915,101)</u>	<u>(6,386,120)</u>
<i>Excess of Revenues over Expenditures</i>	26,526	(240,646)	112,682	229,287
Other Financing Sources (Uses)	(1,248,766)	(1,248,766)	(1,248,266)	(1,122,376)
<i>Net Change in Fund Balance</i>	<u>\$ (1,222,240)</u>	<u>\$ (1,489,412)</u>	<u>\$ (1,135,584)</u>	<u>\$ (893,089)</u>

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

***Proprietary Funds***

For the year ending December 31, 2005, the Proprietary Funds total net assets increased by \$427,188 or 4.3%. This increase is primarily due to higher than anticipated water usage and related water revenue.

Collected revenues were over budget by 3.4%. The Village received higher than anticipated property taxes (\$186,094, or 6.2%) State per capita taxes were 13.9% higher (\$92,950) and Utility Taxes were \$57,598 (7%) higher than expected due to higher natural gas costs. Other revenues that were notably higher than anticipated were Interest Income (\$23,392, 23%) and Recreation Donations (\$15,833, 163%).

The majority of budget amendments in 2005 were for expenditures of unanticipated projects, most of which were reimbursed by a developer or outside party such as developer review for Longcommon project (\$16,449) and Arcade Development (\$3,070) (those costs were reimbursed by the permit applicant) or the fall tree planting program. Legal costs were amended by approximately \$40,000. Community Development had cost increases totaling \$22,550 for contractor plan review due to the Chief Building Inspector vacancy. The Fire Department's budgets were amended by \$31,199 as a result of the deployment of personnel to New Orleans to assist with the Hurricane Katrina disaster assistance (which was reimbursed by the State) and \$36,348 to purchase equipment from the Foreign Firefighters Fund Reserve.

Despite the need to amend the expenditure budgets, as a result of the above, there were other departments whose expenditures (i.e., Village Manager; Parks Maintenance; Finance; Data Processing; Police Administration; and Fire Training) came in less than actual, thus eliminating the need to draw upon existing fund balance.

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

**Capital Assets**

The following schedule reflects the Village's capital asset balances as of December 31, 2005.

**Table 4  
Capital Assets  
As of December 31, 2005 and 2004**

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	2004	2005	2004	2005	2004	2005
Land and Land Right of Way	\$ 2,082,337	\$ 2,082,337	\$ 71,700	\$ 71,700	\$ 2,154,037	\$ 2,154,037
Buildings and Land Improvements	7,727,448	7,739,364	16,388,351	16,423,963	24,115,799	24,163,327
Machinery, Vehicles, and Equipment	2,358,055	2,593,325	394,369	425,466	2,752,424	3,018,791
Streets	11,426,911	11,426,911	-	-	11,426,911	11,426,911
Construction in Progress	191,791	1,426,934	-	73,163	191,791	1,500,097
Less:						
Accumulated Depreciation	(6,602,772)	(7,114,081)	(4,057,170)	(4,399,466)	(10,659,942)	(11,513,547)
<b>Total</b>	<b>\$ 17,183,770</b>	<b>\$ 18,154,790</b>	<b>\$ 12,797,250</b>	<b>\$ 12,594,826</b>	<b>\$ 29,981,020</b>	<b>\$ 30,749,616</b>

At year-end, the Village's investment in capital assets for both its governmental and business-type activities was \$30.7 million (net of accumulated depreciation). This represents an increase of 2.5% from December 31, 2004.

Major capital asset events during 2005 included the following.

- The exterior renovation of the Village's Historic Water Tower was substantially completed in 2005 and is included as construction in progress. The total cost of this project is estimated to be \$1.4M. A portion of the cost was funded through the Save America's Treasures Grant from the National Park Service for \$275,000.
- Street Improvements continued in 2005 utilizing motor fuel tax dollars and bond proceeds in the Capital Projects Fund. Work on Addison road was completed in 2005. Engineering work for Quincy Road was completed in 2005 with construction scheduled for 2006.
- E-911 Communications equipment was installed during 2005 totaling \$108,815.

Additional information of the Village's capital assets can be found in the Notes to the Financial Statements on pages 30-31.

**Long-Term Debt**

In Fiscal Year 2005, the Village issued \$2,565,000 Alternate Revenue Bonds to refund the \$3.5M 1999 Alternate Revenue Bonds, which was issued for Water and Sewer system



**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

improvements. The Village also issued \$518,000 General Obligation Limited Tax Refunding Bonds to cover two years (2005 and 2006) of debt service payments on the \$3.3M 2002 Alternate Revenue Bonds that financed the construction of the Public Works Facility. Both of these refunding bonds were issued to realize interest savings. No other additional debt was issued in 2005. In 2005, only the remaining \$2,480,000 of the \$3.5M 1999 Alternate Revenue Bonds as mentioned above was retired.

The Village currently has two general obligation bonds (total \$4.725 million), two general obligation limited tax refunding bond (total \$603,000), two general obligation alternative revenue source bonds (total \$5.405 million), and one installment contract (\$250,337) outstanding at December 31, 2005. The outstanding series 2002 general obligation bond of \$2.81 million is for the construction of the new public works building. This debt is annually abated and funded with the \$85,000 (for payments in 2003 and 2004) and \$518,000 (for payments in 2006, 2007 and 2008) general obligation limited tax refunding bonds. The outstanding series 2004 general obligation bond of \$1.915 million is for the funding of the street improvement program. The outstanding 1999 series general obligation alternative revenue source bond of \$290,000 was used to fund infrastructure improvements in the Water and Sewer Fund and has been refunded with the \$2.565 Series 2005 Alternate Revenue Bonds. These bonds are paid for by user fees generated from the fund. Likewise, the 2003 series general obligation alternative revenue source bonds of \$2.45 million were used to pay for infrastructure improvements in the Water and Sewer Fund and are paid for by user fees generated from the fund. The \$250,337 installment note outstanding was used to fund the purchase of a Fire Department aerial truck.

The Village, under its non-home rule authority, has a legal debt margin at December 31, 2004 of \$18,862,585. Under Illinois Statutes, Alternate Bonds are not subject to the debt limitation. Therefore the Village is well under the legal debt margin with only \$2.518 million subject to the legal debt margin. During Fiscal Year 2004, the Village's A2 debt rating was upgraded by Moody's Investors Service to an A1 rating citing the Village's well-managed financial operations, moderate direct debt burden, and healthy fund balance reserves.

Additional information of the Village's long-term debt can be found in the Notes to the Financial Statements on pages 32-38.

**Economic Factors and Next Year's Budget's and Rates**

In general, the Village's revenue stream remains constrained by property tax limits, a declining commercial property tax base and legislation limiting tax revenue. The Village's composition is primarily residential with a very small commercial component. The property tax revenue derived from the residential, commercial, and industrial properties is stable. However, because of the non-home rule tax cap, growth in revenue is small and limited to the growth in the annual Consumer Price Index. State revenues, including income, and use taxes continue to be affected by the general downturn in the economy. The revenue from these sources slightly rebounded in 2004; however, they are still 10% below 2001 levels. Investment income continues to improve with increasing in interest rates. Sales tax revenues decreased slightly in 2005, by 0.5%, and continue to remain flat. Utility taxes saw a 6% increase due in large part to higher natural gas

**VILLAGE OF RIVERSIDE, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS (continued)**

costs. Water usage charges were 16.4% higher in 2005 due to drought conditions and higher water usage by customers.

Building permit revenues and planning and inspections fees are expected to continue to remain steady or decrease due in part to higher homeowner interest rates. Sales tax revenue is expected to remain stable. Utility taxes should remain steady and franchise fees are only expecting modest increases. Water and sewer charges will likely decrease from 2005, but remain increase slightly over 2004 levels, excepting abnormal weather conditions. No increase in parking permit fees is expected.

Budgeted expenditures include increases due to salary adjustments in excess of 3.5% which are part of employee labor agreements. Health insurance is expected to continue to rise and will increase 12% effective July, 2006. Pension costs are also expected to increase due to state mandatory benefit increases and the moderate investment income similar to the trend throughout the country. Expenditures for materials and supplies and other contractual services have been reduced in an effort to offset these increases. The largest fiscal challenge facing the Village is the revenue growth rate not keeping pace with the expenditure growth rate.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the funds it receives. Questions concerning this report or requests for additional financial information should be directed to Kevin Wachtel, Director of Finance, Village of Riverside, 27 Riverside Road, Riverside, Illinois 60546.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2005

	Primary Government			Component
	Governmental Activities	Business-Type Activities	Total	Unit Riverside Public Library
<b>ASSETS</b>				
Cash and investments	\$ 10,032,143	\$ 2,788,448	\$ 12,820,591	\$ 501,320
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	4,136,650	-	4,136,650	806,177
Accounts	-	465,068	465,068	-
Accrued interest	68,868	18,253	87,121	-
Other	414,361	-	414,361	12,901
Prepaid expenses	714	8,270	8,984	-
Due from other governments	271,457	-	271,457	-
Deferred charges	281,062	130,705	411,767	-
Net pension asset	432,394	-	432,394	-
Capital assets not being depreciated	3,509,271	144,863	3,654,134	-
Capital assets (net of accumulated depreciation)	14,645,519	12,449,963	27,095,482	1,265,595
<b>Total assets</b>	<b>33,792,439</b>	<b>16,005,570</b>	<b>49,798,009</b>	<b>2,585,993</b>
<b>LIABILITIES</b>				
Accounts payable	617,423	153,880	771,303	19,486
Accrued payroll	124,532	22,957	147,489	14,673
Accrued interest payable	8,386	39,254	47,640	-
Deferred revenues	4,294,578	-	4,294,578	801,600
Deposits payable	33,750	200	33,950	-
Noncurrent liabilities				
Due within one year	541,218	196,014	737,232	2,119
Due in more than one year	5,441,862	5,118,455	10,560,317	12,009
<b>Total liabilities</b>	<b>11,061,749</b>	<b>5,530,760</b>	<b>16,592,509</b>	<b>849,887</b>
<b>NET ASSETS</b>				
Investment in capital assets, net of related debt	14,147,540	7,289,826	21,437,366	1,265,595
Restricted for				
Special purposes	-	-	-	48,792
Employee retirement	-	-	-	1,937
Audit	-	-	-	102
Unemployment	-	-	-	348
Working cash	839,660	-	839,660	90,000
Highways and streets	420,887	-	420,887	-
Public safety	366,037	-	366,037	-
Debt service	316,125	-	316,125	-
Fire purposes	9,680	-	9,680	-
Park maintenance	18,528	-	18,528	-
Malmstrom trust	10,741	-	10,741	-
Capital projects	1,571,087	-	1,571,087	-
Culture and recreation	-	-	-	329,332
Unrestricted	5,030,405	3,184,984	8,215,389	-
<b>TOTAL NET ASSETS</b>	<b>\$ 22,730,690</b>	<b>\$ 10,474,810</b>	<b>\$ 33,205,500</b>	<b>\$ 1,736,106</b>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 1,611,117	\$ 363,230	\$ 70,213	\$ 6,691
Public safety	4,657,227	350,904	29,859	-
Highways and streets	1,125,089	512,325	259,102	-
Culture and recreation	761,705	157,198	23,570	282,466
Interest	98,700	-	-	-
Total governmental activities	8,253,838	1,383,657	382,744	289,157
Business-type activities				
Water	2,200,713	2,216,262	-	50,000
Sewer	138,132	474,813	-	-
Parking system	116,465	85,838	-	-
Total business-type activities	2,455,310	2,776,913	-	50,000
TOTAL PRIMARY GOVERNMENT	\$ 10,709,148	\$ 4,160,570	\$ 382,744	\$ 339,157
COMPONENT UNIT				
Riverside Public Library	\$ 941,713	\$ 31,172	\$ 31,579	\$ -

Net (Expense) Revenue and Change in Net Assets				
Primary Government				Component Unit
Governmental Activities	Business-Type Activities	Total	Riverside Public Library	
\$ (1,170,983)	\$ -	\$ (1,170,983)	\$ -	
(4,276,464)	-	(4,276,464)	-	
(353,662)	-	(353,662)	-	
(298,471)	-	(298,471)	-	
(98,700)	-	(98,700)	-	
(6,198,280)	-	(6,198,280)	-	
-	65,549	65,549	-	
-	336,681	336,681	-	
-	(30,627)	(30,627)	-	
-	371,603	371,603	-	
(6,198,280)	371,603	(5,826,677)	-	
-	-	-	(878,962)	
General revenues				
Taxes				
Property	3,884,860	-	3,884,860	764,608
Sales	298,733	-	298,733	-
Per capita	767,921	-	767,921	-
Utility	906,488	-	906,488	-
Replacement	40,171	-	40,171	-
Other	95,394	-	95,394	-
Franchise fees	74,253	-	74,253	-
Investment income	291,537	55,585	347,122	14,722
Miscellaneous	146,659	-	146,659	17,094
Total	6,506,016	55,585	6,561,601	796,424
CHANGE IN NET ASSETS	307,736	427,188	734,924	(82,538)
NET ASSETS, JANUARY 1	22,422,954	10,047,622	32,470,576	1,818,644
NET ASSETS, DECEMBER 31	\$ 22,730,690	\$ 10,474,810	\$ 33,205,500	\$ 1,736,106

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

BALANCE SHEET  
GOVERNMENTAL FUNDS

December 31, 2005

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and investments	\$ 5,552,482	\$ 3,254,193	\$ 1,225,468	\$ 10,032,143
Receivables (net of allowances for uncollectibles)				
Property taxes	3,607,741	-	528,909	4,136,650
Accrued interest	38,312	21,878	8,678	68,868
Other	394,092	-	20,269	414,361
Due from other governments	200,047	50,000	21,410	271,457
Prepaid expenditures	714	-	-	714
Advance to other funds	-	-	638,534	638,534
<b>TOTAL ASSETS</b>	<b>\$ 9,793,388</b>	<b>\$ 3,326,071</b>	<b>\$ 2,443,268</b>	<b>\$ 15,562,727</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 351,701	\$ 253,698	\$ 12,024	\$ 617,423
Accrued payroll	124,532	-	-	124,532
Deposits payable	33,750	-	-	33,750
Deferred revenue	3,769,058	-	525,520	4,294,578
Advances from other funds	638,534	-	-	638,534
<b>Total liabilities</b>	<b>4,917,575</b>	<b>253,698</b>	<b>537,544</b>	<b>5,708,817</b>
<b>FUND BALANCES</b>				
Reserved for prepaid expenditures	714	-	-	714
Reserved for advances to other funds	-	-	638,534	638,534
Reserved for working cash	-	-	201,126	201,126
Reserved for highways and streets	-	-	420,887	420,887
Reserved for public safety	36,985	-	329,052	366,037
Reserved for debt service	-	-	316,125	316,125
Reserved for fire purposes	9,680	-	-	9,680
Reserved for park maintenance	18,528	-	-	18,528
Reserved for Malstrom trust	10,741	-	-	10,741
Reserved for capital projects (bond proceeds)	-	1,571,087	-	1,571,087
Unreserved				
Designated for contingencies	650,000	-	-	650,000
Designated for capital projects	-	1,501,286	-	1,501,286
Designated for cash flow	1,800,000	-	-	1,800,000
Undesignated	2,349,165	-	-	2,349,165
<b>Total fund balances</b>	<b>4,875,813</b>	<b>3,072,373</b>	<b>1,905,724</b>	<b>9,853,910</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 9,793,388</b>	<b>\$ 3,326,071</b>	<b>\$ 2,443,268</b>	<b>\$ 15,562,727</b>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

December 31, 2005

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FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 9,853,910
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 governmental funds	18,154,790
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds	
Bonds payable	(5,328,000)
Discount on bonds payable	9,681
Installment contracts payable	(250,337)
Compensated absences	(414,424)
Deferred charges is shown as an asset on the statement of net assets	281,062
Accrued interest on long-term liabilities is shown as a liability on the statement of net assets	(8,386)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets	432,394
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 22,730,690</u>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

For the Year Ended December 31, 2005

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 4,553,463	\$ -	\$ 632,013	\$ 5,185,476
Intergovernmental	931,735	289,157	259,102	1,479,994
Licenses and permits	547,907	-	-	547,907
Charges for services	403,034	-	-	403,034
Fines and forfeits	226,422	-	-	226,422
Investment income	177,559	57,014	56,965	291,538
Miscellaneous	187,663	239,540	-	427,203
<b>Total revenues</b>	<b>7,027,783</b>	<b>585,711</b>	<b>948,080</b>	<b>8,561,574</b>
<b>EXPENDITURES</b>				
Current				
General government	1,494,596	-	-	1,494,596
Public safety	4,234,858	-	44,812	4,279,670
Highways and streets	472,947	-	95,275	568,222
Culture and recreation	712,700	-	-	712,700
Capital outlay	-	2,073,245	-	2,073,245
Debt service				
Principal retirement	-	-	456,795	456,795
Interest	-	-	124,018	124,018
Fiscal charges	-	-	4,339	4,339
<b>Total expenditures</b>	<b>6,915,101</b>	<b>2,073,245</b>	<b>725,239</b>	<b>9,713,585</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>112,682</b>	<b>(1,487,534)</b>	<b>222,841</b>	<b>(1,152,011)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	1,190,000	58,266	1,248,266
Transfers (out)	(1,248,266)	-	-	(1,248,266)
Issuance of bonds, at par	-	-	518,000	518,000
Payment to escrow agent	-	-	(514,451)	(514,451)
<b>Total other financing sources (uses)</b>	<b>(1,248,266)</b>	<b>1,190,000</b>	<b>61,815</b>	<b>3,549</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(1,135,584)</b>	<b>(297,534)</b>	<b>284,656</b>	<b>(1,148,462)</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>6,011,397</b>	<b>3,369,907</b>	<b>1,621,068</b>	<b>11,002,372</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 4,875,813</b>	<b>\$ 3,072,373</b>	<b>\$ 1,905,724</b>	<b>\$ 9,853,910</b>

See accompanying notes to financial statements.



VILLAGE OF RIVERSIDE, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE  
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2005

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NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,148,462)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures, however, they are capitalized and depreciated in the statement of activities	1,598,758
Loss on disposal of capital assets is not a use of current financial resources and, therefore, is not reported in governmental funds but is reported as an expense on the statement of activities	(17,588)
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(610,150)
The issuance of long-term debt is reported as an other financing source in governmental funds but as an increase of principal outstanding in the statement of activities	(518,000)
The payment to escrow agent is reported as an other financing use in governmental funds but as a deferred charge on the statement of net assets	514,451
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	456,795
Accrual of interest is reported as interest expense on the statement of activities	33,133
The increase in the compensated absences liability is shown as an increase of expense on the statement of activities	279
The change in deferred charges is reported as interest expense on the statement of activities	(2,401)
The change in unamortized discount on bonds is reported as interest expense on the statement of activities	(1,075)
The increase in net pension asset is reported as an increase of expense on the statement of activities	<u>1,996</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 307,736</u>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS

December 31, 2005

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 2,569,365	\$ 219,083	\$ 2,788,448
Receivables (net of allowances for uncollectibles)			
Accounts - billed	183,648	-	183,648
Accounts - unbilled	281,420	-	281,420
Accrued interest	14,727	3,526	18,253
Prepaid expenses	8,270	-	8,270
Total current assets	3,057,430	222,609	3,280,039
<b>NONCURRENT ASSETS</b>			
Deferred charges	130,705	-	130,705
Total noncurrent assets	130,705	-	130,705
<b>CAPITAL ASSETS</b>			
Assets not being depreciated	73,163	71,700	144,863
Assets being depreciated			
Cost	16,097,281	752,148	16,849,429
Accumulated depreciation	(3,928,698)	(470,768)	(4,399,466)
Total capital assets being depreciated	12,168,583	281,380	12,449,963
Net capital assets	12,241,746	353,080	12,594,826
Total assets	15,429,881	575,689	16,005,570

(This statement is continued on the following page.)

VILLAGE OF RIVERSIDE, ILLINOIS  
STATEMENT OF NET ASSETS (Continued)  
PROPRIETARY FUNDS

December 31, 2005

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 153,525	\$ 355	\$ 153,880
Accrued payroll	22,957	-	22,957
Accrued interest payable	39,254	-	39,254
Deposits payable	-	200	200
Compensated absences payable	6,014	-	6,014
Current portion of bonds payable	190,000	-	190,000
<b>Total current liabilities</b>	<b>411,750</b>	<b>555</b>	<b>412,305</b>
<b>LONG-TERM LIABILITIES</b>			
Compensated absences payable	34,078	-	34,078
Bonds payable	5,084,377	-	5,084,377
<b>Total long-term liabilities</b>	<b>5,118,455</b>	<b>-</b>	<b>5,118,455</b>
<b>Total liabilities</b>	<b>5,530,205</b>	<b>555</b>	<b>5,530,760</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	6,936,746	353,080	7,289,826
Unrestricted	2,962,930	222,054	3,184,984
<b>TOTAL NET ASSETS</b>	<b>\$ 9,899,676</b>	<b>\$ 575,134</b>	<b>\$ 10,474,810</b>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
PROPRIETARY FUNDS

For the Year Ended December 31, 2005

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 2,691,075	\$ 85,838	\$ 2,776,913
Total operating revenues	2,691,075	85,838	2,776,913
<b>OPERATING EXPENSES</b>			
Personnel services	547,555	-	547,555
Contractual services	489,073	72,621	561,694
Supplies and materials	729,198	7,707	736,905
Depreciation and amortization	352,214	36,137	388,351
Total operating expenses	2,118,040	116,465	2,234,505
OPERATING INCOME (LOSS)	573,035	(30,627)	542,408
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Grants	50,000	-	50,000
Investment income	47,477	8,108	55,585
Gain on disposal of capital assets	16,150	-	16,150
Interest expense	(236,955)	-	(236,955)
Total nonoperating revenues (expenses)	(123,328)	8,108	(115,220)
CHANGE IN NET ASSETS	449,707	(22,519)	427,188
NET ASSETS, JANUARY 1	9,449,969	597,653	10,047,622
NET ASSETS, DECEMBER 31	\$ 9,899,676	\$ 575,134	\$ 10,474,810

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2005

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund	
		Parking Lot	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 2,622,339	\$ 85,838	\$ 2,708,177
Payments to suppliers	(1,193,788)	(79,973)	(1,273,761)
Payments to employees	(541,633)	-	(541,633)
Net cash from operating activities	886,918	5,865	892,783
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
None	-	-	-
Net cash from noncapital financing activities	-	-	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Grants	50,000	65,901	115,901
Capital assets purchased	(165,067)	-	(165,067)
Proceeds from bonds	2,503,785	-	2,503,785
Payment to escrow agent	(2,512,566)	-	(2,512,566)
Interest and fees paid on bonds	(229,014)	-	(229,014)
Principal paid on bonds	(185,000)	-	(185,000)
Net cash from capital and related financing activities	(537,862)	65,901	(471,961)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of investments	(1,371,848)	(202,801)	(1,574,649)
Interest on investments	32,750	3,026	35,776
Net cash from investing activities	(1,339,098)	(199,775)	(1,538,873)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(990,042)	(128,009)	(1,118,051)
<b>CASH AND CASH EQUIVALENTS, JANUARY 1</b>	1,877,166	142,735	2,019,901
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	\$ 887,124	\$ 14,726	\$ 901,850
<b>CASH AND INVESTMENTS</b>			
Cash and cash equivalents	\$ 887,124	\$ 14,726	\$ 901,850
Investments	1,682,241	204,357	1,886,598
<b>TOTAL CASH AND INVESTMENTS</b>	\$ 2,569,365	\$ 219,083	\$ 2,788,448

(This statement is continued on the following page.)

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF CASH FLOWS (Continued)  
 PROPRIETARY FUNDS

For the Year Ended December 31, 2005

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund	
		Parking Lot	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM</b>			
Operating income (loss)	\$ 573,035	\$ (30,627)	\$ 542,408
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	352,214	36,137	388,351
Changes in assets and liabilities			
Accounts receivable - billed	(22,469)	-	(22,469)
Accounts receivable - unbilled	(44,840)	-	(44,840)
Other receivables	(1,427)	-	(1,427)
Accounts payable	22,928	355	23,283
Accrued payroll	3,091	-	3,091
Compensated absences payable	4,386	-	4,386
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ 886,918</b>	<b>\$ 5,865</b>	<b>\$ 892,783</b>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS  
STATEMENT OF FIDUCIARY NET ASSETS  
PENSION TRUST FUND

December 31, 2005

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<b>ASSETS</b>	
Cash and cash equivalents	\$ 246,416
Investments	
U.S. government securities	1,849,973
U.S. agency securities	2,325,914
Equities	2,768,421
Mutual funds	848,889
Receivables (net of allowances for uncollectibles)	
Accrued interest	<u>28,568</u>
Total assets	<u>8,068,181</u>
<b>LIABILITIES</b>	
None	<u>-</u>
Total liabilities	<u>-</u>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	<u><u>\$ 8,068,181</u></u>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUND

For the Year Ended December 31, 2005

<b>ADDITIONS</b>	
Contributions	
Employer	\$ 316,467
Employee	<u>129,916</u>
Total contributions	<u>446,383</u>
Investment income	
Net appreciation in fair value of investments	135,382
Interest	<u>262,774</u>
Total investment income	398,156
Less investment expense	<u>(80,821)</u>
Net investment income	<u>317,335</u>
Total additions	<u>763,718</u>
<b>DEDUCTIONS</b>	
Benefits and refunds	716,490
Administrative expenses	<u>10,470</u>
Total deductions	<u>726,960</u>
<b>NET INCREASE</b>	36,758
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>	
January 1	<u>8,031,423</u>
December 31	<u><u>\$ 8,068,181</u></u>

See accompanying notes to financial statements.



VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS

December 31, 2005

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Riverside, Illinois (the Village) have been prepared in accordance with accounting principles generally accepted in the United States of America, as applied to government units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village is a municipal corporation governed by a Village President and six trustees using the council manager form of government. As required by generally accepted accounting principles, these financial statements present the Village and its component unit that is reported in a separate column in the basic financial statements to emphasize it is legally separate from the Village.

b. Discretely Presented Component Unit

The Riverside Public Library (the Library) provides library services to the residents of the Village. The Library is governed by a separately elected board and has a December 31 year end. However, the Library is fiscally dependent upon the Village because the Village Board approves the Library's budget, tax levies and must issue debt for the Library. The Library is reported discretely as a governmental fund. Separate financial statements are not issued but additional financial information for the Library may be obtained at the Library's administrative offices at 1 Burlington Road, Riverside, IL 60546-2259.

c. Fund Accounting

The Village uses funds to report on its financial position and the results of its operations. 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. The minimum number of funds is maintained consistent with legal and managerial requirements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Fund Accounting (Continued)

Funds are classified into the following categories: governmental, proprietary and fiduciary.

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 acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds) and management of funds held for working cash needs (permanent fund). 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 net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

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 government. The Village utilizes a pension trust fund which is generally used to account for assets that the Village holds in a fiduciary capacity.

d. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

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 Capital Projects Fund is used to account for major capital plant and equipment acquisitions. Financing has been from general funds, grants and other sources such as lease/purchase financing.

The Village reports the following major proprietary funds:

The Water and Sewer Fund accounts for the provision of water and wastewater services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds use the accrual basis of accounting but have no measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues/expenses include all revenues/expenses directly related to providing enterprise fund services. Incidental revenues/expenses are reported as non-operating.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90 day period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures are recorded only when payment is due.

Property taxes, sales taxes and telecommunication taxes owed to the state at year end, franchise fees, licenses, charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and permit revenue and miscellaneous revenues are considered to be measurable and available only when cash is received by the Village.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Village; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Village before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

f. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits and investments with a maturity date of three months or less from the date acquired by the Village.

g. Investments

Investments with a maturity less than one year when purchased are stated at cost or amortized cost. Investments with a maturity of one year or greater when purchased are reported at fair value. All investments of the pension trust fund are reported at fair value. Fair value has been based on quoted market prices at December 31, 2005 for debt and equity securities and contract values for insurance contracts and mutual funds.

h. Prepaid Expenditures/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid expenditures/expenses.

i. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost in excess of the following and an estimated useful life in excess of one year.

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Capital Assets (Continued)

Asset Class	Capitalization Threshold
Buildings and improvements	\$ 10,000
Wells and water mains	10,000
Bridges, streets, stormsewers and traffic signals	10,000
Parking lots	10,000
Machinery and equipment	10,000
Vehicles	-

Such 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 donation.

The costs of normal maintenance and repairs, including street overlays that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

	Years
Buildings and improvements	50
Wells and water mains	20-80
Parking lots	20
Machinery and equipment	5-10
Vehicles	6
Infrastructure	50-70

j. Compensated Absences

Vested or accumulated vacation leave and vested sick leave is reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred (e.g. when the liability has matured). Vested or accumulated vacation leave and vested sick leave of proprietary funds and governmental activities is recorded as an expense and liability of those funds as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Long-Term Obligations

In the government-wide financial statements and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund financial statements. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

l. Fund Balance/Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance, if any, represent tentative management plans that are subject to change. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. Invested in capital assets, net of related debt, represents the Village's investment in the book value of capital assets, less any outstanding debt that was issued to construct or acquire the capital asset.

m. Interfund Transactions

Interfund services are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

n. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

2. DEPOSITS AND INVESTMENTS

a. Village Investments

State statutes authorize the Village to make deposits in commercial banks and savings and loan institutions, and to make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran’s loans, life insurance company contracts and mutual funds and equity securities.

In addition, the Village’s Board of Trustees has adopted an investment policy which provides further guidance on the investment of Village funds. It is the policy of the Village to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy, in order of priority are; safety of principal, liquidity and return on investment. Investment in derivatives is allowed, but extreme caution is mandated by the policy. The Village allows all investments allowed under Illinois Compiled Statutes.



VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Deposits with Financial Institutions.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village's investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held under the guidelines of the Village's written collateral agreement. Collateral is required to be invested in Government securities, obligations of federal agencies, obligations of federal instrumentalities or obligations of the State of Illinois.

At December 31, 2005 all of the Village's bank balances were collateralized in accordance with their investment policy.

Investments

The following table presents the investments and maturities of the Village's debt securities as of December 31, 2005:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Agency Securities	\$ 3,355,324	\$ 2,898,024	\$ 457,300	\$ -	\$ -
Negotiable Certificates of Deposit	2,710,727	2,710,727	-	-	-
Illinois Funds	1,862,562	1,862,562	-	-	-
Illinois Metropolitan Investment Fund	4,062,687	3,557,185	505,502	-	-
<b>TOTAL</b>	<b>\$ 11,991,300</b>	<b>\$ 11,028,498</b>	<b>\$ 962,802</b>	<b>\$ -</b>	<b>\$ -</b>

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to meet daily cash flow requirements for ongoing operations in order to maximize yield on longer term investments by avoiding having to sell securities on the open market before maturity and by investing operating funds in shorter term securities, money market mutual funds or external investment pools.

The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. agency securities and external investment pools and by prequalifying financial institutions and other intermediaries. The Illinois Funds and the Illinois Metropolitan Investment Fund are both rated AAA. The U.S. Agency securities with market values of \$798,312 and \$2,557,012 are rated AAA and A-1+ respectively.

2. DEPOSITS AND INVESTMENTS (Continued)

a. Village Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third party custodian approved by the Village Treasurer and evidenced by safekeeping receipts. Illinois Funds and the Illinois Metropolitan Investment Fund are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has too high a percentage of their investments invested in one type of investment. The Village's investment policy requires diversification of investment to avoid unreasonable risk. Additionally the Village investment policy states that no financial institution shall hold more than 40% of the total investments, commercial paper shall not exceed 10% of the Village's portfolio and deposits in the Illinois Funds shall not exceed 50% of investments. At December 31, 2005, the Village had greater than five percent of its overall portfolio invested in U.S. Agency Securities and negotiable certificates of deposit, this is in compliance with the Village's investment policy

b. Police Pension Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/ investments in insured commercial banks, savings and loan institutions, interest bearing obligations of the U.S. Treasury and U.S. Agencies, interest bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. Agencies, separate accounts managed by life insurance companies, Mutual Funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value), and the Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Investments (Continued)

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are; safety of principal, return on investment, legality and meeting all funding requirements.

Deposits with Financial Institutions.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund’s deposits may not be returned to it. The Police Pension Fund’s investment policy is silent as to collateralization of deposits, however, the Police Pension Fund participates in the Village’s deposit pool and the Village’s investment policy requires all deposits with financial institutions in excess of federal depository insurance be collateralized at 110% of the uninsured bank balance, with collateral held under the guidelines of the Village’s written collateral agreement. Collateral is required to be invested in Government securities, obligations of federal agencies, obligations of federal instrumentalities or obligations of the State of Illinois. At December 31, 2005 all of the Police Pension Fund’s bank balances were collateralized in accordance with their investment policy.

Investments

The following table presents the investments and maturities of the Police Pension Fund’s debt securities as of December 31, 2005:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Securities	\$ 1,849,973	\$ 132,925	\$ 1,154,513	\$ -	\$ 562,535
U.S. Agency Securities	2,325,914	354,584	671,478	730,421	569,431
Money Market Mutual Funds	195,414	195,414	-	-	-
<b>TOTAL</b>	<b>\$ 4,371,301</b>	<b>\$ 682,923</b>	<b>\$ 1,825,991</b>	<b>\$ 730,421</b>	<b>\$ 1,131,966</b>

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to maximize the security of investments and the rate of return. This is accomplished by diversifying the types and maturity ranges of securities.

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Investments (Continued)

Investments (Continued)

The Police Pension Fund limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by investing primarily investing in U.S. Treasury and agency securities and by prequalifying financial institutions and investment managers. The U.S. Agency securities and Money Market Mutual Funds listed above are both rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Police Pension Fund will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis with the underlying investments held by a third party custodian approved by the Police Pension Fund Board.

Concentration of credit risk is the risk that the Police Pension Fund has too high a percentage of their investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. The Police Pension Fund uses multiple investment managers, each of which invests over multiple asset classes providing a significant amount of diversity in their investments. At December 31, 2005, the Police Pension Fund had greater than five percent of its overall portfolio invested in U.S. Agency securities, this is in compliance with the Police Pension Fund's investment policy

3. RECEIVABLES

a. Taxes

Property taxes for 2005 attach as an enforceable lien on January 1, 2005, on property values assessed as of the same date. Taxes are levied by December of the fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2006 and August 1, 2006 and are payable in two installments, on or about March 1, 2006 and September 1, 2006. The County collects such taxes and remits them periodically.

The Village has elected, under governmental accounting standards, to match its property tax revenues to the fiscal year that the tax levy is intended to finance. Therefore, the entire 2005 tax levy has been recorded as deferred revenue.

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

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3. RECEIVABLES (Continued)

b. Other Taxes

The following receivables are included in other receivable on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES -	
OTHER RECEIVABLE	
Simplified telecommunications tax	\$ 98,436
Cable TV franchise fees	18,765
Due from IRMA	182,108
Electric utility tax	22,647
Gas utility tax	38,471
E-911 tax	20,269
Miscellaneous receivables	<u>33,665</u>
TOTAL GOVERNMENTAL ACTIVITIES-	
OTHER RECEIVABLE	<u>\$ 414,361</u>

The following receivables are included in due from other governments on the Statement of Net Assets:

GOVERNMENTAL ACTIVITIES -	
DUE FROM OTHER GOVERNMENTS	
Sales tax	\$ 78,286
Income tax	39,359
Local use tax	29,511
Grants	71,459
Circuit court fines	14,181
Standpipe agreement	17,251
Motor fuel tax	<u>21,410</u>
TOTAL GOVERNMENTAL ACTIVITIES -	
DUE FROM OTHER GOVERNMENTS	<u>\$ 271,457</u>

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS

- a. Capital asset activity for the Village for the year ended December 31, 2005 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 559,415	\$ -	\$ -	\$ 559,415
Land right of way	1,522,922	-	-	1,522,922
Construction in progress	191,791	1,343,958	108,815	1,426,934
Total capital assets not being depreciated	2,274,128	1,343,958	108,815	3,509,271
Capital assets being depreciated				
Buildings and improvements	7,727,448	11,916	-	7,739,364
Machinery and equipment	1,597,278	262,239	95,323	1,764,194
Vehicles	760,777	89,460	21,106	829,131
Streets	11,426,911	-	-	11,426,911
Total capital assets being depreciated	21,512,414	363,615	116,429	21,759,600
Less accumulated depreciation for				
Buildings and improvements	1,996,862	152,086	-	2,148,948
Machinery and equipment	922,953	158,049	95,323	985,679
Vehicles	485,741	75,679	3,518	557,902
Streets	3,197,216	224,336	-	3,421,552
Total accumulated depreciation	6,602,772	610,150	98,841	7,114,081
Total capital assets being depreciated, net	14,909,642	(246,535)	17,588	14,645,519
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	<b>\$ 17,183,770</b>	<b>\$ 1,097,423</b>	<b>\$ 126,403</b>	<b>\$ 18,154,790</b>
<b>BUSINESS-TYPE ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 71,700	\$ -	\$ -	\$ 71,700
Construction in progress	-	73,163	-	73,163
Total capital assets not being depreciated	71,700	73,163	-	144,863
Capital assets being depreciated				
Machinery and equipment	223,920	72,442	41,345	255,017
Infrastructure	16,388,351	35,612	-	16,423,963
Vehicles	170,449	-	-	170,449
Total capital assets being depreciated	16,782,720	108,054	41,345	16,849,429

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

a. (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
<b>BUSINESS-TYPE ACTIVITIES (Continued)</b>				
Less accumulated depreciation for				
Machinery and equipment	\$ 223,894	\$ 17,050	\$ 41,345	\$ 199,599
Infrastructure	3,754,544	366,591	-	4,121,135
Vehicles	78,732	-	-	78,732
Total accumulated depreciation	<u>4,057,170</u>	<u>383,641</u>	<u>41,345</u>	<u>4,399,466</u>
 Total capital assets being depreciated, net	 <u>12,725,550</u>	 <u>(275,587)</u>	 <u>-</u>	 <u>12,449,963</u>
 <b>BUSINESS-TYPE ACTIVITIES</b>				
CAPITAL ASSETS, NET	<u>\$ 12,797,250</u>	<u>\$ (202,424)</u>	<u>\$ -</u>	<u>\$ 12,594,826</u>

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

**GOVERNMENTAL ACTIVITIES**

General government	\$ 164,789
Public safety	197,843
Highways and streets	242,294
Culture and recreation	<u>5,224</u>

**TOTAL DEPRECIATION EXPENSE -  
GOVERNMENTAL ACTIVITIES**

\$ 610,150

b. Construction Contracts

The Village has entered into contracts for the construction or renovation of various facilities as follows:

	Project Authorizations	Expended to Date	Commitment
Road Projects - Engineering	\$ 862,916	\$ 755,904	\$ 107,012
Road Projects - Construction	12,200	-	12,200
 TOTAL	 <u>\$ 875,116</u>	 <u>\$ 755,904</u>	 <u>\$ 119,212</u>

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT

a. General Obligation Bonds

The Village has issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities. These general obligation bonds are direct obligations and pledge the full faith and credit of the Village. All of the following general obligation bonds are retired by the debt service fund.

As of December 31, 2005, the Village had the following general obligation bonds outstanding:

	Outstanding at December 31, 2005	Current Portion
\$3,300,000 General Obligation Bonds (Alternative Revenue Source), Series 2002 dated June 27, 2002. Principal is due each December 1, through December 1, 2021 in annual installments of \$115,000 - \$260,000 with interest at 3.85% - 4.90% payable each June 1 and December 1.	\$ 2,810,000	\$ -
\$516,000 General Obligation Limited Tax Refunding Bonds Series 2003 dated November 21, 2003. Principal is due each December 1, through December 1, 2006 in annual installments of \$85,000 - \$269,000 with interest at 1.90% payable each December 1.	85,000	85,000
\$2,060,000 General Obligation Bonds Series 2004 dated July 15, 2004. Principal is due each December 1, through December 1, 2014 in annual installments of \$145,000 - \$245,000 with interest ranging from 3.25% - 3.70% payable each December 1.	1,915,000	180,000
\$518,000 General Obligation Limited Tax Refunding Bonds Series 2005 dated November 23, 2005. Principal is due each December 1, through December 1, 2008 in annual installments of \$87,000 - \$262,000 with interest ranging from 3.87% payable each June 1 and December 1.	518,000	169,000
<b>TOTAL GENERAL OBLIGATION BONDS OUTSTANDING</b>	<b>\$ 5,328,000</b>	<b>\$ 434,000</b>



VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

b. Installment Contract

As of December 31, 2005, the Village had the following installment contracts outstanding, all being retired by the debt service fund:

	Outstanding at December 31, 2005	Current Portion
\$443,908 Installment Contract, dated May 15, 2000, for the purchase of fire apparatus. Principal and interest are due in annual installments of \$58,266 beginning May 15, 2001 with a final payment due on May 15, 2010.	\$ 250,337	\$ 45,054
<b>TOTAL INSTALLMENT CONTRACTS OUTSTANDING</b>	<b>\$ 250,337</b>	<b>\$ 45,054</b>

c. Changes in Long-Term Liabilities

A summary of the changes in the long-term debt for governmental activities of the Village for the year ended December 31, 2005 is as follows:

	Balance January 1	Additions	Retirements	Refundings	Balance December 31	Current Portion
General obligation bonds	\$ 5,479,000	\$ 518,000	\$ 414,000	\$ 255,000	\$ 5,328,000	\$ 434,000
Unamortized discount on bonds	(10,756)	-	(1,075)	-	(9,681)	-
Installment contracts	293,132	-	42,795	-	250,337	45,054
Compensated Absences *	414,703	71,263	71,542	-	414,424	62,164
<b>TOTAL</b>	<b>\$ 6,176,079</b>	<b>\$ 589,263</b>	<b>\$ 527,262</b>	<b>\$ 255,000</b>	<b>\$ 5,983,080</b>	<b>\$ 541,218</b>

\* The compensated absences liability is typically liquidated by the General Fund.

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

The annual debt service requirements to amortize the general obligation bonds are as follows:

Fiscal Year Ending	General Obligation Bonds		
	Principal	Interest	Total
2006	\$ 434,000	\$ 91,520	\$ 525,520
2007	587,000	189,486	776,486
2008	422,000	179,839	601,839
2009	350,000	163,658	513,658
2010	360,000	150,274	510,274
2011	380,000	136,504	516,504
2012	395,000	121,964	516,964
2013	415,000	106,690	521,690
2014	425,000	90,458	515,458
2015	190,000	73,562	263,562
2016	200,000	65,108	265,108
2017	210,000	56,008	266,008
2018	220,000	46,242	266,242
2019	235,000	35,902	270,902
2020	245,000	24,622	269,622
2021	260,000	12,740	272,740
<b>TOTAL</b>	<b>\$ 5,328,000</b>	<b>\$ 1,544,577</b>	<b>\$ 6,872,577</b>

Fiscal Year Ending	Installment Contracts		
	Principal	Interest	Total
2006	\$ 45,054	\$ 13,212	\$ 58,266
2007	47,432	10,834	58,266
2008	49,935	8,331	58,266
2009	52,571	5,695	58,266
2010	55,345	2,921	58,266
<b>TOTAL</b>	<b>\$ 250,337</b>	<b>\$ 40,993</b>	<b>\$ 291,330</b>

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

e. Legal Debt Margin

A computation of the legal debt margin (1) of the Village as of December 31, 2005 is as follows:

ASSESSED VALUATION - 2004	<u>\$ 247,890,842</u>
Legal debt limit - 8.625% of assessed valuation	\$ 21,380,585
Amount of debt applicable to debt limit	<u>2,518,000</u>
 LEGAL DEBT MARGIN	 <u>\$ 18,862,585</u>

(1) Under Illinois Statutes, Alternate Bonds are not subject to debt limitation under either the overall 8.625% of EAV debt limit or the non-referendum .5% of EAV limit for general obligation debt, until such time as taxes are extended to pay debt service at which time the amount then outstanding is included as indebtedness of the Village. Beginning with tax year 1992 through tax year 1997, the Village extended the taxes for these issues.

f. Enterprise Fund Debt Payable

Total enterprise fund debt payable at December 31, 2005 is comprised of the following issue:

	Outstanding at December 31, 2005	Current Portion
	<u>                    </u>	<u>                    </u>
\$3,500,000 General Obligation Alternative Revenue Source Bonds, Series 1999, payable from user fees generated in the Water and Sewer Fund. These bonds are reported in the Water and Sewer Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayment of this obligation. The bonds are due in annual installments of \$120,000 to \$265,000 from May 1, 2000 through May 1, 2019, with interest at 4.40% - 6.40% payable each May 1 and November 1.	\$ 290,000	\$ 140,000

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

f. Enterprise Fund Debt Payable

	Outstanding at December 31, 2005	Current Portion
\$2,500,000 General Obligation Alternative Revenue Source Bonds, Series 2003, payable from user fees generated in the Water and Sewer Fund. These bonds are reported in the Water and Sewer Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayments of this obligation. The bonds are due in annual installments of \$50,000 to \$400,000 from May 1, 2005 through May 1, 2023, with interest at 3.00% - 4.55% payable each May 1 and November 1.	\$ 2,450,000	\$ 50,000
\$2,565,000 General Obligation Refunding Bonds Alternative Revenue Source, Series 2005, payable from user fees generated in the Water and Sewer Fund. These bonds are reported in the Water and Sewer Fund since the intent of the Village is to use water revenues to abate the tax levy authorized for repayments of this obligation. The bonds are due in annual installments of \$150,000 to \$265,000 from May 1, 2008 through May 1, 2019, with interest at 3.50% - 3.85% payable each May 1 and November 1.	<u>2,565,000</u>	-
<b>TOTAL ENTERPRISE FUND DEBT PAYABLE</b>	<u>\$ 5,305,000</u>	<u>\$ 190,000</u>

The following is a summary of changes in enterprise fund long-term debt of the Village for the year ended December 31, 2005:

	Balance January 1	Issuances	Repayments	Refundings	Balance December 31	Current Portion
1999 General Obligation Alternate Revenue Bonds	\$ 2,905,000	\$ -	\$ 135,000	\$ 2,480,000	\$ 290,000	\$ 140,000
2003 General Obligation Alternate Revenue Bonds	2,500,000	-	50,000	-	2,450,000	50,000
2005 General Obligation Refunding Alternate Revenue Bonds	-	2,565,000	-	-	2,565,000	-
Unamortized discount on bonds	(25,962)	8,472	13,133	-	(30,623)	-
Compensated absences payable	35,706	12,736	8,350	-	40,092	6,014
<b>TOTAL ENTERPRISE LONG-TERM DEBT</b>	<u>\$ 5,414,744</u>	<u>\$ 2,586,208</u>	<u>\$ 206,483</u>	<u>\$ 2,480,000</u>	<u>\$ 5,314,469</u>	<u>\$ 196,014</u>

VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

5. LONG-TERM DEBT (Continued)

g. Debt Service Requirements to Maturity - Enterprise Fund Debt Payable

The annual debt service requirements to amortize enterprise fund debt payable are as follows:

Fiscal Year	Principal	Interest	Total
2006	\$ 190,000	\$ 209,789	\$ 399,789
2007	200,000	199,459	399,459
2008	205,000	190,909	395,909
2009	235,000	183,325	418,325
2010	240,000	174,871	414,871
2011	255,000	165,961	420,961
2012	260,000	156,684	416,684
2013	275,000	147,038	422,038
2014	290,000	136,720	426,720
2015	295,000	125,740	420,740
2016	310,000	114,158	424,158
2017	325,000	101,838	426,838
2018	335,000	88,938	423,938
2019	350,000	75,485	425,485
2020	365,000	60,639	425,639
2021	375,000	44,450	419,450
2022	400,000	27,200	427,200
2023	400,000	9,100	409,100
TOTAL	<u>\$ 5,305,000</u>	<u>\$ 2,212,304</u>	<u>\$ 7,517,304</u>

h. Advance Refundings

On November 23, 2005, the Village issued \$518,000 Series 2005 General Obligation Limited Tax Refunding Bonds to refund \$255,000 General Obligation Bonds (Alternative Revenue Source), Series 2002. Through the refunding, the Village increased its debt service by \$26,721 and had an economic loss of \$10,102.

Conditions for defeasance have been met and assets were placed in escrow through an irrevocable transfer and the liability has been removed from the financial statements.

At December 31, 2005, \$130,000 of the Series 2002 General Obligation Bonds (Alternate Revenue Source) are outstanding and being paid from escrow.

On November 14, 2005, the Village issued \$2,565,000 Series 2005 General Obligation Refunding Bonds (Alternate Revenue Source) to refund \$2,480,000 General Obligation Bonds (Alternative Revenue Source), Series 1999. Through the refunding, the Village decreased its debt service by \$85,968 and had an economic gain of \$74,352. Conditions for defeasance have been met and assets were placed in escrow through an irrevocable transfer and the liability has been removed from the financial statements. At December 31, 2005, \$2,480,000 of the Series 1999 General Obligation Bonds (Alternate Revenue Source) are outstanding and being paid from escrow.

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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5. LONG-TERM DEBT (Continued)

i. Conduit Debt

The Village is not aware of any conduit debt outstanding at December 31, 2005, that would be disclosed in accordance with GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations*.

6. INTERFUND ACTIVITY

The interfund advances as of December 31, 2005 consisted of the following:

Advance From/To Other Funds

Receivable Fund	Payable Fund	Amount
Working Cash	General	\$ 638,534

The purpose of the advance from the Working Cash Fund to the General Fund is a long-term cash loan to the General Fund for general funding purposes. This advance is to be repaid from General Fund revenues over the next several years.

Interfund Transfers during the year ended December 31, 2005 consisted of the following:

	Transfer In	Transfer Out
General	\$ -	\$ 1,248,266
Capital Projects	1,190,000	-
Nonmajor Governmental	58,266	-
<b>TOTAL</b>	<b>\$ 1,248,266</b>	<b>\$ 1,248,266</b>

The purposes of significant interfund transfers are as follows:

\$1,190,000 transferred to the Capital Projects Fund from the General Fund. This relates to transfers for capital project costs. The transfer will not be repaid.

\$58,266 transferred to the Nonmajor Governmental (Debt Service) Fund from the General Fund. This relates to transfers for debt service principal and interest payments. The transfer will not be repaid.

7. RISK MANAGEMENT

Intergovernmental Personnel Benefit Cooperative

The Village participates in the Intergovernmental Personnel Benefit Cooperative (IPBC). IPBC is a public entity risk pool established by certain units of local government in Illinois to administer some or all of the personnel benefit programs (primarily medical, dental and life insurance coverage) offered by the members to their officers and employees and to the officers and employees of certain other governmental, quasi-governmental and nonprofit public service entities. The Cooperative receives, processes and pays such claims as may come within the benefit program of the members.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Benefit Administrator and a Treasurer.

The Village does not exercise any control over the activities of the Cooperative beyond its representation on the Board of Directors.

Intergovernmental Risk Management Agency

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is a proprietary cooperative whose members are Illinois governments. IRMA manages and funds first party property losses, third party liability claims, workers' compensation claims and public officials liability claims of its members.

Each member assumes the first \$2,500 of each occurrence, and has self-insurance retentions at various amounts.

Management consists of a Board of Directors comprised of one appointed representative from each member. In addition, there are two officers, a Risk Manager and a Treasurer.

The Village does not exercise any control over the activities of the Agency beyond its representation on the Board of Directors.

Contributions to IRMA are determined in advance of each membership year based on the individual member's eligible revenue, as defined in the by-laws of IRMA, assessment factors based on past member experience and the funding needs for the membership year. The Board of Directors may require that supplemental contributions be made by members to ensure adequate funds are available to meet the obligations applicable to the membership year. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. The Village's payments to IRMA are displayed in the financial statements as expenditures/expenses in the appropriate funds. The Village is not aware of any additional amounts owed to IRMA as of December 31, 2005 for the current or prior claim years.

8. CONTINGENT LIABILITIES

Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

Grants

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

9. DEFINED BENEFIT PENSION PLANS

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent-multiple-employer public employee retirement system and the Police Pension Plan which is a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all the plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. The Police Pension Plan does not issue a separate report on the pension plan. IMRF however, issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended December 31, 2005 was 8.03% of covered payroll.



VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At December 31, 2005, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	19
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	12
Nonvested	7
	<hr/>
TOTAL	<hr/> <hr/> 39

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years.

Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement by 3.00% of the original pension and 3.00% compounded annually thereafter and be paid upon reaching the age of at least 55 years.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. Contributions are recorded when due in accordance with statutory requirements. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. The costs of administering the Plan are financed through investment earnings.

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended December 31, 2005, the Village's contribution was 24.40% of covered payroll.

b. Significant Investments

There are no significant investments (other than U.S. Government guaranteed obligations) in any one organization that represent 5.00% or more of plan net assets for the Police Pension Plan. Information for IMRF is not available.

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2003	January 1, 2005
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	27 Years, Closed	29 Years, Closed

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

	Illinois Municipal Retirement	Police Pension
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	8.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.00% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 to 11.60%	3.00%

Employer annual pension costs (APC), actual contributions and the net pension obligation (NPO) are as follows for the last three years. The NPO is the cumulative difference between the annual pension cost (APC) and the contributions actually made.

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual pension costs (APC)	2003	\$ 88,556	2003	\$ 195,915
	2004	143,764	2004	237,370
	2005	165,390	2005	314,471
Actual contribution	2003	\$ 88,556	2003	\$ 199,447
	2004	143,764	2004	245,231
	2005	165,390	2005	316,467
Percentage of APC contributed	2003	100.00%	2003	101.80%
	2004	100.00	2004	103.31
	2005	100.00	2005	100.63
NPO (Asset)	2003	\$ -	2003	\$ (422,537)
	2004	-	2004	(430,398)
	2005	-	2005	(432,394)

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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9. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

The NPO (Asset) at December 31, 2005 has been calculated as follows:

	Police Pension
Annual required contribution	\$ 326,874
Interest on net pension obligation	(34,432)
Adjustment to annual required contribution	<u>22,029</u>
Annual pension cost	314,471
Contributions made	<u>316,467</u>
(Increase) decrease in net pension obligation (asset)	(1,996)
Net pension obligation (asset) beginning of year	<u>(430,398)</u>
<b>NET PENSION OBLIGATION (ASSET) END OF YEAR</b>	<b><u><u>\$ (432,394)</u></u></b>

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY

a. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles as applicable to governments. The Government Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1. Fund Accounting

The Library uses funds to report on its financial position and the results of its operations. 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. The minimum number of funds is maintained consistent with legal and managerial requirements.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

1. Fund Accounting (Continued)

Governmental funds are used to account for all or most of the Library's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds), and the servicing of general long-term debt (debt service funds) and management of funds held in trust that can be used for library services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in another fund. The Library has no debt service funds. The Library has no proprietary or fiduciary funds.

2. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Library. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, if any, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Major individual governmental funds are reported as separate columns in the combining and individual fund financial statements.

The Library reports the following major governmental fund:

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

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. The Library recognizes property taxes when they become both measurable and available in the period the tax is intended to finance. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Library considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a fund liability is incurred. However, debt service expenditures, if any, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Fines and miscellaneous revenues are considered to be measurable and available only when cash is received by the Library.

In applying the susceptible to accrual concept to intergovernmental revenues (i.e., federal and state grants), the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Library; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

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

The Library reports deferred revenue on its financial statements. Deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Deferred revenues also arise when resources are received by the Library before it has a legal claim to them or prior to the provision of services, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Library has a legal claim to the resources, the liability for deferred revenue is removed from the financial statements and revenue is recognized.

4. Investments

Investments are stated at cost or amortized cost, which approximates fair value.

b. Deposits

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

The Library's investment policy does limit their deposits to Financial institutions that are members of the FDIC system and allows all investments that are allowed under State statutes.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity yield and simplicity of management.

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

b. Deposits (Continued)

The Library had investments of \$498,463 invested in Illinois Funds as of December 31, 2005, which are mature on demand. In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Library limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing external investment pools. The Illinois Funds is rated AAA.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk is the risk that the Library has too high a percentage of their investments invested in one type of investment. At December 31, 2005, the Library had did not have greater than five percent of its overall portfolio invested in any single investment type.

c. Receivables

Property taxes for the 2005 levy year attach as an enforceable lien on January 1, 2006, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued and are payable in two installments, on or about March 1, 2006 and August 1, 2006. The County collects such taxes and remits them periodically. The Library recognizes property tax revenues when they become both measurable and available in the fiscal year that the tax levy is intended to finance. Therefore, the entire 2005 tax levy has been recorded as deferred revenue on the balance sheet.

d. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Library as assets with an initial, individual cost in excess of \$2,500 and an estimated useful life in excess of one year.



VILLAGE OF RIVERSIDE, ILLINOIS  
NOTES TO FINANCIAL STATEMENTS (Continued)

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

d. Capital Assets (Continued)

Such 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 donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

	<u>Years</u>
Buildings and improvements	15-50
Machinery and equipment	7
Furniture and fixtures	15
Computer equipment	5

The following is a summary of changes in the Library's capital assets for the year ended December 31, 2005:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
None	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-
Capital assets being depreciated				
Buildings and improvements	1,900,405	-	-	1,900,405
Machinery and equipment	29,592	-	-	29,592
Furniture and fixtures	130,877	-	-	130,877
Computer equipment	23,082	-	-	23,082
Total capital assets being depreciated	2,083,956	-	-	2,083,956
Less accumulated depreciation for				
Buildings and improvements	629,983	48,798	-	678,781
Machinery and equipment	20,723	2,531	-	23,254
Furniture and fixtures	91,038	4,391	-	95,429
Computer equipment	18,438	2,459	-	20,897
Total accumulated depreciation	760,182	58,179	-	818,361
Total capital assets being depreciated, net	1,323,774	(58,179)	-	1,265,595
<b>GOVERNMENTAL ACTIVITIES</b>				
CAPITAL ASSETS, NET	\$ 1,323,774	\$ (58,179)	\$ -	\$ 1,265,595

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

d. Capital Assets (Continued)

Depreciation expense was charged to functions of the Library as follows:

GOVERNMENTAL ACTIVITIES	
Culture and recreation	<u>\$ 58,179</u>

e. Interfund Receivable and Payable

The interfund receivable and payable balances as of December 31, 2005 consisted of the following:

	Due from	Due to
General Fund		
Nonmajor Governmental Funds	\$ 2,576	\$ 60
Nonmajor Governmental Funds		
General Fund	60	<u>2,576</u>
TOTAL INTERFUND RECEIVABLE AND PAYABLE	<u>\$ 2,636</u>	<u>\$ 2,636</u>

The purposes of interfunds are related to year end transactions. All were repaid to the applicable fund after year end.

f. Transfers

The transfers for the year ended December 31, 2005 consisted of the following:

	Transfer From	Transfer To
Nonmajor Governmental Funds		
Nonmajor Governmental Funds	\$ -	\$ 2,709
Nonmajor Governmental Funds		
Nonmajor Governmental Funds	<u>2,709</u>	-
TOTAL INTERFUND RECEIVABLE AND PAYABLE	<u>\$ 2,709</u>	<u>\$ 2,709</u>

This transfer was recorded as a transfer from the working cash fund to the special reserve fund as approved by the Library board.

VILLAGE OF RIVERSIDE, ILLINOIS  
 NOTES TO FINANCIAL STATEMENTS (Continued)

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10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

g. Long-Term Debt

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

	Balance January 1	Additions	Retirement	Balance December 31	Current Portion
Compensated absences	\$ 15,365	\$ 1,068	\$ 2,305	\$ 14,128	\$ 2,119

**REQUIRED SUPPLEMENTARY INFORMATION**

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>				
Taxes	\$ 4,482,680	\$ 4,482,680	\$ 4,553,463	\$ 70,783
Intergovernmental	811,582	825,982	931,735	105,753
Licenses and permits	558,800	558,800	547,907	(10,893)
Charges for services	436,575	456,094	403,034	(53,060)
Fines and forfeits	220,000	220,000	226,422	6,422
Investment income	100,110	100,110	177,559	77,449
Miscellaneous	179,977	179,977	187,663	7,686
<b>Total revenues</b>	<b>6,789,724</b>	<b>6,823,643</b>	<b>7,027,783</b>	<b>204,140</b>
<b>EXPENDITURES</b>				
Current				
General government	1,415,711	1,560,481	1,494,596	(65,885)
Public safety	4,176,491	4,290,609	4,234,858	(55,751)
Highways and streets	454,452	479,553	472,947	(6,606)
Culture and recreation	716,544	733,646	712,700	(20,946)
<b>Total expenditures</b>	<b>6,763,198</b>	<b>7,064,289</b>	<b>6,915,101</b>	<b>(149,188)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>26,526</b>	<b>(240,646)</b>	<b>112,682</b>	<b>353,328</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers (out)	(1,253,266)	(1,253,266)	(1,248,266)	5,000
Proceeds from sale of capital assets	4,500	4,500	-	(4,500)
<b>Total other financing sources (uses)</b>	<b>(1,248,766)</b>	<b>(1,248,766)</b>	<b>(1,248,266)</b>	<b>500</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,222,240)</b>	<b>\$ (1,489,412)</b>	<b>(1,135,584)</b>	<b>\$ 353,828</b>
<b>FUND BALANCE, JANUARY 1</b>			<b>6,011,397</b>	
<b>FUND BALANCE, DECEMBER 31</b>			<b>\$ 4,875,813</b>	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2005

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Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the General, Special Revenue, Debt Service, Capital Projects, Enterprise and Pension Trust Funds. All annual appropriations lapse at fiscal year end. Budget amendments were made for the current fiscal year and are reflected in these financial statements.

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

- a. The Village Manager submits to the Village Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- b. Public hearings are conducted by the Village to obtain taxpayer comments.
- c. Subsequently, the budget is legally enacted through passage of an ordinance.
- d. Formal budgetary integration is employed as a management control device during the year for all funds except the agency funds.
- e. Budgets, as described above, are adopted on a basis consistent with generally accepted accounting principles.
- f. Legal level of budgetary control is at the department level in the general fund or fund level for all other funds.
- g. Budgetary authority lapses at year end.
- h. State law requires that "expenditures be made in conformity with the budget." Transfers between line items in cost centers may be made by administrative action. Any amount to be transferred between cost centers and/or funds would require Board approval.
- i. Budgeted amounts are as originally adopted, with the exceptions of Board approved budget amendments which are reflected in the financial statements.
- j. During the fiscal year ended December 31, 2005, actual expenses did not exceed budgeted expenses in any funds.

VILLAGE OF RIVERSIDE, ILLINOIS  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2005

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (OAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) As a Percentage of Covered Payroll (4) / (5)
2000	\$ 3,470,311	\$ 2,952,744	117.53%	\$ (517,567)	\$ 1,411,098	(36.68%)
2001	3,933,574	3,312,059	118.77%	(621,515)	1,627,650	(38.18%)
2002	4,143,643	3,827,020	108.27%	(316,623)	1,859,156	(17.03%)
2003	4,463,057	4,247,257	105.08%	(215,800)	1,908,532	(11.31%)
2004	4,498,481	4,650,056	96.74%	151,575	2,053,775	7.38%
2005	4,606,362	4,637,216	99.33%	30,854	2,059,657	1.50%

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS  
POLICE PENSION FUND

December 31, 2005

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Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2000	\$ 8,041,433	\$ 9,790,928	82.13%	\$ 1,749,495	\$ 1,087,715	160.84%
2001	7,829,688	10,093,876	77.57%	2,264,188	1,138,421	198.89%
2002	7,540,919	10,691,568	70.53%	3,150,649	1,078,230	292.21%
2003	7,810,824	11,937,907	65.43%	4,127,083	1,153,860	357.68%
2004	8,031,423	12,555,934	63.97%	4,524,511	1,249,250	362.18%
2005	8,068,181	12,433,729	64.89%	4,365,548	1,297,111	336.56%

(See independent auditor's report.)



VILLAGE OF RIVERSIDE, ILLINOIS  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
ILLINOIS MUNICIPAL RETIREMENT FUND

December 31, 2005

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<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2000	\$ 134,619	\$ 134,619	100.00%
2001	107,425	107,425	100.00%
2002	84,406	84,406	100.00%
2003	88,556	88,556	100.00%
2004	143,764	143,764	100.00%
2005	165,390	165,390	100.00%

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
POLICE PENSION FUND

December 31, 2005

---

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Asset</u>
2000	\$ 156,761	\$ 147,839	106.03%	\$ 384,288
2001	155,394	153,986	100.91%	397,956
2002	189,779	181,425	104.60%	419,005
2003	199,447	208,880	95.48%	422,537
2004	245,231	250,012	98.09%	430,398
2005	316,467	326,874	96.82%	432,394

(See independent auditor's report.)

## **MAJOR GOVERNMENTAL FUNDS**

General Fund - to account for resources traditionally associated with governments which are not required to be accounted for in another fund.

Capital Projects Fund - to account for major capital plant and equipment acquisitions. Financing has been from general funds, grants and other sources such as lease/purchase financing.

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>TAXES</b>				
Property tax	\$ 3,334,680	\$ 3,334,680	\$ 3,339,961	\$ 5,281
Municipal sales tax	315,000	315,000	298,733	(16,267)
Foreign fire tax	8,000	8,000	8,281	281
Utility tax	825,000	825,000	906,488	81,488
<b>Total taxes</b>	<b>4,482,680</b>	<b>4,482,680</b>	<b>4,553,463</b>	<b>70,783</b>
<b>INTERGOVERNMENTAL</b>				
State per capita taxes	702,082	702,082	808,093	106,011
Other	109,500	123,900	123,642	(258)
<b>Total intergovernmental</b>	<b>811,582</b>	<b>825,982</b>	<b>931,735</b>	<b>105,753</b>
<b>LICENSES AND PERMITS</b>				
Business licenses	2,500	2,500	6,003	3,503
Motor vehicle licenses	267,000	267,000	267,247	247
Liquor licenses	15,000	15,000	14,513	(487)
Sign licenses	1,500	1,500	300	(1,200)
Animal licenses	3,800	3,800	3,776	(24)
Building/zoning/inspecting fees	269,000	269,000	255,968	(13,032)
Other permits	-	-	100	100
<b>Total licenses and permits</b>	<b>558,800</b>	<b>558,800</b>	<b>547,907</b>	<b>(10,893)</b>
<b>CHARGES FOR SERVICES</b>				
Franchise fees	75,000	75,000	74,253	(747)
Other service fees	43,000	62,519	53,261	(9,258)
Alarm/report fees	15,500	15,500	14,653	(847)
Ambulance service fees	106,000	106,000	109,829	3,829
Program fees	186,000	186,000	145,500	(40,500)
State highway maintenance reimbursements	11,075	11,075	5,538	(5,537)
<b>Total charges for services</b>	<b>436,575</b>	<b>456,094</b>	<b>403,034</b>	<b>(53,060)</b>
<b>FINES AND FORFEITS</b>				
	220,000	220,000	226,422	6,422
<b>INVESTMENT INCOME</b>				
	100,110	100,110	177,559	77,449
<b>MISCELLANEOUS</b>				
Other revenue	178,127	178,127	184,783	6,656
Museum sales and donations	1,850	1,850	2,880	1,030
<b>Total miscellaneous</b>	<b>179,977</b>	<b>179,977</b>	<b>187,663</b>	<b>7,686</b>
<b>TOTAL REVENUES</b>	<b>\$ 6,789,724</b>	<b>\$ 6,823,643</b>	<b>\$ 7,027,783</b>	<b>\$ 204,140</b>

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT</b>				
Legislative support				
Personnel services	\$ 9,780	\$ 9,780	\$ 10,355	\$ 575
Contractual services	13,400	24,651	18,992	(5,659)
Supplies and materials	2,400	6,800	7,609	809
Total legislative support	25,580	41,231	36,956	(4,275)
Landscape advisory commission				
Personnel services	100	100	-	(100)
Contractual services	500	500	-	(500)
Total landscape advisory commission	600	600	-	(600)
Board of fire and police commissioners				
Personnel services	300	300	-	(300)
Contractual services	3,000	3,000	2,108	(892)
Supplies and materials	100	100	-	(100)
Total board of fire and police commissioners	3,400	3,400	2,108	(1,292)
Plan commission				
Personnel services	4,471	4,471	803	(3,668)
Contractual services	89,200	110,461	105,346	(5,115)
Supplies and materials	100	100	-	(100)
Total plan commission	93,771	115,032	106,149	(8,883)
Zoning board of appeals				
Personnel services	100	100	-	(100)
Contractual services	1,700	1,700	1,653	(47)
Total zoning board of appeals	1,800	1,800	1,653	(147)
Historical commission				
Personnel services	14,934	14,934	159	(14,775)
Contractual services	2,200	2,200	3,562	1,362
Supplies and materials	3,700	3,700	2,232	(1,468)
Total historical commission	20,834	20,834	5,953	(14,881)

(This schedule is continued on the following pages.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT (Continued)</b>				
Economic development commission				
Personnel services	\$ 300	\$ 300	\$ -	\$ (300)
Contractual services	7,100	10,123	10,061	(62)
Total economic development commission	7,400	10,423	10,061	(362)
Preservation commission				
Personnel services	800	800	349	(451)
Contractual services	700	15,100	15,108	8
Total preservation commission	1,500	15,900	15,457	(443)
Safe environment commission				
Personnel services	100	100	-	(100)
Total safe environment commission	100	100	-	(100)
Community cable television commission				
Personnel services	6,431	6,431	5,242	(1,189)
Contractual services	4,000	4,000	-	(4,000)
Supplies and materials	1,100	1,100	143	(957)
Capital outlay	3,000	3,000	1,942	(1,058)
Total community cable television commission	14,531	14,531	7,327	(7,204)
Village manager				
Personnel services	224,587	224,587	221,410	(3,177)
Contractual services	21,850	21,850	13,601	(8,249)
Supplies and materials	21,800	21,800	22,534	734
Capital outlay	4,416	4,416	4,416	-
Total village manager	272,653	272,653	261,961	(10,692)
Finance				
Personnel services	234,713	234,713	228,944	(5,769)
Contractual services	37,790	37,790	35,340	(2,450)
Supplies and materials	9,100	9,100	8,110	(990)
Capital outlay	-	-	2,625	2,625
Total finance	281,603	281,603	275,019	(6,584)

(This schedule is continued on the following pages.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>GENERAL GOVERNMENT (Continued)</b>				
Legal				
Contractual services	\$ 140,000	\$ 194,726	\$ 194,726	\$ -
Total legal	140,000	194,726	194,726	-
Village clerk				
Personnel services	11,746	11,746	10,533	(1,213)
Contractual services	13,050	13,050	5,311	(7,739)
Supplies and materials	300	300	333	33
Total village clerk	25,096	25,096	16,177	(8,919)
Community development				
Personnel services	162,337	162,337	151,457	(10,880)
Contractual services	20,428	51,712	56,371	4,659
Supplies and materials	2,700	2,700	3,594	894
Total community development	185,465	216,749	211,422	(5,327)
Data processing				
Contractual services	54,007	54,007	65,676	11,669
Supplies and materials	3,000	3,000	-	(3,000)
Capital outlay	19,000	19,000	5,172	(13,828)
Total data processing	76,007	76,007	70,848	(5,159)
Buildings and grounds				
Contractual services	69,000	69,000	85,934	16,934
Supplies and materials	80,000	80,000	73,942	(6,058)
Total buildings and grounds	149,000	149,000	159,876	10,876
Public liability insurance				
Contractual services	186,371	190,796	188,903	(1,893)
Total public liability insurance	186,371	190,796	188,903	(1,893)
Less contributions from Parking Fund	(70,000)	(70,000)	(70,000)	-
Total general government	1,415,711	1,560,481	1,494,596	(65,885)

(This schedule is continued on the following pages.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY</b>				
Fire administration				
Personnel services	\$ 114,063	\$ 114,063	\$ 112,494	\$ (1,569)
Contractual services	34,000	34,000	28,941	(5,059)
Supplies and materials	5,500	5,500	8,238	2,738
Capital outlay	4,976	4,976	5,386	410
Total fire administration	158,539	158,539	155,059	(3,480)
Fire operations				
Personnel services	238,688	306,858	310,443	3,585
Contractual services	22,500	22,500	13,430	(9,070)
Supplies and materials	51,200	51,200	52,161	961
Capital outlay	129,881	175,829	179,356	3,527
Total fire operations	442,269	556,387	555,390	(997)
Fire training				
Personnel services	148,030	148,030	134,905	(13,125)
Supplies and materials	9,300	9,300	6,787	(2,513)
Total fire training	157,330	157,330	141,692	(15,638)
Fire prevention				
Personnel services	37,246	37,246	42,561	5,315
Contractual services	3,500	3,500	2,658	(842)
Supplies and materials	4,700	4,700	2,915	(1,785)
Total fire prevention	45,446	45,446	48,134	2,688
Fire disaster preparedness				
Personnel services	63,061	63,061	63,009	(52)
Contractual services	2,500	2,500	2,604	104
Supplies and materials	500	500	-	(500)
Total fire disaster preparedness	66,061	66,061	65,613	(448)
Fire maintenance				
Personnel services	40,156	40,156	34,144	(6,012)
Contractual services	31,400	31,400	27,020	(4,380)
Supplies and materials	21,500	21,500	41,954	20,454
Capital outlay	8,000	8,000	1,468	(6,532)
Total fire maintenance	101,056	101,056	104,586	3,530

(This schedule is continued on the following pages.)



VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY (Continued)</b>				
Emergency medical services				
Personnel services	\$ 25,354	\$ 25,354	\$ 14,313	\$ (11,041)
Contractual services	422,540	422,540	417,052	(5,488)
Supplies and materials	9,400	9,400	8,822	(578)
Capital outlay	28,686	28,686	29,600	914
Total emergency medical services	485,980	485,980	469,787	(16,193)
Police administration				
Personnel services	680,633	680,633	658,736	(21,897)
Contractual services	22,090	22,090	23,964	1,874
Supplies and materials	9,100	9,100	7,724	(1,376)
Capital outlay	8,040	8,040	7,370	(670)
Total police administration	719,863	719,863	697,794	(22,069)
Police patrol				
Personnel services	1,179,324	1,179,324	1,206,628	27,304
Contractual services	85,150	85,150	78,732	(6,418)
Supplies and materials	56,100	56,100	57,094	994
Capital outlay	56,213	56,213	52,728	(3,485)
Total police patrol	1,376,787	1,376,787	1,395,182	18,395
Emergency response				
Personnel services	3,392	3,392	5,130	1,738
Supplies and materials	10,800	10,800	9,860	(940)
Total emergency response	14,192	14,192	14,990	798
Police crime prevention				
Personnel services	42,253	42,253	41,492	(761)
Contractual services	6,250	6,250	6,114	(136)
Supplies and materials	1,750	1,750	753	(997)
Total police crime prevention	50,253	50,253	48,359	(1,894)
Police investigation				
Personnel services	96,446	96,446	99,366	2,920
Contractual services	4,500	4,500	4,455	(45)
Supplies and materials	18,200	18,200	5,310	(12,890)
Capital outlay	11,771	11,771	11,766	(5)
Total police investigation	130,917	130,917	120,897	(10,020)

(This schedule is continued on the following pages.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>PUBLIC SAFETY (Continued)</b>				
Police training				
Personnel services	\$ 76,902	\$ 76,902	\$ 82,885	\$ 5,983
Supplies and materials	6,350	6,350	5,771	(579)
Total police training	83,252	83,252	88,656	5,404
Police communications				
Personnel services	285,434	285,434	268,758	(16,676)
Contractual services	5,700	5,700	3,983	(1,717)
Supplies and materials	7,300	7,300	5,073	(2,227)
Total police communications	298,434	298,434	277,814	(20,620)
Police school safety				
Personnel services	43,362	43,362	48,916	5,554
Contractual services	2,000	2,000	1,393	(607)
Supplies and materials	750	750	596	(154)
Total police school safety	46,112	46,112	50,905	4,793
Total public safety	4,176,491	4,290,609	4,234,858	(55,751)
<b>HIGHWAYS AND STREETS</b>				
Street and bridge				
Personnel services	238,551	238,551	214,842	(23,709)
Contractual services	77,500	77,500	82,409	4,909
Supplies and materials	65,100	65,100	82,178	17,078
Capital outlay	44,831	44,831	44,831	-
Total street and bridge	425,982	425,982	424,260	(1,722)
Street lighting				
Personnel services	6,970	6,970	6,657	(313)
Contractual services	18,000	43,101	39,792	(3,309)
Supplies and materials	3,500	3,500	2,238	(1,262)
Total street lighting	28,470	53,571	48,687	(4,884)
Total highways and streets	454,452	479,553	472,947	(6,606)
<b>CULTURE AND RECREATION</b>				
Forestry				
Personnel services	48,875	48,875	29,143	(19,732)
Contractual services	120,300	120,300	121,178	878
Supplies and materials	5,000	22,102	26,907	4,805
Total forestry	174,175	191,277	177,228	(14,049)

(This schedule is continued on the following page.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)  
GENERAL FUND

For the Year Ended December 31, 2005

	Original Budget	Final Budget	Actual	Variance Over (Under)
<b>CULTURE AND RECREATION (Continued)</b>				
Parks maintenance				
Personnel services	\$ 144,318	\$ 144,318	\$ 146,691	\$ 2,373
Contractual services	9,250	9,250	10,320	1,070
Supplies and materials	11,000	11,000	12,205	1,205
Capital outlay	6,726	6,726	6,726	-
Total parks maintenance	171,294	171,294	175,942	4,648
Recreation administration				
Personnel services	118,991	118,991	111,847	(7,144)
Contractual services	3,700	3,700	3,212	(488)
Supplies and materials	4,300	4,300	3,809	(491)
Total recreation administration	126,991	126,991	118,868	(8,123)
Recreation programs				
Personnel services	95,551	95,551	94,270	(1,281)
Contractual services	83,435	83,435	73,711	(9,724)
Supplies and materials	23,500	23,500	29,539	6,039
Capital outlay	5,099	5,099	5,099	-
Total recreation programs	207,585	207,585	202,619	(4,966)
Recreation facilities				
Personnel services	5,589	5,589	5,299	(290)
Contractual services	23,610	23,610	22,956	(654)
Supplies and materials	7,300	7,300	9,788	2,488
Total recreation facilities	36,499	36,499	38,043	1,544
Total culture and recreation	716,544	733,646	712,700	(20,946)
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,763,198</b>	<b>\$ 7,064,289</b>	<b>\$ 6,915,101</b>	<b>\$ (149,188)</b>

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental	\$ 305,000	\$ 289,157	\$ (15,843)
Investment income	75,000	57,014	(17,986)
Miscellaneous	239,540	239,540	-
<b>Total revenues</b>	<b>619,540</b>	<b>585,711</b>	<b>(33,829)</b>
<b>EXPENDITURES</b>			
Capital outlay	2,997,614	2,073,245	(924,369)
<b>Total expenditures</b>	<b>2,997,614</b>	<b>2,073,245</b>	<b>(924,369)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,378,074)</b>	<b>(1,487,534)</b>	<b>890,540</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer in	1,190,000	1,190,000	-
Sale of capital assets	5,000	-	(5,000)
<b>Total other financing sources (uses)</b>	<b>1,195,000</b>	<b>1,190,000</b>	<b>(5,000)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,183,074)</b>	<b>(297,534)</b>	<b>\$ 885,540</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>3,369,907</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 3,072,373</b>	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Over (Under)
<b>CAPITAL OUTLAY</b>			
Street improvements	\$ 751,500	\$ 383,667	\$ (367,833)
Train station improvements	-	1,291	1,291
Historic water tower	1,240,000	1,349,362	109,362
Public works building	-	10,625	10,625
Building fire alarm replacement	20,000	-	(20,000)
Mobile data terminals	60,000	-	(60,000)
Remodel fire station #2	30,000	-	(30,000)
Police software upgrade	225,000	-	(225,000)
Police servers replaced	50,000	-	(50,000)
Pedestrian underpass improvements	60,000	-	(60,000)
Police wireless cameras	-	24,970	24,970
Vehicle replacement	361,114	212,425	(148,689)
Swan Pond drainage	35,000	15,905	(19,095)
Recreation equipment	25,000	25,000	-
Centennial Park redevelopment	30,000	-	(30,000)
Recreation center water tower space	60,000	-	(60,000)
Sidewalk replacement	50,000	50,000	-
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 2,997,614</b>	<b>\$ 2,073,245</b>	<b>\$ (924,369)</b>

(See independent auditor's report.)

## **NONMAJOR GOVERNMENTAL FUNDS**

Special Revenue Funds are used to finance particular activities, and revenues consist of specific taxes or other earmarked revenues. The Village has the following special revenue funds:

Motor Fuel Tax Fund - to account for the operation of street maintenance programs and capital projects as authorized by the Illinois Department of Transportation. Financing is provided by the Village's share of gasoline taxes allocated by the State of Illinois.

E-911 Fund - to account for revenues and expenditures for all emergency telephone services. Financing is provided by a surcharge on telephone subscribers in the Village.

### Permanent Fund

Working Cash Fund - to account for funds to be used for short-term cash flow needs. Revenues are provided by a property tax levy and interest earnings.

Debt Service Fund - to account for the receipt of property taxes and other monies in order to pay principal, interest and fees on bonded indebtedness.

VILLAGE OF RIVERSIDE, ILLINOIS  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2005

	Special Revenue		Permanent	Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	E-911	Working Cash		
<b>ASSETS</b>					
Cash and investments	\$ 401,297	\$ 312,443	\$ 201,126	\$ 310,602	\$ 1,225,468
Receivables (net of allowances for uncollectibles)					
Property taxes	-	-	-	528,909	528,909
Accrued interest	6,169	-	-	2,509	8,678
Other	-	20,269	-	-	20,269
Due from other governments	21,410	-	-	-	21,410
Advances to other funds	-	-	638,534	-	638,534
<b>TOTAL ASSETS</b>	<b>\$ 428,876</b>	<b>\$ 332,712</b>	<b>\$ 839,660</b>	<b>\$ 842,020</b>	<b>\$ 2,443,268</b>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 7,989	\$ 3,660	\$ -	\$ 375	\$ 12,024
Deferred revenue	-	-	-	525,520	525,520
<b>Total liabilities</b>	<b>7,989</b>	<b>3,660</b>	<b>-</b>	<b>525,895</b>	<b>537,544</b>
<b>FUND BALANCES</b>					
Reserved for advances to other funds	-	-	638,534	-	638,534
Reserved for working cash	-	-	201,126	-	201,126
Reserved for highways and streets	420,887	-	-	-	420,887
Reserved for public safety	-	329,052	-	-	329,052
Reserved for debt service	-	-	-	316,125	316,125
<b>Total fund balances</b>	<b>420,887</b>	<b>329,052</b>	<b>839,660</b>	<b>316,125</b>	<b>1,905,724</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 428,876</b>	<b>\$ 332,712</b>	<b>\$ 839,660</b>	<b>\$ 842,020</b>	<b>\$ 2,443,268</b>

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2005

	Special Revenue		Permanent	Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	E-911	Working Cash		
<b>REVENUES</b>					
Taxes	\$ -	\$ 87,113	\$ -	\$ 544,900	\$ 632,013
Intergovernmental	259,102	-	-	-	259,102
Investment income	21,100	544	2,655	32,666	56,965
<b>Total revenues</b>	<b>280,202</b>	<b>87,657</b>	<b>2,655</b>	<b>577,566</b>	<b>948,080</b>
<b>EXPENDITURES</b>					
Current					
Public safety	-	44,812	-	-	44,812
Highways and streets	95,275	-	-	-	95,275
Debt service					
Principal retirement	-	-	-	456,795	456,795
Interest	-	-	-	124,018	124,018
Fiscal charges	-	-	-	4,339	4,339
<b>Total expenditures</b>	<b>95,275</b>	<b>44,812</b>	<b>-</b>	<b>585,152</b>	<b>725,239</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>184,927</b>	<b>42,845</b>	<b>2,655</b>	<b>(7,586)</b>	<b>222,841</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	58,266	58,266
Issuance of bonds, at par	-	-	-	518,000	518,000
Payment to escrow agent	-	-	-	(514,451)	(514,451)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,815</b>	<b>61,815</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>184,927</b>	<b>42,845</b>	<b>2,655</b>	<b>54,229</b>	<b>284,656</b>
<b>FUND BALANCES, JANUARY 1</b>	<b>235,960</b>	<b>286,207</b>	<b>837,005</b>	<b>261,896</b>	<b>1,621,068</b>
<b>FUND BALANCES, DECEMBER 31</b>	<b>\$ 420,887</b>	<b>\$ 329,052</b>	<b>\$ 839,660</b>	<b>\$ 316,125</b>	<b>\$ 1,905,724</b>

(See independent auditor's report.)



VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
MOTOR FUEL TAX FUND

For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Intergovernmental			
Allotments	\$ 259,289	\$ 259,102	\$ (187)
Grants	220,000	-	(220,000)
Investment income	3,968	21,100	17,132
Total revenues	<u>483,257</u>	<u>280,202</u>	<u>(203,055)</u>
<b>EXPENDITURES</b>			
Highways and streets			
Capital outlay	<u>375,000</u>	<u>95,275</u>	<u>(279,725)</u>
Total expenditures	<u>375,000</u>	<u>95,275</u>	<u>(279,725)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u><u>\$ 108,257</u></u>	<u>184,927</u>	<u><u>\$ 76,670</u></u>
<b>FUND BALANCE, JANUARY 1</b>		<u>235,960</u>	
<b>FUND BALANCE, DECEMBER 31</b>		<u><u>\$ 420,887</u></u>	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
E-911 FUND

For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
E-911 surcharge tax	\$ 105,000	\$ 87,113	\$ (17,887)
Investment income	3,000	544	(2,456)
<b>Total revenues</b>	<b>108,000</b>	<b>87,657</b>	<b>(20,343)</b>
<b>EXPENDITURES</b>			
Public safety			
Contractual services	31,609	38,891	7,282
Supplies and materials	1,000	586	(414)
Capital outlay	180,000	5,335	(174,665)
<b>Total expenditures</b>	<b>212,609</b>	<b>44,812</b>	<b>(167,797)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (104,609)</b>	<b>42,845</b>	<b>\$ 147,454</b>
<b>FUND BALANCE, JANUARY 1</b>		<b>286,207</b>	
<b>FUND BALANCE, DECEMBER 31</b>		<b>\$ 329,052</b>	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
WORKING CASH FUND

For the Year Ended December 31, 2005

	Final Budget	Actual	Variance Over (Under)
<b>REVENUES</b>			
Investment income	\$ 223	\$ 2,655	\$ 2,432
Total revenues	223	2,655	2,432
<b>EXPENDITURES</b>			
None	-	-	-
Total expenditures	-	-	-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>223</b>	<b>2,655</b>	<b>2,432</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	5,000	-	(5,000)
Total other financing sources (uses)	5,000	-	(5,000)
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 5,223</b>	<b>2,655</b>	<b>\$ (2,568)</b>
FUND BALANCE, JANUARY 1		837,005	
FUND BALANCE, DECEMBER 31		\$ 839,660	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

COMBINING BALANCE SHEET  
DEBT SERVICE FUND BY SUBFUND

December 31, 2005

	1991 General Obligation Bonds	1998 Alternate Revenue Bonds	2000 Limited Tax Bonds	2002 General Obligation (Alternative Revenue Source) Bonds
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 205,168
Receivables (net of allowances for uncollectibles)				
Property taxes	-	-	-	-
Accrued interest	-	-	-	34
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205,202</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>				
Reserved for debt service (deficit)	-	-	-	205,202
<b>Total fund balances (deficit)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>205,202</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 205,202</b>

2002 Limited Tax Bonds	2003 Limited Tax Bonds	2004 General Obligation Bonds	2005 Limited Tax Bonds	Installment Contracts	Total
\$ -	\$ 14,424	\$ 5,061	\$ (1,555)	\$ 87,504	\$ 310,602
-	88,403	250,791	189,715	-	528,909
-	43	17	1,354	1,061	2,509
\$ -	\$ 102,870	\$ 255,869	\$ 189,514	\$ 88,565	\$ 842,020
\$ -	\$ -	\$ 375	\$ -	\$ -	\$ 375
-	86,615	249,190	189,715	-	525,520
-	86,615	249,565	189,715	-	525,895
-	16,255	6,304	(201)	88,565	316,125
-	16,255	6,304	(201)	88,565	316,125
\$ -	\$ 102,870	\$ 255,869	\$ 189,514	\$ 88,565	\$ 842,020

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
DEBT SERVICE FUND BY SUBFUND

For the Year Ended December 31, 2005

	1991 General Obligation Bonds		1998 Alternate Revenue Bonds		2000 Limited Tax Bonds		2002 General Obligation (Alternative Revenue Source) Bonds	
	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
REVENUES								
Property taxes	\$ -	\$ 3,699	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	1,479	-	-	-	12,429	8,000	11,000
Total revenues	-	5,178	-	-	-	12,429	8,000	11,000
EXPENDITURES								
Debt service								
Principal retirement	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Fiscal charges	-	-	-	-	-	-	214	214
Total expenditures	-	-	-	-	-	-	214	214
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	5,178	-	-	-	12,429	7,786	10,786
OTHER FINANCING SOURCES (USES)								
Transfers in (out)	-	(31,320)	-	235,556	-	(232,104)	-	-
Bonds issued, at par	-	-	-	-	-	-	-	-
Payment to escrow agent	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	(31,320)	-	235,556	-	(232,104)	-	-
NET CHANGE IN FUND BALANCES	\$ -	(26,142)	\$ -	235,556	\$ -	(219,675)	\$ 7,786	10,786
FUND BALANCES (DEFICIT), JANUARY 1		26,142		(235,556)		219,675		194,416
FUND BALANCES (DEFICIT), DECEMBER 31	\$ -		\$ -		\$ -		\$ 205,202	

2002 Limited Tax Bonds		2003 Limited Tax Bonds		2004 General Obligation Bonds		2005 Limited Tax Bonds		Installment Contracts		Totals	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ -	\$ 1,221	\$ 286,617	\$ 286,005	\$ 256,571	\$ 253,975	\$ -	\$ -	\$ -	\$ -	\$ 543,188	\$ 544,900
-	7,438	-	320	-	-	-	-	-	-	8,000	32,666
-	8,659	286,617	286,325	256,571	253,975	-	-	-	-	551,188	577,566
-	-	269,000	269,000	145,000	145,000	-	-	40,650	42,795	454,650	456,795
-	-	6,726	6,726	101,821	101,821	-	-	17,616	15,471	126,163	124,018
-	-	-	-	400	375	3,750	3,750	-	-	4,364	4,339
-	-	275,726	275,726	247,221	247,196	3,750	3,750	58,266	58,266	585,177	585,152
-	8,659	10,891	10,599	9,350	6,779	(3,750)	(3,750)	(58,266)	(58,266)	(33,989)	(7,586)
-	(140,120)	-	-	-	-	-	-	58,266	226,254	58,266	58,266
-	-	-	-	-	-	516,000	518,000	-	-	516,000	518,000
-	-	-	-	-	-	(514,451)	(514,451)	-	-	(514,451)	(514,451)
-	(140,120)	-	-	-	-	1,549	3,549	58,266	226,254	59,815	61,815
<u>\$ -</u>	<u>(131,461)</u>	<u>\$ 10,891</u>	<u>10,599</u>	<u>\$ 9,350</u>	<u>6,779</u>	<u>\$ (2,201)</u>	<u>(201)</u>	<u>\$ -</u>	<u>167,988</u>	<u>\$ 25,826</u>	<u>54,229</u>
	<u>131,461</u>		<u>5,656</u>		<u>(475)</u>		<u>-</u>		<u>(79,423)</u>		<u>261,896</u>
	<u>\$ -</u>		<u>\$ 16,255</u>		<u>\$ 6,304</u>		<u>\$ (201)</u>		<u>\$ 88,565</u>		<u>\$ 316,125</u>

(See independent auditor's report.)

## **MAJOR ENTERPRISE FUND**

Water and Sewer Fund - to account for the provision of water and wastewater services to the residents of the Village. All activities necessary to provide such service are accounted for in this fund.



VILLAGE OF RIVERSIDE, ILLINOIS  
SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
WATER AND SEWER FUND

For the Year Ended December 31, 2005

	Final Budget	Actual
<b>OPERATING REVENUES</b>		
Charges for services		
Water charges	\$ 1,691,939	\$ 2,032,620
Sewer charges	420,000	474,813
Penalties	24,000	24,701
Meter sales	234,061	124,253
Other revenue	-	34,688
	2,370,000	2,691,075
<b>OPERATING EXPENSES</b>		
Personnel services	570,585	547,555
Contractual services	255,378	489,073
Supplies and materials	790,000	729,198
Capital outlay	647,258	165,067
	2,263,221	1,930,893
	106,779	760,182
<b>OPERATING INCOME</b>		
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Grants	-	50,000
Investment income	25,000	47,477
Gain on disposal of capital assets	-	16,150
Debt principal payment	(185,000)	(185,000)
Interest expense	(240,334)	(236,955)
	(400,334)	(308,328)
	\$ (293,555)	451,854
<b>CHANGE IN NET ASSETS - BUDGETARY BASIS</b>		
<b>ADJUSTMENTS TO GAAP BASIS</b>		
Depreciation and amortization		(352,214)
Capital assets capitalized		165,067
Debt principal payment		185,000
		(2,147)
		449,707
<b>CHANGE IN NET ASSETS - GAAP BASIS</b>		
NET ASSETS, JANUARY 1		9,449,969
NET ASSETS, DECEMBER 31		\$ 9,899,676

(See independent auditor's report.)

## **NONMAJOR ENTERPRISE FUND**

Parking Lot Fund - to account for the operations of the Village's residential and commuter parking lots and parking areas. Revenues are provided from user permit fees and daily space fees.

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS - BUDGET AND ACTUAL  
PARKING LOT FUND

For the Year Ended December 31, 2005

	Final Budget	Actual
<b>OPERATING REVENUES</b>		
Charges for services	\$ 98,000	\$ 85,838
Total operating revenues	98,000	85,838
<b>OPERATING EXPENSES</b>		
Contractual services	86,266	72,621
Supplies and materials	7,000	7,707
Total operating expenses	93,266	80,328
<b>OPERATING INCOME</b>	4,734	5,510
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Investment income	2,500	8,108
Total nonoperating revenues (expenses)	2,500	8,108
<b>CHANGE IN NET ASSETS - BUDGETARY BASIS</b>	\$ 7,234	13,618
<b>ADJUSTMENTS TO GAAP BASIS</b>		
Depreciation		(36,137)
Total adjustments to GAAP Basis		(36,137)
<b>CHANGE IN NET ASSETS - GAAP BASIS</b>		(22,519)
<b>NET ASSETS, JANUARY 1</b>		597,653
<b>NET ASSETS, DECEMBER 31</b>		\$ 575,134

(See independent auditor's report.)

## **FIDUCIARY FUNDS**

Police Pension Fund, Pension Trust Fund - to account for the accumulation of resources to pay pension costs. Resources are contributed by police force members at rates fixed by state statutes and by the Village through an annual property tax levy.

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF CHANGES IN PLAN NET ASSETS -  
BUDGET AND ACTUAL  
POLICE PENSION TRUST FUND

For the Year Ended December 31, 2005

	Final Budget	Actual
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 333,313	\$ 316,467
Employee	129,000	129,916
Total contributions	462,313	446,383
Investment income		
Net appreciation in fair value of investments	-	135,382
Interest	215,000	262,774
Total investment income	215,000	398,156
Less investment expense	(88,550)	(80,821)
Net investment income	126,450	317,335
Total additions	588,763	763,718
<b>DEDUCTIONS</b>		
Benefits and refunds	720,000	716,490
Administrative expenses	12,638	10,470
Total deductions	732,638	726,960
<b>NET INCREASE (DECREASE)</b>	<b>\$ (143,875)</b>	<b>36,758</b>
<b>NET ASSETS HELD IN TRUST FOR PENSION BENEFITS</b>		
January 1		8,031,423
December 31		\$ 8,068,181

(See independent auditor's report.)

**COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY**

RIVERSIDE PUBLIC LIBRARY, ILLINOIS  
COMPONENT UNIT

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS  
COMBINING BALANCE SHEET

December 31, 2005

	General	Nonmajor Governmental Funds
<b>ASSETS</b>		
Cash and cash equivalents	\$ 233,397	\$ 267,923
Receivables (net of allowances for uncollectibles)		
Property taxes	726,150	80,027
Other	12,901	-
Due from other funds	2,576	60
Capital assets, being depreciated, net of accumulated depreciation	-	-
TOTAL ASSETS	\$ 975,024	\$ 348,010
<b>LIABILITIES AND FUND BALANCES/NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts payable	\$ 19,408	\$ 78
Accrued payroll	10,025	4,648
Due to other funds	60	2,576
Deferred revenue	722,000	79,600
Compensated absences	-	-
Total liabilities	751,493	86,902
 <b>FUND BALANCES/NET ASSETS</b>		
Net assets		
Invested in capital assets	-	-
Fund balances/net assets		
Reserved for special purposes	-	48,792
Reserved for employee retirement	-	1,937
Reserved for audit	-	102
Reserved for unemployment	-	348
Reserved for working cash	-	90,000
Unreserved - undesignated	223,531	119,929
Total fund balances/net assets	223,531	261,108
<b>TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS</b>	<b>\$ 975,024</b>	<b>\$ 348,010</b>

Total	Adjustments	Statement of Net Assets
\$ 501,320	\$ -	\$ 501,320
806,177	-	806,177
12,901	-	12,901
2,636	(2,636)	-
-	1,265,595	1,265,595
<u>\$ 1,323,034</u>	<u>\$ 1,262,959</u>	<u>\$ 2,585,993</u>
\$ 19,486	\$ -	\$ 19,486
14,673	-	14,673
2,636	(2,636)	-
801,600	-	801,600
-	14,128	14,128
<u>838,395</u>	<u>11,492</u>	<u>849,887</u>
-	1,265,595	1,265,595
48,792	-	48,792
1,937	-	1,937
102	-	102
348	-	348
90,000	-	90,000
343,460	(14,128)	329,332
<u>484,639</u>	<u>1,251,467</u>	<u>1,736,106</u>
<u>\$ 1,323,034</u>	<u>\$ 1,262,959</u>	<u>\$ 2,585,993</u>

(See independent auditor's report.)



RIVERSIDE PUBLIC LIBRARY, ILLINOIS  
COMPONENT UNIT

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES/NET ASSETS

For the Year Ended December 31, 2005

	General	Nonmajor Governmental Funds
<b>REVENUES</b>		
Taxes	\$ 694,336	\$ 70,272
Intergovernmental	10,954	20,625
Charges for services	13,551	-
Fines and forfeitures	17,621	-
Investment income	6,753	7,969
Miscellaneous	2,067	15,027
Total revenues	745,282	113,893
<b>EXPENDITURES</b>		
Current		
Personnel services	512,443	69,485
Materials and supplies	112,347	43,788
Contractual services	85,203	41,746
Other charges	11,544	-
Capital outlay	5,108	3,107
Total expenditures	726,645	158,126
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	18,637	(44,233)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfer in	-	2,709
Transfer (out)	-	(2,709)
Total other financing sources (uses)	-	-
<b>NET CHANGE IN FUND BALANCES/NET ASSETS</b>	18,637	(44,233)
<b>FUND BALANCES/NET ASSETS, JANUARY 1</b>	204,894	305,341
<b>FUND BALANCES/NET ASSETS, DECEMBER 31</b>	\$ 223,531	\$ 261,108

Total	Adjustments	Statement of Activities
\$ 764,608	\$ -	\$ 764,608
31,579	-	31,579
13,551	-	13,551
17,621	-	17,621
14,722	-	14,722
17,094	-	17,094
859,175	-	859,175
581,928	-	581,928
156,135	8,215	164,350
126,949	-	126,949
11,544	56,942	68,486
8,215	(8,215)	-
884,771	56,942	941,713
(25,596)	(56,942)	(82,538)
2,709	(2,709)	-
(2,709)	2,709	-
-	-	-
(25,596)	(56,942)	(82,538)
510,235	1,308,409	1,818,644
\$ 484,639	\$ 1,251,467	\$ 1,736,106

(See independent auditor's report.)

RIVERSIDE PUBLIC LIBRARY, ILLINOIS  
COMPONENT UNIT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2005

	Special Revenue				Capital	Permanent
	Illinois Municipal Retirement	Audit	FICA	Unemployment Compensation Insurance	Projects Special Reserve	Library Gift
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,487	\$ 78	\$ 1,695	\$ 426	\$ 56,727	\$ 57,668
Receivables (net of allowance for uncollectibles)						
Property taxes	37,697	4,024	37,706	600	-	-
Due from other funds	-	-	-	-	-	60
<b>TOTAL ASSETS</b>	<b>\$ 42,184</b>	<b>\$ 4,102</b>	<b>\$ 39,401</b>	<b>\$ 1,026</b>	<b>\$ 56,727</b>	<b>\$ 57,728</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ 78	\$ -	\$ -
Accrued payroll	4,062	-	586	-	-	-
Due to other funds	-	-	-	-	-	2,576
Deferred revenue	37,500	4,000	37,500	600	-	-
<b>Total liabilities</b>	<b>41,562</b>	<b>4,000</b>	<b>38,086</b>	<b>678</b>	<b>-</b>	<b>2,576</b>
<b>FUND BALANCES</b>						
Reserved for special purposes	-	-	-	-	-	-
Reserved for employee retirement	622	-	1,315	-	-	-
Reserved for audit	-	102	-	-	-	-
Reserved for unemployment	-	-	-	348	-	-
Reserved for working cash	-	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	56,727	55,152
<b>Total fund balances</b>	<b>622</b>	<b>102</b>	<b>1,315</b>	<b>348</b>	<b>56,727</b>	<b>55,152</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 42,184</b>	<b>\$ 4,102</b>	<b>\$ 39,401</b>	<b>\$ 1,026</b>	<b>\$ 56,727</b>	<b>\$ 57,728</b>

Permanent						Total
General	Batko	Children's	Kovalsky	Working	Dardwin	Nonmajor
Endowment	Endowment	Endowment	Endowment	Cash	Endowment	Governmental
						Funds
\$ 16,645	\$ 5,642	\$ 1,549	\$ 4,951	\$ 90,000	\$ 28,055	\$ 267,923
-	-	-	-	-	-	80,027
-	-	-	-	-	-	60
<u>\$ 16,645</u>	<u>\$ 5,642</u>	<u>\$ 1,549</u>	<u>\$ 4,951</u>	<u>\$ 90,000</u>	<u>\$ 28,055</u>	<u>\$ 348,010</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78
-	-	-	-	-	-	4,648
-	-	-	-	-	-	2,576
-	-	-	-	-	-	79,600
-	-	-	-	-	-	86,902
12,053	5,425	1,484	4,830	-	25,000	48,792
-	-	-	-	-	-	1,937
-	-	-	-	-	-	102
-	-	-	-	-	-	348
-	-	-	-	90,000	-	90,000
4,592	217	65	121	-	3,055	119,929
<u>16,645</u>	<u>5,642</u>	<u>1,549</u>	<u>4,951</u>	<u>90,000</u>	<u>28,055</u>	<u>261,108</u>
<u>\$ 16,645</u>	<u>\$ 5,642</u>	<u>\$ 1,549</u>	<u>\$ 4,951</u>	<u>\$ 90,000</u>	<u>\$ 28,055</u>	<u>\$ 348,010</u>

(See independent auditor's report.)

RIVERSIDE PUBLIC LIBRARY, ILLINOIS  
COMPONENT UNIT

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

For the Year Ended December 31, 2005

	Special Revenue			Unemployment Compensation Insurance	Capital	Permanent Library Gift
	Illinois Municipal Retirement	Audit	FICA		Projects Special Reserve	
REVENUES						
Taxes	\$ 32,442	\$ 3,790	\$ 34,040	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	20,625	-
Investment income	-	-	-	-	1,694	1,864
Miscellaneous						
Donations	-	-	-	-	-	15,027
Total revenues	32,442	3,790	34,040	-	22,319	16,891
EXPENDITURES						
Current						
Personnel services	32,329	-	36,300	856	-	-
Materials and supplies	-	-	-	-	-	43,690
Contractual services	-	3,800	-	-	37,065	881
Capital outlay	-	-	-	-	-	3,107
Total expenditures	32,329	3,800	36,300	856	37,065	47,678
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	113	(10)	(2,260)	(856)	(14,746)	(30,787)
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	-	2,709	-
Transfer (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	2,709	-
NET CHANGE IN FUND BALANCES	113	(10)	(2,260)	(856)	(12,037)	(30,787)
FUND BALANCES, JANUARY 1	509	112	3,575	1,204	68,764	85,939
FUND BALANCES, DECEMBER 31	\$ 622	\$ 102	\$ 1,315	\$ 348	\$ 56,727	\$ 55,152

	Permanent						Total
General	Batko	Children's	Kovalsky	Working	Dardwin	Nonmajor	
Endowment	Endowment	Endowment	Endowment	Cash	Endowment	Governmental	
						Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,272	
-	-	-	-	-	-	20,625	
497	169	46	151	2,709	839	7,969	
-	-	-	-	-	-	15,027	
497	169	46	151	2,709	839	113,893	
-	-	-	-	-	-	69,485	
-	-	-	98	-	-	43,788	
-	-	-	-	-	-	41,746	
-	-	-	-	-	-	3,107	
-	-	-	98	-	-	158,126	
497	169	46	53	2,709	839	(44,233)	
-	-	-	-	-	-	2,709	
-	-	-	-	(2,709)	-	(2,709)	
-	-	-	-	(2,709)	-	-	
497	169	46	53	-	839	(44,233)	
16,148	5,473	1,503	4,898	90,000	27,216	305,341	
\$ 16,645	\$ 5,642	\$ 1,549	\$ 4,951	\$ 90,000	\$ 28,055	\$ 261,108	

(See independent auditor's report.)

**STATISTICAL SECTION**  
**(Unaudited)**

VILLAGE OF RIVERSIDE, ILLINOIS

GOVERNMENT-WIDE REVENUES

Last Two Fiscal Years

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	2004	2005
<b>PROGRAM REVENUES</b>		
Charges for services	\$ 3,848,603	\$ 4,160,570
Operating grants	347,812	382,744
Capital grants	201,860	339,157
<b>GENERAL REVENUES</b>		
Taxes	5,765,649	6,067,820
Investment income	126,373	347,122
Miscellaneous	199,657	146,659
<b>TOTAL REVENUES</b>	<u>\$ 10,489,954</u>	<u>\$ 11,444,072</u>

NOTE: The Village implemented GASB S-34 for the fiscal year ended December 31, 2004.

Data Source

Village Records



VILLAGE OF RIVERSIDE, ILLINOIS

GOVERNMENT-WIDE EXPENSES BY FUNCTION

Last Two Fiscal Years

	2004	2005
<b>GOVERNMENTAL ACTIVITIES</b>		
General government	\$ 1,796,603	\$ 1,611,117
Public safety	4,102,866	4,657,227
Highways and streets	1,225,435	1,125,089
Culture and recreation	832,524	761,705
Interest	84,257	98,700
Total governmental activities	8,041,685	8,253,838
<b>BUSINESS-TYPE ACTIVITIES</b>		
Water	2,805,560	2,200,713
Sewer	109,121	138,132
Parking	127,391	116,465
Total business-type activities	3,042,072	2,455,310
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 11,083,757</b>	<b>\$ 10,709,148</b>

NOTE: The Village implemented GASB S-34 for the fiscal year ended December 31, 2004.

Data Source

Village Records

VILLAGE OF RIVERSIDE, ILLINOIS  
GENERAL GOVERNMENTAL REVENUES BY SOURCE

Last Ten Fiscal Years

Fiscal Year	1997	1998	1999	2000	2000*	2001	2002	2003	2004	2005
Taxes	\$ 4,361,361	\$ 4,166,135	\$ 4,258,560	\$ 4,237,948	\$ 4,165,579	\$ 4,846,654	\$ 4,864,232	\$ 4,929,632	\$ 5,015,726	\$ 5,185,476
Intergovernmental	964,719	941,525	969,180	1,045,197	757,739	1,149,903	1,175,076	956,663	1,171,676	1,479,994
Licenses and permits	245,375	280,476	340,315	349,010	329,736	415,921	490,170	543,416	575,429	547,907
Charges for services	289,540	366,881	417,710	447,471	283,757	485,701	485,993	517,802	381,460	403,034
Fines and forfeitures	168,261	208,667	216,377	221,590	101,974	175,443	219,288	188,492	246,457	226,422
Miscellaneous	862,117	518,802	504,285	480,743	605,212	864,432	961,715	481,140	588,241	718,741
<b>TOTAL REVENUES</b>	<b>\$ 6,891,373</b>	<b>\$ 6,482,486</b>	<b>\$ 6,706,427</b>	<b>\$ 6,781,959</b>	<b>\$ 6,243,997</b>	<b>\$ 7,938,054</b>	<b>\$ 8,196,474</b>	<b>\$ 7,617,145</b>	<b>\$ 7,978,989</b>	<b>\$ 8,561,574</b>

NOTE: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

\* The Village changed its fiscal year end to December 31 effective December 31, 2000.

Data Source

Village Records

VILLAGE OF RIVERSIDE, ILLINOIS

GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION

Last Ten Fiscal Years

Fiscal Year	1997	1998	1999	2000	2000*	2001	2002	2003	2004	2005
General government	\$ 1,109,020	\$ 1,406,566	\$ 1,224,061	\$ 1,568,906	\$ 792,559	\$ 1,340,285	\$ 1,433,497	\$ 1,465,929	\$ 1,422,747	\$ 1,494,596
Public safety	2,349,967	2,529,501	2,917,467	3,089,537	2,321,817	3,138,217	3,568,387	3,613,591	3,976,350	4,279,670
Highways and streets	381,323	387,489	457,118	367,068	250,698	344,680	718,087	515,644	916,639	568,222
Culture and recreation	585,827	670,830	607,016	631,486	392,814	554,587	674,639	669,027	696,329	712,700
Capital outlay	1,649,687	1,393,573	431,628	411,060	1,686,515	699,423	907,521	3,803,864	843,357	2,073,245
Debt Service										
Principal and interest	699,028	694,781	700,975	584,338	712,917	867,947	925,637	942,334	833,842	580,813
Fiscal charges	2,261	2,703	14,643	5,988	3,220	1,361	62,704	5,398	25,641	4,339
<b>TOTAL EXPENDITURES</b>	<b>\$ 6,777,113</b>	<b>\$ 7,085,443</b>	<b>\$ 6,352,908</b>	<b>\$ 6,658,383</b>	<b>\$ 6,160,540</b>	<b>\$ 6,946,500</b>	<b>\$ 8,290,472</b>	<b>\$ 11,015,787</b>	<b>\$ 8,714,905</b>	<b>\$ 9,713,585</b>

NOTE: Includes General, Special Revenue, Debt Service and Capital Projects Funds.

\* The Village changed its fiscal year end to December 31 effective December 31, 2000.

Data Source

Village Records

VILLAGE OF RIVERSIDE, ILLINOIS

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS \*

Last Ten Levy Years

Tax Levy Year	1996		1997		1998		1999		2000	
ASSESSED VALUATION	\$ 151,685,797		\$ 151,807,014		\$ 154,512,766		\$ 173,922,075		\$ 170,368,867	
	Rate**	Amount	Rate**	Amount	Rate**	Amount	Rate**	Amount	Rate**	Amount
TAX EXTENSIONS										
Corporate	0.0833	\$ 126,430	0.0862	\$ 130,858	0.0865	\$ 133,654	0.2221	\$ 386,281	0.2418	\$ 411,952
IMRF	0.1493	226,603	0.1523	231,202	0.1528	236,096	0.0207	36,002	0.0212	36,118
Audit	-	-	-	-	-	-	0.0118	20,523	0.0121	20,615
Public benefit	0.0452	68,603	0.0468	71,046	0.0470	72,621	-	-	-	-
Public liability insurance	0.1018	154,509	0.1054	160,005	0.1058	163,475	0.0977	169,922	0.0363	61,844
Police protection	0.3617	548,978	0.3744	568,365	0.3757	580,504	0.3494	607,684	0.3899	664,268
Fire protection	0.3617	548,978	0.3744	568,365	0.3757	580,504	0.3494	607,684	0.3899	664,268
School crossing guards	0.0181	27,472	0.0187	28,388	0.0187	28,894	0.0172	29,915	0.0181	30,837
ESDA	-	-	-	-	-	-	-	-	-	-
Street lighting	0.0452	68,603	0.0468	71,046	0.0470	72,621	0.0444	77,221	0.0500	85,184
Street and bridge	0.0904	137,206	0.0936	142,091	0.0939	145,087	0.0871	151,486	0.0883	150,436
Parks maintenance	0.0904	137,206	0.0936	142,091	0.0939	145,087	0.0871	151,486	0.0883	150,436
Forestry	0.0452	68,603	0.0468	71,046	0.0470	72,621	0.0444	77,221	0.0500	85,184
Recreation	0.0814	123,547	0.0842	127,822	0.0845	130,563	0.0785	136,529	0.0900	153,332
Debt service										
Installment contracts	-	-	-	-	-	-	-	-	-	-
Village bond and interest	0.4807	729,592	0.3345	507,794	0.2381	367,895	0.2864	498,113	0.3396	578,573
Garbage	0.0830	125,975	0.0859	130,402	0.0862	133,190	-	-	-	-
Working cash	-	-	-	-	-	-	0.0444	77,221	-	-
Police pension	0.1091	165,589	0.1150	174,578	0.1154	178,308	0.0876	152,356	0.0931	158,613
Ambulance service	0.1843	279,725	0.1907	289,496	0.1914	295,737	0.1925	334,800	0.2358	401,730
TOTAL TAX EXTENSIONS	2.3308	\$ 3,537,619	2.2493	\$ 3,414,595	2.1596	\$ 3,336,857	2.0207	\$ 3,514,444	2.1444	\$ 3,653,390
TOTAL TAX COLLECTIONS		<u>\$ 3,515,508</u>		<u>\$ 3,345,621</u>		<u>\$ 3,335,672</u>		<u>\$ 3,543,239</u>		<u>\$ 3,648,240</u>
% OF EXTENSION COLLECTED		<u>99.37%</u>		<u>97.98%</u>		<u>99.96%</u>		<u>100.82%</u>		<u>99.86%</u>

(This schedule is continued on the following page.)

VILLAGE OF RIVERSIDE, ILLINOIS

PROPERTY TAX ASSESSED VALUATIONS, RATES, EXTENSIONS AND COLLECTIONS \* (Continued)

Last Ten Levy Years

Tax Levy Year	2001		2002		2003		2004		2005	
ASSESSED VALUATION	\$ 174,122,215		\$ 238,929,340		\$ 237,018,059		\$ 247,890,842		N/A	
	Rate**	Amount	Rate**	Amount	Rate**	Amount	Rate**	Amount	Rate**	Amount
TAX EXTENSIONS										
Corporate	0.2453	\$ 427,133	0.0046	\$ 10,944	0.0000	\$ -	0.0752	\$ 186,413		N/A
IMRF	0.0774	134,750	0.0757	180,959	0.0962	228,011	0.1045	259,045		
Audit	0.0118	20,600	0.0086	20,600	0.0083	19,672	0.0075	18,591		
Public benefit	-	-	-	-	-	-	-	-		
Public liability insurance	-	-	0.1019	243,544	0.1255	297,457	0.0721	178,729		
Police protection	0.3925	683,413	0.2971	709,808	0.2928	693,988	0.2709	671,536		
Fire protection	0.3925	683,413	0.2971	709,808	0.2928	693,988	0.2709	671,536		
School crossing guards	0.0196	34,171	0.0149	35,490	0.0167	39,582	0.0155	38,423		
ESDA	-	-	-	-	-	-	-	-		
Street lighting	0.0188	32,716	0.0006	1,350	0.0084	19,909	0.0077	19,087		
Street and bridge	0.0981	170,853	0.0743	177,452	0.0795	188,429	0.0735	182,199		
Parks maintenance	0.0810	141,062	0.0681	162,778	0.0649	153,824	0.0592	146,751		
Forestry	0.0491	85,427	0.0371	88,726	0.0419	99,310	0.0387	95,933		
Recreation	0.0883	153,768	0.0668	159,707	0.0836	198,147	0.0808	200,295		
Debt service										
Installment contracts	-	-	-	-	-	-	0.0235	58,266		
Village bond and interest	0.3287	572,326	0.2464	588,730	0.2402	569,364	0.1978	490,408		
Garbage	-	-	-	-	-	-	-	-		
Working cash	-	-	-	-	-	-	-	-		
Police pension	0.1074	186,945	0.0897	214,240	0.1045	247,683	0.1265	313,581		
Ambulance service	0.2453	427,133	0.1857	443,630	0.1673	396,531	0.1548	383,735		
TOTAL TAX EXTENSIONS	2.1558	\$ 3,753,710	1.5686	\$ 3,747,766	1.6226	\$ 3,845,895	1.5791	\$ 3,914,528	-	\$ -
TOTAL TAX COLLECTIONS		<u>\$ 3,808,863</u>		<u>\$ 3,709,296</u>		<u>\$ 3,788,623</u>		<u>\$ 3,884,861</u>		<u>N/A</u>
% OF EXTENSION COLLECTED		<u>101.47%</u>		<u>98.97%</u>		<u>98.51%</u>		<u>99.24%</u>		<u>N/A</u>

\* Excludes public library, which is presented as a discrete component unit.

\*\* Property tax rates are per \$100 of assessed valuation.

N/A - Information not available at time of printing.

Data Source

Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Tax Levy Year	Real Property		Ratio of Total Assessed Value to Total Estimated Actual Value*	Equalization Factor
	Equalized Assessed Value	Estimated Actual Value		
1996	\$ 151,685,797	\$ 455,057,391	33.33	2.1517
1997	151,807,014	455,421,042	33.33	2.1489
1998	154,512,766	463,538,298	33.33	2.1799
1999	173,922,075	521,766,225	33.33	2.2505
2000	170,368,867	511,106,601	33.33	2.2235
2001	174,122,215	522,366,645	33.33	2.3098
2002	238,929,340	716,788,020	33.33	2.4689
2003	237,018,059	711,054,177	33.33	2.4598
2004	247,890,842	743,672,526	33.33	2.5757
2005	N/A	N/A	N/A	N/A

\* Assessed values are established by Cook County and Equalized by the State of Illinois to approximate one third of market value.

N/A - Information not available at time of printing.

Data Source

Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS\*

Last Ten Levy Years

Tax Levy Year	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
<b>TAX RATES*</b>										
County of Cook	0.989	0.919	0.911	0.854	0.824	0.746	0.690	0.630	0.593	N/A
Forest Preserve District of										
Cook County	0.074	0.074	0.072	0.070	0.069	0.067	0.061	0.059	0.060	
Suburban T.B. Sanitarium	0.008	0.008	0.008	0.008	0.008	0.007	0.006	0.004	0.001	
Consolidated Elections	-	0.027	-	0.023	-	0.032	-	0.029	0.000	
Metropolitan Water Reclamation										
District	0.492	0.451	0.444	0.419	0.415	0.401	0.371	0.361	0.347	
Des Plaines Valley Mosquito										
Abatement District	0.014	0.013	0.013	0.012	0.013	0.013	0.011	0.012	0.012	
High School District No. 208	2.365	2.488	2.488	2.339	2.456	2.503	2.017	2.306	2.273	
Triton Community College District No. 504	0.349	0.352	0.341	0.317	0.332	0.306	0.257	0.269	0.259	
Riverside Public Library	0.401	0.415	0.417	0.379	0.398	0.404	0.300	0.313	0.308	
Village of Riverside	2.331	2.249	2.160	2.021	2.145	2.156	1.569	1.623	1.580	
School District No. 96	2.323	2.510	2.519	2.342	2.474	2.475	2.006	2.573	2.652	
Riverside Township	0.099	0.115	0.115	0.098	0.100	0.108	0.085	0.087	0.084	
Riverside Township General Assistance	0.018	0.006	0.006	0.013	0.013	0.002	0.002	0.002	0.005	
Riverside Mental Health District	0.085	0.087	0.087	0.080	0.087	0.090	0.071	0.073	0.073	
<b>TOTAL TAX RATES</b>	<b>9.548</b>	<b>9.714</b>	<b>9.581</b>	<b>8.975</b>	<b>9.334</b>	<b>9.310</b>	<b>7.446</b>	<b>8.341</b>	<b>8.247</b>	<b>N/A</b>
Share of Total Tax Rate Levied by the Village of Riverside	24.41%	23.15%	22.54%	22.52%	22.98%	23.16%	21.07%	19.46%	19.16%	N/A

\* Property tax rates are per \$100 of assessed valuation. All properties in the Village share the same overlapping districts with the exception of Township. 2% of the Village is located in Lyons Township while 98% of the Village is located in Riverside Township. Thus, Lyons Township and related districts (Road & Bridge, General Assistance and Mental Health) are not shown.

N/A - 2004 data not available at the time of this printing.

Data Source

Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

RATIO OF NET GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE  
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITA

Last Ten Fiscal Years

Year Ended April 30,	Tax Levy Year	Gross General Obligation Bonded Debt	Debt Service Funds Available	Net General Obligation Bonded Debt	Assessed Valuation (1)	Percentage of Net General Obligation Bonded Debt to Assessed Valuation	Estimated Population (2)	Net Bonded Debt per Capita
1997	1996	\$ 3,580,000	\$ 684,161	\$ 2,895,839	\$ 151,685,797	1.909	8,774	\$ 330
1998	1997	3,120,000	628,807	2,491,193	151,807,014	1.641	8,774	284
1999	1998	2,685,000	435,243	2,249,757	154,512,766	1.456	8,774	256
2000	1999	2,555,000	459,717	2,095,283	173,922,075	1.205	8,774	239
2000*	2000	2,495,000	515,101	1,979,899	170,368,867	1.162	8,895	223
2001	2001	1,845,000	783,215	1,061,785	174,122,215	0.610	8,895	119
2002	2002	4,600,000	591,741	4,008,259	238,929,340	1.678	8,895	451
2003	2003	4,156,000	237,754	3,918,246	237,018,059	1.653	8,895	440
2004	2004	5,479,000	261,896	5,217,104	247,890,842	2.105	8,895	587
2005	2005	5,328,000	316,125	5,011,875	N/A	N/A	8,895	563

\* The Village changed its fiscal year end to December 31 effective December 31, 2000.

N/A - Information not available at time of printing.

Data Source

(1) Office of the County Clerk

(2) U.S. Department of Commerce, Bureau of Census



VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF DIRECT AND OVERLAPPING BONDED DEBT

December 31, 2005

Governmental Unit	Gross Bonded Debt	Applicable to the Village of Riverside*	
		Percent	Amount
Direct Debt:			
Village of Riverside**	\$ 5,328,000	100.00%	\$ 5,328,000
Total Direct Debt	\$ 5,328,000		\$ 5,328,000
Overlapping Debt			
Cook County	\$ 3,093,165,000	0.20%	\$ 6,186,330
Cook County Forest Preserve District	135,155,000	0.20%	270,310
Metropolitan Water Reclamation District	1,307,823,555	0.21%	2,746,429
High School District No. 208	26,500,000	34.80%	9,222,000
School District No. 96	950,000	53.49%	508,155
Total Overlapping Debt	\$ 4,563,593,555		\$ 18,933,224
GRAND TOTAL DIRECT AND OVERLAPPING DEBT	\$ 4,568,921,555		\$ 24,261,224

\* Determined by ratio of the assessed value of property subject to taxation in the Village to the assessed value of property subject to taxation in the overlapping governmental unit.

\*\* Gross bonded debt does not include alternate revenue bonds supported by Enterprise Fund revenues or by special service area bonds.

Data Source

Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BONDED DEBT  
TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES

Last Ten Fiscal Years

Fiscal Year	1997	1998	1999	2000	2000*	2001	2002	2003	2004	2005
Principal	\$ 435,000	\$ 460,000	\$ 495,000	\$ 430,000	\$ 560,000	\$ 650,000	\$ 680,000	\$ 725,000	\$ 737,000	\$ 414,000
Interest	264,028	234,781	205,975	154,338	147,534	133,140	160,831	137,911	38,576	86,640
<b>TOTAL DEBT SERVICE</b>	<b>\$ 699,028</b>	<b>\$ 694,781</b>	<b>\$ 700,975</b>	<b>\$ 584,338</b>	<b>\$ 707,534</b>	<b>\$ 783,140</b>	<b>\$ 840,831</b>	<b>\$ 862,911</b>	<b>\$ 775,576</b>	<b>\$ 500,640</b>
<b>TOTAL GENERAL GOVERNMENTAL EXPENDITURES</b>	<b>\$ 6,777,113</b>	<b>\$ 7,085,443</b>	<b>\$ 6,352,908</b>	<b>\$ 6,658,383</b>	<b>\$ 6,160,540</b>	<b>\$ 6,946,500</b>	<b>\$ 8,290,472</b>	<b>\$ 11,015,787</b>	<b>\$ 8,714,905</b>	<b>\$ 9,713,585</b>
<b>RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES</b>	<b>10.31%</b>	<b>9.81%</b>	<b>11.03%</b>	<b>8.78%</b>	<b>11.48%</b>	<b>11.27%</b>	<b>10.14%</b>	<b>7.83%</b>	<b>8.90%</b>	<b>5.15%</b>

\* The Village changed its fiscal year end to December 31 effective December 31, 2000.

Data Source

Village Records

VILLAGE OF RIVERSIDE, ILLINOIS  
 SCHEDULE OF INSURANCE IN FORCE

December 31, 2005

	Deductibles	Excess (Maximum Coverage Inclusive of Deductibles and IRMA Retentions)
Property	\$ 2,500	\$ 250,000,000
General liability	2,500	10,000,000
Automobile liability	2,500	10,000,000
Workers' compensation	2,500	Statutory
Public officials liability	2,500	10,000,000

VILLAGE OF RIVERSIDE, ILLINOIS  
PROPERTY VALUE AND CONSTRUCTION

Last Ten Fiscal Years

Fiscal Year	(1) Commercial Construction		(1) Residential Construction		(2) Assessed Value*	
	Number of Units	Value	Number of Units	Value	Residential	Commercial/ Industrial
1996	6	\$ 8,257,867	766	N/A	\$ 129,321,274	\$ 22,364,523
1997	8	265,800	801	5,500,809	129,418,149	22,254,930
1998	5	427,200	180	1,383,690	132,059,255	22,283,389
1999	N/A	410,358	866	5,582,338	150,029,400	23,680,557
2000	-	-	761	8,650,676	148,786,756	21,364,296
2001	8	847,731	816	8,287,977	155,015,848	18,872,837
2002	34	524,968	783	17,442,823	202,384,220	26,299,987
2003	10	1,265,079	934	13,759,334	211,746,237	25,068,403
2004	8	48,165	929	15,701,662	N/A	N/A
2005	5	129,507	814	16,682,010	N/A	N/A

\* Based on real estate only (not railroad) assessed valuations for the tax levy year ending within the Village's fiscal year.  
2004 levy is not available as of this printing.

N/A - Information not available at time of printing.

Data Source

(1) Building department records

(2) Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

PRINCIPAL TAXPAYERS

December 31, 2005

Taxpayer	Type of Business/Property	2004 Assessed Valuation	Percentage of Total Assessed Valuation
MacNeal Management Services	Medical Center and doctor's offices	\$ 710,640	0.29 %
First American Bank Corporation	Commercial/apartments	437,418	0.18
Individual	Real estate	415,657	0.17
Cadillac Property Inc.	Commercial/apartments	350,005	0.14
Individual	Real estate	320,000	0.13
Riverside Arcade LLC	Commercial	272,079	0.11
Wirtz Realty	Apartment building	230,634	0.09
River West Property Management	Apartment building	227,507	0.09
Individual	Real estate	224,723	0.09
Riverside Bank	Commercial	218,284	0.09
TOTAL		<u>\$ 3,406,947</u>	<u>1.38 %</u>

NOTE:

2005 assessed valuation information not available as of the date of this printing.

Data Source

Office of the County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

MISCELLANEOUS STATISTICS

December 31, 2005

Date of incorporation	July 10, 1875
Form of government	Mayor/Council
Geographic location	Western Cook County approximately eleven miles west of Chicago's Loop
Area	1.9 Square Miles
Population	8,895
1999 per capita income	\$ 34,712
School enrollment (Elementary District 96 and Riverside/Brookfield High School)	1,313

Municipal Services and Facilities

Number of full time employees	44
Miles of streets	35.0
Miles of sewers	50.0
Building Department, number of permits issued in 2005	819
Value of construction authorized in 2005	\$ 16,811,517
Fire protection	
Number of firefighters	52
Number of stations	2
Number of fire hydrants	417
I.S.O. rating	3
Police protection	
Number of police	19
Number of crossing guards	5
Number of squad cars	8
Library services	
Number of books	69,431
Number of registered borrowers	6,608
AV/book circulation	134,252
Computer readable materials	448
Number of audio visual items	10,315
Recreation facilities	
Number of parks and playgrounds	50
Park area in acres	134.0
Municipal water utility	
Population serviced	8,895
Average daily pumpage	1,000,000 gallons
Miles of water mains	34.0
Number of metered accounts	3,270
Elections	
Number of registered voters	5,990
Number of votes cast in last municipal election	2,440
Percentage of registered voters voting in last municipal election	40.73%

Data Source

Department Records  
Cook County Election Office