

VILLAGE OF RIVERSIDE, ILLINOIS

COMPREHENSIVE ANNUAL
FINANCIAL REPORT

For the Year Ended
December 31, 2006

Prepared by the Finance Department

VILLAGE OF RIVERSIDE, ILLINOIS
TABLE OF CONTENTS

	<u>Page(s)</u>
INTRODUCTORY SECTION	
Principal Officials.....	i
Organizational Chart.....	ii
Certificate of Achievement for Excellence in Financial Reporting.....	iii
Letter of Transmittal.....	iv-x
FINANCIAL SECTION	
INDEPENDENT AUDITOR’S REPORT.....	1-2
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Management’s Discussion and Analysis.....	MD&A 1-14
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Assets.....	3
Statement of Activities.....	4-5
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	6
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Assets.....	7
Statement of Revenues, Expenditures and Changes in Fund Balances.....	8
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	9

VILLAGE OF RIVERSIDE, ILLINOIS
TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS (Continued)

Basic Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Statement of Net Assets.....	10-11
Statement of Revenues, Expenses and Changes in Net Assets.....	12
Statement of Cash Flows	13-14

Fiduciary Funds

Statement of Fiduciary Net Assets	15
Statement of Changes in Fiduciary Net Assets.....	16

Notes to Financial Statements.....	17-52
------------------------------------	-------

Required Supplementary Information

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund.....	53
Notes to Required Supplementary Information.....	54
Schedule of Funding Progress	
Illinois Municipal Retirement Fund.....	55
Police Pension Fund.....	56
Schedule of Employer Contributions	
Illinois Municipal Retirement Fund.....	57
Police Pension Fund.....	58

VILLAGE OF RIVERSIDE, ILLINOIS
 TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
 FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

GENERAL FUND

Schedule of Revenues - Budget and Actual	59
Schedule of Expenditures - Budget and Actual.....	60-66

CAPITAL PROJECTS FUND

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	67
Schedule of Expenditures - Budget and Actual.....	68

NONMAJOR GOVERNMENTAL FUNDS

Combining Balance Sheet	69
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	70
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Motor Fuel Tax Fund.....	71
E-911 Fund.....	72
Working Cash Fund	73
Combining Balance Sheet - Debt Service Fund by Subfund	74
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Debt Service Fund by Subfund.....	75-76

MAJOR ENTERPRISE FUND

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Budgetary Basis - Water and Sewer Fund	77
---	----

NONMAJOR ENTERPRISE FUND

Schedule of Revenues, Expenses and Changes in Net Assets - Budget and Actual - Budgetary Basis - Parking Lot Fund.....	78
--	----

VILLAGE OF RIVERSIDE, ILLINOIS
 TABLE OF CONTENTS (Continued)

Page(s)

FINANCIAL SECTION (Continued)

COMBINING AND INDIVIDUAL FUND
 FINANCIAL STATEMENTS AND SCHEDULES (Continued)

FIDUCIARY FUNDS

Schedule of Changes in Plan Net Assets - Budget and Actual Police Pension Trust Fund.....	79
--	----

COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY

Statement of Net Assets and Governmental Funds Combining Balance Sheet	80-81
Statement of Activities and Governmental Funds Combining Statement of Revenues, Expenditures and Changes in Fund Balances/Net Assets	82-83
Nonmajor Governmental Funds Combining Balance Sheet.....	84-85
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	86-87

STATISTICAL SECTION (Unaudited)

Financial Trends

Net Assets by Component	88
Change in Net Assets	89-90
Fund Balances of Governmental Funds.....	91
Changes in Fund Balances of Governmental Funds.....	92

Revenue Capacity

Assessed Value and Estimated Actual Value of Taxable Property	93
Property Tax Burden on Tax Payers in the Village	94
Property Tax Rates - Direct and Overlapping Governments	95
Principal Property Taxpayers.....	96
Property Tax Levies and Collections.....	97
Sales Tax Revenue by Category	98
Direct and Overlapping Sales Tax Rates	99

Debt Capacity

Ratios of Outstanding Debt by Type	100
Ratios of Net General Bonded Debt Outstanding	101
Direct and Overlapping Governmental Activities Debt	102
Legal Debt Margin Information.....	103
Pledged-Revenue Coverage	104

VILLAGE OF RIVERSIDE, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>
STATISTICAL SECTION (Unaudited) (Continued)	
Demographic and Economic Information	
Demographic and Economic Information.....	105
Operating Information	
Principal Employers.....	106
Full-Time Equivalent Employees	107
Construction	108
Operating Indicators.....	109
Capital Assets Statistics.....	110

VILLAGE OF RIVERSIDE, ILLINOIS

PRINCIPAL OFFICIALS

December 31, 2006

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

ADMINISTRATIVE

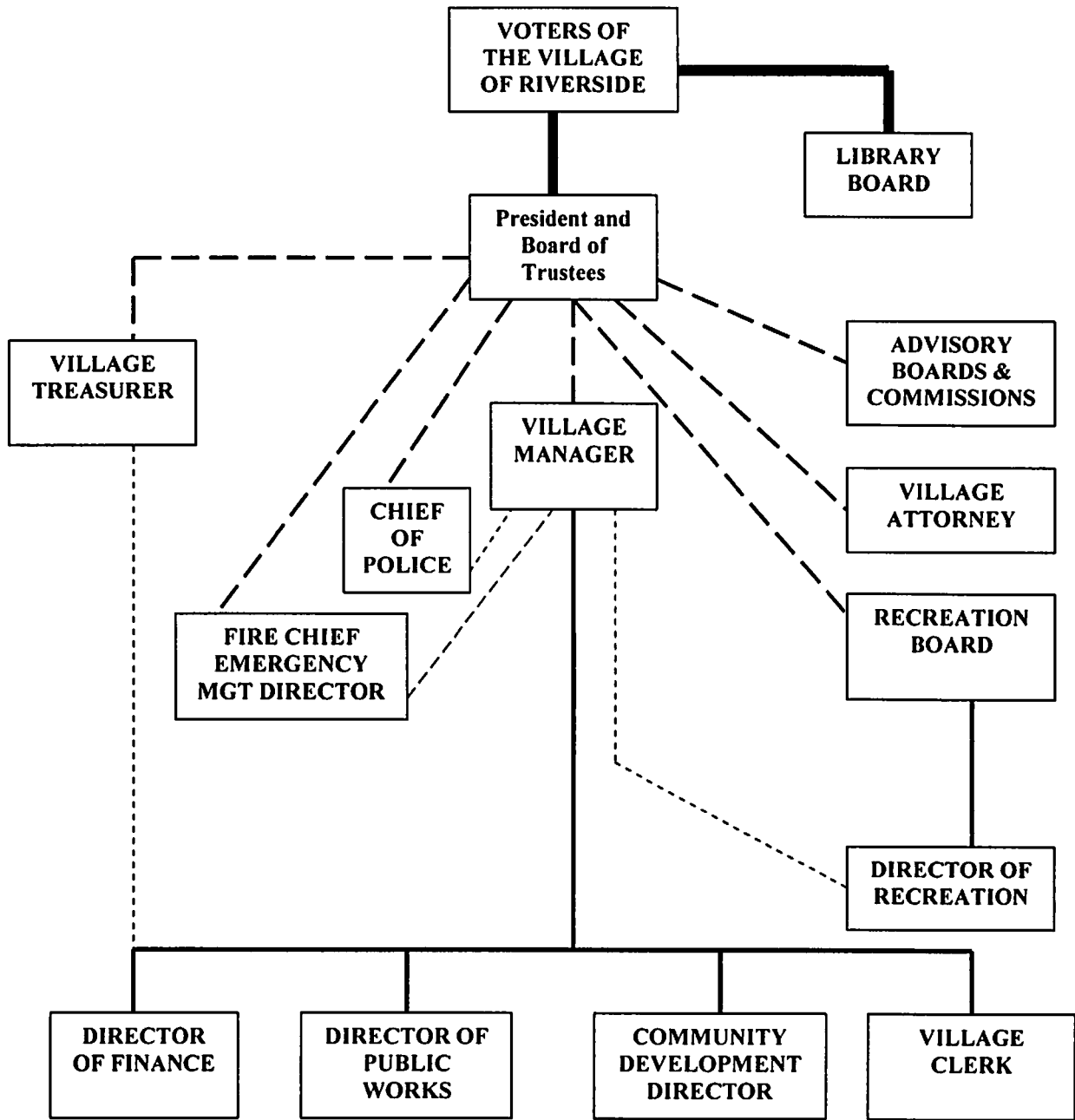
Kathleen Rush, Village Manager

FINANCE DEPARTMENT

Kevin Wachtel, 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, 2005

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.



President

Executive Director



RIVERSIDE VILLAGE OFFICE

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

June 29, 2007

To the Residents, 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, 2006, 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, 2006 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, 2006, 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 wide range of services including police protection and investigations, 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.

The Village also engages in biannual strategic planning efforts follow each election cycle. Every two years, the Village Board, Village Manager and staff review the current services that the Village provides to guide direction of the organization by identifying goals and objectives. This helps tie the day to day operations with the long term goals. Over the past several years, these strategic planning sessions have identified several initiatives and efforts to better serve the community.

In 2006, the Village prepared its third biannual budget plan covering the fiscal years 2007 and 2008. The 2007 budget was formally adopted. The 2008 budget was used to highlight 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. Some services were reduced in the 2007 budget, and future budget deficits are projected. To address the long term structural imbalance, the Village has hired a consultant and is working with a resident committee to develop solutions for long term financial security. This is discussed further in the transmittal letter.

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 2006, home sales in the Village averaged \$463,314, which is a 75% 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 2005 by \$63,095,383 or 25% (a reassessment year). In the last reassessment year 2002, the Village's EAV increased by 37.2%. In 2003, the EAV decreased by 0.7%, which is a typical correction the year after a triennial reassessment, so the Village may see a similar decrease in our 2006 EAV. The EAV of the Village's commercial properties continues

to decrease (from 14.7% in 1996 to 10.2% in 2004), further shifting the property tax burden to 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 2.5757 in 2004 to a record high of 2.7320 in for tax year 2005. Additional detail of the Village’s Residential, Commercial and Industrial EAV can be found in the Statistical Section of this document.

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 2007, the Village anticipates several programs and initiatives to help strengthen the Village’s long-term financial viability.

In early 2007, the Village commissioned a consultant to help develop a long term financial security plan. As part of this effort, the Village has convened a resident committee to review the long term projected budget deficits and to develop alternatives to maintain fiscal health. This committee will consider service reductions, cost saving options, and revenue enhancements, and will help develop an education campaign to inform the public on the future finances of the Village.

In 2005 and into 2006, the Village worked with a group of concerned residents, businesses and officials to develop a Transit Oriented Development (TOD) Plan for the Central Business District, focused in the area of the train station. One of the recommendations of the TOD was to consider a Tax Increment Financing District (TIF) in the CBD. After lengthy consideration, advisory referendums, and the potential removal of large portions of the proposed TIF, the Village abandoned the TIF proposal as no longer financially viable a source of revenue generation to support economic development and infrastructure improvement.

Also in the Central Business District, the Recreation Department is now housed in the renovated facilities at a cost of \$460,000, which provides programmable space, office and meeting space, and restrooms that are accessible for public events. 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. 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 contribution, or \$84,100. Centennial Plaza will serve as both a welcoming point for visitors and a focus for Village events.

In 2006, the Village continued 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 \$200,000 annually (\$123,000 collected in the first six months), 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 2007, the Village will finalize the water meter replacement program, by working with the few remaining non-compliant customers to change their water meters. The total cost of \$250,000 is paid by those customers. The engineering will be completed in 2008 for the Northgate watermain, with estimated costs of \$30,000 for design and \$530,000 in 2009 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 stations 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 and health programs.

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 63.4% of the present value of the projected benefits earned by employees. The remaining unfunded amount is being systematically funded over 27 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. Investments are significantly restricted by state law and are focused on safeguarding assets. 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.

New and Future GASB Pronouncements

This CAFR includes an expanded Statistical Section in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 44. These additional schedules provide additional comparison information for the current year versus previous years in order to measure progress or change over time. These additional schedules should be helpful in understanding the Village's financial position.

For 2009, the Village will be required to account for Other Post Employment Benefits (OPEB) than pensions, in accordance with GASB Statement Nos. 43 and 45. The Village does not believe this will add a significant liability as the Village requires retirees to fund their health insurance at 100%. It is likely that there will be a minimal liability due to the implicit health insurance subsidy reducing retirees' premium costs in addition to slightly increasing premium costs for current employees. In compliance with these GASB pronouncements, the Village will secure an actuarial valuation to report this liability.

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, 2005. 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 sixteen out of seventeen years, (fiscal years ended 1989 – 2005, 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.

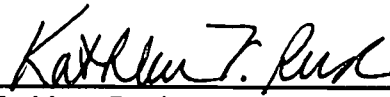
We would also like to express our appreciation to the personnel at Sikich LLP who performed the examination in an effective and cooperative manner.

Respectfully submitted,

VILLAGE OF RIVERSIDE



Kevin Wachtel
Village Treasurer



Kathleen Rush
Village Manager



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 accompanying financial statements of the governmental activities, business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Village of Riverside, Illinois, as of and for the year ended December 31, 2006, which collectively comprise the basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Riverside, Illinois' management. Our responsibility is to express opinions 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 opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the discretely presented component unit and the aggregate remaining fund information of the Village of Riverside, Illinois, as of December 31, 2006, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Riverside, Illinois' basic financial statements. 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 stated in all material respects in relation to the basic financial statements taken as a whole.

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.

Schuch LLP

Aurora, Illinois
May 8, 2007

**GENERAL PURPOSE EXTERNAL
FINANCIAL STATEMENTS**

VILLAGE OF RIVERSIDE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2006

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, 2006. 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 x of this report.

Financial Highlights

- The Village's Net Assets increased by \$91,258 or 0.2% during 2006. Of that, \$257,736 is attributable to a decrease in governmental activities and \$348,994 is related to an increase in business-type activities.
- The total fund balance of Governmental Funds decreased by \$1,350,187, or 13.7%, to \$8,503,723. This decrease is due to the significant capital expenditures previously issued bond funds for road construction and public safety system improvements.
- The original General Fund budget called for a decrease in Fund Balance of \$358,500. The actual decrease in fund balance was actually \$251,862, or \$107,696 better than expected.
- The General Fund unreserved fund balance (including designated for cash flow and designated for contingencies) is \$4,542,025, or 59% of General Fund expenditures and other financing uses. This is a decrease from \$4,799,165, or 63% of General Fund expenditures and other financing uses in 2005. This amount is in excess of the Village's fund balance policy of approximately 35% (3 months of operations plus annual debt service fund requirement).
- The Police Pension Trust Fund had an increase of \$321,753 of net assets held in trust for the pension benefits for a total of \$8,389,934, for a funding level of 63.4%

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-

(See independent auditor's report.)

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

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. 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.

(See independent auditor's report.)

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

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.

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

(See independent auditor's report.)

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

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.

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 52 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 53 through 58 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 59 through 87 of this report.

Financial Analysis of the Village as a Whole

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 \$33,296,758 at the close of the most recent fiscal year.

By far the largest portion of the Village's net assets (67.7%) reflects its investment in capital assets (land, buildings, machinery and equipment), less any outstanding related debt used to acquire those assets. 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.

(See independent auditor's report.)

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

**Table 1
Statement of Net Assets
As of December 31, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
Assets						
Current Assets	\$15,637,649	\$14,315,474	\$3,410,744	\$3,061,765	\$19,048,393	\$17,377,239
Noncurrent Assets	18,154,790	18,854,513	12,594,826	13,061,048	\$30,749,616	\$31,915,561
Total Assets	\$33,792,439	\$33,169,987	\$16,005,570	\$16,122,813	\$49,798,009	\$49,292,800
Liabilities						
Long-Term Liabilities	\$5,441,862	\$5,524,199	\$5,118,455	\$5,139,690	\$10,560,317	\$10,663,889
Current Liabilities	5,619,887	\$5,172,834	412,305	159,319	\$6,032,192	\$5,332,153
Total Liabilities	\$11,061,749	\$10,697,033	\$5,530,760	\$5,299,009	\$16,592,509	\$15,996,042
Net Assets						
Invested in Capital Assets,						
Net of Debt	\$14,147,540	\$14,599,450	\$7,289,826	\$7,946,048	\$21,437,366	\$22,545,498
Restricted	3,552,745	2,397,906	-	-	\$3,552,745	\$2,397,906
Unrestricted	5,030,405	5,475,598	3,184,984	2,877,756	\$8,215,389	\$8,353,354
Total Net Assets	\$22,730,690	\$22,472,954	\$10,474,810	\$10,823,804	\$33,205,500	\$33,296,758

An additional portion of the Village's net assets (7.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$8,353,354, 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 \$33,205,500 in 2005 to \$33,296,758 for 2006. Of this \$91,258 increase, \$348,994 is an increase in business-type activities and there was a \$257,736 decrease in governmental activities. The decrease in governmental funds was due in large part to decreases in current assets, most notably cash and investments. This decrease is a result of expenditures being higher than revenues during 2006. 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 Kent Road water and sewer construction.

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.

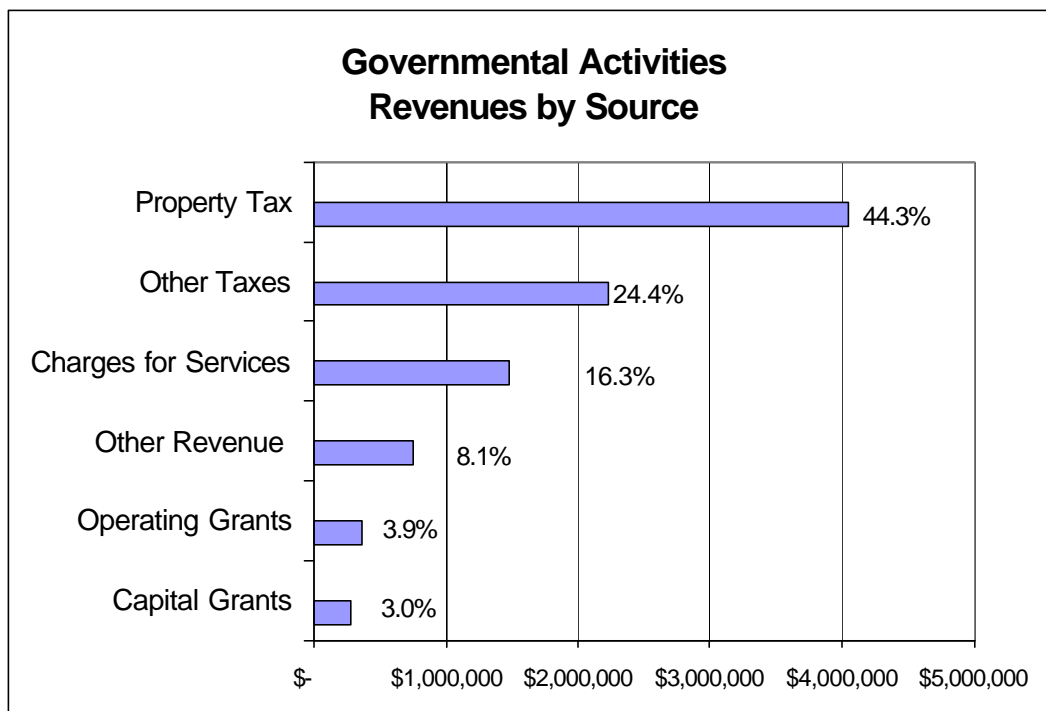
**Table 2
Changes in Net Assets
For the Fiscal Year Ended December 31, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2005	2006	2005	2006	2005	2006
Revenues						
Program Revenues						
Charges for Services	\$ 1,383,657	\$ 1,485,229	\$ 2,776,913	\$ 2,451,430	\$ 4,160,570	\$ 3,936,659
Operating Grants	382,744	357,597	-	-	382,744	357,597
Capital Grants	289,157	271,288	50,000	-	339,157	271,288
General Revenues						
Property Tax	3,884,860	4,041,630	-	-	3,884,860	4,041,630
Other Taxes	2,013,313	2,228,745	-	-	2,013,313	2,228,745
Other Revenue	607,843	741,522	55,585	161,059	663,428	902,581
Total Revenues	\$ 8,561,574	\$ 9,126,011	\$ 2,882,498	\$ 2,612,489	\$ 11,444,072	\$ 11,738,500
Expenses						
General Government	\$ 1,611,117	\$ 1,906,356	\$ -	\$ -	\$ 1,611,117	\$ 1,906,356
Public Safety	4,657,227	5,280,530	-	-	4,657,227	5,280,530
Highways and Streets	1,125,089	1,255,591	-	-	1,125,089	1,255,591
Culture and Recreation	761,705	747,843	-	-	761,705	747,843
Interest	98,700	193,427	-	-	98,700	193,427
Water and Sewer	-	-	2,338,845	2,107,056	2,338,845	2,107,056
Parking System	-	-	116,465	156,439	116,465	156,439
Total Expenses	\$ 8,253,838	\$ 9,383,747	\$ 2,455,310	\$ 2,263,495	\$ 10,709,148	\$ 11,647,242
Change in Net Assets	307,736	(257,736)	427,188	348,994	734,924	91,258
Net Assets, January 1	22,485,650	22,793,386	10,547,857	10,975,045	33,033,507	33,768,431
Net Assets, December 31	\$ 22,793,386	\$ 22,535,650	\$ 10,975,045	\$ 11,324,039	\$ 33,768,431	\$ 33,859,689

(See independent auditor's report.)

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

For the fiscal year ended December 31, 2006, revenues from Governmental Activities totaled \$9,126,011. Taxes generate the largest share of governmental fund revenues. More than 44% of all governmental revenue is derived from property taxes, which support governmental activities, including the Village’s contribution to the Police Pension Fund. During the fiscal year \$4,041,630 in property taxes were collected. Sales tax revenues combined with the local utility tax, and shared state income tax revenues total \$2,228,745 representing 24% of the total Governmental Activity Other Taxes revenue.



There was a small decrease in the Capital Grants category in 2006. In 2006, the Village received grants for many project, including a \$170,000 grant for public safety equipment upgrades (new E-911 furniture, Village-wide wireless network, computer upgrades, etc.) This year also saw the final receipts for the 2005 Transit Oriented Development (TOD) study for the Central Business District, funded by the Regional Transit Authority (RTA), and a the final \$50,000 of the \$275,000 Save America’s Treasures Grant from the U.S. Department of the Interior to rehabilitate the historic water tower. There are also various smaller grants to fund the engineering for the pedestrian tunnel under the railroad, special traffic enforcement details, and many others.

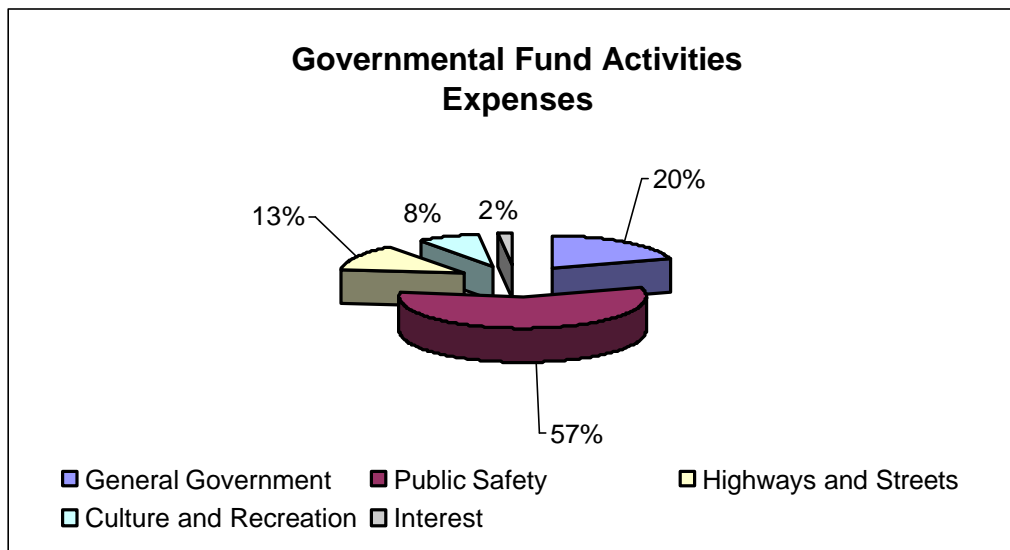
Included in Charges for Services was a 1.7% increase from 2005 to 2006 in fines and forfeitures. Fines and forfeitures revenues peaked in 2004 with \$246,457. 2006 revenue of \$230,367 is 6.5% lower than 2004. Also included in Charges for Services are program fees for Park and Recreation programs. This revenue increased in 2006 to \$151,297 from 2005 revenue of \$145,500. Programming revenues were lower in 2005 and 2006 due to a change in facilities and limited enrollment for the Village’s basketball, volleyball and indoor soccer programs. In 2004, these changes in facilities affected only a few months of the year and had a negative affect on

(See independent auditor's report.)

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

revenues. However, in 2005 and 2006, enrollment was restricted for the entire year, further constraining program revenue. With the Recreation Department back in the Central Business District with more visible offices and program space, program fees should return to back to previous levels, which have averaged about \$170,000 annually.

In 2006, building permit revenue, which is included in the category “Charges for Services”, totaled \$331,039 for the year. This is an increase of 29% or \$75,071 above fiscal year 2005. The increase in revenue is due to one very large commercial construction permit and the increase in magnitude of residential construction projects that occurred in 2006. Residential permits actually decreased from 819 in 2005 to 805 in 2006. However, the value of the construction continues to increase. The value of residential construction increased by 22% to \$20,268,132 - an average of \$25,053 per permit in 2006. This is a significant increase, up 22% from \$20,494 per residential permit in 2005, or total construction of \$16,682,132. A portion of this will be reflected in EAV growth.

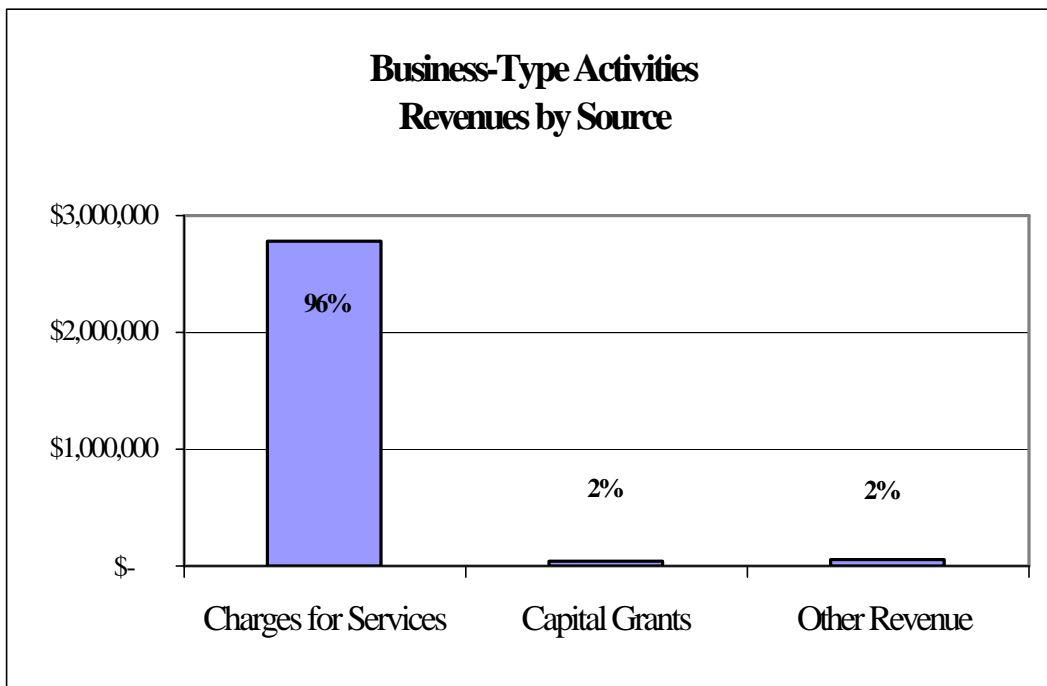


Governmental fund activity expenses amounted to a total of \$9,383,747 in 2006. Total expenses for governmental fund activities were 13.7% higher than in 2005. Public safety expenses related to the operations of the Police Department and Fire Department accounted for the largest share of the total, with a combined expense of \$5,280,530, which is an increase of \$623,303 (13.4%) from 2005. The cost of operating the Village’s Police Department is increasing at a greater rate than other departments due to significant increases (another 16.7% in 2006) in funding state mandatory contributions to the Village’s Police Pension Fund. In 1999, the Village’s required contribution was \$184,241, and the 2008 required contribution will be \$391,597, a 114% increase. During that time, the property tax cap has increased tax levies by 23%. The result is an increasing drain on property tax levy for operations, which has absorbed an additional \$540,000. Overall expenses increased by 12.0% and 7.6% in Police and Fire respectively, which are the two largest departments in the General Fund.

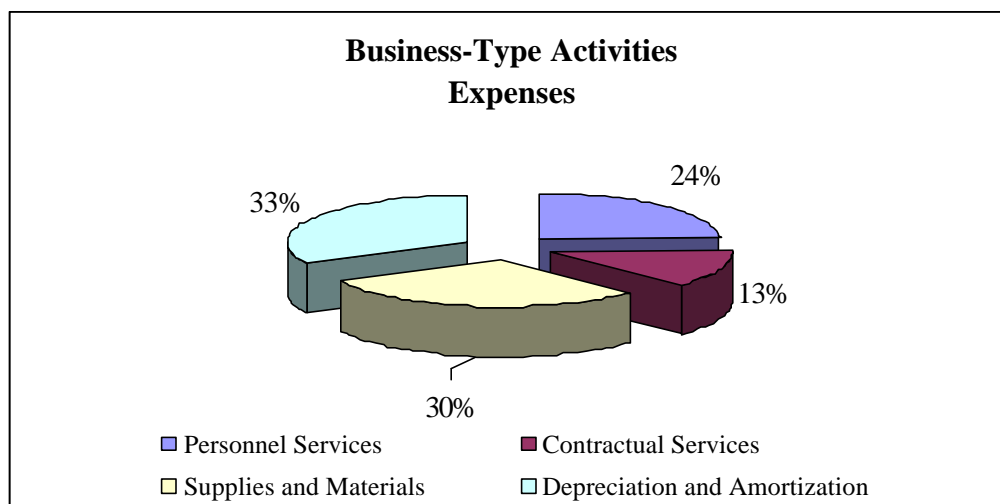
(See independent auditor's report.)

**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. Charges for Services decreased by 11.7% in 2006, \$2,451,430; compared with \$2,776,913 in 2005. Water and sewer fee revenue were down 13.5%, which is primarily due to a general decrease in water consumption with moderate weather conditions in 2006 (2005 was an unusually dry year). Parking lot revenues increased in 2006 by 13.3%, or \$11,451.



Expenses for the Water and Sewer Fund make up 93% of total business-type activity expenses. Water and Sewer contractual expenses are down 40% over last year due in part to lower than expected costs for the automatic meter reading software and equipment and not completing a



(See independent auditor's report.)

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

sewer catch basin cleaning contract during 2006. Supplies and materials also decreased by 5% due to lower water consumption and therefore lower commodity purchases (water) to sell to customers.

FINANCIAL ANALYSIS OF THE VILLAGE'S FUNDS

Governmental Funds

At December 31, 2006, the Governmental Funds reported a combined fund balance of \$8,503,723, which is a 13.7% decrease from the beginning of the year of \$9,853,910. There are several reasons, including the expense of significant capital dollars in reserves as well as bond funds (issued in 2004) for the second year of the three year road projects.

Of the total combined fund balance, \$5,471,544 is unreserved indicating funds available for continuing Village services and infrastructure investment. Reserved fund balance of \$3,032,179 includes \$1,003,025 for capital projects related to the bond issue for the rehabilitation of streets, \$633,534 for advances to other funds, \$532,948 for highways and streets, \$313,356 for debt service, \$210,863 for working cash, \$185,352 for public safety, \$123,249 for road projects funded by the non-home-rule sales tax, and \$29,852 for various other purposes.

Proprietary Funds

For the year ending December 31, 2006, the Proprietary Funds total net assets increased by \$348,994 or 3.3%. This increase is due primarily to lower than expected expenses in the water fund as previously mentioned (lower automatic meter reading installation costs and no catch basin cleaning).

Budgetary Highlights

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 \$251,862, or 5%, from Fiscal Year 2005 (on top of a \$1,135,584 decrease in 2005). The net change in fund balance was anticipated as original budgeted revenues exceeded budgeted expenditures (including transfers out) by \$358,500. Revenues increased by \$343,599, or 4.9%, and net financing uses decreased by \$979,815 or 82% due to a \$1.4 million operating transfer out in 2005 to renovate the historic water tower. Expenditures increased by \$497,958 or 7.2% from the prior year.

Collected revenues were over the original budget by 3.1%, or \$223,989. The Village earned significantly higher interest income (\$158,405, or 132% more than budgeted) due to a more favorable investment environment, State per capita taxes were 17% higher than anticipated (\$130,056) and Building permits and inspections were \$68,439 (26%) higher than expected primarily due to one large commercial building permit. Other revenues that were notably higher

(See independent auditor's report.)

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

than anticipated were Other Intergovernmental (\$95,030, or 380%), and Franchise Fees (\$17,880, 28%).

**Table 3
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2006 and 2005**

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>2006 Actual</u>	<u>2005 Actual</u>
Revenues	\$ 7,147,393	\$ 7,510,004	\$ 7,371,382	\$ 7,027,783
Expenditures	(7,281,951)	(7,603,763)	(7,413,059)	(6,915,101)
<i>Excess of Revenues over Expenditures</i>	(134,558)	(93,759)	(41,677)	112,682
Other Financing Sources (Uses)	(223,942)	(223,942)	(210,185)	(1,190,000)
<i>Net Change in Fund Balance</i>	(358,500)	(317,701)	(251,862)	(1,077,318)

Over the past year, several personnel vacancies created a lag in related expenditures, including four of six positions in the Finance Department. These savings reduced our personnel expenditures, thereby assisting in meeting the budget. However, several budget amendments were required for 2006 for a variety of reasons. There were some unanticipated added costs for equipment maintenance in the fire department and the higher cost of fuel for the police department. There was additional need for personnel time in Police and Fire due to additional fire emergencies, additional training on new public safety software, grant funded special police enforcement efforts, and payouts of earned but unused time to retiring employees. There were additional Tax Increment Financing (TIF) district consultant expenditures, Transit Oriented Development planning costs (grant funded), and a study to consider joint dispatch, requiring a budget amendment. Other amendments included expenditures with direct offsetting revenue.

Despite the need to amend the expenditure budgets because of the above, there were other departments whose expenditures (i.e., Historical Commission, Finance, Legal, Buildings and Grounds, Fire Disaster Preparedness and EMS, Police Communications, Street and Bridge, Street Lighting, Recreation Administration, Programs and Facilities as well as various advisory Boards and Commissions) came in less than actual. In addition, overall revenues were higher than budget, thus eliminating the need to draw upon existing fund balance as much as was anticipated.

(See independent auditor's report.)

**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, 2006 and 2005**

	Governmental Activities		Business-Type Activities		Total	
	2005	2006	2005	2006	2005	2006
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	7,739,364	9,255,597	16,423,963	17,475,367	24,163,327	26,730,964
Machinery, Vehicles, and Equipment	2,593,325	2,766,537	425,466	149,104	3,018,791	2,915,641
Streets	11,426,911	11,616,335	-	-	11,426,911	11,616,335
Construction in Progress	1,426,934	602,189	73,163	-	1,500,097	602,189
Less:						
Accumulated Depreciation	<u>(7,114,081)</u>	<u>(7,468,830)</u>	<u>(4,399,466)</u>	<u>(4,635,123)</u>	<u>(11,513,547)</u>	<u>(12,103,953)</u>
Total	<u>\$ 18,154,790</u>	<u>\$ 18,854,165</u>	<u>\$ 12,594,826</u>	<u>\$ 13,061,048</u>	<u>\$ 30,749,616</u>	<u>\$ 31,915,213</u>

At year-end, the Village's investment in capital assets for both its governmental and business-type activities was \$31.9 million (net of accumulated depreciation). This represents an increase of 3.8% from December 31, 2005.

Major capital asset events during 2006 included the following.

- Bond Funded street resurfacing totaling \$647,167, continuing to improve the conditions of the Village's streets. This is the second year of three for the bond funded road program. Because this a resurfacing program, these assets are not capitalized and captured in accordance with GASB S. 34
- Due to water damage that occurred in late December 2005, the first floor of the Riverside Village Offices were totally remodeled including purchasing replacement furniture to accommodate new, more efficient layout for a total of \$230,220. This was funded in large part by liability insurance payouts of \$141,934. Fortunately, \$75,000 was budgeted to replace the outdated furniture.
- The Police and Fire Departments saw several technology improvements during 2006, including new reporting and tracking software, public safety mobile wireless network, and new computer equipment for vehicles in the Capital Projects Fund. In the E-911 Fund, new furniture, equipment and software upgrades for the E-911 center was purchased in 2006 as part of this project. The total cost in the Capital Projects Fund was \$408,352, plus an additional \$243,930 in the E-911 fund for total expenditures of \$652,282.

(See independent auditor's report.)

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

- Vehicles (three police squads, public works dump truck and lawn mower) were replaced in the amount of \$127,249, net of trade-ins, as part of the vehicle replacement program.
- \$397,368 was paid to renovate the water tower space creating the Recreation Department new offices, meeting room, program space, and public washrooms.

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 2006, the Village did not issue or refund any debt. The Village currently has two general obligation bonds (total \$4.545 million), one general obligation limited tax refunding bond (total \$349,000), three general obligation alternative revenue source bonds (total \$5.115 million), and one installment contract (\$205,271) outstanding at December 31, 2006. 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 \$349,000 (for payments in 2006, 2007 and 2008) general obligation limited tax refunding bonds, funded by property taxes. Another general obligation limited tax refunding bond will be issued later in 2007 to fund additional payments. The outstanding series 2004 general obligation bond of \$1.735 million is for the funding of the street improvement program, funded by property taxes. The outstanding 1999 series general obligation alternative revenue source bond of \$150,000 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 water operations. Likewise, the 2003 series general obligation alternative revenue source bonds of \$2.4 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 \$205,271 installment note outstanding was used to fund the purchase of a Fire Department aerial truck in 2000, and is being funded by reserves in the debt service fund.

The Village, under its non-home rule authority, has a legal debt margin at December 31, 2005 of \$24,736,406. Under Illinois Statutes, Alternate Bonds are not subject to the debt limitation. Therefore, the Village is well under the legal debt margin with only \$2.084 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 and declining commercial component, further shifting the property tax burden to homeowners. The property tax revenue derived from the residential,

(See independent auditor's report.)

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

commercial, and industrial properties is stable and makes up 47% of General Fund revenues. Because of the non-home rule tax cap, growth in revenue is small and limited to the growth in the annual Consumer Price Index, averaging 2.5% annually for the past 5 years. These low percentage increases are expected to continue as inflation rates remain low. State revenues, including income, and use taxes rebounded to their highest level in 2005. Preliminary estimates by the Illinois Municipal League call for shared revenues to increase by 3.7% in 2008, totaling about \$42,000 in additional revenues, which depends upon a continued economic recovery throughout the state and the General Assembly adopting a budget that maintains the shared revenues at current levels. Investment income improved dramatically with increasing interest returns in bond markets. Sales tax revenues increased slightly in 2006, by 3.5%, and continue to grow, but very slight. Utility taxes saw a 10% (\$91,000) decrease due in part to moderate weather throughout the year. Water usage charges were 7.1% lower (\$145,269) in 2006 due to moderated weather conditions. Drought conditions in 2005 resulted in particularly high 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 interest rates for homeowner borrowing and the downturn in the residential real estate market. 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 remain relatively stable, as there is not a rate increase planned until 2008. Parking Permit fees are currently under review, and will likely see an increase in the near future to adequately fund the long term maintenance of the parking facilities.

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 at double digit increases for the near future. The Village's contribution for liability and worker's compensation insurance is expected to increase by another 10% due to recent changes to worker's compensation laws in Illinois. 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, contractual services, equipment and equipment maintenance have been reduced in an effort to offset these increases. Further straining Village dollars are higher cost of fuel and other commodities, and added surcharges for nearly all services and deliveries. The largest fiscal challenge facing the Village is the largest revenue (property tax at 47% of General Fund) growth rate (2.5%) not keeping pace with the largest expenditure (personnel at 63% of General Fund) growth rate (7.0%).

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our residents, 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. This report and others may be found on the Village's website: www.riverside.il.us. 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.

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF NET ASSETS

December 31, 2006

	Primary Government			Component
	Governmental	Business-Type	Total	Unit
	Activities	Activities		Riverside Public Library
ASSETS				
Cash and investments	\$ 8,572,738	\$ 2,471,348	\$ 11,044,086	\$ 506,365
Receivables (net, where applicable, of allowances for uncollectibles)				
Property taxes	4,315,321	-	4,315,321	830,314
Accounts	-	440,671	440,671	-
Accrued interest	22,956	3,621	26,577	-
Other	415,549	-	415,549	12,958
Due from fiduciary funds	2,612	-	2,612	-
Prepaid expenses	739	16,244	16,983	-
Due from other governments	340,238	8,000	348,238	-
Deferred charges	192,177	121,881	314,058	-
Net pension asset	453,492	-	453,492	-
Capital assets not being depreciated	2,684,526	71,700	2,756,226	-
Capital assets (net of accumulated depreciation)	16,169,639	12,989,348	29,158,987	1,212,721
Total assets	33,169,987	16,122,813	49,292,800	2,562,358
LIABILITIES				
Accounts payable	474,334	101,397	575,731	31,572
Accrued payroll	140,561	23,629	164,190	11,789
Accrued interest payable	6,404	34,093	40,497	-
Unearned revenue	4,512,435	-	4,512,435	823,100
Deposits payable	39,100	200	39,300	-
Noncurrent liabilities				
Due within one year	699,462	208,011	907,473	2,104
Due in more than one year	4,824,737	4,931,679	9,756,416	11,925
Total liabilities	10,697,033	5,299,009	15,996,042	880,490
NET ASSETS				
Investment in capital assets, net of related debt	14,599,450	7,946,048	22,545,498	1,212,721
Restricted for				
Special purposes	-	-	-	48,792
Employee retirement	-	-	-	3,544
Audit	-	-	-	137
Unemployment	-	-	-	63
Working cash	210,863	-	210,863	90,000
Highways and streets	532,948	-	532,948	-
Public safety	185,352	-	185,352	-
Debt service	313,356	-	313,356	-
Fire purposes	18,899	-	18,899	-
Park maintenance	-	-	-	-
Malmstrom trust	10,214	-	10,214	-
Capital projects	1,126,274	-	1,126,274	-
Culture and recreation	-	-	-	326,611
Unrestricted	5,475,598	2,877,756	8,353,354	-
TOTAL NET ASSETS	\$ 22,472,954	\$ 10,823,804	\$ 33,296,758	\$ 1,681,868

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2006

FUNCTIONS/PROGRAMS	Program Revenues			
	Expenses	Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental activities				
General government	\$ 1,906,356	\$ 458,536	\$ 19,239	\$ -
Public safety	5,280,530	348,705	66,161	202,385
Highways and streets	1,255,591	517,561	256,037	40,730
Culture and recreation	747,843	160,427	16,160	28,173
Interest	193,427	-	-	-
Total governmental activities	9,383,747	1,485,229	357,597	271,288
Business-type activities				
Water	2,000,356	1,942,233	-	-
Sewer	106,700	411,908	-	-
Parking system	156,439	97,289	-	-
Total business-type activities	2,263,495	2,451,430	-	-
TOTAL PRIMARY GOVERNMENT	\$ 11,647,242	\$ 3,936,659	\$ 357,597	\$ 271,288
COMPONENT UNIT				
Riverside Public Library	\$ 968,449	\$ 32,798	\$ 10,883	\$ -

	Net (Expense) Revenue and Change in Net Assets			
	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Riverside Public Library
	\$ (1,428,581)	\$ -	\$ (1,428,581)	\$ -
	(4,663,279)	-	(4,663,279)	-
	(441,263)	-	(441,263)	-
	(543,083)	-	(543,083)	-
	(193,427)	-	(193,427)	-
	(7,269,633)	-	(7,269,633)	-
	-	(58,123)	(58,123)	-
	-	305,208	305,208	-
	-	(59,150)	(59,150)	-
	-	187,935	187,935	-
	(7,269,633)	187,935	(7,081,698)	-
	-	-	-	(924,768)
General revenues				
Taxes				
Property	4,041,630	-	4,041,630	788,438
Sales	309,416	-	309,416	-
Non-home rule sales	123,249	-	123,249	-
Per capita	844,625	-	844,625	-
Utility	815,488	-	815,488	-
Replacement	43,119	-	43,119	8,763
Other	92,848	-	92,848	-
Franchise fees	82,856	-	82,856	-
Investment income	420,805	76,059	496,864	27,075
Miscellaneous	237,861	85,000	322,861	46,254
Total	7,011,897	161,059	7,172,956	870,530
CHANGE IN NET ASSETS	(257,736)	348,994	91,258	(54,238)
NET ASSETS, JANUARY 1	22,730,690	10,474,810	33,205,500	1,736,106
NET ASSETS, DECEMBER 31	\$ 22,472,954	\$ 10,823,804	\$ 33,296,758	\$ 1,681,868

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

December 31, 2006

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments	\$ 5,234,426	\$ 2,130,221	\$ 1,208,091	\$ 8,572,738
Receivables (net of allowances for uncollectibles)				
Property taxes	3,779,120	-	536,201	4,315,321
Accrued interest	11,309	6,001	5,646	22,956
Other	408,384	-	7,165	415,549
Due from fiduciary funds	2,612	-	-	2,612
Prepaid expenditures	739	-	-	739
Due from other governments	215,170	103,434	21,634	340,238
Advance to other funds	-	-	633,534	633,534
TOTAL ASSETS	\$ 9,651,760	\$ 2,239,656	\$ 2,412,271	\$ 14,303,687
LIABILITIES				
Accounts payable	\$ 231,025	\$ 183,863	\$ 59,446	\$ 474,334
Accrued payroll	140,561	-	-	140,561
Deposits payable	39,100	-	-	39,100
Deferred revenue	3,983,589	-	528,846	4,512,435
Advances from other funds	633,534	-	-	633,534
Total liabilities	5,027,809	183,863	588,292	5,799,964
FUND BALANCES				
Reserved for prepaid expenditures	739	-	-	739
Reserved for advances to other funds	-	-	633,534	633,534
Reserved for working cash	-	-	210,863	210,863
Reserved for highways and streets	-	-	532,948	532,948
Reserved for public safety	52,074	-	133,278	185,352
Reserved for debt service	-	-	313,356	313,356
Reserved for fire purposes	18,899	-	-	18,899
Reserved for Malstrom trust	10,214	-	-	10,214
Reserved for capital projects (non-home rule sales tax)	-	123,249	-	123,249
Reserved for capital projects (bond proceeds)	-	1,003,025	-	1,003,025
Unreserved				
Designated for contingencies	425,000	-	-	425,000
Designated for capital projects	-	929,519	-	929,519
Designated for cash flows	1,853,265	-	-	1,853,265
Undesignated	2,263,760	-	-	2,263,760
Total fund balances	4,623,951	2,055,793	1,823,979	8,503,723
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,651,760	\$ 2,239,656	\$ 2,412,271	\$ 14,303,687

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, 2006

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 8,503,723
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	18,854,165
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds	
Bonds payable	(4,894,000)
Discount on bonds payable	8,605
Installment contracts payable	(205,271)
Compensated absences	(433,533)
Deferred charges is shown as an asset on the statement of net assets	192,177
Accrued interest on long-term liabilities is shown as a liability on the statement of net assets	(6,404)
The net pension asset of the police pension fund is included in the governmental activities in the statement of net assets	<u>453,492</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 22,472,954</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, 2006

	General	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 4,620,066	\$ 123,249	\$ 639,316	\$ 5,382,631
Intergovernmental	1,007,774	245,317	259,459	1,512,550
Licenses and permits	615,887	-	-	615,887
Charges for services	443,998	-	-	443,998
Fines and forfeits	230,367	-	-	230,367
Investment income	278,427	84,027	58,351	420,805
Miscellaneous	174,863	344,910	-	519,773
Total revenues	7,371,382	797,503	957,126	9,126,011
EXPENDITURES				
Current				
General government	1,535,718	-	-	1,535,718
Public safety	4,673,585	-	281,612	4,955,197
Highways and streets	447,519	-	172,745	620,264
Culture and recreation	756,237	-	-	756,237
Capital outlay	-	2,039,083	-	2,039,083
Debt service				
Principal retirement	-	-	479,066	479,066
Interest	-	-	104,702	104,702
Fiscal charges	-	-	746	746
Total expenditures	7,413,059	2,039,083	1,038,871	10,491,013
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(41,677)	(1,241,580)	(81,745)	(1,365,002)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	225,000	-	225,000
Transfers (out)	(225,000)	-	-	(225,000)
Proceeds from sale of capital assets	14,815	-	-	14,815
Total other financing sources (uses)	(210,185)	225,000	-	14,815
NET CHANGE IN FUND BALANCES	(251,862)	(1,016,580)	(81,745)	(1,350,187)
FUND BALANCES, JANUARY 1	4,875,813	3,072,373	1,905,724	9,853,910
FUND BALANCES, DECEMBER 31	\$ 4,623,951	\$ 2,055,793	\$ 1,823,979	\$ 8,503,723

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, 2006

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,350,187)
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	1,504,459
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	(194,068)
Depreciation expense does not require the use of current financial resources and, therefore, is not reported as an expenditure in governmental funds	(611,016)
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	479,066
Accrual of interest is reported as interest expense on the statement of activities	1,982
The increase in the compensated absences liability is shown as an increase of expense on the statement of activities	(19,109)
The change in deferred charges is reported as interest expense on the statement of activities	(88,885)
The change in unamortized discount on bonds is reported as interest expense on the statement of activities	(1,076)
The increase in net pension asset is reported as an increase of expense on the statement of activities	<u>21,098</u>
CHANGES IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ (257,736)</u>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

December 31, 2006

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
CURRENT ASSETS			
Cash and investments	\$ 2,184,972	\$ 286,376	\$ 2,471,348
Receivables (net of allowances for uncollectibles)			
Accounts - billed	165,485	-	165,485
Accounts - unbilled	275,186	-	275,186
Accrued interest	1,851	1,770	3,621
Prepaid expenses	16,244	-	16,244
Due from other governments	8,000	-	8,000
Total current assets	2,651,738	288,146	2,939,884
NONCURRENT ASSETS			
Other assets			
Deferred charges	121,881	-	121,881
Total other assets	121,881	-	121,881
Capital assets			
Assets not being depreciated	-	71,700	71,700
Assets being depreciated			
Cost	16,872,323	752,148	17,624,471
Accumulated depreciation	(4,128,218)	(506,905)	(4,635,123)
Total capital assets being depreciated	12,744,105	245,243	12,989,348
Net capital assets	12,744,105	316,943	13,061,048
Total noncurrent assets	12,865,986	316,943	13,182,929
Total assets	15,517,724	605,089	16,122,813

(This statement is continued on the following page.)

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF NET ASSETS (Continued)
 PROPRIETARY FUNDS

December 31, 2006

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
CURRENT LIABILITIES			
Accounts payable	\$ 101,382	\$ 15	\$ 101,397
Accrued payroll	23,629	-	23,629
Accrued interest payable	34,093	-	34,093
Deposits payable	-	200	200
Compensated absences payable	8,011	-	8,011
Current portion of bonds payable	200,000	-	200,000
Total current liabilities	367,115	215	367,330
LONG-TERM LIABILITIES			
Compensated absences payable	45,393	-	45,393
Bonds payable	4,886,286	-	4,886,286
Total long-term liabilities	4,931,679	-	4,931,679
Total liabilities	5,298,794	215	5,299,009
NET ASSETS			
Invested in capital assets, net of related debt	7,629,105	316,943	7,946,048
Unrestricted	2,589,825	287,931	2,877,756
TOTAL NET ASSETS	\$ 10,218,930	\$ 604,874	\$ 10,823,804

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, 2006

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund Parking Lot	Total
OPERATING REVENUES			
Charges for services	\$ 2,328,198	\$ 97,289	\$ 2,425,487
Total operating revenues	2,328,198	97,289	2,425,487
OPERATING EXPENSES			
Personnel services	560,248	-	560,248
Contractual services	303,574	74,821	378,395
Supplies and materials	694,048	45,481	739,529
Depreciation and amortization	343,253	36,137	379,390
Total operating expenses	1,901,123	156,439	2,057,562
OPERATING INCOME (LOSS)	427,075	(59,150)	367,925
NONOPERATING REVENUES (EXPENSES)			
Investment income	72,169	3,890	76,059
Miscellaneous income	25,943	85,000	110,943
Interest expense	(205,933)	-	(205,933)
Total nonoperating revenues (expenses)	(107,821)	88,890	(18,931)
CHANGE IN NET ASSETS	319,254	29,740	348,994
NET ASSETS, JANUARY 1	9,899,676	575,134	10,474,810
NET ASSETS, DECEMBER 31	\$ 10,218,930	\$ 604,874	\$ 10,823,804

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS

For the Year Ended December 31, 2006

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund	
		Parking Lot	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$ 2,370,538	\$ 97,289	\$ 2,467,827
Payments to suppliers	(1,057,739)	(120,642)	(1,178,381)
Payments to employees	(546,264)	-	(546,264)
Net cash from operating activities	766,535	(23,353)	743,182
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Cash in lieu of parking fees	-	85,000	85,000
Net cash from noncapital financing activities	-	85,000	85,000
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital assets purchased	(834,879)	-	(834,879)
Interest and fees paid on bonds	(209,789)	-	(209,789)
Principal paid on bonds	(190,000)	-	(190,000)
Net cash from capital and related financing activities	(1,234,668)	-	(1,234,668)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments	(977,662)	(99,791)	(1,077,453)
Proceeds from sale of investments	1,752,750	204,357	1,957,107
Interest on investments	55,394	5,646	61,040
Net cash from investing activities	830,482	110,212	940,694
NET INCREASE IN CASH AND CASH EQUIVALENTS	362,349	171,859	534,208
CASH AND CASH EQUIVALENTS, JANUARY 1	887,124	14,726	901,850
CASH AND CASH EQUIVALENTS, DECEMBER 31	\$ 1,249,473	\$ 186,585	\$ 1,436,058
CASH AND INVESTMENTS			
Cash and cash equivalents	\$ 1,249,473	\$ 186,585	\$ 1,436,058
Investments	935,499	99,791	1,035,290
TOTAL CASH AND INVESTMENTS	\$ 2,184,972	\$ 286,376	\$ 2,471,348

(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, 2006

	Business-Type Activities		
	Water and Sewer	Nonmajor Proprietary Fund	
		Parking Lot	
RECONCILIATION OF OPERATING INCOME			
(LOSS) TO NET CASH FLOWS FROM			
Operating income (loss)	\$ 427,075	\$ (59,150)	\$ 367,925
Adjustments to reconcile operating income (loss) to net cash from operating activities			
Depreciation and amortization	343,253	36,137	379,390
Miscellaneous income	25,943	-	25,943
Changes in assets and liabilities			
Accounts receivable - billed	18,163	-	18,163
Accounts receivable - unbilled	6,234	-	6,234
Other receivables	(8,000)	-	(8,000)
Prepaid expense	(7,974)	-	(7,974)
Accounts payable	(52,143)	(340)	(52,483)
Accrued payroll	672	-	672
Compensated absences payable	13,312	-	13,312
NET CASH FROM OPERATING ACTIVITIES	\$ 766,535	\$ (23,353)	\$ 743,182

See accompanying notes to financial statements.

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

December 31, 2006

ASSETS	
Cash and cash equivalents	\$ 301,621
Investments	
U.S. Treasury securities	1,508,047
U.S. Agency securities	2,797,926
Equities	2,741,151
Mutual funds	1,012,724
Receivables (net of allowances for uncollectibles)	
Accrued interest	<u>31,077</u>
Total assets	<u>8,392,546</u>
LIABILITIES	
Due to General Fund	<u>2,612</u>
Total liabilities	<u>2,612</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 8,389,934</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, 2006

<hr/>	
ADDITIONS	
Contributions	
Employer	\$ 369,021
Employee	<u>134,223</u>
Total contributions	<u>503,244</u>
Investment income	
Net appreciation in fair value of investments	305,747
Interest	<u>346,089</u>
Total investment income	651,836
Less investment expense	<u>(82,455)</u>
Net investment income	<u>569,381</u>
Total additions	<u>1,072,625</u>
DEDUCTIONS	
Benefits and refunds	738,324
Administrative expenses	<u>12,548</u>
Total deductions	<u>750,872</u>
NET INCREASE	321,753
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
January 1	<u>8,068,181</u>
December 31	<u><u>\$ 8,389,934</u></u>

See accompanying notes to financial statements.

VILLAGE OF RIVERSIDE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

December 31, 2006

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, elected at large, using the Mayor-Council 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. The Library is financially accountable to the Village because the Village Board approves the Library's budget, tax levies and must issue debt for the Library. 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 changes in its financial position. 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 are provided to outside parties for enterprise 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. Interfund services provided and used are not eliminated on 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. 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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village reports deferred revenue/unearned revenue on its financial statements. Deferred revenues/unearned 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/unearned 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/unearned 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, 2006 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. None of the Village's restricted net assets are restricted as a result of enabling legislation adopted by the Village. 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 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, 2006, 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, 2006:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
FHLBN	\$ 462,238	\$ 462,238	\$ -	\$ -	\$ -
Illinois Funds	3,961,954	3,961,954	-	-	-
Illinois Metropolitan Investment Fund	4,238,367	533,023	3,705,344	-	-
TOTAL	\$ 8,662,559	\$ 4,957,215	\$ 3,705,344	\$ -	\$ -

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. Illinois Funds and Illinois Metropolitan Investment Fund are both rated AAA. The FHLBN security is rated AAA.

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 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's 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 Illinois Funds shall not exceed 50% of investments. At December 31, 2006, the Village had greater than five percent of its overall portfolio invested in an FHLBN security, 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 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, legality, return on investment 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, 2006, 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, 2006:

	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 599,488	\$ -	\$ 599,488	\$ -	\$ -
U.S. Treasury Bonds	418,108	-	-	-	418,108
U.S. Treasury Strips	490,451	-	490,451	-	-
GNMA Securities	174,001	-	-	-	174,001
FNMA Securities	1,677,003	-	364,471	565,149	747,383
FHLB Securities	90,562	-	90,562	-	-
FHLMC Securities	856,360	-	207,312	419,995	229,053
Money Market Mutual Funds	276,865	276,865	-	-	-
TOTAL	\$ 4,582,838	\$ 276,865	\$ 1,752,284	\$ 985,144	\$ 1,568,545

2. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Investments (Continued)

Investments (Continued)

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.

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, including the FNMA, FHLB and FHLMC 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, 2006, the Police Pension Fund had greater than five percent of its overall portfolio invested in FNMA and FHLMC securities, this is in compliance with the Police Pension Fund's investment policy

3. RECEIVABLES

a. Taxes

Property taxes for 2006 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 fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2007 and August 1, 2007 and are payable in two installments, on or about March 1, 2007 and September 1, 2007. The County collects such taxes and remits them periodically.

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

3. RECEIVABLES (Continued)

a. Taxes (Continued)

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 2006 tax levy has been recorded as deferred revenue.

b. Other Taxes

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

GOVERNMENTAL ACTIVITIES -	
OTHER RECEIVABLE	
Simplified telecommunications tax	\$ 76,165
Cable TV franchise fees	21,602
Due from IRMA	242,936
Electric utility tax	23,429
Gas utility tax	31,884
E-911 tax	7,165
Miscellaneous receivables	<u>12,368</u>
TOTAL GOVERNMENTAL ACTIVITIES -	
OTHER RECEIVABLE	<u>\$ 415,549</u>

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

GOVERNMENTAL ACTIVITIES -	
DUE FROM OTHER GOVERNMENTS	
Sales tax	\$ 73,675
Income tax	44,664
Local use tax	31,784
Non-home rule sales tax	53,452
Grants	78,802
Circuit court fines	18,325
Standpipe agreement	17,902
Motor fuel tax	<u>21,634</u>
TOTAL GOVERNMENTAL ACTIVITIES -	
DUE FROM OTHER GOVERNMENTS	<u>\$ 340,238</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, 2006 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 559,415	\$ -	\$ -	\$ 559,415
Land right of way	1,522,922	-	-	1,522,922
Construction in progress	1,426,934	602,189	1,426,934	602,189
Total capital assets not being depreciated	3,509,271	602,189	1,426,934	2,684,526
Capital assets being depreciated				
Buildings and improvements	7,739,364	1,617,015	100,782	9,255,597
Machinery and equipment	1,764,194	231,058	91,005	1,904,247
Vehicles	829,131	109,789	76,630	862,290
Streets	11,426,911	371,342	181,918	11,616,335
Total capital assets being depreciated	21,759,600	2,329,204	450,335	23,638,469
Less accumulated depreciation for				
Buildings and improvements	2,148,948	178,740	26,203	2,301,485
Machinery and equipment	985,679	147,362	73,884	1,059,157
Vehicles	557,902	64,870	49,031	573,741
Streets	3,421,552	220,044	107,149	3,534,447
Total accumulated depreciation	7,114,081	611,016	256,267	7,468,830
Total capital assets being depreciated, net	14,645,519	1,718,188	194,068	16,169,639
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET				
	\$ 18,154,790	\$ 2,320,377	\$ 1,621,002	\$ 18,854,165
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 71,700	\$ -	\$ -	\$ 71,700
Construction in progress	73,163	-	73,163	-
Total capital assets not being depreciated	144,863	-	73,163	71,700
Capital assets being depreciated				
Machinery and equipment	276,362	-	-	276,362
Infrastructure	16,423,963	908,042	133,000	17,199,005
Vehicles	149,104	-	-	149,104
Total capital assets being depreciated	16,849,429	908,042	133,000	17,624,471

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

4. CAPITAL ASSETS (Continued)

a. (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES (Continued)				
Less accumulated depreciation for				
Machinery and equipment	\$ 208,528	\$ 7,245	\$ -	\$ 215,773
Infrastructure	4,121,135	348,997	133,000	4,337,132
Vehicles	69,803	12,415	-	82,218
Total accumulated depreciation	<u>4,399,466</u>	<u>368,657</u>	<u>133,000</u>	<u>4,635,123</u>
 Total capital assets being depreciated, net	 <u>12,449,963</u>	 <u>539,385</u>	 <u>-</u>	 <u>12,989,348</u>
 BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 12,594,826</u>	<u>\$ 539,385</u>	<u>\$ 73,163</u>	<u>\$ 13,061,048</u>

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

GOVERNMENTAL ACTIVITIES

General government	\$ 187,180
Public safety	186,084
Highways and streets	235,952
Culture and recreation	<u>1,800</u>

TOTAL DEPRECIATION EXPENSE -
GOVERNMENTAL ACTIVITIES

\$ 611,016

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 - Construction	\$ 67,988	\$ -	\$ 67,988
Road Projects - Engineering	190,412	122,586	67,826
Recreation Center Remodel - Construction	349,000	222,577	126,423
Recreation Center Remodel - Architectural	25,281	22,293	2,988
Railway/Water Tower Campus Design	43,000	522	42,478
 TOTAL	 <u>\$ 675,681</u>	 <u>\$ 367,978</u>	 <u>\$ 307,703</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, 2006, the Village had the following general obligation bonds outstanding:

	December 31, 2006	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 ranging from 3.85% - 4.90% payable each June 1 and December 1.	\$ 2,810,000	\$ 135,000
\$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.	1,735,000	190,000
\$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.	349,000	262,000
TOTAL GENERAL OBLIGATION BONDS OUTSTANDING	\$ 4,894,000	\$ 587,000

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

5. LONG-TERM DEBT (Continued)

b. Installment Contract

As of December 31, 2006, the Village had the following installment contracts outstanding, all being retired by the debt service fund:

	December 31, 2006	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.	\$ 205,271	\$ 47,432
TOTAL INSTALLMENT CONTRACTS OUTSTANDING	\$ 205,271	\$ 47,432

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, 2006 is as follows:

	Balance January 1	Additions	Retirements	Balance December 31	Current Portion
General obligation bonds	\$ 5,328,000	\$ -	\$ 434,000	\$ 4,894,000	\$ 587,000
Unamortized discount on bonds	(9,681)	-	(1,076)	(8,605)	-
Installment contracts	250,337	-	45,066	205,271	47,432
Compensated absences *	414,424	81,273	62,164	433,533	65,030
TOTAL	\$ 5,983,080	\$ 81,273	\$ 540,154	\$ 5,524,199	\$ 699,462

* 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
2007	\$ 587,000	\$ 127,166	\$ 714,166
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
TOTAL	\$ 4,894,000	\$ 1,390,737	\$ 6,284,737

Fiscal Year Ending	Installment Contracts		
	Principal	Interest	Total
2007	\$ 47,432	\$ 10,834	\$ 58,266
2008	49,935	8,331	58,266
2009	52,571	5,695	58,266
2010	55,333	2,933	58,266
TOTAL	\$ 205,271	\$ 27,793	\$ 233,064

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

5. LONG-TERM DEBT (Continued)

e. Legal Debt Margin

A computation of the legal debt margin (1) of the Village as of December 31, 2006 is as follows:

ASSESSED VALUATION - 2005	<u>\$ 310,961,225</u>
Legal debt limit - 8.625% of assessed valuation	\$ 26,820,406
Amount of debt applicable to debt limit	<u>2,084,000</u>
 LEGAL DEBT MARGIN	 <u>\$ 24,736,406</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, 2006 is comprised of the following issue:

	<u>December 31, 2006</u>	<u>Current Portion</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 ranging from 4.40% - 6.40% payable each May 1 and November 1.	\$ 150,000	\$ 150,000

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

5. LONG-TERM DEBT (Continued)

f. Enterprise Fund Debt Payable (Continued)

	December 31, 2006	Current Portion
<p>\$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 ranging from 3.00% - 4.55% payable each May 1 and November 1.</p>	\$ 2,400,000	\$ 50,000
<p>\$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 ranging from 3.50% - 3.85% payable each May 1 and November 1.</p>	2,565,000	-
<p>TOTAL ENTERPRISE FUND DEBT PAYABLE</p>	\$ 5,115,000	\$ 200,000

The following is a summary of changes in enterprise fund long-term debt of the Village for the year ended December 31, 2006:

	Balance January 1	Issuances	Repayments	Balance December 31	Current Portion
1999 General Obligation Alternate Revenue Bonds	\$ 290,000	\$ -	\$ 140,000	\$ 150,000	\$ 150,000
2003 General Obligation Alternate Revenue Bonds	2,450,000	-	50,000	2,400,000	50,000
2005 General Obligation Refunding Alternate Revenue Bonds	2,565,000	-	-	2,565,000	-
Unamortized discount on bonds	(30,623)	-	(1,909)	(28,714)	-
Compensated absences payable	40,092	19,326	6,014	53,404	8,011
TOTAL ENTERPRISE LONG-TERM DEBT	\$ 5,314,469	\$ 19,326	\$ 194,105	\$ 5,139,690	\$ 208,011

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 Ending	Principal	Interest	Total
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>\$ 5,115,000</u>	<u>\$ 2,002,515</u>	<u>\$ 7,117,515</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 (Alternate Revenue Source), Series 2002. 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. During the year ended December 31, 2006, the remainder of the Series 2002 General Obligation Bonds (Alternate Revenue Source) were 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 (Alternate Revenue Source), Series 1999. 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, 2006, \$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)

5. LONG-TERM DEBT (Continued)

i. Conduit Debt

The Village is not aware of any conduit debt outstanding at December 31, 2006, that would be disclosed in accordance with GASB Interpretation No. 2, *Disclosure of Conduit Debt Obligations*.

6. INTERFUND ACTIVITY

Due From/To Other Funds

Individual fund interfund receivables/payables are as follows:

Receivable Fund	Payable Fund	Amount
General	Police Pension	\$ 2,612

The purpose of the due from Police Pension Fund is related to Police Pension expenses paid out of the General Fund to be reimbursed by the Pension Fund.

The interfund advances as of December 31, 2006 consisted of the following:

Advance From/To Other Funds

Receivable Fund	Payable Fund	Amount
Working Cash	General	\$ 633,534

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, 2006 consisted of the following:

	Transfer In	Transfer Out
General	\$ -	\$ 225,000
Capital Projects	225,000	-
TOTAL	\$ 225,000	\$ 225,000

6. INTERFUND ACTIVITY (Continued)

The purposes of significant interfund transfers are as follows:

\$225,000 transferred to the Capital Projects Fund from the General Fund. This relates to transfers for capital project costs. The transfer will not be repaid.

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. IPBC 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 IPBC 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 IRMA beyond its representation on the Board of Directors.

7. RISK MANAGEMENT (Continued)

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, 2006 for the current or prior claim years.

8. CONTINGENT LIABILITIES

a. 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.

b. 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.

9. DEFINED BENEFIT PENSION PLANS (Continued)

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, 2006 was 9.16% of covered payroll.

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, 2006, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	20
Terminated employees entitled to benefits but not yet receiving them	1
Current employees	
Vested	12
Nonvested	7
	<hr/>
TOTAL	<u>40</u>

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.

9. DEFINED BENEFIT PENSION PLANS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

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, 2006, the Village's contribution was 27.36% 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.

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2004	January 1, 2006
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	28 Years, Closed	28 Years, Closed
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%

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

9. DEFINED BENEFIT PENSION PLANS (Continued)

c. Annual Pension Costs (Continued)

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 APC and the contributions actually made.

	Calendar Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual pension costs (APC)	2004	\$ 143,764	2004	\$ 237,370
	2005	165,390	2005	314,471
	2006	197,085	2006	347,923
Actual contribution	2004	\$ 143,764	2004	\$ 245,231
	2005	165,390	2005	316,467
	2006	197,085	2006	369,021
Percentage of APC contributed	2004	100.00%	2004	103.31%
	2005	100.00	2005	100.63
	2006	100.00	2006	106.06
NPO (Asset)	2004	\$ -	2004	\$ (430,398)
	2005	-	2005	(432,394)
	2006	-	2006	(453,492)

The NPO (Asset) at December 31, 2006 has been calculated as follows:

	Police Pension
Annual required contribution	\$ 360,384
Interest on net pension obligation	(34,592)
Adjustment to annual required contribution	22,131
Annual pension cost	347,923
Contributions made	369,021
(Increase) decrease in net pension obligation (asset)	(21,098)
Net pension obligation (asset) beginning of year	(432,394)
NET PENSION OBLIGATION (ASSET) END OF YEAR	\$ (453,492)

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY

a. Summary of Significant Accounting Policies

The accounting policies of the Riverside Public Library (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.

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.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

a. Summary of Significant Accounting Policies (Continued)

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

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.

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.

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)

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.

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.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

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.

The Library had investments of \$503,110 invested in Illinois Funds as of December 31, 2006, which 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. 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, 2006, the Library had did not have greater than five percent of its overall portfolio invested in any single investment type.

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

c. Receivables

Property taxes for the 2006 levy year attach as an enforceable lien on January 1, 2007, 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, 2007 and August 1, 2007. 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 2006 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 \$2,000 and an estimated useful life in excess of one year.

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

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

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

d. Capital Assets (Continued)

The following is a summary of changes in the Library's capital assets for the year ended December 31, 2006:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
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	5,896	-	28,978
Total capital assets being depreciated	2,083,956	5,896	-	2,089,852
Less accumulated depreciation for				
Buildings and improvements	678,781	48,799	-	727,580
Machinery and equipment	23,254	2,531	-	25,785
Furniture and fixtures	95,429	4,390	-	99,819
Computer equipment	20,897	3,050	-	23,947
Total accumulated depreciation	818,361	58,770	-	877,131
Total capital assets being depreciated, net	1,265,595	(52,874)	-	1,212,721
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 1,265,595	\$ (52,874)	\$ -	\$ 1,212,721

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

GOVERNMENTAL ACTIVITIES	
Culture and recreation	<u>\$ 58,770</u>

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

10. COMPONENT UNIT - RIVERSIDE PUBLIC LIBRARY (Continued)

e. Interfund Receivable and Payable

The interfund receivable and payable balances as of December 31, 2006 consisted of the following:

	<u>Due from</u>	<u>Due to</u>
General Fund		
Nonmajor Governmental Funds	\$ 3,563	\$ 3,255
Nonmajor Governmental Funds		
General Fund	<u>3,255</u>	<u>3,563</u>
TOTAL INTERFUND RECEIVABLE AND PAYABLE	<u>\$ 6,818</u>	<u>\$ 6,818</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, 2006 consisted of the following:

	<u>Transfer From</u>	<u>Transfer To</u>
General Fund		
Nonmajor Governmental Funds	\$ -	\$ 2,000
Nonmajor Governmental Funds		
General Fund	2,000	-
Nonmajor Governmental Funds	<u>4,452</u>	<u>4,452</u>
TOTAL INTERFUND RECEIVABLE AND PAYABLE	<u>\$ 6,452</u>	<u>\$ 6,452</u>

This transfer was recorded as a transfer from the working cash fund and the General Fund to the special reserve fund as approved by the Library board, for capital improvements.

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

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	\$ 14,128	\$ 2,020	\$ 2,119	\$ 14,029	\$ 2,104

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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 4,767,098	\$ 4,767,098	\$ 4,620,066	\$ (147,032)
Intergovernmental	782,688	951,184	1,007,774	56,590
Licenses and permits	550,645	552,630	615,887	63,257
Charges for services	426,811	444,539	443,998	(541)
Fines and forfeits	256,947	256,947	230,367	(26,580)
Investment income	120,022	278,162	278,427	265
Miscellaneous	243,182	259,444	174,863	(84,581)
Total revenues	7,147,393	7,510,004	7,371,382	(138,622)
EXPENDITURES				
Current				
General government	1,603,464	1,706,737	1,535,718	(171,019)
Public safety	4,459,782	4,678,321	4,673,585	(4,736)
Highways and streets	475,502	475,502	447,519	(27,983)
Culture and recreation	743,203	743,203	756,237	13,034
Total expenditures	7,281,951	7,603,763	7,413,059	(190,704)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(134,558)	(93,759)	(41,677)	52,082
OTHER FINANCING SOURCES (USES)				
Transfers (out)	(230,000)	(230,000)	(225,000)	5,000
Proceeds from sale of capital assets	6,058	6,058	14,815	8,757
Total other financing sources (uses)	(223,942)	(223,942)	(210,185)	13,757
NET CHANGE IN FUND BALANCE	\$ (358,500)	\$ (317,701)	(251,862)	\$ 65,839
FUND BALANCE, JANUARY 1			4,875,813	
FUND BALANCE, DECEMBER 31			\$ 4,623,951	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2006

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, 2006, actual expenses did not exceed budgeted expenses in any funds.

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

December 31, 2006

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)
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%
2006	4,521,548	4,417,340	102.36%	(104,208)	2,151,581	(4.84%)

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

December 31, 2006

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)
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%
2006	8,389,934	13,228,807	63.42%	4,838,873	1,317,368	367.31%

(See independent auditor's report.)

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

December 31, 2006

<u>Calendar Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
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%
2006	197,085	197,085	100.00%

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

December 31, 2006

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>	<u>Net Pension Asset</u>
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
2006	369,021	360,384	102.40%	453,492

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
TAXES				
Property tax	\$ 3,541,012	\$ 3,541,012	\$ 3,486,528	\$ (54,484)
Municipal sales tax	294,859	294,859	309,416	14,557
Foreign fire tax	12,656	12,656	8,634	(4,022)
Utility tax	918,571	918,571	815,488	(103,083)
Total taxes	4,767,098	4,767,098	4,620,066	(147,032)
INTERGOVERNMENTAL				
State per capita taxes	757,688	872,923	887,744	14,821
Other	25,000	78,261	120,030	41,769
Total intergovernmental	782,688	951,184	1,007,774	56,590
LICENSES AND PERMITS				
Business licenses	6,000	6,000	6,786	786
Motor vehicle licenses	264,000	264,000	261,007	(2,993)
Liquor licenses	14,145	14,145	13,045	(1,100)
Sign licenses	-	-	50	50
Animal licenses	3,900	3,900	3,960	60
Building/zoning/inspecting fees	262,600	264,585	331,039	66,454
Total licenses and permits	550,645	552,630	615,887	63,257
CHARGES FOR SERVICES				
Franchise fees	64,976	64,976	82,856	17,880
Other service fees	72,013	89,741	76,978	(12,763)
Alarm/report fees	12,415	12,415	11,301	(1,114)
Ambulance service fees	106,000	106,000	107,037	1,037
Program fees	160,000	160,000	151,297	(8,703)
State highway maintenance reimbursements	11,407	11,407	14,529	3,122
Total charges for services	426,811	444,539	443,998	(541)
FINES AND FORFEITS	256,947	256,947	230,367	(26,580)
INVESTMENT INCOME	120,022	278,162	278,427	265
MISCELLANEOUS				
Other revenue	240,375	256,637	170,622	(86,015)
Museum sales and donations	2,807	2,807	4,241	1,434
Total miscellaneous	243,182	259,444	174,863	(84,581)
TOTAL REVENUES	\$ 7,147,393	\$ 7,510,004	\$ 7,371,382	\$ (138,622)

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended December 31, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT				
Legislative support				
Personnel services	\$ 7,800	\$ 9,673	\$ 9,673	\$ -
Contractual services	6,300	22,098	21,697	(401)
Supplies and materials	2,000	2,000	2,367	367
Total legislative support	16,100	33,771	33,737	(34)
Landscape advisory commission				
Personnel services	100	100	-	(100)
Contractual services	3,000	3,000	2,919	(81)
Total landscape advisory commission	3,100	3,100	2,919	(181)
Board of fire and police commissioners				
Personnel services	300	300	-	(300)
Contractual services	16,300	16,300	13,833	(2,467)
Supplies and materials	100	100	-	(100)
Total board of fire and police commissioners	16,700	16,700	13,833	(2,867)
Plan commission				
Personnel services	3,776	3,776	713	(3,063)
Contractual services	12,600	37,878	36,505	(1,373)
Supplies and materials	100	100	44	(56)
Total plan commission	16,476	41,754	37,262	(4,492)
Zoning board of appeals				
Personnel services	100	100	-	(100)
Contractual services	1,700	3,685	3,053	(632)
Total zoning board of appeals	1,800	3,785	3,053	(732)
Historical commission				
Personnel services	125	125	2,902	2,777
Contractual services	13,600	13,600	2,708	(10,892)
Supplies and materials	3,950	3,950	3,671	(279)
Capital outlay	30,500	30,500	215	(30,285)
Total historical commission	48,175	48,175	9,496	(38,679)

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Economic development commission				
Personnel services	\$ 300	\$ 300	\$ -	\$ (300)
Contractual services	41,350	41,350	3,931	(37,419)
Total economic development commission	41,650	41,650	3,931	(37,719)
Preservation commission				
Personnel services	600	600	408	(192)
Contractual services	1,200	1,200	854	(346)
Total preservation commission	1,800	1,800	1,262	(538)
Safe environment commission				
Personnel services	100	100	-	(100)
Total safe environment commission	100	100	-	(100)
Community cable television commission				
Personnel services	6,367	6,367	4,341	(2,026)
Contractual services	4,300	4,300	-	(4,300)
Supplies and materials	1,100	1,100	307	(793)
Capital outlay	4,400	4,400	6,900	2,500
Total community cable television commission	16,167	16,167	11,548	(4,619)
Village manager				
Personnel services	237,924	245,906	241,116	(4,790)
Contractual services	18,450	18,450	23,545	5,095
Supplies and materials	25,100	25,100	22,130	(2,970)
Capital outlay	5,155	5,155	4,559	(596)
Total village manager	286,629	294,611	291,350	(3,261)
Finance				
Personnel services	262,470	262,470	210,118	(52,352)
Contractual services	50,190	50,190	74,895	24,705
Supplies and materials	10,800	10,800	7,803	(2,997)
Total finance	323,460	323,460	292,816	(30,644)

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
GENERAL GOVERNMENT (Continued)				
Legal				
Contractual services	\$ 177,000	\$ 177,000	\$ 165,438	\$ (11,562)
Total legal	177,000	177,000	165,438	(11,562)
Village clerk				
Personnel services	11,749	11,749	11,608	(141)
Contractual services	9,700	9,700	3,456	(6,244)
Supplies and materials	500	500	235	(265)
Total village clerk	21,949	21,949	15,299	(6,650)
Community development				
Personnel services	198,782	198,782	184,115	(14,667)
Contractual services	80,928	123,220	123,919	699
Supplies and materials	3,000	3,000	3,280	280
Total community development	282,710	325,002	311,314	(13,688)
Data processing				
Contractual services	65,188	65,188	61,066	(4,122)
Supplies and materials	3,000	3,000	347	(2,653)
Capital outlay	7,000	7,000	11,293	4,293
Total data processing	75,188	75,188	72,706	(2,482)
Buildings and grounds				
Personnel services	-	-	25	25
Contractual services	76,000	76,000	103,723	27,723
Supplies and materials	99,000	99,000	58,481	(40,519)
Total buildings and grounds	175,000	175,000	162,229	(12,771)
Public liability insurance				
Contractual services	171,910	179,975	179,975	-
Total public liability insurance	171,910	179,975	179,975	-
Less contributions from Parking Fund	(72,450)	(72,450)	(72,450)	-
Total general government	1,603,464	1,706,737	1,535,718	(171,019)

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY				
Fire administration				
Personnel services	\$ 120,177	\$ 120,177	\$ 116,952	\$ (3,225)
Contractual services	34,000	40,870	40,397	(473)
Supplies and materials	5,800	5,800	13,835	8,035
Capital outlay	14,967	14,967	14,547	(420)
Total fire administration	174,944	181,814	185,731	3,917
Fire operations				
Personnel services	273,822	330,816	333,439	2,623
Contractual services	19,500	19,500	16,637	(2,863)
Supplies and materials	51,200	69,885	68,685	(1,200)
Capital outlay	125,441	125,441	130,509	5,068
Total fire operations	469,963	545,642	549,270	3,628
Fire training				
Personnel services	141,377	141,377	176,541	35,164
Supplies and materials	9,300	9,300	6,247	(3,053)
Total fire training	150,677	150,677	182,788	32,111
Fire prevention				
Personnel services	40,071	40,071	66,537	26,466
Contractual services	3,500	3,500	1,327	(2,173)
Supplies and materials	4,700	4,700	2,504	(2,196)
Total fire prevention	48,271	48,271	70,368	22,097
Fire disaster preparedness				
Personnel services	66,250	66,250	55,437	(10,813)
Supplies and materials	500	500	-	(500)
Total fire disaster preparedness	66,750	66,750	55,437	(11,313)
Fire maintenance				
Personnel services	41,590	41,590	44,669	3,079
Contractual services	61,400	70,575	43,776	(26,799)
Supplies and materials	24,500	24,500	42,889	18,389
Capital outlay	8,000	8,000	-	(8,000)
Total fire maintenance	135,490	144,665	131,334	(13,331)

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Emergency medical services				
Personnel services	\$ 17,290	\$ 17,290	\$ 10,435	\$ (6,855)
Contractual services	464,240	464,240	426,376	(37,864)
Supplies and materials	9,400	9,400	13,538	4,138
Capital outlay	32,342	32,342	31,372	(970)
Total emergency medical services	523,272	523,272	481,721	(41,551)
Police administration				
Personnel services	723,907	752,651	759,560	6,909
Contractual services	26,250	42,273	41,115	(1,158)
Supplies and materials	10,450	10,450	12,633	2,183
Capital outlay	9,740	9,740	9,539	(201)
Total police administration	770,347	815,114	822,847	7,733
Police patrol				
Personnel services	1,256,418	1,311,302	1,321,757	10,455
Contractual services	85,500	85,500	77,845	(7,655)
Supplies and materials	58,219	67,674	69,241	1,567
Capital outlay	50,413	50,413	50,280	(133)
Total police patrol	1,450,550	1,514,889	1,519,123	4,234
Emergency response				
Personnel services	3,497	3,497	4,965	1,468
Supplies and materials	8,000	8,000	7,467	(533)
Capital outlay	6,400	6,400	6,550	150
Total emergency response	17,897	17,897	18,982	1,085
Police crime prevention				
Personnel services	43,783	43,783	43,218	(565)
Contractual services	4,750	4,750	5,421	671
Supplies and materials	1,750	1,750	468	(1,282)
Total police crime prevention	50,283	50,283	49,107	(1,176)
Police investigation				
Personnel services	101,341	119,050	115,295	(3,755)
Contractual services	4,750	4,750	5,739	989
Supplies and materials	6,000	6,000	4,965	(1,035)
Capital outlay	19,271	19,271	16,668	(2,603)
Total police investigation	131,362	149,071	142,667	(6,404)

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
PUBLIC SAFETY (Continued)				
Police training				
Personnel services	\$ 77,033	\$ 77,033	\$ 81,772	\$ 4,739
Supplies and materials	6,350	6,350	4,042	(2,308)
Total police training	83,383	83,383	85,814	2,431
Police communications				
Personnel services	310,239	310,239	302,043	(8,196)
Contractual services	5,700	5,700	3,208	(2,492)
Supplies and materials	7,300	7,300	7,082	(218)
Capital outlay	9,000	9,000	8,145	(855)
Total police communications	332,239	332,239	320,478	(11,761)
Police school safety				
Personnel services	50,634	50,634	56,475	5,841
Contractual services	2,770	2,770	938	(1,832)
Supplies and materials	950	950	505	(445)
Total police school safety	54,354	54,354	57,918	3,564
Total public safety	4,459,782	4,678,321	4,673,585	(4,736)
HIGHWAYS AND STREETS				
Street and bridge				
Personnel services	243,283	243,283	215,138	(28,145)
Contractual services	78,200	78,200	75,264	(2,936)
Supplies and materials	66,107	66,107	53,139	(12,968)
Capital outlay	52,720	52,720	50,774	(1,946)
Total street and bridge	440,310	440,310	394,315	(45,995)
Street lighting				
Personnel services	6,692	6,692	4,605	(2,087)
Contractual services	25,000	25,000	46,639	21,639
Supplies and materials	3,500	3,500	1,960	(1,540)
Total street lighting	35,192	35,192	53,204	18,012
Total highways and streets	475,502	475,502	447,519	(27,983)
CULTURE AND RECREATION				
Forestry				
Personnel services	50,765	50,765	44,206	(6,559)
Contractual services	130,300	130,300	142,449	12,149
Supplies and materials	8,000	8,000	7,938	(62)
Total forestry	189,065	189,065	194,593	5,528

(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, 2006

	Original Budget	Final Budget	Actual	Variance Over (Under)
CULTURE AND RECREATION (Continued)				
Parks maintenance				
Personnel services	\$ 134,829	\$ 134,829	\$ 166,694	\$ 31,865
Contractual services	8,750	8,750	4,498	(4,252)
Supplies and materials	11,000	11,000	10,831	(169)
Capital outlay	6,726	6,726	6,726	-
Total parks maintenance	161,305	161,305	188,749	27,444
Recreation administration				
Personnel services	122,301	122,301	121,104	(1,197)
Contractual services	3,790	3,790	3,285	(505)
Supplies and materials	4,300	4,300	3,038	(1,262)
Total recreation administration	130,391	130,391	127,427	(2,964)
Recreation programs				
Personnel services	101,786	101,786	95,703	(6,083)
Contractual services	89,235	89,235	83,802	(5,433)
Supplies and materials	26,545	26,545	27,847	1,302
Capital outlay	5,099	5,099	5,099	-
Total recreation programs	222,665	222,665	212,451	(10,214)
Recreation facilities				
Personnel services	5,457	5,457	4,961	(496)
Contractual services	26,610	26,610	17,964	(8,646)
Supplies and materials	7,710	7,710	10,092	2,382
Total recreation facilities	39,777	39,777	33,017	(6,760)
Total culture and recreation	743,203	743,203	756,237	13,034
TOTAL EXPENDITURES	\$ 7,281,951	\$ 7,603,763	\$ 7,413,059	\$ (190,704)

(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, 2006

	Final Budget	Actual	Variance Over (Under)
REVENUES			
Non-home rule sales tax	\$ -	\$ 123,249	\$ 123,249
Intergovernmental	192,370	245,317	52,947
Investment income	49,715	84,027	34,312
Miscellaneous	241,725	344,910	103,185
Total revenues	483,810	797,503	313,693
EXPENDITURES			
Capital outlay	2,786,573	2,039,083	(747,490)
Total expenditures	2,786,573	2,039,083	(747,490)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,302,763)	(1,241,580)	1,061,183
OTHER FINANCING SOURCES (USES)			
Transfer in	225,000	225,000	-
Total other financing sources (uses)	225,000	225,000	-
NET CHANGE IN FUND BALANCE	<u>\$ (2,077,763)</u>	(1,016,580)	<u>\$ 1,061,183</u>
FUND BALANCE, JANUARY 1		<u>3,072,373</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 2,055,793</u>	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
CAPITAL PROJECTS FUND

For the Year Ended December 31, 2006

	Final Budget	Actual	Variance Over (Under)
CAPITAL OUTLAY			
Street improvements	\$ 921,100	\$ 647,167	\$ (273,933)
Administrative offices	7,268	123,816	116,548
Building fire alarm replacement	21,253	26,834	5,581
Mobile data terminals	60,000	58,979	(1,021)
Remodel fire station #2	200,000	73,940	(126,060)
Police software upgrade	291,000	204,821	(86,179)
Police servers replaced	50,000	15,298	(34,702)
Police station entrance façade	75,000	9,684	(65,316)
Livescan finger print machine	45,000	-	(45,000)
Pedestrian underpass improvements	60,000	37,150	(22,850)
Museum/Southwest well house	75,000	7,813	(67,187)
Office furniture	108,481	106,404	(2,077)
Financial software upgrade	25,000	5,000	(20,000)
Centennial plaza redevelopment	35,000	522	(34,478)
Firestation #2 backup generator	35,000	295	(34,705)
Police department car computer	35,000	38,281	3,281
North platform repairs	44,500	17,489	(27,011)
Public safety mobile wireless network	89,100	90,973	1,873
Vehicle replacement	126,022	127,249	1,227
Recreation equipment	25,000	-	(25,000)
Recreation center water tower space	407,849	397,368	(10,481)
Sidewalk replacement	50,000	50,000	-
TOTAL CAPITAL OUTLAY	\$ 2,786,573	\$ 2,039,083	\$ (747,490)

(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, 2006

	Special Revenue		Permanent	Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	E-911	Working Cash		
ASSETS					
Cash and investments	\$ 555,757	\$ 135,095	\$ 210,863	\$ 306,376	\$ 1,208,091
Receivables (net of allowances for uncollectibles)					
Property taxes	-	-	-	536,201	536,201
Accrued interest	5,646	-	-	-	5,646
Other	-	7,165	-	-	7,165
Due from other governments	21,634	-	-	-	21,634
Advances to other funds	-	-	633,534	-	633,534
TOTAL ASSETS	\$ 583,037	\$ 142,260	\$ 844,397	\$ 842,577	\$ 2,412,271
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 50,089	\$ 8,982	\$ -	\$ 375	\$ 59,446
Deferred revenue	-	-	-	528,846	528,846
Total liabilities	50,089	8,982	-	529,221	588,292
FUND BALANCES					
Reserved for advances to other funds	-	-	633,534	-	633,534
Reserved for working cash	-	-	210,863	-	210,863
Reserved for highways and streets	532,948	-	-	-	532,948
Reserved for public safety	-	133,278	-	-	133,278
Reserved for debt service	-	-	-	313,356	313,356
Total fund balances	532,948	133,278	844,397	313,356	1,823,979
TOTAL LIABILITIES AND FUND BALANCES	\$ 583,037	\$ 142,260	\$ 844,397	\$ 842,577	\$ 2,412,271

(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, 2006

	Special Revenue		Permanent	Debt Service	Total Nonmajor Governmental Funds
	Motor Fuel Tax	E-911	Working Cash		
REVENUES					
Taxes	\$ -	\$ 84,214	\$ -	\$ 555,102	\$ 639,316
Intergovernmental	258,459	1,000	-	-	259,459
Investment income	26,347	624	4,737	26,643	58,351
Total revenues	284,806	85,838	4,737	581,745	957,126
EXPENDITURES					
Current					
Public safety	-	281,612	-	-	281,612
Highways and streets	172,745	-	-	-	172,745
Debt service					
Principal retirement	-	-	-	479,066	479,066
Interest	-	-	-	104,702	104,702
Fiscal charges	-	-	-	746	746
Total expenditures	172,745	281,612	-	584,514	1,038,871
NET CHANGE IN FUND BALANCES	112,061	(195,774)	4,737	(2,769)	(81,745)
FUND BALANCES, JANUARY 1	420,887	329,052	839,660	316,125	1,905,724
FUND BALANCES, DECEMBER 31	\$ 532,948	\$ 133,278	\$ 844,397	\$ 313,356	\$ 1,823,979

(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, 2006

	Final Budget	Actual	Variance Over (Under)
REVENUES			
Intergovernmental			
Allotments	\$ 260,624	\$ 256,037	\$ (4,587)
Grants	476,400	2,422	(473,978)
Investment income	11,360	26,347	14,987
Total revenues	<u>748,384</u>	<u>284,806</u>	<u>(463,578)</u>
EXPENDITURES			
Highways and streets			
Capital outlay	<u>680,200</u>	<u>172,745</u>	<u>(507,455)</u>
Total expenditures	<u>680,200</u>	<u>172,745</u>	<u>(507,455)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 68,184</u></u>	<u>112,061</u>	<u><u>\$ 43,877</u></u>
FUND BALANCE, JANUARY 1		<u>420,887</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$ 532,948</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, 2006

	Final Budget	Actual	Variance Over (Under)
REVENUES			
E-911 surcharge tax	\$ 90,317	\$ 84,214	\$ (6,103)
Intergovernmental	-	1,000	1,000
Investment income	40	624	584
Total revenues	<u>90,357</u>	<u>85,838</u>	<u>(4,519)</u>
EXPENDITURES			
Public safety			
Contractual services	38,396	37,396	(1,000)
Supplies and materials	1,000	286	(714)
Capital outlay	243,930	243,930	-
Total expenditures	<u>283,326</u>	<u>281,612</u>	<u>(1,714)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (192,969)</u>	<u>(195,774)</u>	<u>\$ (2,805)</u>
FUND BALANCE, JANUARY 1		<u>329,052</u>	
FUND BALANCE, DECEMBER 31		<u>\$ 133,278</u>	

(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, 2006

	Final Budget	Actual	Variance Over (Under)
REVENUES			
Investment income	\$ 1,600	\$ 4,737	\$ 3,137
Total revenues	1,600	4,737	3,137
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,600	4,737	3,137
OTHER FINANCING SOURCES (USES)			
Transfers in	5,000	-	(5,000)
Total other financing sources (uses)	5,000	-	(5,000)
NET CHANGE IN FUND BALANCE	\$ 6,600	4,737	\$ (1,863)
FUND BALANCE, JANUARY 1		839,660	
FUND BALANCE, DECEMBER 31		\$ 844,397	

(See independent auditor's report.)

VILLAGE OF RIVERSIDE, ILLINOIS

COMBINING BALANCE SHEET
DEBT SERVICE FUND BY SUBFUND

December 31, 2006

	2002 General Obligation (Alternative Revenue Source) Bonds	2003 Limited Tax Bonds	2004 General Obligation Bonds	2005 Limited Tax Bonds	Installment Contracts	Total
ASSETS						
Cash and investments	\$ 228,125	\$ 23,372	\$ 20,449	\$ 3,169	\$ 31,261	\$ 306,376
Receivables (net of allowances for uncollectibles)						
Property taxes	-	1,199	256,869	278,133	-	536,201
TOTAL ASSETS	\$ 228,125	\$ 24,571	\$ 277,318	\$ 281,302	\$ 31,261	\$ 842,577
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 375	\$ -	\$ -	\$ 375
Deferred revenue	-	-	253,340	275,506	-	528,846
Total liabilities	-	-	253,715	275,506	-	529,221
FUND BALANCES						
Reserved for debt service	228,125	24,571	23,603	5,796	31,261	313,356
Total fund balances	228,125	24,571	23,603	5,796	31,261	313,356
TOTAL LIABILITIES AND FUND BALANCES	\$ 228,125	\$ 24,571	\$ 277,318	\$ 281,302	\$ 31,261	\$ 842,577

(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, 2006

	2002 General Obligation (Alternative Revenue Source) Bonds		2003 Limited Tax Bonds	
	Final Budget	Actual	Final Budget	Actual
REVENUES				
Property taxes	\$ -	\$ -	\$ 90,036	\$ 93,098
Investment income	23,898	23,137	1,893	1,833
Total revenues	23,898	23,137	91,929	94,931
EXPENDITURES				
Debt service				
Principal retirement	-	-	85,000	85,000
Interest	-	-	1,615	1,615
Fiscal charges	214	214	-	-
Total expenditures	214	214	86,615	86,615
NET CHANGE IN FUND BALANCES	<u>\$ 23,684</u>	22,923	<u>\$ 5,314</u>	8,316
FUND BALANCES (DEFICIT), JANUARY 1		<u>205,202</u>		<u>16,255</u>
FUND BALANCES, DECEMBER 31		<u>\$ 228,125</u>		<u>\$ 24,571</u>

2004 General Obligation Bonds		2005 Limited Tax Bonds		Installment Contracts		Totals	
Final Budget	Actual	Final Budget	Actual	Final Budget	Actual	Final Budget	Actual
\$ 259,033	\$ 266,310	\$ 197,290	\$ 195,694	\$ -	\$ -	\$ 546,359	\$ 555,102
735	711	-	-	994	962	27,520	26,643
259,768	267,021	197,290	195,694	994	962	573,879	581,745
180,000	180,000	166,000	169,000	40,650	45,066	471,650	479,066
69,190	69,190	23,793	20,697	17,616	13,200	112,214	104,702
532	532	-	-	-	-	746	746
249,722	249,722	189,793	189,697	58,266	58,266	584,610	584,514
<u>\$ 10,046</u>	17,299	<u>\$ 7,497</u>	5,997	<u>\$ (57,272)</u>	(57,304)	<u>\$ (10,731)</u>	(2,769)
	<u>6,304</u>		<u>(201)</u>		<u>88,565</u>		<u>316,125</u>
	<u>\$ 23,603</u>		<u>\$ 5,796</u>		<u>\$ 31,261</u>		<u>\$ 313,356</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 - BUDGETARY BASIS
WATER AND SEWER FUND

For the Year Ended December 31, 2006

	Final Budget	Actual
OPERATING REVENUES		
Charges for services		
Water charges	\$ 1,703,783	\$ 1,887,351
Sewer charges	422,940	411,908
Penalties	24,168	23,739
Meter sales	235,000	5,200
Total operating revenues	<u>2,385,891</u>	<u>2,328,198</u>
OPERATING EXPENSES		
Personnel services	602,345	560,248
Contractual services	231,040	303,574
Supplies and materials	906,565	694,048
Capital outlay	1,213,000	761,716
Total operating expenses	<u>2,952,950</u>	<u>2,319,586</u>
OPERATING INCOME	<u>(567,059)</u>	<u>8,612</u>
NONOPERATING REVENUES (EXPENSES)		
Investment income	38,024	72,169
Miscellaneous revenue	500	25,943
Debt principal payment	(190,000)	(190,000)
Interest expense	(223,029)	(205,933)
Total nonoperating revenues (expenses)	<u>(374,505)</u>	<u>(297,821)</u>
CHANGE IN NET ASSETS - BUDGETARY BASIS	<u>\$ (941,564)</u>	<u>(289,209)</u>
ADJUSTMENTS TO GAAP BASIS		
Depreciation and amortization		(343,253)
Capital assets capitalized		761,716
Debt principal payment		190,000
Total adjustments to GAAP Basis		<u>608,463</u>
CHANGE IN NET ASSETS - GAAP BASIS		319,254
NET ASSETS, JANUARY 1		<u>9,899,676</u>
NET ASSETS, DECEMBER 31		<u>\$ 10,218,930</u>

(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 - BUDGETARY BASIS
PARKING LOT FUND

For the Year Ended December 31, 2006

	Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 88,740	\$ 97,289
Total operating revenues	88,740	97,289
OPERATING EXPENSES		
Contractual services	88,145	74,821
Supplies and materials	82,000	45,481
Total operating expenses	170,145	120,302
OPERATING INCOME	(81,405)	(23,013)
NONOPERATING REVENUES (EXPENSES)		
Investment income	6,464	3,890
Miscellaneous income	-	85,000
Total nonoperating revenues (expenses)	6,464	88,890
CHANGE IN NET ASSETS - BUDGETARY BASIS	\$ (74,941)	65,877
ADJUSTMENTS TO GAAP BASIS		
Depreciation		(36,137)
Total adjustments to GAAP Basis		(36,137)
CHANGE IN NET ASSETS - GAAP BASIS		29,740
NET ASSETS, JANUARY 1		575,134
NET ASSETS, DECEMBER 31		\$ 604,874

(See independent auditor's report.)

FIDUCIARY FUNDS

Police Pension 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, 2006

	Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 367,484	\$ 369,021
Employee	132,340	134,223
Total contributions	499,824	503,244
Investment income		
Net appreciation in fair value of investments	-	305,747
Interest	205,000	346,089
Total investment income	205,000	651,836
Less investment expense	(85,500)	(82,455)
Net investment income	119,500	569,381
Total additions	619,324	1,072,625
DEDUCTIONS		
Benefits and refunds	738,324	738,324
Administrative expenses	12,625	12,548
Total deductions	750,949	750,872
NET INCREASE (DECREASE)	\$ (131,625)	321,753
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
January 1		8,068,181
December 31		\$ 8,389,934

(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, 2006

	General	Nonmajor Governmental Funds
ASSETS		
Cash and cash equivalents	\$ 264,132	\$ 242,233
Receivables (net of allowances for uncollectibles)		
Property taxes	748,696	81,618
Other	12,958	-
Due from other funds	3,563	3,255
Capital assets, being depreciated, net of accumulated depreciation	-	-
TOTAL ASSETS	\$ 1,029,349	\$ 327,106
LIABILITIES AND FUND BALANCES/NET ASSETS		
LIABILITIES		
Accounts payable	\$ 31,572	\$ -
Accrued payroll	10,462	1,327
Due to other funds	3,255	3,563
Deferred revenue	742,200	80,900
Compensated absences	-	-
Total liabilities	787,489	85,790
FUND BALANCES/NET ASSETS		
Net assets		
Invested in capital assets	-	-
Fund balances/net assets		
Reserved for special purposes	-	48,792
Reserved for employee retirement	-	3,544
Reserved for audit	-	137
Reserved for unemployment	-	63
Reserved for working cash	-	90,000
Unreserved - undesignated	241,860	98,780
Total fund balances/net assets	241,860	241,316
TOTAL LIABILITIES AND FUND BALANCES/NET ASSETS	\$ 1,029,349	\$ 327,106

Total	Adjustments	Statement of Net Assets
\$ 506,365	\$ -	\$ 506,365
830,314	-	830,314
12,958	-	12,958
6,818	(6,818)	-
-	1,212,721	1,212,721
<u>\$ 1,356,455</u>	<u>\$ 1,205,903</u>	<u>\$ 2,562,358</u>
\$ 31,572	\$ -	\$ 31,572
11,789	-	11,789
6,818	(6,818)	-
823,100	-	823,100
-	14,029	14,029
<u>873,279</u>	<u>7,211</u>	<u>880,490</u>
-	1,212,721	1,212,721
48,792	-	48,792
3,544	-	3,544
137	-	137
63	-	63
90,000	-	90,000
340,640	(14,029)	326,611
<u>483,176</u>	<u>1,198,692</u>	<u>1,681,868</u>
<u>\$ 1,356,455</u>	<u>\$ 1,205,903</u>	<u>\$ 2,562,358</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, 2006

	General	Nonmajor Governmental Funds
REVENUES		
Taxes	\$ 718,968	\$ 78,233
Intergovernmental	10,883	-
Charges for services	13,597	-
Fines and forfeitures	19,201	-
Investment income	14,968	12,107
Miscellaneous	6,287	39,967
Total revenues	783,904	130,307
EXPENDITURES		
Current		
Personnel services	503,291	72,976
Materials and supplies	119,944	21,614
Contractual services	98,903	42,019
Other charges	14,855	-
Capital outlay	26,582	15,490
Total expenditures	763,575	152,099
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20,329	(21,792)
OTHER FINANCING SOURCES (USES)		
Transfer in	-	6,452
Transfer (out)	(2,000)	(4,452)
Total other financing sources (uses)	(2,000)	2,000
NET CHANGE IN FUND BALANCES/NET ASSETS	18,329	(19,792)
FUND BALANCES/NET ASSETS, JANUARY 1	223,531	261,108
FUND BALANCES/NET ASSETS, DECEMBER 31	\$ 241,860	\$ 241,316

Total	Adjustments	Statement of Activities
\$ 797,201	\$ -	\$ 797,201
10,883	-	10,883
13,597	-	13,597
19,201	-	19,201
27,075	-	27,075
46,254	-	46,254
914,211	-	914,211
576,267	(99)	576,168
141,558	36,176	177,734
140,922	-	140,922
14,855	58,770	73,625
42,072	(42,072)	-
915,674	52,775	968,449
(1,463)	(52,775)	(54,238)
6,452	(6,452)	-
(6,452)	6,452	-
-	-	-
(1,463)	(52,775)	(54,238)
484,639	1,251,467	1,736,106
\$ 483,176	\$ 1,198,692	\$ 1,681,868

(See independent auditor's report.)

RIVERSIDE PUBLIC LIBRARY, ILLINOIS
COMPONENT UNIT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

December 31, 2006

	Special Revenue				Capital	Permanent
	Illinois Municipal Retirement	Audit	FICA	Unemployment Compensation Insurance	Projects Special Reserve	Library Gift
ASSETS						
Cash and cash equivalents	\$ 996	\$ 101	\$ 3,107	\$ 149	\$ 29,679	\$ 61,867
Receivables (net of allowance for uncollectibles)						
Property taxes	37,337	4,036	39,337	908	-	-
Due from other funds	-	-	-	-	-	3,255
TOTAL ASSETS	\$ 38,333	\$ 4,137	\$ 42,444	\$ 1,057	\$ 29,679	\$ 65,122
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accrued payroll	\$ 613	\$ -	\$ 620	\$ 94	\$ -	\$ -
Due to other funds	-	-	-	-	-	3,355
Deferred revenue	37,000	4,000	39,000	900	-	-
Total liabilities	37,613	4,000	39,620	994	-	3,355
FUND BALANCES						
Reserved for special purposes	-	-	-	-	-	-
Reserved for employee retirement	720	-	2,824	-	-	-
Reserved for audit	-	137	-	-	-	-
Reserved for unemployment	-	-	-	63	-	-
Reserved for working cash	-	-	-	-	-	-
Unreserved - undesignated	-	-	-	-	29,679	61,767
Total fund balances	720	137	2,824	63	29,679	61,767
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,333	\$ 4,137	\$ 42,444	\$ 1,057	\$ 29,679	\$ 65,122

General Endowment	Batko Endowment	Permanent			Working Cash	Dardwin Endowment	Total Nonmajor Governmental Funds
		Children's Endowment	Kovalsky Endowment				
\$ 15,124	\$ 5,615	\$ 1,626	\$ 5,167	\$ 90,000	\$ 28,802	\$ 242,233	
-	-	-	-	-	-	81,618	
-	-	-	-	-	-	3,255	
<u>\$ 15,124</u>	<u>\$ 5,615</u>	<u>\$ 1,626</u>	<u>\$ 5,167</u>	<u>\$ 90,000</u>	<u>\$ 28,802</u>	<u>\$ 327,106</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,327	
-	-	-	-	-	208	3,563	
-	-	-	-	-	-	80,900	
-	-	-	-	-	208	85,790	
12,053	5,425	1,484	4,830	-	25,000	48,792	
-	-	-	-	-	-	3,544	
-	-	-	-	-	-	137	
-	-	-	-	-	-	63	
-	-	-	-	90,000	-	90,000	
3,071	190	142	337	-	3,594	98,780	
<u>15,124</u>	<u>5,615</u>	<u>1,626</u>	<u>5,167</u>	<u>90,000</u>	<u>28,594</u>	<u>241,316</u>	
<u>\$ 15,124</u>	<u>\$ 5,615</u>	<u>\$ 1,626</u>	<u>\$ 5,167</u>	<u>\$ 90,000</u>	<u>\$ 28,802</u>	<u>\$ 327,106</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, 2006

	Special Revenue			Unemployment Compensation Insurance	Capital	Permanent Library Gift
	Illinois Municipal Retirement	Audit	FICA		Projects Special Reserve	
REVENUES						
Taxes	\$ 36,846	\$ 3,935	\$ 36,865	\$ 587	\$ -	\$ -
Investment income	-	-	-	-	2,057	2,905
Miscellaneous						
Donations	-	-	-	-	-	38,498
Other	-	-	-	-	-	1,469
Total revenues	36,846	3,935	36,865	587	2,057	42,872
EXPENDITURES						
Current						
Personnel services	36,748	-	35,356	872	-	-
Materials and supplies	-	-	-	-	-	20,450
Contractual services	-	3,900	-	-	35,557	317
Capital outlay	-	-	-	-	-	15,490
Total expenditures	36,748	3,900	35,356	872	35,557	36,257
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	98	35	1,509	(285)	(33,500)	6,615
OTHER FINANCING SOURCES (USES)						
Transfer in	-	-	-	-	6,452	-
Transfer (out)	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	6,452	-
NET CHANGE IN FUND BALANCES	98	35	1,509	(285)	(27,048)	6,615
FUND BALANCES, JANUARY 1	622	102	1,315	348	56,727	55,152
FUND BALANCES, DECEMBER 31	\$ 720	\$ 137	\$ 2,824	\$ 63	\$ 29,679	\$ 61,767

Permanent							Total
General	Batko	Children's	Kovalsky	Working	Dardwin	Nonmajor	
Endowment	Endowment	Endowment	Endowment	Cash	Endowment	Governmental	
						Funds	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 78,233	
724	274	77	243	4,452	1,375	12,107	
-	-	-	-	-	-	38,498	
-	-	-	-	-	-	1,469	
724	274	77	243	4,452	1,375	130,307	
-	-	-	-	-	-	72,976	
-	301	-	27	-	836	21,614	
2,245	-	-	-	-	-	42,019	
-	-	-	-	-	-	15,490	
2,245	301	-	27	-	836	152,099	
(1,521)	(27)	77	216	4,452	539	(21,792)	
-	-	-	-	-	-	6,452	
-	-	-	-	(4,452)	-	(4,452)	
-	-	-	-	(4,452)	-	2,000	
(1,521)	(27)	77	216	-	539	(19,792)	
16,645	5,642	1,549	4,951	90,000	28,055	261,108	
\$ 15,124	\$ 5,615	\$ 1,626	\$ 5,167	\$ 90,000	\$ 28,594	\$ 241,316	

(See independent auditor's report.)

STATISTICAL SECTION
(Unaudited)

STATISTICAL SECTION

This part of the Village of Riverside’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the village’s overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain trend information to help the reader understand how the village’s financial performance and well-being have changed over time.	88
Revenue Capacity These schedules contain information to help the reader assess the village’s most significant local revenue sources, the property and sales tax.	93
Debt Capacity These schedules present information to help the reader assess the affordability of the village’s current levels of outstanding debt and the village’s ability to issue additional debt in the future.	100
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the village’s financial activities take place.	105
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the village’s financial report relates to the services the village provides and the activities it performs.	106

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The village implemented GASB Statement 34 as of January 1, 2004; schedules presenting government-wide information include information beginning in that year.

VILLAGE OF RIVERSIDE, ILLINOIS

NET ASSETS BY COMPONENT

Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
Governmental Activities			
Invested in Capital Assets Net of Related Debt	\$ 13,460,653	\$ 14,147,540	\$ 14,599,450
Restricted	3,783,568	3,552,745	2,397,906
Unrestricted	5,178,733	5,030,405	5,475,598
Total Governmental Activities	\$ 22,422,954	\$ 22,730,690	\$ 22,472,954
Business-type Activities			
Invested in Capital Assets Net of Related Debt	\$ 7,346,512	\$ 7,289,826	\$ 7,946,048
Restricted	-	-	-
Unrestricted	2,701,110	3,184,984	2,877,756
Total Business-type Activities	\$ 10,047,622	\$ 10,474,810	\$ 10,823,804
Primary Government			
Invested in Capital Assets Net of Related Debt	\$ 20,807,165	\$ 21,437,366	\$ 22,545,498
Restricted	3,783,568	3,552,745	2,397,906
Unrestricted	7,879,843	8,215,389	8,353,354
Total Primary Government	\$ 32,470,576	\$ 33,205,500	\$ 33,296,758

Data Source

Audited Financial Statements

VILLAGE OF RIVERSIDE, ILLINOIS

CHANGES IN NET ASSETS

Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
Expenses			
Governmental Activities			
General Government	\$ 1,796,603	\$ 1,611,117	\$ 1,906,356
Public Safety	4,102,866	4,657,227	5,280,530
Highways and Streets	1,225,435	1,125,089	1,255,591
Culture and Recreation	832,524	761,705	747,843
Interest	84,257	98,700	193,427
Total Governmental Activities Expenses	\$ 8,041,685	\$ 8,253,838	9,383,747
Business-type Activities			
Water	2,805,560	2,200,713	2,000,356
Sewer	109,121	138,132	106,700
Parking System	127,391	116,465	156,439
Total Business-type Activities Expenses	\$ 3,042,072	\$ 2,455,310	\$ 2,263,495
Total Primary Government Expenses	\$ 11,083,757	\$ 10,709,148	\$ 11,647,242
Program Revenues			
Governmental Activities			
Charges for Services			
General Government	386,370	363,230	458,536
Public Safety	362,306	350,904	348,705
Highways and streets	483,315	512,325	517,561
Culture and Recreation	171,548	157,198	160,427
Operating Grants and Contributions	281,911	382,744	357,597
Capital Grants and Contributions	201,860	289,157	271,288
Total Governmental Activities Program Revenues	1,887,310	2,055,558	2,114,114
Business-type Activities			
Charges for Services			
Water	\$ 1,942,701	\$ 2,216,262	\$ 1,942,233
Sewer	416,353	474,813	411,908
Parking System	86,010	85,838	97,289
Operating Grants and Contributions	65,901	-	-
Capital Grants and Contributions	-	50,000	-
Total Business-type Activities Program Revenues	2,510,965	2,826,913	2,451,430
Total Primary Government Program Revenues	\$ 4,398,275	\$ 4,882,471	\$ 4,565,544
Net (Expense) Revenue			
Governmental Activities	\$ (6,154,375)	\$ (6,198,280)	\$ (7,269,633)
Business-type Activities	(531,107)	371,603	187,935
Total Primary Government Net (Expense) Revenue	\$ (6,685,482)	\$ (5,826,677)	\$ (7,081,698)

VILLAGE OF RIVERSIDE, ILLINOIS

CHANGES IN NET ASSETS (Continued)

Last Three Fiscal Years

	Fiscal Year		
	2004	2005	2006
General Revenues and Other Changes in Net Assets			
Governmental Activities			
Taxes			
Property	\$ 3,788,624	\$ 3,884,860	\$ 4,041,630
Sales	290,620	298,733	309,416
Non-home-rule sales	-	-	123,249
Per Capita	658,678	767,921	844,625
Utility	832,187	906,488	815,488
Replacement	29,226	40,171	43,119
Other	104,295	95,394	92,848
Franchise fees	62,019	74,253	82,856
Investment Earnings	126,373	291,537	420,805
Miscellaneous	199,657	146,659	237,861
Transfers	-	-	-
Total Governmental Activities	<u>6,091,679</u>	<u>6,506,016</u>	<u>7,011,897</u>
Business-type Activities			
Investment Earnings	30,174	55,585	76,059
Miscellaneous	698	-	85,000
Transfers	-	-	-
Total Business-type Activities	<u>30,872</u>	<u>55,585</u>	<u>161,059</u>
Total Primary Government	<u>\$ 6,122,551</u>	<u>\$ 6,561,601</u>	<u>\$ 7,172,956</u>
Change in Net Assets			
Governmental Activities	\$ (62,696)	\$ 307,736	\$ (257,736)
Business-type Activities	(500,235)	427,188	348,994
Total Primary Government Change in Net Assets	<u>\$ (562,931)</u>	<u>\$ 734,924</u>	<u>\$ 91,258</u>

Data Source

Audited Financial Statements

VILLAGE OF RIVERSIDE, ILLINOIS
FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1998	1999	2000	2000*	2001	2002	2003	2004	2005	2006
General Fund										
Reserved	\$ -	\$ 343,584	\$ 141,895	\$ 829,703	\$ 1,422,592 ^a	\$ 139,645	\$ 94,957	\$ 124,241	\$ 76,648	\$ 81,926
Unreserved	4,300,264	3,247,016	3,433,764	4,471,744	5,401,970	6,578,077	6,918,284	5,887,156	4,799,165	4,542,025
Total General Fund	\$ 4,300,264	\$ 3,590,600	\$ 3,575,659	\$ 5,301,447	\$ 6,824,562	\$ 6,717,722	\$ 7,013,241	\$ 6,011,397	\$ 4,875,813	\$ 4,623,951
All Other Governmental Funds										
Reserved										
Advanced to Other Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 638,534	\$ 633,534
Working Cash	-	-	-	-	-	-	-	837,005	201,126	210,863
Highways and Streets	-	-	-	-	-	-	-	235,960	420,887	532,948
Public Safety	-	-	-	-	-	-	-	286,207	329,052	133,278
Debt Service	628,807	435,243	459,717	515,101	785,427	592,341	237,754	261,896	316,125	313,356
Capital Projects (non-home-rule sales tax)	-	-	-	-	-	-	-	-	-	123,249
Capital Projects (bond proceeds)	934,699	2,026,497	2,364,706	1,833,764	953,120	-	-	2,038,259	1,571,087	1,003,025
Prepaid Items	20,000	20,000	-	-	-	-	-	-	-	-
Unreserved, reported in										
Special Revenue Funds	1,483,304	206,904	306,755	177,960	256,116	520,144	788,302	-	-	-
Debt Service Funds	-	(26,493)	(30,433)	(37,422)	-	-	-	-	-	-
Capital Project Funds	-	-	-	-	-	4,332,540 ^b	897,712	1,331,648	1,501,286	929,519
Permanent Funds	-	-	-	-	-	-	-	-	-	-
Total All Other Governmental Funds	\$ 3,066,810	\$ 2,662,151	\$ 3,100,745	\$ 2,489,403	\$ 1,994,663	\$ 5,445,025	\$ 1,923,768	\$ 4,990,975	\$ 4,978,097	\$ 3,879,772

* The Village changed its fiscal year end from April 30 to December 31, effective December 31, 2000. This data is for the eight months ended December 31, 2000.

^a The large increase in reserved general fund balance in 2001 is mainly driven by an increase in the reserve for capital projects. The Police, Fire and Administration offices were remodeled to provide additional office and storage space. A portion of these costs were also incurred in the capital projects fund.

^b The large increase in unreserved capital project fund balance in 2002 is due to the issuance of \$3.3 million in general obligation bonds (alternate revenue source) and removal of the restrictions on the capital projects fund balance. The \$3.3 million in bonds were issued to finance the construction of a public works facility.

Data Source

Audited Financial Statements

VILLAGE OF RIVERSIDE, ILLINOIS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

Last Ten Fiscal Years

	1998	1999	2000	2000*	2001	2002	2003	2004	2005	2006
Revenues										
Taxes	\$ 4,166,134	\$ 4,258,560	\$ 4,237,948	\$ 4,165,579	\$ 4,846,654	\$ 4,864,232	\$ 4,929,632	\$ 5,015,726	\$ 5,185,476	\$ 5,382,631
Licenses and Permits	280,476	340,315	349,010	329,736	415,921	490,170	543,416	575,429	547,907	615,887
Intergovernmental	941,525	969,180	1,045,197	757,739	1,149,903	1,175,076	956,663	1,171,676	1,479,994	1,512,550
Fines and Forfeitures	208,667	216,377	221,590	101,974	175,443	219,288	188,492	246,457	226,422	230,367
Charges for Services	366,881	417,710	447,471	283,757	485,701	485,993	517,802	381,460	403,034	443,998
Investment Income	-	336,156	389,493	480,713	502,935	282,740	173,196	126,374	291,538	420,805
Miscellaneous	518,802	168,129	91,250	124,499	361,497	678,975	307,944	461,867	427,203	519,773
Total Revenues	6,482,485	6,706,427	6,781,959	6,243,997	7,938,054	8,196,474	7,617,145	7,978,989	8,561,574	9,126,011
Expenditures										
General Government	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	1,535,718
Public Safety	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	4,955,197
Highways and Streets	387,489	457,118	367,068	250,698	344,680	718,087	515,644	916,639	568,222	620,264
Culture and Recreation	670,830	607,016	631,486	392,814	554,587	674,639	669,027	696,329	712,700	756,237
Capital Outlay	1,393,573	431,628	411,060	1,686,515	699,423	907,521	3,803,864	843,357	2,073,245	2,039,083
Debt Service										
Principal	460,000	495,000	430,000	563,375	707,966	741,305	784,119	777,650	456,795	479,066
Interest	234,781	205,975	154,338	149,542	159,981	184,332	158,215	56,192	124,018	104,702
Other Charges	2,703	14,643	5,988	3,220	1,361	62,704	5,398	25,641	4,339	746
Total Expenditures	7,085,443	6,352,908	6,658,383	6,160,540	6,946,500	8,290,472	11,015,787	8,714,905	9,713,585	10,491,013
Excess of Revenues over (under) Expenditures	(602,958)	353,519	123,576	83,457	991,554	(93,998)	(3,398,642)	(735,916)	(1,152,011)	(1,365,002)
Other financing Sources (Uses)										
Transfers In	1,461,250	1,729,177	529,751	1,241,565	979,539	785,988	192,481	1,146,916	1,248,266	225,000
Transfers Out	(1,472,995)	(1,558,769)	(529,751)	(1,226,565)	(979,539)	(785,988)	(192,481)	(1,146,916)	(1,248,266)	(225,000)
Bonds Issued	-	885,000	300,077	1,015,989	-	3,435,000	516,000	2,060,000	518,000	-
Discount on Bonds Issued	-	-	-	-	-	-	-	(10,756)	-	-
Payment to escrow agent	-	(867,712)	-	-	-	-	(513,659)	-	(514,451)	-
Sale of Capital Assets	-	-	-	-	90,000	2,520	6,570	24,540	-	14,815
Total Other Financing Sources (Uses)	(11,745)	187,696	300,077	1,030,989	90,000	3,437,520	8,911	2,073,784	3,549	14,815
Net Change in Fund Balances	\$ (614,703)	\$ 541,215	\$ 423,653	\$ 1,114,446	\$ 1,081,554	\$ 3,343,522	\$ (3,389,731)	\$ 1,337,868	\$ (1,148,462)	\$ (1,350,187)
Debt Service as a Percentage of Noncapital Expenditures	12.21%	11.84%	9.35%	15.93%	13.89%	12.54%	13.07%	10.59%	7.60%	6.91%

* The Village changed its fiscal year end from April 30 to December 31, effective December 31, 2000. This data is for the eight months ended December 31, 2000.

Data Source
Audited Financial Statements

VILLAGE OF RIVERSIDE, ILLINOIS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Levy Years

Levy Year	Residential Property	Commercial Property	Industrial Property*	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate**	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Estimated Actual Taxable Value***
1996	\$ 129,321,274	\$ 20,258,720	\$ 2,197,051	\$ -	\$ 151,777,045	\$ 2.33	\$ 455,331,135	33.333%
1997	129,418,149	20,202,266	2,186,599	-	151,807,014	2.25	455,421,042	33.333%
1998	132,059,255	20,113,901	2,339,610	-	154,512,766	2.16	463,538,298	33.333%
1999	150,029,400	21,713,045	2,179,630	-	173,922,075	2.02	521,766,225	33.333%
2000	148,786,756	20,153,828	1,428,283	-	170,368,867	2.14	511,106,601	33.333%
2001	155,015,848	17,731,333	1,375,034	-	174,122,215	2.16	522,366,645	33.333%
2002	202,384,220	22,411,711	4,133,409	-	228,929,340	1.57	686,788,020	33.333%
2003	211,746,237	21,213,397	4,058,425	-	237,018,059	1.62	711,054,177	33.333%
2004	222,758,597	20,969,932	4,137,313	-	247,865,842	1.58	743,597,526	33.333%
2005	(a)	(a)	(a)	-	310,961,225	1.31	932,883,675	33.333%

* Includes taxable assessed value of railroad property.

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

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

(a) Data not available at the date of issuance of this report.

Data Source

Office of the Cook County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS
PROPERTY TAX BURDEN ON TAX PAYERS IN THE VILLAGE

Last Ten Levy Years

Levy Year	Total Taxable Assessed Value	Total Direct Tax Rate**	Estimated Village Tax Burden	Total Property Tax Rate**	Estimated Total Property Tax Burden	Village Tax Burden as a Percent of Total Tax Burden
1996	\$ 151,777,045	\$ 2.331	\$ 3,537,619	\$ 9.548	\$ 14,491,672	24.4%
1997	151,807,014	\$ 2.249	3,414,595	\$ 9.714	14,746,533	23.2%
1998	154,512,766	\$ 2.160	3,336,858	\$ 9.581	14,803,868	22.5%
1999	173,922,075	\$ 2.021	3,514,443	\$ 8.975	15,609,506	22.5%
2000	170,368,867	\$ 2.144	3,653,390	\$ 9.334	15,902,230	23.0%
2001	174,122,215	\$ 2.156	3,753,727	\$ 9.310	16,210,778	23.2%
2002	228,929,340	\$ 1.569	3,590,986	\$ 7.446	17,046,079	21.1%
2003	237,018,059	\$ 1.623	3,845,855	\$ 8.341	19,769,676	19.5%
2004	247,865,842	\$ 1.579	3,914,050	\$ 8.247	20,441,496	19.1%
2005	310,961,225	\$ 1.305	4,058,666	\$ 7.367	22,908,513	17.7%
Change from 2005 to 1996	\$ 159,184,180	\$ (1.026)	\$ 521,047	\$ (2.181)	\$ 8,416,841	-6.7%

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

(a) Data not available at the date of issuance of this report.

Data Source

Office of the Cook 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	2006
Village Direct Rates											
Corporate	0.0833	0.0862	0.0865	0.2221	0.2418	0.2453	0.0046	0.0000	0.0752	0.0151	(a)
IMRF	0.1493	0.1523	0.1528	0.0207	0.0212	0.0774	0.0757	0.0962	0.1045	0.0990	
Audit	-	-	-	0.0118	0.0121	0.0118	0.0086	0.0083	0.0075	0.0076	
Public benefit	0.0452	0.0468	0.0470	-	-	-	-	-	-	-	
Public liability insurance	0.1018	0.1054	0.1058	0.0977	0.0363	-	0.1019	0.1255	0.0721	0.0569	
Police protection	0.3617	0.3744	0.3757	0.3494	0.3899	0.3925	0.2971	0.2928	0.2709	0.2319	
Fire protection	0.3617	0.3744	0.3757	0.3494	0.3899	0.3925	0.2971	0.2928	0.2709	0.2319	
School crossing guards	0.0181	0.0187	0.0187	0.0172	0.0181	0.0196	0.0149	0.0167	0.0155	0.0132	
Street lighting	0.0452	0.0468	0.0470	0.0444	0.0500	0.0188	0.0006	0.0084	0.0077	0.0099	
Street and bridge	0.0904	0.0936	0.0939	0.0871	0.0883	0.0981	0.0743	0.0795	0.0735	0.0662	
Parks and maintenance	0.0904	0.0936	0.0939	0.0871	0.0883	0.0810	0.0681	0.0649	0.0592	0.0431	
Forestry	0.0452	0.0468	0.0470	0.0444	0.0500	0.0491	0.0371	0.0419	0.0387	0.0331	
Recreation	0.0814	0.0842	0.0845	0.0785	0.0900	0.0883	0.0668	0.0836	0.0808	0.0662	
Debt service	0.4807	0.3345	0.2381	0.2864	0.3396	0.3287	0.2464	0.2402	0.2213	0.1792	
Garbage	0.0830	0.0859	0.0862	-	-	-	-	-	-	-	
Working cash	-	-	-	0.0444	-	-	-	-	-	-	
Police pension	0.1091	0.1150	0.1154	0.0876	0.0931	0.1074	0.0897	0.1045	0.1265	0.1194	
Ambulance service	0.1843	0.1907	0.1914	0.1925	0.2358	0.2453	0.1857	0.1673	0.1548	0.1325	
Total Direct Rate	2.3308	2.2493	2.1596	2.0207	2.1444	2.1558	1.5686	1.6226	1.5791	1.3052	
Overlapping Rates											
County of Cook	0.9890	0.9190	0.9110	0.8540	0.8240	0.7460	0.6900	0.6300	0.5930	0.5330	(a)
Forest Preserve District	0.0740	0.0740	0.0720	0.0700	0.0690	0.0670	0.0610	0.0590	0.0600	0.0600	
Suburban T.B. Sanitarium	0.0080	0.0080	0.0080	0.0080	0.0080	0.0070	0.0060	0.0040	0.0010	0.0050	
Consolidated Elections	0.0000	0.0270	0.0000	0.0230	0.0000	0.0320	0.0000	0.0290	0.0000	0.0140	
Metropolitan Water Recl.	0.4920	0.4510	0.4440	0.4190	0.4150	0.4010	0.3710	0.3610	0.3470	0.3150	
Des Plaines Valley Mosq.	0.0140	0.0130	0.0130	0.0120	0.0130	0.0130	0.0110	0.0120	0.0120	0.0110	
High School District	2.3650	2.4880	2.4880	2.3390	2.4560	2.5030	2.0170	2.3060	2.2730	1.9210	
Triton Community Coll.	0.3490	0.3520	0.3410	0.3170	0.3320	0.3060	0.2570	0.2690	0.2590	0.2330	
Riverside Public Library	0.4010	0.4150	0.4170	0.3790	0.3980	0.4040	0.3000	0.3130	0.3080	0.2560	
Village of Riverside	2.3310	2.2490	2.1600	2.0210	2.1450	2.1560	1.5690	1.6230	1.5800	1.3060	
School District No. 96	2.3230	2.5100	2.5190	2.3420	2.4740	2.4750	2.0060	2.5730	2.6520	2.5750	
Riverside Township	0.0990	0.1150	0.1150	0.0980	0.1000	0.1080	0.0850	0.0870	0.0840	0.0710	
Riverside Township General	0.0180	0.0060	0.0060	0.0130	0.0130	0.0020	0.0020	0.0020	0.0050	0.0050	
Riverside Mental Health	0.0850	0.0870	0.0870	0.0800	0.0870	0.0900	0.0710	0.0730	0.0730	0.0620	
Total Overlapping Rate	9.5480	9.7140	9.5810	8.9750	9.3340	9.3100	7.4460	8.3410	8.2470	7.3670	

* Property tax rates are per \$100 of assessed valuation. All properties in the Village share the same overlapping districts with the exception of the 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.

(a) Data not available at the date of issuance of this report.

Data Source
Office of the Cook County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS

PRINCIPAL PROPERTY TAX PAYERS

Current Year and Nine Years Ago

Taxpayer	2005			1996		
	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation	Taxable Assessed Value	Rank	Percentage of Total Village Taxable Assessed Valuation
MacNeal Management Services	\$ 807,881	1	0.26%	\$ 1,144,179	1	0.75%
First American Bank Corporation	619,187	2	0.20%	487,874	3	0.32%
Cadillac Property Inc.	526,853	3	0.17%	281,700	6	0.19%
Individual	384,084	4	0.12%	-	N/A	0.00%
353 Burlington LLC	359,303	5	0.12%	-	N/A	0.00%
Individual	335,954	6	0.11%	328,277	5	0.22%
Riverside Arcade	326,799	7	0.11%	-	N/A	0.00%
River West Property Management	255,743	8	0.08%	235,125	8	0.15%
Individual	236,550	9	0.08%	-	N/A	0.00%
Riverside Bank	231,129	10	0.07%	-	N/A	0.00%
Individual	-	N/A	0.00%	510,512	2	0.34%
Campus Property Mgmt.	-	N/A	0.00%	452,970	4	0.30%
Wirtz Realty	-	N/A	0.00%	239,332	7	0.16%
L.J. Laurion, Inc.	-	N/A	0.00%	187,535	9	0.12%
Individual	-	N/A	0.00%	186,528	10	0.12%
TOTALS	\$ 4,083,483		1.31%	\$ 4,054,032		2.67%

NOTE: 2006 data not available at the date of issuance of this report.

N/A- Not Applicable

Data Source
Office of the Cook County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS
PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Levy Years

Levy Year	Tax Levied	Collected within the Fiscal Year of the Levy		Net Collections in Subsequent Years	Total Net Collections to Date*	
		Amount	Percentage of Levy		Amount	Percentage of Levy
1997	\$ 3,414,595	\$ 3,345,621	97.98%	\$ (2,749)	\$ 3,342,872	97.90%
1998	3,336,857	3,335,672	99.96%	(3,762)	3,331,910	99.85%
1999	3,514,444	3,543,239	100.82%	(41,225)	3,502,014	99.65%
2000	3,653,390	3,648,240	99.86%	(5,303)	3,642,937	99.71%
2001	3,753,710	3,808,863	101.47%	(19,850)	3,789,013	100.94%
2002	3,747,766	3,709,296	98.97%	9,591	3,718,887	99.23%
2003	3,845,895	3,637,644	94.59%	184,129	3,821,774	99.37%
2004	3,914,528	3,812,001	97.38%	90,412	3,902,413	99.69%
2005	4,059,121	3,937,315	97.00%	79,412	4,016,727	98.96%
2006	(a)	(a)	(a)	(a)	(a)	(a)

* The collections to date information is as of the date of issuance of this report.

(a) Data not available at the date of issuance of this report.

Data Source

Office of the Cook County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS
SALES TAX REVENUE BY CATEGORY

Last Ten Fiscal Years

Fiscal Year	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Merchandise	\$ 3,655	\$ 635	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Food	61,729	62,747	85,075	94,130	88,034	86,198	90,778	97,528	103,692	143,709
Drinking and Eating Places	20,448	19,995	27,178	25,584	24,653	25,525	26,519	28,337	31,455	43,943
Apparel	2,315	4	-	-	-	7,249	7,648	7,511	9,925	12,805
Furniture & H.H. & Radio	765	8,562	8,159	7,886	7,682	4,779	4,574	3,077	3,894	5,861
Lumber, Building Hardware	11,055	16,087	10,366	15,003	12,142	12,439	14,641	6,495	4,656	7,469
Automobile and Filling Stations	46,756	19,342	17,144	19,828	19,384	17,560	29,691	30,179	26,893	40,625
Drugs and Miscellaneous Retail	48,513	18,006	16,713	10,365	13,315	12,709	9,464	12,688	12,397	22,594
Agriculture and All Others	48,917	89,130	90,329	97,489	103,688	94,978	102,634	104,001	105,195	154,973
Manufacturers	12,832	4,426	1,150	1,028	855	-	-	-	-	-
Other*	N/A	N/A	411	216	2,549	1,430	919	805	625	538
TOTAL	\$ 256,986	\$ 238,934	\$ 256,523	\$ 271,530	\$ 272,303	\$ 262,866	\$ 286,868	\$ 290,620	\$ 298,733	\$ 432,516
Village direct sales tax rate	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	2.00%

* Categories without any amounts listed have less than four taxpayers, therefore, the Illinois Department of Revenue has declined to provide the sales tax data for those categories to protect the confidentiality of the individual taxpayers. Nonetheless, the total of the censored sales tax data has been listed in the other category and is reflected in the annual totals.

NOTE: Effective July 1, 2006 the Village imposed a 1% non-home rule sales tax.

N/A- Not Applicable

Data Source

Illinois Department of Revenue

VILLAGE OF RIVERSIDE, ILLINOIS

DIRECT AND OVERLAPPING SALES TAX RATES

Last Ten Levy Years

Fiscal Year	Village Direct Rate	Overlapping Rates		
		Regional Transportation Authority Rate	Cook County Rate	State Rate
1997	1.00%	0.75%	1.00%	5.00%
1998	1.00%	0.75%	1.00%	5.00%
1999	1.00%	0.75%	1.00%	5.00%
2000	1.00%	0.75%	1.00%	5.00%
2001	1.00%	0.75%	1.00%	5.00%
2002	1.00%	0.75%	1.00%	5.00%
2003	1.00%	0.75%	1.00%	5.00%
2004	1.00%	0.75%	1.00%	5.00%
2005	1.00%	0.75%	1.00%	5.00%
2006	2.00%	0.75%	1.00%	5.00%

NOTE: Effective July 1, 2006 the Village imposed a 1% non-home rule sales tax.

Data Source

Illinois Department of Revenue

VILLAGE OF RIVERSIDE, ILLINOIS
RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

Fiscal Year Ended	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage of Estimated Actual Value of Taxable Property*	Per Capita**
	General Obligation Bonds	Alternative Revenue Source	Installment Notes Payable	Special Assessment Payable	General Obligation Bonds	Alternative Revenue Source	Installment Notes Payable	Capital Leases			
1997	\$ 2,145,000	\$ 1,435,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,580,000	0.79%	\$ 408
1998	1,820,000	1,300,000	-	-	-	-	-	-	3,120,000	0.67%	356
1999	1,460,000	1,225,000	-	-	-	-	-	-	2,685,000	0.51%	306
2000	1,640,000	855,000	512,172	-	-	3,380,000	-	-	6,387,172	1.25%	718
2001	1,190,000	655,000	454,206	-	-	3,270,000	-	-	5,569,206	1.07%	626
2002	855,000	3,745,000	392,901	-	-	3,155,000	-	-	8,147,901	1.19%	916
2003	866,000	3,290,000	333,782	-	-	5,535,000	-	-	10,024,782	1.41%	1,127
2004	2,414,000	3,065,000	293,132	-	-	5,405,000	-	-	11,177,132	1.50%	1,257
2005	2,518,000	2,810,000	250,337	-	-	5,305,000	-	-	10,883,337	1.17%	1,224
2006	2,084,000	2,810,000	205,271	-	-	5,115,000	-	-	10,214,271	N/A	1,148

N/A - Data not available at the date of issuance of this report.

NOTE: Details of the Village's outstanding debt can be found in the notes to the financial statements.

* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for taxable property data.

** See the schedule of Demographic and Economic Information for population data.

VILLAGE OF RIVERSIDE, ILLINOIS

RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds	Less: Amounts Available In Debt Service Fund	Total	Percentage of Estimated Actual Value of Taxable Property*	Per Capita**
1997	\$ 2,145,000	\$ 602,607	\$ 1,542,393	0.34%	\$ 175.79
1998	1,820,000	655,508	1,164,492	0.25%	132.72
1999	1,460,000	429,796	1,030,204	0.20%	117.42
2000	1,640,000	283,121	1,356,879	0.27%	152.54
2001	1,190,000	547,238	642,762	0.12%	72.26
2002	855,000	332,530	522,470	0.08%	58.74
2003	866,000	144,613	721,387	0.10%	81.10
2004	2,414,000	5,181	2,408,819	0.32%	270.81
2005	2,518,000	22,358	2,495,642	0.27%	280.57
2006	2,084,000	53,970	2,030,030	N/A	228.22

N/A - Data not available at the date of issuance of this report.

NOTE: Details of the Village's outstanding debt can be found in the notes to the financial statements.

* See the schedule of Assessed Value and Estimated Actual Value of Taxable Property for taxable property data.

** See the schedule of Demographic and Economic Information for population data.

VILLAGE OF RIVERSIDE, ILLINOIS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2006

Governmental unit	Gross Debt	Percentage Debt Applicable to the Village of Riverside*	Village of Riverside Share of Debt
Direct Debt:			
Village of Riverside**	\$ 4,894,000	100.00%	\$ 4,894,000
Total Direct Debt	<u>\$ 4,894,000</u>		<u>\$ 4,894,000</u>
Overlapping Debt:			
Cook County	\$ 3,015,350,000	0.23%	\$ 6,935,305
Cook County Forest Preserve District	108,475,000	0.23%	249,493
Metropolitan Water Reclamation District	1,521,282,085	0.24%	3,651,077
High School District Number 208	26,500,000	35.59%	9,431,350
School District Number 96	525,000	54.05%	283,763
Total Overlapping Debt	<u>\$ 4,672,132,085</u>		<u>\$ 20,550,987</u>
Grand Total Direct and Overlapping Debt	<u>\$ 4,677,026,085</u>		<u>\$ 25,444,987</u>

* Determined by ratio of assessed valuation of property subject to taxation in the Village of Riverside to valuation of property subject to taxation in overlapping unit.

** Gross bonded debt does not include alternate revenue source bonds supported by Enterprise Fund revenues.

Data Source

Office of the Cook County Clerk

VILLAGE OF RIVERSIDE, ILLINOIS
LEGAL DEBT MARGIN INFORMATION
Last Ten Fiscal Years

	Fiscal Year									
	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Legal debt limit	\$ 13,082,899	\$ 13,093,355	\$ 13,326,726	\$ 15,000,779	\$ 14,694,314	\$ 15,018,041	\$ 20,607,656	\$ 20,442,808	\$ 21,380,585	\$ 26,820,406
Total net debt applicable to limit	3,580,000	3,120,000	1,460,000	1,640,000	1,190,000	855,000	866,000	2,414,000	2,518,000	2,084,000
Legal debt margin	\$ 9,502,899	\$ 9,973,355	\$ 11,866,726	\$ 13,360,779	\$ 13,504,314	\$ 14,163,041	\$ 19,741,656	\$ 18,028,808	\$ 18,862,585	\$ 24,736,406
Total net debt applicable to the limit as a percentage of debt limit	27.36%	23.83%	10.96%	10.93%	8.10%	5.69%	4.20%	11.81%	11.78%	7.77%

Legal Debt Margin Calculation for Fiscal Year 2006:

Assessed Value	\$ 310,961,225
Legal debt margin	<u>8.625%</u>
Legal debt limit	\$ 26,820,406
Debt applicable to limit General obligation bonds	<u>2,084,000</u>
Legal debt margin	<u><u>\$ 24,736,406</u></u>

VILLAGE OF RIVERSIDE, ILLINOIS

PLEDGED-REVENUE COVERAGE

Last Ten Fiscal Years

Fiscal Year	Water Revenue Bonds					
	Water Charges and Other	Less Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
1997	N/A	N/A	N/A	N/A	N/A	N/A
1998	N/A	N/A	N/A	N/A	N/A	N/A
1999	N/A	N/A	N/A	N/A	N/A	N/A
2000	N/A	N/A	N/A	N/A	N/A	N/A
2000*	\$ 1,251,557	\$ 880,436	\$ 371,121	\$ 120,000	\$ 248,943	1.01
2001	1,891,631	1,393,182	498,449	110,000	167,235	1.80
2002	2,062,558	1,528,544	534,014	115,000	160,035	1.94
2003	2,146,638	1,660,646	485,992	120,000	152,515	1.78
2004	2,359,054	2,619,919	(260,865)	130,000	244,662	(0.70) ^a
2005	2,691,075	1,765,826	925,249	185,000	239,484	2.18
2006	2,354,141	1,395,863	958,278	50,000	208,296	3.71

NOTE: Details of the Village's outstanding debt can be found in the notes to the financial statements.

N/A- Not Applicable

* The Village changed its fiscal year end from April 30 to December 31, effective December 31, 2000. This data is for the eight months ended December 31, 2000.

^a In 2004 the Village incurred approximately \$350,000 in non-capitalizable expenses to decommission an old gravity water system. These expenses were a one-time occurrence.

VILLAGE OF RIVERSIDE, ILLINOIS

DEMOGRAPHIC AND ECONOMIC INFORMATION

Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2006	8,895	\$ 308,763,240	\$ 34,712	2.20%
2005	8,895	308,763,240	34,712	3.00%
2004	8,895	308,763,240	34,712	2.90%
2003	8,895	308,763,240	34,712	3.70%
2002	8,895	308,763,240	34,712	3.50%
2001	8,895	308,763,240	34,712	2.70%
2000	8,895	308,763,240	34,712	2.20%
1999	8,774	215,726,338	24,587	2.20%
1998	8,774	215,726,338	24,587	2.30%
1997	8,774	215,726,338	24,587	2.30%

Data Sources

U.S. Department of Commerce, Bureau of the Census

Illinois Department of Employment Security

VILLAGE OF RIVERSIDE, ILLINOIS

PRINCIPAL EMPLOYERS

Current Year and Eight Years Ago*

Employer	2006			1998		
	Number of Employees	Rank	% of Total Village Population	Number of Employees	Rank	% of Total Village Population
Aunt Diana's Candy Makers				23	1	0.26%
Pav Realtors				21	2	0.24%
First American Bank	20	1	0.22%	20	3	0.23%
Texor Petroleum Co., Inc.	20	2	0.22%			
Mid-America Federal Savings Ban	16	3	0.18%	16	4	0.18%
Century 21/Village Realty, Inc.	15	4	0.17%	15	5	0.17%
Shepard Medical Products, Inc.				15	6	0.17%
First Service Realtors				14	7	0.16%
RIC, Inc.				14	8	0.16%
American Cancer Society	13	5	0.15%			
Burlington Realty	12	6	0.13%	12	9	0.14%
Father & Sons, Inc.	12	7	0.13%	12	10	0.14%
LaSalle Bank, NA	11	8	0.12%			
Ernest DiMonte & Associates	10	9	0.11%			

* Data prior to 1998 is not available.

NOTE: This schedule does not include government employers.

Data Source

Illinois Manufacturers Directory and Illinois Services Directory

VILLAGE OF RIVERSIDE, ILLINOIS
FULL-TIME EQUIVALENT EMPLOYEES

Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
General Government										
Boards and Commissions	N/A	N/A	N/A	N/A	N/A	0.37	0.35	1.03	0.51	0.59
Village Manager	N/A	N/A	N/A	N/A	N/A	2.16	2.63	2.63	2.63	2.63
Finance	N/A	N/A	N/A	N/A	N/A	3.91	3.67	3.15	3.15	3.15
Village Clerk	N/A	N/A	N/A	N/A	N/A	0.23	0.23	0.23	0.23	0.29
Community Development	N/A	N/A	N/A	N/A	N/A	2.64	3.09	2.77	2.54	3.04
Public Safety										
Police										
Administration	N/A	N/A	N/A	N/A	N/A	3.00	3.00	3.00	3.00	3.00
Officers	N/A	N/A	N/A	N/A	N/A	17.75	18.00	17.88	17.50	17.80
Dispatchers	N/A	N/A	N/A	N/A	N/A	5.50	5.50	5.25	5.25	5.50
Crossing Guards	N/A	N/A	N/A	N/A	N/A	2.34	2.34	2.33	2.34	2.64
Fire										
Administration	N/A	N/A	N/A	N/A	N/A	1.75	1.75	1.75	1.55	1.56
Firefighters and officers	N/A	N/A	N/A	N/A	N/A	10.68	13.11	13.11	13.11	12.62
Public Works										
Administration	N/A	N/A	N/A	N/A	N/A	3.25	3.25	3.25	3.25	3.48
Maintenance/operators/forester	N/A	N/A	N/A	N/A	N/A	11.72	11.72	11.72	11.72	12.53
Recreation										
Administration	N/A	N/A	N/A	N/A	N/A	2.50	2.50	2.50	2.50	2.59
Assistants/referees	N/A	N/A	N/A	N/A	N/A	1.43	1.43	1.43	1.73	2.36
Totals	N/A	N/A	N/A	N/A	N/A	69.23	72.57	72.03	71.01	73.78

N/A - Data not available.

Data Source

Annual Budget Reports

VILLAGE OF RIVERSIDE, ILLINOIS

CONSTRUCTION

Last Ten Fiscal Years

Fiscal Year	Commercial Construction		Residential Construction	
	Number of Units	Value	Number of Units	Value
1997	8	\$ 265,800	801	\$ 5,500,809
1998	5	427,200	180	1,383,690
1999	N/A	410,358	866	5,582,338
2000	0	-	761	8,650,676
2001	8	847,731	816	8,287,977
2002	34	524,968	783	17,442,823
2003	10	1,265,079	934	13,759,334
2004	8	48,165	929	15,701,662
2005	5	129,507	814	16,682,010
2006	10	2,344,524	809	20,268,132

NOTE: Construction values declared by applicants at time of application.

N/A - Data not available.

Data Source

Building department records

VILLAGE OF RIVERSIDE, ILLINOIS

OPERATING INDICATORS

Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police										
Physical arrests*	142	176	223	621	617	359	546	903	735	565
Parking violations	4,578	4,477	4,127	3,083	3,036	4,262	3,656	4,150	3,892	(a)
Traffic violations*	N/A	N/A	N/A	4,183	3,571	4,210	5,089	10,270	8,400	7,318
Fire										
Number of emergency responses	1,310	1,605	1,579	1,323	1,220	1,129	1,334	1,290	1,467	1,750
Number of fire related responses	636	690	893	612	569	530	626	604	707	917
Number of EMS related responses	674	915	686	711	651	599	708	686	760	833
Number of fires extinguished	N/A	N/A	N/A	N/A	N/A	N/A	N/A	58	42	45
Public Works										
Miles of streets resurfaced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5.1
Number of gas lamp mantles replaced	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	700
Gallons of street striping paint used	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	450
Tons of street salt used	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	575
Gallons of fungicide used	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	12
Recreation										
Number of program registrations**	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2,180	1,772	(a)

N/A - Data not available.

(a) Data not available at the date of issuance of this report.

* Prior to 2000 the Village did not electronically track the number of traffic violations or traffic-related physical arrests (e.g. DUI, suspended license). Electronic tracking of these violations and arrests commenced with the installation of a new computer system and operating software in 2000.

** During 2005 the Recreation Department changed its registration software, as such, the number of registrations for a portion of the year are not retrievable.

Data Source

Various village departments

VILLAGE OF RIVERSIDE, ILLINOIS

CAPITAL ASSET STATISTICS

Last Ten Fiscal Years

Function/Program	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Squad cars	6	6	7	7	8	8	8	8	8	8
Fire										
Fire stations	2	2	2	2	2	2	2	2	2	2
Fire engines	2	2	2	2	2	2	2	2	2	2
Fire trucks	1	1	1	1	1	1	1	1	1	1
Ambulances	2	2	2	2	2	2	2	2	2	2
Fire hydrants	413	417	417	417	417	417	417	417	417	389
Public Works										
Streets (miles)	35	35	35	35	35	35	35	35	35	35
Water										
Water mains (miles)	34	34	34	34	34	34	34	34	34	34
Number of metered accounts	3,063	3,063	3,063	3,052	3,060	3,051	3,051	3,051	3,270	3,270
Wastewater										
Sewers (miles)	50	50	50	50	50	50	50	50	50	50
Recreation										
Number of parks and playgrounds	50	50	50	50	50	50	50	50	50	50
Park areas (acres)	134	134	134	134	134	134	134	134	134	134

Data Source

Various village departments