

VILLAGE OF NORRIDGE, ILLINOIS

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED APRIL 30, 2007

VILLAGE OF NORRIDGE

BASIC FINANCIAL STATEMENTS

FISCAL YEAR ENDED APRIL 30, 2007

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TELEPHONE 847/297-0300
FAX 847/297-0441

FRANK J. BAKER & COMPANY, LTD.
CERTIFIED PUBLIC ACCOUNTANTS
950 LEE STREET, SUITE 101
DES PLAINES, ILLINOIS 60016-6575

ROBERT J. HUGHES, C.P.A.
KURT P. HOFFMAN, C.P.A.
RONALD E. FEIEREISEL, C.P.A.

INDEPENDENT AUDITORS' REPORT

President and Board of Trustees
of the Village of Norridge
4000 North Olcott Avenue
Norridge, IL 60706

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Norridge, Illinois, as of and for the year ended April 30, 2007, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Norridge, Illinois, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Norridge, Illinois, as of April 30, 2007, and the respective changes in financial position and cash flows, where applicable, 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 budgetary comparison information on pages 2 through 5 and 30 through 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,

Frank J. Baker & Company, Ltd.

Frank J. Baker & Company, Ltd.
Certified Public Accountants

October 24, 2007
Des Plaines, Illinois

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to be an easily readable analysis of the Village of Norridge (Village) financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

Besides the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements, notes to the financial statements, and supplementary information. The first several statements are highly condensed and present a government-wide view of the Village's finances. Within this view, all Village operations are categorized and reported as either governmental or business-type activities. Governmental activities include basic services such as police, inspection, public works, and general government administration. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the Village.

Basic Financial Statements

The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets the community owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. For the first time, governmental activities reflect capital assets including infrastructure and long-term liabilities. Business-type activities have long reported capital assets and long-term liabilities.

The Statement of Activities focuses gross and net costs of village programs and the extent to which such programs rely upon general tax and other revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.

Fund financial statements focus separately on major governmental funds and proprietary funds. Governmental fund statements follow the more traditional presentation of financial statements. The Village's major governmental funds are presented in their own columns and the only non-major fund, the Special Revenue Fund - Wireless 911 Fund is identified and reported in a separate column. A budgetary comparison is presented for the General Fund and the Special Revenue Fund - Motor Fuel Tax which are the only funds for which a budget is legally adopted. Statements for the Village's proprietary fund follow the governmental funds and include net assets, revenue, expenses and changes in net assets, and cash flow. The last set of statements is the Fiduciary Funds which include the Police Pension Fund.

The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the Village's financial condition.

Completing the financial section of the report are schedules on capital assets and other financial schedules. Finally, is the statistical section which presents trend information and demographics.

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Village as a Whole

Government-wide Financial Statements

A condensed version of the Statement of Net Assets at April 30, 2007 and 2006 follows:

	VILLAGE OF NORRIDGE					
	Governmental Activities		Business-Type Activities		Total	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Assets						
Cash and investments	\$ 5,624,124	\$ 5,712,399	\$ 1,024,113	\$ 655,905	\$ 6,648,237	\$ 6,368,304
Receivables	810,810	672,340	119,222	122,711	930,032	795,051
Other assets	230,900	214,350	29,383	27,083	260,283	241,433
Capital assets	<u>16,046,336</u>	<u>15,567,936</u>	<u>2,981,796</u>	<u>3,039,896</u>	<u>19,028,132</u>	<u>18,607,832</u>
Total Assets	<u>\$ 22,712,170</u>	<u>\$ 22,167,025</u>	<u>\$ 4,154,514</u>	<u>\$ 3,845,595</u>	<u>\$ 26,866,684</u>	<u>\$ 26,012,620</u>
Liabilities						
Current liabilities	\$ 10,943	\$ -	\$ 112,314	\$ 52,389	\$ 123,257	\$ 52,389
Non-current liabilities	230,900	214,350	24,575	22,275	255,475	236,625
Current debt	-	-	108,452	105,369	108,452	105,369
Non-current debt	-	-	<u>1,268,950</u>	<u>1,377,402</u>	<u>1,268,950</u>	<u>1,377,402</u>
Total Liabilities	<u>\$ 241,843</u>	<u>\$ 214,350</u>	<u>\$ 1,514,291</u>	<u>\$ 1,557,435</u>	<u>\$ 1,756,134</u>	<u>\$ 1,771,785</u>
Net Assets:						
Invested in capital assets, net of related debt	\$ 16,046,336	\$ 15,567,936	\$ 1,604,393	\$ 1,679,559	\$ 17,650,729	\$ 17,247,495
Unrestricted	<u>6,423,991</u>	<u>6,384,739</u>	<u>1,035,830</u>	<u>608,601</u>	<u>7,459,821</u>	<u>6,993,340</u>
Total Net Assets	<u>\$ 22,470,327</u>	<u>\$ 21,952,675</u>	<u>\$ 2,640,223</u>	<u>\$ 2,288,160</u>	<u>\$ 25,110,550</u>	<u>\$ 24,240,835</u>

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Village as a Whole

Government-wide Financial Statements - Continued

A condensed version of the Statement of Activities at April 30, 2007 and 2006 follows:

	VILLAGE OF NORRIDGE					
	CHANGES IN NET ASSETS					
	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
Revenues						
Program Revenues:						
Charges for services	\$ 823,562	\$ 914,509	\$ 1,734,762	\$ 1,930,112	\$ 2,558,324	\$ 2,844,621
Fines and forfeitures	413,873	430,640	-	-	413,873	430,640
Operating grants and contributions	25,000	40,000	-	-	25,000	40,000
General Revenues:						
Home Rule sales tax	4,606,936	4,325,801	-	-	4,606,936	4,325,801
State sales tax	4,402,044	4,235,318	-	-	4,402,044	4,235,318
State income tax	1,215,136	1,005,246	-	-	1,215,136	1,005,246
Telecommunications tax	412,046	400,608	-	-	412,046	400,608
Motor fuel tax	474,621	421,623	-	-	474,621	421,623
Other intergovernmental revenue	131,510	175,426	-	-	131,510	175,426
Franchise fees	134,055	126,609	-	-	134,055	126,609
Investment income	262,420	180,425	26,210	12,020	288,630	192,445
Other	9,749	360,179	73,569	90,340	83,318	450,519
Total Revenues	\$ 12,910,952	\$ 12,616,384	\$ 1,834,541	\$ 2,032,472	\$ 14,745,493	\$ 14,648,856
Expenses						
General government	\$ 2,527,556	\$ 2,472,260	\$ -	\$ -	\$ 2,527,556	\$ 2,472,260
Public safety	5,921,672	5,624,171	-	-	5,921,672	5,624,171
Public works						
Street	2,120,720	2,102,464	-	-	2,120,720	2,102,464
Sanitation	841,339	796,968	-	-	841,339	796,968
Village properties	982,013	789,566	-	-	982,013	789,566
Other	-	-	-	-	-	-
Water	-	-	1,440,163	1,567,872	1,440,163	1,567,872
Debt service - interest	-	-	42,315	45,310	42,315	45,310
Total Expenses	\$ 12,393,300	\$ 11,785,429	\$ 1,482,478	\$ 1,613,182	\$ 13,875,778	\$ 13,398,611
Change in net assets	\$ 517,652	\$ 830,955	\$ 352,063	\$ 419,290	\$ 869,715	\$ 1,250,245
Net assets - beginning of year	21,952,675	21,121,720	2,288,160	1,868,870	24,240,835	22,990,590
Net assets - end of year	<u>\$ 22,470,327</u>	<u>\$ 21,952,675</u>	<u>\$ 2,640,223</u>	<u>\$ 2,288,160</u>	<u>\$ 25,110,550</u>	<u>\$ 24,240,835</u>

Governmental activities

Governmental expenses increased over the prior year. The largest increase was in Public Safety expenses. Overall, revenues remained similar to the prior year. There were increases in the following categories: home rule sales tax due to the effects of the rate increase, an increase in State of Illinois sales tax collections, and an increase in investment income.

Business-type activities

The Water Fund had an operating income for the year. The Village finished the water meter replacement program during the year ended April 30, 2005. The Village is now able to remotely read water meters on a daily basis which allows the Village to monitor water usage and identify water main leaks on a timely basis. The Village has also seen a decrease in the amount of water purchases from the City of Chicago which has been attributed to the new meters and the ability to identify and repair water main leaks faster. The Village also increased water rates effective May 1, 2005.

VILLAGE OF NORRIDGE
MANAGEMENT'S DISCUSSION AND ANALYSIS

Capital Assets and Debt Administration

Capital Assets

At April 30, 2007 the Village had \$28 million invested in capital assets, net of accumulated depreciation including police equipment, buildings, roads, and water and sewer lines.

Capital Assets at Year-end

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Land	\$ 1,310,667	\$ -	\$ 1,310,667
Buildings	6,969,065	-	6,969,065
Equipment	3,105,459	2,779,816	5,885,275
Infrastruture	<u>10,271,716</u>	<u>3,604,642</u>	<u>13,876,358</u>
Subtotal	\$ 21,656,907	\$ 6,384,458	\$ 28,041,365
Accumulated depreciation	<u>5,610,571</u>	<u>3,402,662</u>	<u>9,013,233</u>
Capital assets, net	<u>\$ 16,046,336</u>	<u>\$ 2,981,796</u>	<u>\$ 19,028,132</u>

Debt Outstanding

At year-end, the Village had \$1,377,402 in bonds and loans outstanding versus \$1,482,771 last year, a decrease of \$105,369.

Debt Outstanding at Year-end

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
Illinois EPA loan	<u>\$ -</u>	<u>\$ 1,377,402</u>	<u>\$ 1,377,402</u>

More detailed information on the Village's long-term liabilities is presented in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

To deal with swings in the economy and to plan for future capital expansion, the Village routinely puts aside resources.

Financial Contact

The Village's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the Village's finances and to demonstrate the Village's accountability. If you have questions about the report or need additional financial information, please contact the Village's Treasurer at 4000 N. Olcott Avenue, Norridge, Illinois 60706.

VILLAGE OF NORRIDGE
STATEMENT OF NET ASSETS
AS OF APRIL 30, 2007

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 1,402,174	\$ 324,113	\$ 1,726,287
Investments	4,221,950	700,000	4,921,950
Interest receivable	56,424	5,193	61,617
Taxes receivable	689,756	-	689,756
Accounts receivable	89,821	88,838	178,659
Internal balances	(25,191)	25,191	-
Inventories	-	4,808	4,808
Total Current Assets	<u>\$ 6,434,934</u>	<u>\$ 1,148,143</u>	<u>\$ 7,583,077</u>
Restricted Assets:			
Cash and cash equivalents	\$ 230,900	\$ 24,575	\$ 255,475
Total Restricted Assets	<u>\$ 230,900</u>	<u>\$ 24,575</u>	<u>\$ 255,475</u>
Other Assets:			
Land and construction in progress	\$ 1,310,667	\$ -	\$ 1,310,667
Other capital assets, net of depreciation	14,735,669	2,981,796	17,717,465
Total Other Assets	<u>\$ 16,046,336</u>	<u>\$ 2,981,796</u>	<u>\$ 19,028,132</u>
TOTAL ASSETS	<u>\$ 22,712,170</u>	<u>\$ 4,154,514</u>	<u>\$ 26,866,684</u>
LIABILITIES			
Current Liabilities			
Accounts payable	\$ 10,943	\$ 112,314	\$ 123,257
Total Current Liabilities	<u>\$ 10,943</u>	<u>\$ 112,314</u>	<u>\$ 123,257</u>
Liabilities payable from restricted assets	\$ 230,900	\$ 133,027	\$ 363,927
Non-current liabilities			
Notes payable, non-current	\$ -	\$ 1,268,950	\$ 1,268,950
TOTAL LIABILITIES	<u>\$ 241,843</u>	<u>\$ 1,514,291</u>	<u>\$ 1,756,134</u>
NET ASSETS			
Invested in capital assets, net of related debt	\$ 16,046,336	\$ 1,604,393	\$ 17,650,729
Unrestricted	6,423,991	1,035,830	7,459,821
TOTAL NET ASSETS	<u>\$ 22,470,327</u>	<u>\$ 2,640,223</u>	<u>\$ 25,110,550</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED APRIL 30, 2007

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net Governmental Activities</u>
		<u>Charges for Services</u>	<u>Fines and Forfeitures</u>	<u>Operating Grants and Contributions</u>	
Governmental Activities:					
General government	\$ 2,527,556	\$ 758,678	\$ 9,935	\$ -	(\$ 1,758,943)
Public safety	5,921,672	64,884	403,938	25,000	(5,427,850)
Public works					
Street Department	2,120,720	-	-	-	(2,120,720)
Sanitation	841,339	-	-	-	(841,339)
Village Properties	982,013	-	-	-	(982,013)
Total Governmental Activities	<u>\$ 12,393,300</u>	<u>\$ 823,562</u>	<u>\$ 413,873</u>	<u>\$ 25,000</u>	<u>(\$ 11,130,865)</u>

General Revenues:

Taxes:

Home Rule Sales tax	\$ 4,606,936
State Sales tax	4,402,044
State Income tax	1,215,136
Telecommunications tax	412,046
Intergovernmental revenue	606,131
Franchise fees	134,055
Investment income	262,420
Miscellaneous	9,749
Total General Revenues	<u>\$ 11,648,517</u>

Change in net assets \$ 517,652

Net Assets at Beginning of Year, as Reported 21,952,675

Net Assets at End of Year \$ 22,470,327

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF APRIL 30, 2007

	General	Special Revenue Fund		Non-major Governmental Funds	Totals
		Motor Fuel Tax	Debt Service		
ASSETS					
Cash and cash equivalents	\$ 1,091,336	\$ 209,574	\$ -	\$ 101,264	\$ 1,402,174
Investments	3,545,038	676,912	-	-	4,221,950
Interest receivable	56,424	-	-	-	56,424
Taxes receivable	689,756	-	-	-	689,756
Accounts receivable	89,821	-	-	-	89,821
Restricted assets	230,900	-	-	-	230,900
TOTAL ASSETS	<u>\$ 5,703,275</u>	<u>\$ 886,486</u>	<u>\$ -</u>	<u>\$ 101,264</u>	<u>\$ 6,691,025</u>
LIABILITIES					
Accounts payable	\$ 10,943	\$ -	\$ -	\$ -	\$ 10,943
Estimated real estate tax refunds	-	-	-	-	-
Refunds payable	-	-	-	-	-
Interfund payable	25,191	-	-	-	25,191
Liabilities payable from restricted assets	230,900	-	-	-	230,900
TOTAL LIABILITIES	<u>\$ 267,034</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 267,034</u>
FUND BALANCES					
Unreserved, reported in:					
General fund	\$ 5,436,241	\$ -	\$ -	\$ -	\$ 5,436,241
Special revenue funds	-	886,486	-	101,264	987,750
Debt service funds	-	-	-	-	-
TOTAL FUND BALANCES	<u>\$ 5,436,241</u>	<u>\$ 886,486</u>	<u>\$ -</u>	<u>\$ 101,264</u>	<u>\$ 6,423,991</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,703,275</u>	<u>\$ 886,486</u>	<u>\$ -</u>	<u>\$ 101,264</u>	<u>\$ 6,691,025</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET ASSETS
AS OF APRIL 30, 2007

Fund Balances of Governmental Funds	\$ 6,423,991
Amounts reported for governmental activities in the Statement of Net Assets are different because:	
Capital assets, net of depreciation, are not current financial resources and are not included in the governmental funds	<u>16,046,336</u>
Net assets of governmental activities	<u>\$ 22,470,327</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
AS OF APRIL 30, 2007

	<u>General</u>	<u>Special Revenue</u>	<u>Totals Governmental Funds</u>
REVENUES			
Taxes	\$ 5,018,982	\$ -	\$ 5,018,982
Licenses and permits	655,515	-	655,515
Intergovernmental	5,773,690	474,621	6,248,311
Charges for services	226,660	-	226,660
Fines and forfeitures	410,027	-	410,027
Miscellaneous	314,887	36,570	351,457
TOTAL REVENUES	<u>\$ 12,399,761</u>	<u>\$ 511,191</u>	<u>\$ 12,910,952</u>
EXPENDITURES			
Current:			
General government	\$ 2,384,097	\$ -	\$ 2,384,097
Public safety	5,833,948	64,240	5,898,188
Highway and streets	2,148,133	634,226	2,782,359
Sanitation	841,339	-	841,339
Village properties	965,717	-	965,717
Miscellaneous	-	-	-
TOTAL EXPENDITURES	<u>\$ 12,173,234</u>	<u>\$ 698,466</u>	<u>\$ 12,871,700</u>
Excess (deficiency) of revenues over (under) expenditures	\$ 226,527	(\$ 187,275)	\$ 39,252
FUND BALANCE, BEGINNING OF YEAR	5,209,714	1,175,025	6,384,739
FUND BALANCE, END OF YEAR	<u>\$ 5,436,241</u>	<u>\$ 987,750</u>	<u>\$ 6,423,991</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEAR ENDED APRIL 30, 2007

Net change in Fund Balances - Total governmental funds	\$	39,252
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Governmental funds reported capital outlay as expenditures. However, in the Government-wide Statement of Activities and Changes in Net Assets, the cost of those assets was allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay		1,236,623
Depreciation	(758,223)
Change in Net Assets of Governmental Activities	\$	<u>517,652</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF NET ASSETS
PROPRIETARY FUND
APRIL 30, 2007

	<u>Water Utilities</u>
ASSETS	
Current Assets:	
Cash and cash equivalents	\$ 324,113
Investments	700,000
Accounts receivable	88,838
Interest receivable	5,193
Interfund receivable	25,191
Inventory	4,808
Total Current Assets	<u>\$ 1,148,143</u>
Restricted Assets:	
Cash and cash equivalents	\$ 24,575
Total Restricted Assets	<u>\$ 24,575</u>
Non-current Assets:	
Capital assets	
Other capital assets, net of accumulated depreciation	\$ 2,981,796
Total Non-Current Assets	<u>\$ 2,981,796</u>
TOTAL ASSETS	<u>\$ 4,154,514</u>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 112,314
Total Current Liabilities	<u>\$ 112,314</u>
Liabilities Payable from Restricted Assets	
Deposits	\$ 24,575
Loan payable, current portion	108,452
Total Liabilities Payable from Restricted Assets	<u>\$ 133,027</u>
Non-current Liabilities	
Loans payable, non-current	\$ 1,268,950
Total Liabilities	<u>\$ 1,514,291</u>
NET ASSETS	
Invested in capital assets, net of related debt	\$ 1,604,393
Contributed capital	106,118
Unrestricted	929,712
Total Net Assets	<u>\$ 2,640,223</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2007

OPERATING REVENUES	
Charges for services	
Water charges	\$ 1,568,043
Permits and fees	166,719
Total operating revenues	<u>\$ 1,734,762</u>
OPERATING EXPENSES	
Water purchases	\$ 823,402
Pumping expenses	57,691
Distribution expenses	186,885
Consumers' accounting and collecting	80,567
Administrative and general	124,387
Depreciation	167,231
Total operating expenses	<u>\$ 1,440,163</u>
OPERATING INCOME	<u>\$ 294,599</u>
NONOPERATING REVENUES (EXPENSES)	
Interest revenue	\$ 26,210
Interest expense on notes and loans payable	(42,315)
Rental income	73,569
Total nonoperating revenues	<u>\$ 57,464</u>
Net Income	\$ 352,063
Retained earnings, beginning	<u>2,288,160</u>
Retained earnings, ending	<u><u>\$ 2,640,223</u></u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF CASH FLOWS
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
PROPRIETARY FUND
FOR THE YEAR ENDED APRIL 30, 2007

	<u>Amount</u>
Cash flows from operating activities	
Net Income	\$ 352,063
Adjustments to reconcile net income to net cash provided by operating activities	
Depreciation	167,231
(Increase) Decrease in assets:	
Accounts receivable	6,193
Interest receivable	(4,241)
Interfund receivable	1,538
Increase (Decrease) in liabilities:	
Accounts payable	59,925
Customer deposits	<u>2,300</u>
Net cash provided by operating activities	<u>\$ 585,009</u>
Cash flows from investing activities	
Purchases of certificates of deposit	(\$ 700,000)
Maturities of certificates of deposit	<u>400,000</u>
Net cash (used) by investing activities	<u>(\$ 300,000)</u>
Cash flows from financing activities	
Debt reduction	(\$ 105,369)
Construction of water mains	<u>(109,132)</u>
Net cash (used) by financing activities	<u>(\$ 214,501)</u>
Net increase in cash and cash equivalents	\$ 70,508
Cash and cash equivalents at beginning of year	<u>278,180</u>
Cash and cash equivalents at end of year	<u><u>\$ 348,688</u></u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS
APRIL 30, 2007

	<u>Pension Trust Fund</u>
ASSETS	
Cash and cash equivalents	\$ 2,335,872
Receivables:	
Interest and dividends	100,222
Total current assets	<u>\$ 2,436,094</u>
Investments	
U.S. Government Obligations	\$ 6,662,951
Corporate Stocks	5,050,852
Mutual Funds	1,958,554
Certificates of deposit	789,000
Total investments	<u>\$ 14,461,357</u>
Total assets	<u>\$ 16,897,451</u>
LIABILITIES	
Accounts payable	<u>\$ 11,447</u>
Net assets held in trust for pension benefits	<u>\$ 16,886,004</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE
STATEMENT OF CHANGES
IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED APRIL 30, 2007

	<u>Pension Trust Fund</u>
ADDITIONS:	
Contributions:	
Employer	\$ 380,000
Plan members	269,706
Total contributions	<u>\$ 649,706</u>
Investment income:	
Net appreciation in fair value of investments	\$ 510,037
Interest and dividend income	635,449
Total investment income	<u>\$ 1,145,486</u>
Less investment expenses	59,288
Net investment income	<u>\$ 1,086,198</u>
Total additions	<u>\$ 1,735,904</u>
DEDUCTIONS:	
Benefits	\$ 732,102
Administrative expenses	15,867
Total deductions	<u>\$ 747,969</u>
Change in net assets	\$ 987,935
Net assets held in trust for pension benefits	
Beginning of year	15,898,069
End of year	<u>\$ 16,886,004</u>

The notes to the financial statements are
an integral part of this statement.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

The accounting policies of the Village of Norridge conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for governmental accounting and financial reporting principles. The Village has implemented GASB Statement No. 34 and these statements are presented according to those requirements. The following is a summary of the significant policies.

A. FINANCIAL REPORTING ENTITY

The Village's financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 210 of Governmental Accounting Standards Board's (GASB) Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The Village holds the corporate powers of the organization
- The Village appoints a voting majority of the organization's board
- The Village is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the Village
- There is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village of Norridge has no component units.

The Village of Norridge was incorporated December 4, 1948 under the provisions of and in accordance with "an Act concerning cities, villages, and incorporated towns." The Village operates under a Board of Trustees - President form of government. The Village provides a broad range of services to citizens, including general government, public safety, building code enforcement, engineering, street maintenance, street lighting, water and sewer utilities, and general administrative services.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

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

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 contributions 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 government funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES

(Continued)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND BASIS OF 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 financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized 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 with the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Village.

The Village reports the following major governmental funds:

General Fund

This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be reported in another fund.

Special Revenue Motor Fuel Tax Fund

This is used to account for the proceeds of Motor Fuel taxes received from the State of Illinois that are legally restricted to expenditures for specified purposes.

The City reports the following major proprietary funds:

Water Fund

This accounts for the water and sewer service charges which are used to finance the water system and sanitary sewer system operating expenses.

Additionally, the City reports the following fund type:

Special Revenue Fund Wireless 911 Tax

This fund is used to account for the proceeds of taxes collected by the State of Illinois that are legally restricted to expenditures for specified purposes.

Police Pension Trust Fund

This fund is used to account for fiduciary resources held in trust and the receipt, investment, and distribution of retirement contributions. The Pension Trust Fund accounts for the assets of the Norridge Police Pension Trust Fund which is a defined benefit pension plan.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES
(Continued)

D. ASSETS, LIABILITIES AND EQUITY

1. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

States statutes authorize the Village to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments are stated at cost or amortized cost, except for investments, in the Police Pension Trust Fund and the deferred compensation agency fund, which are reported at market value.

2. Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (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."

3. Inventories and Prepaid Items

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the Enterprise Fund consists of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual inventory items are purchased.

4. Restricted Assets

General Fund - Amounts listed as restricted assets under the General Fund represent deposits made by contractors to the Village. These deposits are held by the Village to ensure that the contractors repair any damage done to Village streets.

Enterprise Fund - Amounts listed as restricted assets represent commercial customer deposits made when water service is set up.

5. Capital Assets

Capital assets, which include property, plant equipment, and infrastructure assets (e.g. roads, sidewalks, street lights, 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 cost of at least \$5,000 and an estimated useful life in excess of three years. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

1. NATURE OF OPERATIONS, REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNT POLICIES
(Continued)

D. ASSETS, LIABILITIES AND EQUITY (Continued)

5. Capital Assets (Continued)

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. A composite depreciation rate is used for infrastructure assets. Depreciation on the remaining capital assets is provided on the straightline basis over the following estimated useful lives:

Buildings	25-50 years
Improvements other than Buildings	15-50 years
Water Distribution System	40 years
Sewer Collection System	40 years
Machinery and Equipment	3-10 years
Vehicles	3-15 years
Infrastructure	20-80 years

6. Compensated Absences

It is the Village's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

7. Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest rate method. 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 fund types 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 while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Fund Equity

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 represent tentative management plans that are subject to change.

9. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates that affect amounts reported in the financial statements during the reporting period. Actual results could differ from such estimates.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2007

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETS AND BUDGETARY ACCOUNTING

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

1. Prior to July 31, the President submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the prior May 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted at the Village Hall to obtain taxpayer comments.
3. Prior to July 31, the budget is legally enacted through passage of an ordinance.
4. Formal budgetary integration is employed as a management control device during the year for the General Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.
5. Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP).

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

1. DEPOSITS

At year end, the carrying amounts of the Village's deposits with financial institutions were \$10,027,984 and the bank balances were \$10,264,433. The bank balance is categorized as follows:

Amount insured by the FDIC	\$	906,136
Amount collateralized with securities held by the pledging financial institutions' agent held in the Village's name		4,950,478
Amount collateralized with securities held by the pledging financial institution, or its trust department, or its agent but not in the Village's name		<u>4,407,819</u>
Total Bank Balances	\$	<u><u>10,264,433</u></u>

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

A. DEPOSITS AND INVESTMENTS (Continued)

2. INVESTMENTS

The Village's investments are categorized as either (1) insured or registered or for which the securities are held by the Village or its agent in the Village's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the Village's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Village's name.

	<u>Categories</u>			<u>Carrying Amount</u>	<u>Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>		
U.S. Government Securities	\$ 3,336,245	\$ -	\$ -	\$ 3,336,245	\$ 3,336,245
U.S. Government Agency Securities	3,326,706	-	-	3,326,706	3,326,706
Corporate Stocks	<u>5,050,852</u>	-	-	<u>5,050,852</u>	<u>5,050,852</u>
	<u>\$ 11,713,803</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,713,803</u>	<u>\$ 11,713,803</u>
Investments Not Subject to Categorization:					
Pension Trust Mutual Fund				1,958,554	1,958,554
Annuity Contract with Insurance Company				-	-
Total Investments				<u>\$ 13,672,357</u>	<u>\$ 13,672,357</u>

B. RECEIVABLES

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include sales taxes and miscellaneous rental charges. Business-type activities report utility earnings as their major receivables.

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current year, all of the receivables were considered available to liquidate liabilities.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

C. CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended April 30, 2007 was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Land	\$ 1,310,667	\$ -	\$ -	\$ 1,310,667
Depreciable capital assets:				
Buildings	6,969,065	-	-	6,969,065
Equipment	2,502,957	602,502	-	3,105,459
Infrastructure	<u>9,637,595</u>	<u>634,121</u>	-	<u>10,271,716</u>
Total Capital Assets	<u>\$ 20,420,284</u>	<u>\$ 1,236,623</u>	<u>\$ -</u>	<u>\$ 21,656,907</u>
Accumulated Depreciation				
Buildings	\$ 928,697	\$ 139,381	\$ -	\$ 1,068,078
Equipment	739,348	384,004	-	1,123,352
Infrastructure	<u>3,184,303</u>	<u>234,838</u>	-	<u>3,419,141</u>
Total accumulated depreciation	<u>\$ 4,852,348</u>	<u>\$ 758,223</u>	<u>\$ -</u>	<u>\$ 5,610,571</u>
Governmental activities capital assets, net	<u><u>\$ 15,567,936</u></u>	<u><u>\$ 478,400</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,046,336</u></u>

A summary of proprietary fund type property, plant, and equipment at April 30, 2007 follows:

	<u>Enterprise</u>
Combined waterworks and sewerage system	\$ 3,604,642
Machinery and equipment	452,923
Furniture and fixtures	22,375
Water meters	<u>2,304,518</u>
Total	\$ 6,384,458
Less: Accumulated depreciation	<u>3,402,662</u>
Net	<u><u>\$ 2,981,796</u></u>

D. LONG-TERM DEBT

Enterprise Fund Long-Term Debt - On April 25, 2003 the Village entered into a loan agreement with the Illinois Environmental Protection Agency through the State's Illinois Public Water Supply Loan Program. The loan proceeds are being used to upgrade the current water meter system including the replacement of existing water meters and the installation of new remote registers and a new meter reading system.

The Village was approved to borrow up to \$1,952,667 with an annual interest rate of 2.905%. The loan term is 15 years with semiannual payments starting upon the completion of the project. The Village borrowed a total of \$1,785,376.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS (Continued)

D. LONG-TERM DEBT (Continued)

Annual debt service requirements to maturity for the Illinois EPA loan are as follows:

<u>Year Ending April 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 108,452	\$ 39,232	\$ 147,684
2009	111,626	36,058	147,684
2010	114,892	32,792	147,684
2011	118,254	29,430	147,684
2012	121,714	25,970	147,684
2013	125,276	22,408	147,684
2014-2018	677,188	54,863	732,051
Total	<u>\$ 1,377,402</u>	<u>\$ 240,753</u>	<u>\$ 1,618,155</u>

Summary - The following is a summary of long-term debt transactions of the Village for the year ended April 30, 2007:

	<u>General Obligation</u>	<u>Enterprise Fund</u>	
		<u>Illinois EPA Loan</u>	<u>Revenue Bond</u>
Debt outstanding at May 1, 2006	\$ -	\$ 1,482,771	\$ -
Bonds issued	-	-	-
Loan proceeds	-	-	-
Bonds retired	-	(105,369)	-
Debt outstanding at April 30, 2007	<u>\$ -</u>	<u>\$ 1,377,402</u>	<u>\$ -</u>

4. OTHER INFORMATION

A. RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries insurance. There has been no significant decrease in the insurance coverage over the past year.

B. COMMITMENTS AND CONTINGENT LIABILITIES

The Village is a defendant in various lawsuits. The ultimate resolution of these matters is not ascertainable at this time. No provision has been made in the financial statements related to these claims.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

Illinois Municipal Retirement Fund

A. Plan Description

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

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

B. Funding Policy

Employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for calendar year 2006 was 8.87% of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2006 was 26 years.

C. Annual Pension Cost

For December 31, 2006, the Village's annual pension cost of \$223,862 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2004 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation; and (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2006 actuarial valuation were based on the 2002-2004 experience study.

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

D. Trend Information

Actual Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/06	\$ 223,862	100%	\$ 0
12/31/05	192,792	100%	0
12/31/04	175,520	100%	0
12/31/03	119,774	100%	0
12/31/02	59,237	100%	0
12/31/01	64,991	100%	0
12/31/00	60,023	100%	0
12/31/99	116,363	100%	0
12/31/98	104,838	100%	0
12/31/97	119,156	100%	0

Required Supplementary Information
Schedule of Funding Progress

Actuarial Valuation	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) — Entry Age	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/06	\$ 5,562,198	\$ 5,455,260	(\$ 106,938)	101.96%	\$ 2,523,810	0.00%
12/31/05	4,958,099	5,028,321	70,222	98.60%	2,388,991	2.94%
12/31/04	4,464,309	4,459,664	(4,645)	100.10%	2,388,024	0.00%
12/31/03	4,291,758	4,013,898	(277,860)	106.92%	2,277,067	0.00%
12/31/02	3,934,799	3,593,883	(340,916)	109.49%	2,202,135	0.00%
12/31/01	3,883,580	3,155,970	(727,610)	123.06%	1,993,587	0.00%
12/31/00	3,507,127	2,573,111	(934,016)	136.30%	1,690,800	0.00%
12/31/99	2,981,606	2,249,848	(731,758)	132.52%	1,495,676	0.00%
12/31/98	2,491,992	1,948,177	(543,815)	127.91%	1,416,724	0.00%
12/31/97	2,162,984	2,028,079	(134,905)	106.65%	1,316,549	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2006 is \$5,953,294. On a market basis, the funded ratio would be 109.13%.

*Digest of Changes

Assumptions

The actuarial assumptions used to determine the actuarial accrued liability for 2006 are based on the 2002-2004 Experience Study.

The principal changes were:

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

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Police Pension Trust Fund

A. Plan Description

The Village contributes to the Village of Norridge Police Pension Fund (Plan), a defined benefit single-employer public employee retirement system covering substantially all professional members of the police force employed by the Village of Norridge. 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. There are currently 39 members contributing to the Plan and 17 retirees or beneficiaries receiving benefits.

Covered police employees attaining the age of 50 or more with 20 years of creditable service are entitled to receive retirement benefits. Police employees are entitled to a yearly pension equal to ½ of the salary attached to the rank held on such police force on the last day of service, or for 1 year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of such service over 20 years, up to 30 years, to a maximum limit of 75% of such salary.

Police officers with at least 8 years but less than 20 years of creditable service, may retire at or after age 60 to a pension of 2.5% of the salary attached to the rank held on the last day of service by the officer for each year of creditable service. The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least age 55, by 3% of the original pension and an additional 3% in January of each year thereafter. The plan also provides disability pensions.

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair value.

Significant Investments

There are no significant investments that represent 5% or more of net assets available for benefits.

C. Contributions and Reserves

As a condition of participation, police officers are required by ILCS to contribute 9.91% of their base salary to the Plan. The Village funds its contribution through regular revenues in lieu of a tax levy.

The Village of Norridge's funding policy is to make annual contributions to the Plan in amounts that are estimated such that, when combined with police officer's contributions, will fully provide police officer's benefits at retirement.

VILLAGE OF NORRIDGE
NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Police Pension Trust Fund (Continued)

The contribution requirements are established by ordinance.

Total contributions, net of refunds, to the Plan for the year ended April 30, 2007 amounted to \$649,706 of which \$380,000 and \$269,706 were made by the Village and covered employees, respectively. Contributions made by the Village and covered employees represent 13.96% and 9.91%, respectively, of covered payroll for the year.

The computation of the pension contribution requirements for the year ended April 30, 2007 was based on the same actuarial assumptions, benefit provisions, actuarial funding method, and other significant factors used to determine pension contribution requirements in previous years.

The Village's annual pension cost and net pension asset for the police pension plan for fiscal year 2007 was as follows:

	Police Pension Plan
Annual suggested employer contribution	\$ 840,008
Employer contribution made	\$ 380,000

Other related information is as follows:

	Police Pension Plan
Contribution rates:	
City	13.96%
Plan member	9.91%
Actuarial valuation date	4/30/06
Actuarial cost method	Entry age
Amortization method	Level percentage of pay, closed
Remaining amortization period	27.1699
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	7.00%
Projected salary increases	5.50%
Post-retirement benefit increases	3.00%

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Police Pension Trust Fund (Continued)

D. Accrued Liability

The Accrued Liability is the actuarial present value of the portion of the projected benefits that has been accrued as of the valuation date based upon the actuarial valuation method and actuarial assumptions employed in the valuation. The Unfunded Accrued Liability is the excess of the Accrued Liability over the Actuarial Value of Assets.

<u>Accrued Liability</u>	<u>April 30, 2006</u>
Retirees/beneficiaries currently receiving benefits and Inactive Members	\$ 9,730,144
Deferred Annuities	588,294
Current Employees	<u>15,117,089</u>
Total Pension Benefit Obligation	\$ 25,435,527
Actuarial Value of Assets	<u>15,496,881</u>
Unfunded Pension Benefit Obligation	<u>\$ 9,938,646</u>
Percent Funded	<u>60.93%</u>

E. Schedule of Funding Progress

Fiscal Year Ended April 30,	Actuarial Value of Assets	Pension Benefit Obligation	Percentage Funded	Unfunded Pension Benefit Obligation	Annual Covered Payroll	Unfunded Pension Benefit Obligation as a Percentage of Covered Payroll
2001	\$ 11,933,948	\$ 17,507,782	68.16%	\$ 5,573,834	\$ 2,176,279	256.12%
2002	12,597,149	17,725,616	71.06	5,128,467	2,162,730	237.13
2003	11,960,586	21,476,243	55.69	9,515,657	2,339,106	406.81
2004	13,259,444	23,132,327	57.32	9,872,883	2,502,060	394.59
2005	13,902,715	24,351,178	57.09	10,448,463	2,512,909	415.79
2006	15,496,881	25,435,527	60.93	9,938,646	2,617,441	379.71

VILLAGE OF NORRIDGE

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2007

4. OTHER INFORMATION (Continued)

C. EMPLOYEE RETIREMENT SYSTEMS AND PLANS (Continued)

Police Pension Trust Fund (Continued)

F. Schedule of Employer Contributions

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
04-30-02	\$ 531,719	56.42%
04-30-03	452,520	66.29
04-30-04	746,477	40.19
04-30-05	792,691	40.37
04-30-06	833,904	43.17
04-30-07	840,008	42.86

VILLAGE OF NORRIDGE

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF IMRF FUNDING
LAST SIX FISCAL YEARS (UNAUDITED)

The following table discloses certain six-year historical trend information presenting the Village's progress in accumulating sufficient assets to pay benefits when due:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Percent	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2001	\$ 3,883,580	\$ 3,155,970	(\$ 727,610)	123.06%	\$ 1,993,587	0%
12/31/2002	3,934,799	3,593,883	(340,916)	109.49	2,202,135	0
12/31/2003	4,291,758	4,013,898	(277,860)	106.92	2,277,067	0
12/31/2004	4,464,309	4,459,664	(4,645)	100.10	2,388,024	0
12/31/2005	4,958,099	5,028,321	70,222	98.60	2,388,991	2.94
12/31/2006	5,562,198	5,455,260	(106,938)	101.96	2,523,810	0

SCHEDULE OF POLICE PENSION TRUST FUNDING
LAST SIX FISCAL YEARS (UNAUDITED)

The following table discloses certain six-year historical trend information presenting the Village's progress in accumulating sufficient assets to pay benefits when due:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL)	Funded Percent	Annual Covered Payroll	UAAL as a Percentage of Covered Payroll
4/30/2001	\$ 11,933,948	\$ 17,507,782	\$ 5,573,834	68.16%	\$ 2,116,886	263.30%
4/30/2002	12,103,669	19,652,352	7,548,683	61.59	2,162,730	349.03
4/30/2003	11,960,586	21,476,243	9,515,657	55.69	2,339,106	406.81
4/30/2004	13,259,444	23,132,327	9,872,883	57.32	2,502,060	394.59
4/30/2005	13,902,715	24,351,178	10,448,463	57.09	2,512,909	415.79
4/30/2006	15,496,881	25,435,527	9,938,646	60.93	2,617,441	379.71

VILLAGE OF NORRIDGE

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
YEAR ENDED APRIL 30, 2007

	<u>Budget</u>			Variance with Final Budget
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Budgetary fund balance, May 1, 2006	\$ 4,500,000	\$ 4,500,000	\$ 5,209,714	\$ 709,714
Resources (inflows):				
Sales Tax	4,100,000	4,100,000	4,212,822	112,822
Home Rule Sales Tax	4,400,000	4,400,000	4,606,936	206,936
State Income Tax	1,025,000	1,025,000	1,215,136	190,136
Fines and forfeitures	400,000	400,000	410,027	10,027
Licenses and permits	595,000	595,000	655,515	60,515
State Use Tax	155,000	155,000	189,222	34,222
Wireless Tax	390,000	390,000	412,046	22,046
Other Intergovernmental	113,500	113,500	156,510	43,010
Investment Income	140,000	140,000	225,850	85,850
Franchise fees	160,000	160,000	134,055	(25,945)
Charges for services	-	-	-	-
Miscellaneous	525,000	525,000	181,642	(343,358)
Transfers from other funds	<u>1,460,000</u>	<u>1,460,000</u>	<u>-</u>	<u>(1,460,000)</u>
Amounts available for appropriation	<u>\$ 17,963,500</u>	<u>\$ 17,963,500</u>	<u>\$ 17,609,475</u>	<u>(\$ 354,025)</u>
Charges to appropriations (outflows):				
General government	\$ 2,847,323	\$ 2,847,323	\$ 2,384,097	\$ 463,226
Public safety:				
Police	6,371,580	6,371,580	5,833,948	537,632
Public works:				
Public works/Street Department	3,260,210	3,260,210	2,148,133	1,112,077
Garbage/recycling	915,000	915,000	841,339	73,661
Village properties	<u>1,355,000</u>	<u>1,355,000</u>	<u>965,717</u>	<u>389,283</u>
Total charges to appropriations	<u>\$ 14,749,113</u>	<u>\$ 14,749,113</u>	<u>\$ 12,173,234</u>	<u>\$ 2,575,879</u>
Budgetary fund balance, April 30, 2007	<u>\$ 3,214,387</u>	<u>\$ 3,214,387</u>	<u>\$ 5,436,241</u>	<u>\$ 2,221,854</u>