

VILLAGE OF BURR RIDGE, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2011



Certified Public Accountants & Advisors

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INTRODUCTORY SECTION

VILLAGE OF BURR RIDGE, ILLINOIS
PRINCIPAL OFFICIALS AND OFFICERS

April 30, 2011

Gary Grasso	Mayor
Albert Paveza	Trustee
Robert Sodikoff	Trustee
Maureen Wott	Trustee
Robert Grela	Trustee
David Allen	Trustee
Dwight DeClouette	Trustee
Karen J. Thomas	Village Clerk
Steven S. Stricker	Administrator
Lisa Scheiner	Assistant to the Administrator
Noel Hastalis	Treasurer
Jerry C. Sapp	Director of Finance
Paul May	Public Works Director/Village Engineer
John W. Madden	Chief of Police
Doug Pollock	Community Development Director

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor
Board of Trustees
Village of Burr Ridge
Burr Ridge, Illinois

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 Burr Ridge, Illinois as of and for the year ended April 30, 2011, which collectively comprise the Village of Burr Ridge, Illinois' basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Village of Burr Ridge, 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 and the aggregate remaining fund information of the Village of Burr Ridge, Illinois, as of April 30, 2011, 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 the 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 Burr Ridge, Illinois' basic financial statements. The supplemental data listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic financial statements of the Village of Burr Ridge, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

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

A handwritten signature in black ink, appearing to read "Sibid LLP". The signature is written in a cursive, flowing style.

Aurora, Illinois
August 4, 2011

GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS

**VILLAGE OF BURR RIDGE, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
APRIL 30, 2011**

This section of the Village of Burr Ridge's Annual Financial Report (AFR) presents discussion and analysis of the Village's financial activities during the Fiscal Year ending April 30, 2011. This should be used in conjunction with the Village's financial statements that follow this section.

Financial Highlights

The following are some of the highlights to be reviewed in greater detail in this analysis and further presented by this AFR:

- Net asset position and performance in total – The Village's total net assets at April 30, 2011 were \$327,992,541, a decrease of \$462,863.
- Governmental Activity Summary – Net assets for governmental activities at April 30, 2011 were \$262,026,038, an increase of \$698,753.
- Business-Type Activity Summary – Net assets for business-type activities at April 30, 2011 were \$65,966,503, a decrease of \$1,161,616.
- General Fund Summary – The Village's General Fund's balance at April 30, 2011 was \$4,096,397, a decrease of \$31,688. General Fund revenues were below budget estimates by \$304,392. General Fund expenditures were under the budget by \$49,994.
- Capital Assets – Total net capital assets for governmental and business-type activities at April 30, 2011 were \$322,102,798, a net increase for the year of \$507,336.

Overview of Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village of Burr Ridge's financial section of the AFR. This financial section of the AFR includes four components: 1) independent auditor's report, 2) the basic financial statements, including the MD&A, 3) required supplementary information, and 4) additional supplemental financial information.

The basic financial statements include two kinds of statements that present different views of the Village: government-wide financial statements and fund financial statements. The basic financial statements also include notes to the financial statements.

Government-wide financial statements, including the statement of net assets and statement of activities, provide both short and long-term information about the Village's overall financial status.

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Fund financial statements focus on individual parts of Village government and report Village operations in more detail than the government-wide financial statements. The fund financial statements describe the Village’s governmental funds, proprietary funds, and fiduciary funds. The following table summarizes the major features of the Village’s financial statements.

Description	Government-Wide Statements	Governmental Funds	Fund Statements	
			Proprietary Funds	Fiduciary Funds
Scope	Entire Village government (except Fiduciary Funds)	Activities of the Village that are not proprietary or fiduciary such as public safety	Activities of the Village that operate similar to private business such as Water and Sewer Funds	Activities in which the Village is trustee or agent of another's resources such as pension plans
Required financial statements	1. Statement of net assets	1. Balance sheet	1. Statement of net assets	1. Statement of fiduciary net assets
	2. Statement of activities	2. Statement of revenues, expenditures and changes in fund balances	2. Statement of revenues, expenses, and changes in fund net assets	2. Statement of changes in fiduciary net assets.
			3. Statement of cash flows	
Accounting basis	Accrual	Modified Accrual	Accrual	Accrual
Measurement Focus	Economic resource	Current financial resources	Economic resource	Economic resource
Type of asset & liability information	All assets and liabilities; both financial and capital short and long-term	Assets expected to be used and liabilities that come due during the year or shortly thereafter; no capital assets	All assets and liabilities; both financial and capital short and long-term	All assets and liabilities, both short and long-term. Does not contain capital assets.
Type of inflow & outflow information	All revenues and expenses during the year regardless of when cash is received or paid	Revenues for which cash is received during the year or shortly thereafter; expenditures for goods and services that have been received and payment is due during the year or shortly thereafter	All revenues and expenses during the year regardless of when cash is received or paid	All revenues and expenses during the year regardless of when cash is received or paid

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-Wide Financial Statements

The government-wide financial statements are designed to be corporate-like in that all governmental and business-type activities are consolidated into columns that add to a total for the Primary Government. The focus of the Statement of Net Assets (the "Unrestricted Net Assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement combines and consolidates governmental funds' current financial resources (short-term available resources) with capital assets and long term obligations using the accrual basis of accounting and economic resources measurement focus.

The Statement of Activities is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various government services and/or subsidy to various business-type activities.

The Governmental Activities reflect the Village's basic services, including police, public works, and general/debt administration. Property taxes, shared state sales, local utility, and shared state income taxes finance the majority of these activities. The Business-type Activities reflect private sector type operations (Water and Sewer funds), where the fee for service typically covers all or most of the cost of operation, excluding depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is on Major Funds, rather than (the previous model's) fund types.

Governmental funds are presented on a liquid resources basis. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view that helps determine whether there are more or fewer current financial resources available to spend for Village operations.

Proprietary funds account for services that are generally fully supported by user fees (i.e. charges to customers). Proprietary funds are presented on a total economic resources basis. Proprietary fund statements, like government-wide financials statements, provide both short and long-term financial information.

Fiduciary funds are presented for certain activities where the Village's role is that of trustee (i.e. police pension fund) or agent. While fiduciary funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the total column on the business-type fund financial statements is the same as the business-type column at the government-wide financial statement, the governmental major funds total column requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

each statement. The flow of current financial resources will reflect bond proceeds and inter-fund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bond and others) into the governmental activities column in the government-wide statements.

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure - roads, bridges, storm sewers, etc.) have not been reported nor depreciated in governmental activities financial statements. This new statement requires that these assets be valued and reported within the governmental activities column of the government-wide statements. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful life or (2) develop a system of assets management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system called the modified approach, which periodically measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful life. If a road project is considered maintenance - a recurring cost that does not extend the road's original useful life or expand its capacity - the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Financial Analysis of the Village as a Whole

The Village implemented the new financial reporting model, GASB Statement No. 34, beginning with the fiscal year that ended April 30, 2005. Over time, as year-to-year financial information is accumulated on a consistent basis, changes in net assets may be observed and used to discuss the changing financial position of the Village as a whole. In future years, historical information will be included in these analyses to improve the usefulness of this data.

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Government-Wide Statements

Statement of Net Assets

The following table reflects the condensed comparative Statement of Net Assets as of April 30, 2011 and 2010. For more detailed information see the Statement of Net Assets on page 3.

VILLAGE OF BURR RIDGE						
STATEMENT OF NET ASSETS						
AS OF APRIL 30						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current & Other Assets	\$14,821,303	\$17,355,587	\$5,651,859	\$5,817,429	\$20,473,162	\$23,173,016
Capital Assets	261,528,468	260,013,650	60,574,330	61,581,812	322,102,798	321,595,462
Total Assets	276,349,771	277,369,237	66,226,189	67,399,241	342,575,960	344,768,478
Current & Other Liabilities	4,167,253	5,676,317	213,864	228,381	4,381,117	5,904,698
Long -Term Liabilities	10,156,480	10,365,635	45,822	42,741	10,202,302	10,408,376
Total Liabilities	14,323,733	16,041,952	259,686	271,122	14,583,419	16,313,074
Net Assets:						
Investment in Capital Assets, net of Debt	252,580,402	250,640,068	60,574,330	61,581,812	313,154,732	312,221,880
Restricted	4,970,031	5,037,840	-	-	4,970,031	5,037,840
Unrestricted	4,475,605	5,649,377	5,392,173	5,546,307	9,867,778	11,195,684
Total Net Assets	\$262,026,038	\$261,327,285	\$65,966,503	\$67,128,119	\$327,992,541	\$328,455,404

Normal Impacts

There are six common (basic) types of transactions that will generally affect the comparability of the Statement of Net Assets summary presentation.

Net Results Of Activities – Impacts (increases/decreases) current assets and unrestricted net assets.

Borrowing For Capital – Increases current assets and long-term debt.

Spending Borrowed Proceeds On New Capital – Reduces current assets and increases capital assets. Also, an increase in invested in capital assets and an increase in related net debt will not change the invested in capital assets, net of debt.

Spending Of Non-borrowed Current Assets On New Capital – (a) Reduces current assets and increases capital assets; and (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Principal Payment On Debt – (a) Reduces current assets and reduces long-term debt; and, (b) reduces unrestricted net assets and increases invested in capital assets, net of debt.

Reduction Of Capital Assets Through Depreciation – Reduces capital assets and invested in capital assets, net of debt.

Current Year Impacts

Statement of Activities

The following table reflects the condensed comparative Statement of Activities as of April 30, 2011 and 2010.

VILLAGE OF BURR RIDGE						
STATEMENT OF ACTIVITIES						
FOR THE YEAR ENDED APRIL 30						
	Governmental Activities		Business-Type Activities		Total Primary Government	
Revenue	2011	2010	2011	2010	2011	2010
Program Revenues:						
Charges for Service	\$1,019,217	\$999,553	\$3,333,973	\$3,046,855	\$4,353,190	\$4,046,408
Operating Grants	1,243,492	294,262	-	-	1,243,492	294,262
Capital Grants	393,574	96,091	-	-	393,574	96,091
General Revenue:						
Property Taxes	1,742,079	1,695,987	-	-	1,742,079	1,695,987
Other Taxes	5,222,250	4,970,718	-	-	5,222,250	4,970,718
Other	780,210	793,859	214,634	216,866	994,844	1,010,725
Total Revenue	10,400,822	8,850,470	3,548,607	3,263,721	13,949,429	12,114,191
Expenses						
General Government	2,174,240	3,499,960	-	-	2,174,240	3,499,960
Public Safety	3,196,565	1,019,548	-	-	3,196,565	1,019,548
Public Works	4,038,317	5,276,604	-	-	4,038,317	5,276,604
Interest	292,947	129,015	-	-	292,947	129,015
Water and Sewer	-	-	4,710,223	4,313,829	4,710,223	4,313,829
Total Expense	9,702,069	9,925,127	4,710,223	4,313,829	14,412,292	14,238,956
Excess (Deficiency) before contributions	698,753	(1,074,657)	(1,161,616)	(1,050,108)	(462,863)	(2,124,765)
Transfers		2,000,000		(2,000,000)	-	-
Change in Net Assets	\$698,753	\$925,343	(\$1,161,616)	(\$3,050,108)	(\$462,863)	(\$2,124,765)

Normal Impacts-Changes In Net Assets

Reflected below are eight common (basic) impacts on revenues and expenses.

Revenues

Economic Condition – Reflects a declining, stable or growing economic environment and has a substantial impact on state income, sales, telecommunications and utility tax revenues as well as public spending habits for items such as building permits and user fees including volumes of usage.

Increase/Decrease In Village Approved Rates – While certain tax rates are set by statute, the Village Board has authority to impose and periodically increase/decrease rates (water, sewer, building permit fees, vehicle stickers etc.). The Village's property taxes are subject to tax caps which generally limit Village increases to the lesser of Consumer Price Index or 5.0%.

Changing Patterns In Intergovernmental And Grant Revenue both recurring and non-recurring – Certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year to year comparisons.

Market Impacts On Investment Income – The Village's investment portfolio is managed with an approach utilizing competitive pricing, laddered maturities up to one year for term investments, and diversity of investments. Market conditions may cause investment income to fluctuate more than would occur with more short-term composition.

Expenses

Changes In Programs – Within the functional expense categories (General Government, Public Safety, Public Works, etc.) individual programs may be added, deleted or expanded to meet changing community needs.

Changes In Authorized Personnel – Changes in service demand may cause the Village Board to increase/decrease authorized staffing.

Salary Increases (annual adjustments and step increases) – The Village strives to maintain a competitive salary range position in the marketplace.

Inflation – While overall inflation appears to be modest, the Village is a major consumer of certain commodities and services which typically experience inflation at a rate that can be significantly different from CPI. Examples of such items include insurance, fuel, electricity and operating supplies.

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Current Year Impacts

FINANCIAL ANALYSIS OF THE VILLAGE’S FUNDS

Governmental Funds

At April 30, 2011, the governmental funds reported a combined fund balance of \$10,301,139. This is a 10.07% decrease from the beginning of the year balance of \$11,454,231.

Major Governmental Funds

The General Fund is the Village’s primary operating fund and the largest source of day-to-day service delivery. The fund balance of the General Fund at the end of the fiscal year is \$4,096,397, which exceeds the Village’s required fund balance reserve policy.

Total revenues were below the budget due shortfalls in Telecom Tax, Utility Tax, and Investment Income. Sales Tax comprises approximately 26% of the total General Fund revenues. The majority of the other General Fund Revenues were below budget estimates.

VILLAGE OF BURR RIDGE			
GENERAL FUND BUDGETARY HIGHLIGHTS			
APRIL 30, 2011			
	Original Budget	Amended Budget	Actual
Revenues & Transfers			
Taxes	\$ 5,385,110	\$ 5,385,110	\$ 5,151,179
Intergovernmental	897,665	897,665	960,849
Other	1,565,290	1,565,290	1,433,725
Sale of capital assets	15,000	15,000	12,920
Total	7,863,065	7,863,065	7,558,673
Expenditures & Transfers			
Expenditures	7,598,055	7,598,055	7,548,061
Transfers	253,300	253,300	42,300
Total	7,851,355	7,851,355	7,590,361
Change in Fund Balance	\$11,710	\$11,710	(\$31,688)

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

Capital Assets

As of April 30, 2011, the Village's Governmental Funds had invested \$261,528,468 in a variety of capital assets and infrastructure, as reflected in the following table.

VILLAGE OF BURR RIDGE			
GOVERNMENTAL FUNDS CHANGE IN NET CAPITAL ASSETS			
APRIL 30, 2011			
	Beginning Balance	Net Additions/ Deletions	Ending Balance
Non Depreciable Assets			
Land	\$ 1,796,358	\$ -	\$ 1,796,358
Land Right of Way	213,442,813	820,137	214,262,950
Construction in progress	5,201,203	(4,684,707)	516,496
Depreciable Assets			
Streets	56,715,035	100,605	56,815,640
Buildings	3,696,307	6,275,290	9,971,597
Improvements other than building	945,081	484,290	1,429,371
Equipment	877,667	91,291	968,958
Vehicles	1,538,981	(26,881)	1,512,100
Accumulated Depreciation on Capital Assets	(24,199,795)	(1,545,207)	(25,745,002)
Capital Assets	\$260,013,650	\$1,514,818	\$261,528,468

The most significant capital outlay additions during the current year were the new Police facility, Streetscape & Entryway, and Madison Street right of way which totaled \$2,582,751. In addition, there was about \$95,000 invested toward I/T upgrades.

Debt Outstanding

As of April 30, 2011, the Village had \$8,650,000 in outstanding bonded debt service. The existing schedule extends through Fiscal Year 2017. The Village has a legal debt limit of \$36,428,200 which is 2.875% of assessed valuation. The Village has used \$8,650,000 of this limit leaving a legal debt margin of \$27,778,200. The Village's General obligation bonds are rated Aa2 by Moody's Investor Rating Service.

Economic Factors

The Village of Burr Ridge is conveniently located approximately 19 miles from the Chicago Loop just off of I-55 and County Line Road. Burr Ridge is an affluent community, well known for its homes and quiet residential subdivisions. The Village includes a carefully planned mix of 5 office parks and limited retail area. The Village Center has a variety of retail shops and restaurants, as well as luxury lofts and condominiums.

VILLAGE OF BURR RIDGE
MANAGEMENT DISCUSSION & ANALYSIS (Continued)

The Village relies heavily on Property, Sales, and Utility Taxes to provide services to its residents and businesses. The past few years there has been flat revenue growth in the General Fund which is the source for the majority of day-to-day service delivery. Lower levels in Sales Tax and Telecommunication Taxes continue to be a concern of Village management.

The Village completed the Decennial Census in 2010 and the results indicate that the Village's population has decreased 6.2% from 11,259 to 10,559. The number of housing units in the Village has grown 9.05% from 3,933 to 4,289. The number of people per household decreased slightly from 2.96 to 2.46. This new count will result in a reduction in state income and motor fuel tax revenues, although it is not expected to be significant.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Jerry C. Sapp, Finance Director, Village of Burr Ridge, 7660 County Line Road, Burr Ridge, Illinois 60527.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and investments	\$ 10,281,592	\$ 6,398,006	\$ 16,679,598
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,253,580	-	1,253,580
Accounts	35,928	452,946	488,874
Intergovernmental	1,006,441	-	1,006,441
Accrued interest	109,789	73,191	182,980
Other	208,445	-	208,445
Deposits	282,132	-	282,132
Deposits with IPBC terminal reserve	292,644	63,120	355,764
Due from other fiduciary fund	15,348	-	15,348
Due to/from other funds	1,335,404	(1,335,404)	-
Capital assets not being depreciated	216,575,804	48,000	216,623,804
Capital assets being depreciated	44,952,664	60,526,330	105,478,994
	<u>276,349,771</u>	<u>66,226,189</u>	<u>342,575,960</u>
LIABILITIES			
Accounts payable	252,195	182,639	434,834
Accrued payroll	149,507	26,425	175,932
Accrued interest payable	82,354	-	82,354
Unearned property taxes	1,540,825	-	1,540,825
Other unearned revenues	58,400	-	58,400
Deposits payable	2,083,972	4,800	2,088,772
Noncurrent liabilities			
Due within one year	475,392	4,583	479,975
Due in more than one year	9,681,088	41,239	9,722,327
	<u>14,323,733</u>	<u>259,686</u>	<u>14,583,419</u>
NET ASSETS			
Invested in capital assets, net of related debt	252,580,402	60,574,330	313,154,732
Restricted for			
Public safety	296,354	-	296,354
Special projects	1,673,349	-	1,673,349
Debt service	3,000,328	-	3,000,328
Unrestricted	4,475,605	5,392,173	9,867,778
	<u>4,475,605</u>	<u>5,392,173</u>	<u>9,867,778</u>
TOTAL NET ASSETS	<u>\$ 262,026,038</u>	<u>\$ 65,966,503</u>	<u>\$ 327,992,541</u>

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2011

FUNCTIONS/PROGRAMS	Expenses	Program Revenues		
		Charges for Services	Operating Grants	Capital Grants
PRIMARY GOVERNMENT				
Governmental Activities				
General government	\$ 2,174,240	\$ 801,158	\$ 909,030	\$ 366,894
Public safety	3,196,565	218,059	40,266	-
Public works	4,038,317	-	294,196	26,680
Interest and fiscal charges	292,947	-	-	-
Total governmental activities	9,702,069	1,019,217	1,243,492	393,574
Business-Type Activities				
Water	4,245,605	3,085,318	-	-
Sewer	464,618	248,655	-	-
Total business-type activities	4,710,223	3,333,973	-	-
TOTAL PRIMARY GOVERNMENT	\$ 14,412,292	\$ 4,353,190	\$ 1,243,492	\$ 393,574

	Net (Expense) Revenue and Change in Net Assets		
	Primary Government		
	Governmental Activities	Business-Type Activities	Total
	\$ (97,158)	\$ -	\$ (97,158)
	(2,938,240)	-	(2,938,240)
	(3,717,441)	-	(3,717,441)
	(292,947)	-	(292,947)
	(7,045,786)	-	(7,045,786)
	-	(1,160,287)	(1,160,287)
	-	(215,963)	(215,963)
	-	(1,376,250)	(1,376,250)
	(7,045,786)	(1,376,250)	(8,422,036)
General Revenues			
Taxes			
Property and replacement	1,742,079	-	1,742,079
Sales	2,001,870	-	2,001,870
Telecommunications	770,678	-	770,678
Utility	1,193,254	-	1,193,254
Income	877,828	-	877,828
Hotel/motel	378,620	-	378,620
Investment income	471,882	213,309	685,191
Miscellaneous	308,328	1,325	309,653
Total	7,744,539	214,634	7,959,173
CHANGE IN NET ASSETS	698,753	(1,161,616)	(462,863)
NET ASSETS, MAY 1	261,327,285	67,128,119	328,455,404
NET ASSETS, APRIL 30	\$ 262,026,038	\$ 65,966,503	\$ 327,992,541

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

BALANCE SHEET
GOVERNMENTAL FUNDS

April 30, 2011

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,498,907	\$ 1,506,934	\$ 3,049,535	\$ 2,075,803	\$ 10,131,179
Receivables (net, where applicable, of allowances for uncollectibles)					
Property taxes	835,008	-	418,572	-	1,253,580
Accounts	35,928	-	-	-	35,928
Intergovernmental	967,303	15,900	-	23,238	1,006,441
Accrued interest	54,893	3,660	32,936	14,640	106,129
Other	159,185	-	-	49,260	208,445
Deposits	282,132	-	-	-	282,132
Deposits with IPBC terminal reserve	292,644	-	-	-	292,644
Due from fiduciary funds	15,348	-	-	-	15,348
Due from other funds	1,356,907	-	-	-	1,356,907
TOTAL ASSETS	\$ 7,498,255	\$ 1,526,494	\$ 3,501,043	\$ 2,162,941	\$ 14,688,733
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 167,568	\$ 65,584	\$ -	\$ 18,103	\$ 251,255
Accrued payroll	149,507	-	-	-	149,507
Unearned property taxes	1,040,110	-	500,715	-	1,540,825
Other unearned revenues	340,532	-	-	-	340,532
Due to other funds	-	-	-	21,503	21,503
Deposits payable	1,704,141	379,831	-	-	2,083,972
Total liabilities	3,401,858	445,415	500,715	39,606	4,387,594
FUND BALANCES					
Reserved for public safety	-	-	-	296,354	296,354
Reserved for special projects	-	-	-	1,673,349	1,673,349
Reserved for debt service	-	-	3,000,328	-	3,000,328
Unreserved					
General Fund	4,096,397	-	-	-	4,096,397
Capital Improvements Fund	-	1,081,079	-	-	1,081,079
Special Revenue Funds	-	-	-	153,632	153,632
Total fund balances	4,096,397	1,081,079	3,000,328	2,123,335	10,301,139
TOTAL LIABILITIES AND FUND BALANCES	\$ 7,498,255	\$ 1,526,494	\$ 3,501,043	\$ 2,162,941	\$ 14,688,733

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

April 30, 2011

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 10,301,139
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	261,528,468
Less Internal Service Fund capital assets	(340,620)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds	
Bonds payable	(2,765,000)
Loans payable	(311,993)
Debt certificates payable	(5,885,000)
Unamortized discounts on long-term debt are other financing uses in governmental funds in the year of issuance but are capitalized and amortized on the statement of net assets	13,928
Accrued interest on long-term debt is reported as a liability on the statement of net assets	(82,354)
Compensated absences payable is not due and payable in the current period and, therefore, is not reported in governmental funds	(264,935)
Certain revenues (deposits in public entity risk pool) that are deferred in the governmental funds are recognized as revenue in the governmental activities	282,132
The net assets of the internal service fund are included in the governmental activities in the statement of net assets	493,753
The postemployment benefits payable is not a current financial obligation and is, therefore, not reported in the governmental funds	(132,913)
The net pension obligation is not a current financial obligation and is, therefore, not reported in the governmental funds	<u>(810,567)</u>
NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u><u>\$ 262,026,038</u></u>

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	General	Capital Improvements	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 5,151,179	\$ -	\$ 513,948	\$ -	\$ 5,665,127
Licenses and permits	349,721	-	-	-	349,721
Intergovernmental	960,849	366,894	57,930	672,815	2,058,488
Charges for services	451,437	-	-	65,532	516,969
Fines and forfeits	152,526	-	-	-	152,526
Investment income	206,218	77,337	111,997	76,330	471,882
Developers contributions	-	889,602	-	-	889,602
Miscellaneous	273,823	-	-	22,684	296,507
Total revenues	7,545,753	1,333,833	683,875	837,361	10,400,822
EXPENDITURES					
Current					
General government	1,824,289	-	-	141,671	1,965,960
Public safety	4,475,319	-	-	132,719	4,608,038
Public works	1,248,453	-	-	19,231	1,267,684
Capital outlay	-	2,462,772	-	543,916	3,006,688
Debt service					
Principal	-	-	432,481	-	432,481
Interest and fiscal charges	-	-	285,983	-	285,983
Total expenditures	7,548,061	2,462,772	718,464	837,537	11,566,834
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,308)	(1,128,939)	(34,589)	(176)	(1,166,012)
OTHER FINANCING SOURCES (USES)					
Proceeds from sale of capital assets	12,920	-	-	-	12,920
Transfers in	50,000	-	118,550	92,300	260,850
Transfers (out)	(92,300)	(72,635)	-	(95,915)	(260,850)
Total other financing sources (uses)	(29,380)	(72,635)	118,550	(3,615)	12,920
NET CHANGE IN FUND BALANCES	(31,688)	(1,201,574)	83,961	(3,791)	(1,153,092)
FUND BALANCES, MAY 1	4,128,085	2,282,653	2,916,367	2,127,126	11,454,231
FUND BALANCES, APRIL 30	\$ 4,096,397	\$ 1,081,079	\$ 3,000,328	\$ 2,123,335	\$ 10,301,139

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, 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 April 30, 2011

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$ (1,153,092)
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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	\$ 3,211,633	
Less Internal Service Fund additions	<u>(101,296)</u>	3,110,337

Some expenses in the statement of activities (e.g., depreciation) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation expense	(1,696,815)	
Less Internal Service Fund depreciation	<u>73,322</u>	(1,623,493)

Sale of capital assets are reported as proceeds in governmental funds but as a gain (loss) from sale on the statement of activities		-
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The repayment of principal on 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		432,481
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The change in the accrual of interest on long-term debt is reported as an expense on the statement of activities		37,666
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The change in compensated absences payable is shown as an expense on the statement of activities		(8,539)
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Discount on bonds issued is reported as an other financing use in governmental funds		(6,964)
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Certain revenues that are deferred in the governmental funds are recognized as revenue in the governmental activities		73,788
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The change in net assets of internal service funds is reported in governmental activities on the statement of activities		44,392
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The postemployment benefits payable is not a current financial obligation and is, therefore, not reported in the governmental funds		(65,562)
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The change in net pension obligation is not a current financial resource and, therefore, is not reported in the governmental funds		<u>(142,261)</u>
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 698,753</u>
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See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS

April 30, 2011

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service
CURRENT ASSETS				
Cash	\$ -	\$ 220,907	\$ 220,907	\$ 150,413
Investments	4,823,374	1,353,725	6,177,099	-
Receivables (net where applicable, of allowances for uncollectibles)				
Accounts	405,386	47,560	452,946	-
Accrued interest	54,893	18,298	73,191	3,660
Deposits with IPBC terminal reserve	47,285	15,835	63,120	-
Total current assets	5,330,938	1,656,325	6,987,263	154,073
CAPITAL ASSETS				
Capital assets not being depreciated	48,000	-	48,000	-
Capital assets being depreciated	50,357,579	10,168,751	60,526,330	340,620
Net capital assets	50,405,579	10,168,751	60,574,330	340,620
Total assets	55,736,517	11,825,076	67,561,593	494,693
CURRENT LIABILITIES				
Accounts payable	180,360	2,279	182,639	940
Due to other funds	1,335,404	-	1,335,404	-
Accrued payroll	19,830	6,595	26,425	-
Deposits payable	4,800	-	4,800	-
Compensated absences payable	3,387	1,196	4,583	-
Total current liabilities	1,543,781	10,070	1,553,851	940
LONG-TERM LIABILITIES				
Compensated absences payable	30,479	10,760	41,239	-
Total long-term liabilities	30,479	10,760	41,239	-
Total liabilities	1,574,260	20,830	1,595,090	940
NET ASSETS				
Invested in capital assets, net of related debt	50,405,579	10,168,751	60,574,330	340,620
Unrestricted	3,756,678	1,635,495	5,392,173	153,133
TOTAL NET ASSETS	\$ 54,162,257	\$ 11,804,246	\$ 65,966,503	\$ 493,753

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service
OPERATING REVENUES				
Charges for services	\$ 3,038,573	\$ 243,655	\$ 3,282,228	\$ 236,595
Total operating revenues	3,038,573	243,655	3,282,228	236,595
OPERATING EXPENSES				
Cost of sales and services				
Personal services	692,285	200,452	892,737	3,381
Contractual services	418,067	40,360	458,427	95,567
Commodities	2,093,068	253	2,093,321	24,731
Repairs and maintenance	40,418	16,021	56,439	962
Total operating expenses	3,243,838	257,086	3,500,924	124,641
OPERATING INCOME (LOSS) BEFORE DEPRECIATION	(205,265)	(13,431)	(218,696)	111,954
DEPRECIATION	1,001,767	207,532	1,209,299	73,322
OPERATING INCOME (LOSS)	(1,207,032)	(220,963)	(1,427,995)	38,632
NONOPERATING REVENUES (EXPENSES)				
Tap on connection fees	46,745	5,000	51,745	-
Rental income	1,218	-	1,218	-
Investment income	150,988	62,321	213,309	5,760
Other	-	107	107	-
Total nonoperating revenues (expenses)	198,951	67,428	266,379	5,760
CHANGE IN NET ASSETS	(1,008,081)	(153,535)	(1,161,616)	44,392
NET ASSETS, MAY 1	55,170,338	11,957,781	67,128,119	449,361
NET ASSETS, APRIL 30	\$ 54,162,257	\$ 11,804,246	\$ 65,966,503	\$ 493,753

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2011

	Business-Type Activities			Governmental
	Water	Sewer	Total	Internal Service
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,996,095	\$ 234,941	\$ 3,231,036	\$ -
Receipts from interfund services transactions	53,891	-	53,891	236,595
Payments to suppliers	(2,570,430)	(55,652)	(2,626,082)	(167,753)
Payments to employees	(678,097)	(197,242)	(875,339)	(3,381)
Net cash from operating activities	(198,541)	(17,953)	(216,494)	65,461
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Tap on connection fees	46,745	5,000	51,745	-
Rental income	1,218	-	1,218	-
Other	-	107	107	-
Net cash from noncapital financing activities	47,963	5,107	53,070	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital assets purchased	(217,838)	16,022	(201,816)	(101,296)
CASH FLOWS FROM INVESTING ACTIVITIES				
Investments sold	210,234	60,298	270,532	-
Interest received	129,224	57,818	187,042	3,712
Net cash from investing activities	339,458	118,116	457,574	3,712
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(28,958)	121,292	92,334	(32,123)
CASH AND CASH EQUIVALENTS, MAY 1	28,958	99,615	128,573	182,536
CASH AND CASH EQUIVALENTS, APRIL 30	\$ -	\$ 220,907	\$ 220,907	\$ 150,413
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,207,032)	\$ (220,963)	\$ (1,427,995)	\$ 38,632
Adjustments to reconcile operating income (loss) to net cash from operating activities				
Depreciation	1,001,767	207,532	1,209,299	73,322
(Increase) decrease in				
Accounts receivables	(42,478)	(8,713)	(51,191)	-
Deposits	8,278	2,661	10,939	-
Increase (decrease) in				
Accounts payable	(15,525)	981	(14,544)	(46,493)
Accrued payroll	2,981	397	3,378	-
Deposits payable	(3,352)	-	(3,352)	-
Due to other funds	53,891	-	53,891	-
Compensated absences payable	2,929	152	3,081	-
NET CASH FROM OPERATING ACTIVITIES	\$ (198,541)	\$ (17,953)	\$ (216,494)	\$ 65,461

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS

April 30, 2011

	Police Pension	Agency
ASSETS		
Cash and cash equivalents	\$ -	\$ 103,955
Investments		
U.S. Treasury securities	2,556,099	-
U.S. agency securities	3,768,914	-
Equity securities	4,987,818	-
Money markets	303,238	-
Receivables		
Accrued interest	44,608	-
	<u>11,660,677</u>	<u>\$ 103,955</u>
LIABILITIES		
Due to Village	15,348	-
Due to others	-	\$ 103,955
	<u>15,348</u>	<u>\$ 103,955</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u><u>\$ 11,645,329</u></u>	

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
POLICE PENSION FUND

For the Year Ended April 30, 2011

ADDITIONS	
Contributions	
Employer	\$ 570,105
Employee	215,153
	<hr/>
Total contributions	785,258
	<hr/>
Investment income	
Net appreciation in fair value of investments	923,923
Interest	248,913
	<hr/>
Total investment income	1,172,836
	<hr/>
Less investment expense	(26,728)
	<hr/>
Net investment income	1,146,108
	<hr/>
Total additions	1,931,366
	<hr/>
DEDUCTIONS	
Benefits and refunds	518,957
Administration	6,215
	<hr/>
Total deductions	525,172
	<hr/>
NET INCREASE	1,406,194
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
May 1	10,239,135
	<hr/>
April 30	\$ 11,645,329
	<hr/> <hr/>

See accompanying notes to financial statements.

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS

April 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Burr Ridge, Illinois (the Village) are in accordance with accounting principles generally accepted in the United States of America, as applied to governmental 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 following is a summary of the significant accounting policies of the Village.

a. Reporting Entity

The Village is a municipal corporation established under Illinois Compiled Statutes (ILCS) governed by an elected Mayor and Board of Trustees. The Village has defined its reporting entity in accordance with GASB Statement No. 14. Management has determined that there are no component units that are required to be included in the financial statements of the Village.

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's Mayor, one elected pension beneficiary and two elected police employees constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it were part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees and because of the fiduciary nature of such activities, PPERS is reported as a pension trust fund.

b. Fund Accounting

The Village uses funds to report 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. 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 a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities That Use Proprietary Fund Accounting*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the government. The Village utilizes pension trust funds which are generally used to account for assets that the Village holds in a fiduciary capacity. The Village utilizes an agency fund to account for assets collected and held for payment of special assessments, which are not debt of the Village.

c. Government-Wide and Fund Financial Statements

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. 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 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 general operating fund of the Village and is used to account for all financial resources of the Village unless required to be accounted for in another fund.

The Capital Improvements Fund is used to account for the Village's major capital projects.

The Debt Service Fund is used to account for the proceeds of the General Obligations Bonds, Series 2003 and the expenditures for the related capital projects.

The Village reports the following major enterprise funds:

The Water Fund accounts for the provision of water services to the residents and businesses of the Village financed by user fees.

The Sewer Fund accounts for the provision of sewer services to the residents and businesses of the Village financed by user fees.

Additionally, the Village reports the following internal service fund:

The Information Technology Fund is used to account for the acquisition of technology equipment and for technology related services to other departments of the Village. This fund is reported as part of the governmental activities on the government-wide financial statements as it provides services to the Village's governmental funds/activities.

The Village reports a pension trust fund as a fiduciary fund to account for the Police Pension Fund. The Village reports the Special Assessment Fund, an agency fund, to account for assets held for the payment of special assessment bonds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. 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 and fiduciary fund (except agency funds which do not have a measurement focus) financial statements. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., 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 nonoperating.

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 income, sales and telecommunication taxes which use a 120-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 (owed to the state at year end), motor fuel taxes, simplified telecommunications taxes, franchise taxes, 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 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/expenses recorded. In the other, monies are virtually unrestricted as to purpose of expenditure/expense and are generally revocable only for failure to comply with prescribed eligibility requirements, such as equal employment opportunity. These resources are reflected as revenues at the time of receipt or earlier if they meet the availability criterion.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The Village reports unearned revenue on its financial statements. Unearned revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. 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/expenses. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for unearned revenue is removed from the financial statements and revenue is recognized.

e. Deposits and Investments

The Village's cash and cash equivalents are considered to be cash on hand, demand deposits, investments in Illinois Funds (Illinois Public Treasurers Investment Pool) and Illinois Metropolitan Investment Fund, and short-term investments with original maturities of three months or less from the date of acquisition. Investments in Illinois Funds, a money market pool created by the Illinois State Legislature under the control of the Illinois State Treasurer, is reported at \$1 per share value, which equals the Village's fair value of the pool.

Investments with a maturity of one year or greater at the time of purchase and all investments of the pension trust fund are stated at fair value. Fair value has been based on quoted market prices at April 30 for debt and equity securities and mutual funds.

f. Interfund 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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Property Taxes

Property taxes attach as an enforceable lien on January 1 of each year. They are levied in December of the subsequent fiscal year by passage of a Tax Levy Ordinance. Tax bills are prepared by Cook County and issued on or about February 1 and August 1, and are payable in two installments, on or about March 1 and September 1. Tax bills are prepared by DuPage County on or about May 1 and are payable in two installments on or about June 1 and September 1. The Counties collect such taxes and remit them periodically. Property tax revenues are recognized in the year intended to finance. The 2010 taxes are intended to finance the 2012 fiscal year and are not considered available for current operations and are, therefore, shown as a receivable and deferred revenue. The 2011 tax levy has not been recorded as a receivable at April 30, 2011, as the tax attached as a lien on property as of January 1, 2011; however, the tax will not be levied until December 2011 and, accordingly, is not measurable at April 30, 2011.

h. 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 \$10,000 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.

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 are depreciated using the straight-line method over the following estimated useful lives:

Buildings	40 years
Improvements	40 years
Equipment	5-15 years
Vehicles	5-10 years
Streets	50 years
Water system	40 years
Sanitary sewer lines	40 years

The Village will report its infrastructure on a prospective basis.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Compensated Absences

Vested or accumulated vacation leave and compensatory time off that is owed to retirees or terminated employees is reported as an expenditure and a fund liability of the governmental fund that will pay it in the fund financial statements, and the remainder is reported in governmental activities. Vested or accumulated vacation leave and compensatory time off of proprietary funds and governmental activities at the government-wide level is recorded as an expense and liability as the benefits accrue to employees.

j. 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.

k. 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 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 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.

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

l. Interfund Transactions

Interfund services transactions 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 transactions and reimbursements, are reported as transfers.

m. Accounting Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

2. RECEIVABLES

The following receivables are included in intergovernmental receivables on the statement of net assets at April 30, 2011:

GOVERNMENTAL ACTIVITIES

Court fines	\$ 11,497
Sales tax	498,854
Income tax	225,182
Motor fuel tax	23,238
Telecommunications	194,849
Grants	<u>52,821</u>

TOTAL GOVERNMENTAL ACTIVITIES \$ 1,006,441

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. RECEIVABLES (Continued)

The following receivables are included in other receivables on the statement of net assets at April 30, 2011:

GOVERNMENTAL ACTIVITIES

Franchise fees	\$ 7,595
Utility	150,695
Hotel/motel tax	<u>49,259</u>

TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 207,549</u>
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3. DEPOSITS AND INVESTMENTS

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in deposits/ investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agency, Government National Mortgage Association (GNMAs), money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, the Illinois Metropolitan Investment Fund (IMET) and Illinois Funds

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State of Illinois to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold.

Illinois Metropolitan Investment Fund (IMET) is a non-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, which is the price for which the investment could be sold.

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

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of other funds.

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 pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 102% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Village's debt securities as of April 30, 2011:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ -	\$ -	\$ -	\$ -	\$ -
U.S. agency securities	10,001,956	339,115	1,781,550	6,824,560	1,056,732
State and Local obligations	4,079,629	-	103,165	3,688,115	288,349
Illinois Funds	345,543	345,543	-	-	-
IMET	12,064	-	12,064	-	-
Negotiable CD	110,273	-	110,273	-	-
Money market mutual funds	621,630	621,630	-	-	-
TOTAL	\$ 15,171,094	\$ 1,306,288	\$ 2,007,051	\$ 10,512,675	\$ 1,345,081

In accordance with its investment policy, the Village 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 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 investing in external investment pools. IMET and Illinois Funds are rated AAA. The U.S. Treasury and U.S. agency obligations are all rated AAA. The State and Local Obligations are rated from AA to AAA.

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and 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 investments be limited to the safest types of securities invested with pre-qualified institutions, broker/dealers, intermediaries and advisors and soundly diversified. IMET and Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of their investments invested in one type of investment. At April 30, 2011, the Village had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Village's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

b. Police Pension Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Pension Code contained in Chapter 40 of 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 and Illinois Funds (created by the Illinois State Legislature under the control of the State Treasurer that maintains a \$1 per share value which is equal to the participants fair value).

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the 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, in order of priority, safety of principal, rate of return, public trust and liquidity.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and 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 Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all investments in excess of federal depository insurance, at an amount not less than 100% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank of Chicago.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2011:

	Fair Value	Investment Maturities in Years			
		Less Than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 2,556,099	\$ 454,899	\$ 910,803	\$ 1,190,397	\$ -
U.S. agency securities	3,768,914	250,742	1,948,022	1,510,068	60,082
Money market mutual funds	303,238	303,238	-	-	-
TOTAL	\$ 6,628,251	\$ 1,008,879	\$ 2,858,825	\$ 2,700,465	\$ 60,082

In accordance with its investment policy, the Police Pension Fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for all reasonably anticipated operating requirements while providing a reasonable rate of return based on the current market.

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 primarily investing U.S. Treasury and U.S. agency obligations and other highly rated obligations. U.S. Treasury and U.S. agency obligations are rated AAA. The money market mutual funds range in rating from 3-star to 5-star according to Morningstar.

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 held by a third party agent.

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Deposits and Investments (Continued)

Investments (Continued)

Concentration of credit risk is the risk that the Police Pension Fund has a high 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. At April 30, 2011, the Police Pension Fund had greater than 5% of its overall portfolio invested in U.S. Treasury and U.S. agency obligations. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk but has no set percentage limits.

4. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2011 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 1,796,358	\$ -	\$ -	\$ 1,796,358
Land right of way	213,442,813	820,137	-	214,262,950
Construction in progress	5,201,203	199,863	4,884,570	516,496
Total capital assets not being depreciated	220,440,374	1,020,000	4,884,570	216,575,804
Capital assets being depreciated				
Streets	56,715,035	100,605	-	56,815,640
Buildings	3,696,307	6,275,290	-	9,971,597
Improvements other than building	945,081	484,290	-	1,429,371
Equipment	877,667	150,072	58,781	968,958
Vehicles	1,538,981	65,946	92,827	1,512,100
Total capital assets being depreciated	63,773,071	7,076,203	151,608	70,697,666
Less accumulated depreciation for				
Streets	20,760,857	1,136,903	-	21,897,760
Buildings	1,770,456	249,290	-	2,019,746
Improvements other than building	209,822	35,734	-	245,556
Equipment	398,009	106,503	58,781	445,731
Vehicles	1,060,651	168,385	92,827	1,136,209
Total accumulated depreciation	24,199,795	1,696,815	151,608	25,745,002
Total capital assets being depreciated, net	39,573,276	5,379,388	-	44,952,664
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 260,013,650	\$ 6,399,389	\$ 4,884,570	\$ 261,528,468

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 48,000	\$ -	\$ -	\$ 48,000
Construction in progress - sewer	16,021	-	16,021	-
Total capital assets not being depreciated	<u>64,021</u>	-	<u>16,021</u>	<u>48,000</u>
Capital assets being depreciated				
Buildings	6,321,153	-	-	6,321,153
Equipment	90,000	-	-	90,000
Vehicles	113,471	-	-	113,471
Water systems	63,632,536	217,838	-	63,850,374
Sanitary sewer lines	14,307,569	-	-	14,307,569
Total capital assets being depreciated	<u>84,464,729</u>	<u>217,838</u>	-	<u>84,682,567</u>
Less accumulated depreciation for				
Buildings	2,784,212	140,436	-	2,924,648
Equipment	25,625	9,000	-	34,625
Vehicles	56,324	9,993	-	66,317
Water systems	16,085,116	851,338	-	16,936,454
Sanitary sewer lines	3,995,661	198,532	-	4,194,193
Total accumulated depreciation	<u>22,946,938</u>	<u>1,209,299</u>	-	<u>24,156,237</u>
Total capital assets being depreciated, net	<u>61,517,791</u>	<u>(991,461)</u>	-	<u>60,526,330</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$ 61,581,812</u>	<u>\$ (991,461)</u>	<u>\$ 16,021</u>	<u>\$ 60,574,330</u>

Depreciation expense was charged to functions/programs of the primary government for the year ended April 30, 2011, as follows:

GOVERNMENTAL ACTIVITIES

General government	\$ 1,208,483
Public safety	239,143
Public works	<u>175,867</u>
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES *	<u>\$ 1,623,493</u>

* Depreciation expense excludes depreciation of the Internal Service Fund's capital assets of \$73,322.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND ACCOUNTS

a. Interfund transfers between funds for the year ended April 30, 2011 were as follows:

	<u>Transfers In</u>	<u>Transfers Out</u>
General		
Capital Improvement	\$ -	\$ -
Debt Service	-	-
Nonmajor/Sidewalk/Pathway	50,000	92,300
Total General	<u>50,000</u>	<u>92,300</u>
Debt Service		
General	-	-
Water	-	-
Capital Projects	72,635	-
Nonmajor/Hotel/Motel	45,915	-
Total Debt Service	<u>118,550</u>	<u>-</u>
Capital Projects		
Debt Service	-	72,635
Total Capital Projects	<u>-</u>	<u>72,635</u>
Nonmajor		
Hotel/Motel	-	45,915
Equipment Replacement	92,300	-
Sidewalk/Pathway	-	50,000
Total Nonmajor	<u>92,300</u>	<u>95,915</u>
TOTAL	<u>\$ 260,850</u>	<u>\$ 260,850</u>

The purpose of significant transfers is as follows:

- \$92,300 transferred from the General Fund to the Equipment Replacement Fund to use for future vehicle, equipment and public improvement purchases. This transfer will not be repaid.
- \$72,635 transferred from the Capital Projects Fund to the Debt Service Fund to pay transfer of remaining bond proceeds upon completion of police facility. This transfer will not be repaid.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. INTERFUND ACCOUNTS (Continued)

b. Interfund receivables between funds for the year ended April 30, 2011 were as follows:

Fund	Due From	Due To
General	\$ 1,356,907	\$ -
Water	-	1,335,404
Nonmajor/MFT	-	21,503
TOTAL	\$ 1,356,907	\$ 1,356,907
General	\$ 15,348	\$ -
Police Pension	-	15,348
TOTAL	\$ 15,348	\$ 15,348

- \$1,335,404 due to the General Fund from the Water Fund to finance short-term cash shortfalls. This will be repaid within one year.
- \$15,348 due to the General Fund from the Police Pension Fund to finance short-term cash shortfalls. This will be repaid within one year.

6. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the Village. General obligation bonds currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$5,650,000 General Obligation Refunding Bonds, Series 2003, dated May 15, 2003 due in annual installments of \$275,000 to \$505,000, plus fixed interest at 2.75% to 3.10% through December 30, 2016.	Debt Service	\$ 3,165,000	\$ -	\$ 400,000	\$ 2,765,000	\$ 415,000
TOTAL GENERAL OBLIGATION BONDS		\$ 3,165,000	\$ -	\$ 400,000	\$ 2,765,000	\$ 415,000

The Village issues taxable debt certificates to provide funds for the acquisition and construction of major capital facilities.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

a. General Obligation Bonds (Continued)

Taxable debt certificates currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$5,885,000 Taxable Debt Certificates, Series 2009, dated September 15, 2009 due at maturity, plus fixed interest at 2.250% through December 15, 2012.	Debt Service	\$ 5,885,000	\$ -	\$ -	\$ 5,885,000	\$ -
TOTAL TAXABLE DEBT CERTIFICATES		\$ 5,885,000	\$ -	\$ -	\$ 5,885,000	\$ -

Promissory notes are direct obligations and pledge the full faith and credit of the Village. Promissory notes currently outstanding are as follows:

	Fund Debt Retired by	Balances May 1	Issuances	Reductions	Balances April 30	Current Portion
\$375,000 Promissory Note, Series 2008, dated December 12, 2008 due in annual installments of \$30,547 to \$44,602, plus fixed interest at 3.98% through December 30, 2018.	Hotel/ Motel Tax	\$ 344,474	\$ -	\$ 32,481	\$ 311,993	\$ 33,898
TOTAL GENERAL OBLIGATION BONDS		\$ 344,474	\$ -	\$ 32,481	\$ 311,993	\$ 33,898

b. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Principal	Interest	Total
2012	\$ 415,000	\$ 85,715	\$ 500,715
2013	435,000	72,850	507,850
2014	450,000	59,365	509,365
2015	470,000	45,415	515,415
2016	490,000	30,845	520,845
2017	505,000	15,655	520,655
TOTAL	\$ 2,765,000	\$ 309,845	\$ 3,074,845

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity (Continued)

Fiscal Year Ending April 30,	Principal	Interest	Total
2012	\$ -	\$ 132,412	\$ 132,412
2013	5,885,000	132,412	6,017,412
TOTAL	\$ 5,885,000	\$ 264,824	\$ 6,149,824

Fiscal Year Ending April 30,	Promissory Note Principal	Interest	Total
2012	\$ 33,898	\$ 12,015	\$ 45,913
2013	35,162	10,751	45,913
2014	36,606	9,307	45,913
2015	38,077	7,836	45,913
2016	39,608	6,305	45,913
2017	41,186	4,727	45,913
2018	42,854	3,058	45,912
2019	44,602	1,332	45,934
TOTAL	\$ 311,993	\$ 55,331	\$ 367,324

c. Legal Debt Margin

EQUALIZED ASSESSED VALUATION (2010 ACTUAL)	<u>\$ 1,267,067,856</u>
Statutory debt limitation (2.875% of assessed valuation)	\$ 36,428,200
Less amount of debt applicable to debt limit	
General Obligation Refunding Bond Series 2003	2,765,000
Taxable Debt Certificates Series 2009	<u>5,885,000</u>
LEGAL DEBT MARGIN	<u>\$ 27,778,200</u>

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

6. LONG-TERM DEBT (Continued)

d. Changes in General Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended April 30, 2011:

	Balances May 1	Additions	Retirements	Balances April 30	Current Portion
Governmental Activities					
General Obligation Bonds Series 2003	\$ 3,165,000	\$ -	\$ 400,000	\$ 2,765,000	\$ 415,000
Taxable Debt Certificates Series 2009	5,885,000	-	-	5,885,000	-
Unamortized (discount) on bonds payable	(20,892)	-	(6,964)	(13,928)	-
Promissory Note	344,474	-	32,481	311,993	33,898
Compensated absences	256,396	34,308	25,769	264,935	26,494
Net pension obligation	668,306	142,261	-	810,567	-
Other postemployment benefit payable	67,351	65,562	-	132,913	-
TOTAL	\$ 10,365,635	\$ 242,131	\$ 451,286	\$ 10,156,480	\$ 475,392
Business-Type Activities					
Compensated absences	\$ 42,741	\$ 7,355	\$ 4,274	\$ 45,822	\$ 4,582

7. 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; injuries to employees, employee health and natural disasters. The Village has joined risk pools to protect itself from losses as follows:

Intergovernmental Personnel Benefit Cooperative (IPBC)

The Village participated in the Intergovernmental Personnel Benefit Cooperative (IPBC). The 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 these members to their officers and employees and to the officers and employees of certain other governmental, quasi governments and nonprofit public service entities.

The IPBC acts as an administrative agency to receive, process and pay such claims as may come within the benefit program of each member.

7. RISK MANAGEMENT (Continued)

Intergovernmental Personnel Benefit Cooperative (IPBC) (Continued)

One representative from each member group serves on the IPBC board and each board member has one vote on the board. None of its members have any direct equity interest in IPBC.

The Village, along with IPBC's other members, has a contractual obligation to fund any deficit of IPBC attributable to a membership year during which it was a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

IPBC offers a PPO and HMO plan for its members. All IPBC indemnity medical and HMO claims are subject to an individual stop loss of \$50,000. The cooperative agreement provides that the plan will be self-sustaining through member premiums.

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration, extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$1,000 of each occurrence, and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. There have been no required supplemental contributions during any of the past three years.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. RISK MANAGEMENT (Continued)

Intergovernmental Risk Management Agency (IRMA) (Continued)

Automobile Liability	\$10,000,000 per occurrence
General Liability	\$10,000,000 per occurrence
Public Officials Liability	\$10,000,000 per occurrence
Police Professional Liability	\$10,000,000 per occurrence
Employee Benefits Liability	\$10,000,000 per occurrence
Workers' Compensation	\$151,500,000 per occurrence
First Party Property	\$250,000,000 per occurrence
Employer's Liability	\$1,000,000 per occurrence
Boiler/Machinery	\$50,000,000 per occurrence
Fidelity and Crime	
a. Employee Theft	\$5,000,000 blanket limit
b. Forgery or Alteration	\$5,000,000 blanket limit
c. Computer Fraud	\$5,000,000 blanket limit
d. Credit Card Forgery	\$5,000,000 blanket limit
e. Nonfaithful Performance	\$2,500,000 blanket limit
Public Officials Bond	Blanket statutory requirements

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. EMPLOYEE RETIREMENT SYSTEMS

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 plans are governed by ILCS and can only be amended by the Illinois General Assembly. Neither of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for IMRF as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

a. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) 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.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten 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 rate for the calendar year ended 2010 was 12.34% of covered payroll.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2011, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	11
Inactive members	2
Current employees	
Vested	19
Nonvested	8
	<hr/>
TOTAL	<hr/> <hr/> 40

The Police Pension Plan provides retirement benefits through two tiers of benefits as well as death and disability benefits. Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older 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 to a maximum of 75.00% of such salary. 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 and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ of the annual change in the Consumer Price Index or 3.00% compounded. 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 to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., ½% for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.00% or ½ of the change in the Consumer Price Index for the preceding calendar year.

Employees are required by ILCS to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. 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 April 30, 2011, the Village's contribution was 22.77% 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 the IMRF is not available.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs

Employer contributions have been determined as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial valuation date	December 31, 2008	April 30, 2011
Actuarial cost method	Entry-age Normal	Entry-age Normal
Asset valuation method	5 Year Smoothed Market	4 Year Smoothed Market
Amortization method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization period	23 Years, Closed	23.17 Years, Closed
Significant actuarial assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.50% Compounded Annually
b) Projected salary increase attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40 to 10.0%	Not Available

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

VILLAGE OF BURR RIDGE, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

	For Fiscal Year	Illinois Municipal Retirement	Police Pension
Annual pension cost (APC)	2009	\$ 230,272	\$ 523,211
	2010	214,413	604,451
	2011	218,648	712,366
Actual contribution	2009	\$ 230,272	\$ 468,730
	2010	214,413	463,791
	2011	215,849	570,105
Percentage of APC contributed	2009	100.00%	89.59%
	2010	100.00%	76.73%
	2011	99.00%	80.03%
NPO (asset)	2009	\$ -	\$ 527,646
	2010	-	668,306
	2011	2,799	810,567

Funded Status and Funding Progress

The funded status of the plans as of December 31, 2010 for the IMRF and April 30, 2011 for the Police Pension Plan (most recent data available) were as follows. The actuarial assumptions used to determine the funded status of the Police Pension Plan are the same actuarial assumptions used to determine the employer APC of the plan as disclosed in Note 10c.

	Illinois Municipal Retirement	Police Pension
Actuarial accrued liability (AAL)	\$ 6,016,241	\$ 16,096,932
Actuarial value of plan assets	4,431,251	11,428,082
Unfunded actuarial accrued liability (UAAL)	1,584,990	4,668,850
Funded ratio (actuarial value of plan assets/AAL)	73.65%	71.00%
Covered payroll (active plan members)	\$ 1,749,182	\$ 2,128,446
UAAL as a percentage of covered payroll	90.61%	219.35%

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

9. EMPLOYEE RETIREMENT SYSTEMS (Continued)

c. Annual Pension Costs (Continued)

The net pension obligation (asset) for the year ended April 30, 2011 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension
Annual required contribution	\$ 218,648	\$ 704,238
Interest on net pension obligation	-	50,123
Adjustment to annual required contribution	-	(41,995)
Annual pension cost	218,648	712,366
Contributions made	215,849	570,105
Increase in net pension obligation (asset)	2,799	142,261
Net pension obligation, beginning of year	-	668,306
NET PENSION OBLIGATION, END OF YEAR	\$ 2,799	\$ 810,567

10. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental and business-type activities.

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2010, membership consisted of:

Retirees and beneficiaries currently receiving benefits	6
Terminated employees entitled to benefits but not yet receiving them	-
Active employees - vested	54
Active employees - nonvested	-
	<hr/>
TOTAL	<u>60</u>
Participating employers	<u>1</u>

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the Plan as of May 1, 2008 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2011. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2011 was as follows (information for year ended April 30, 2008 is not available as an actuarial valuation was performed for the first time as of May 1, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2010	\$ 83,932	\$ 16,581	19.76%	\$ 67,351
April 30, 2011	83,796	18,234	21.76%	132,913

VILLAGE OF BURR RIDGE, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 30, 2011 was calculated as follows:

Annual required contribution	\$ 83,932
Interest on net OPEB obligation	3,031
Adjustment to annual required contribution	<u>(3,167)</u>
Annual OPEB cost	83,796
Contributions made	<u>18,234</u>
Increase in net OPEB obligation	65,562
Net OPEB obligation, beginning of year	<u>67,351</u>
NET OPEB OBLIGATION, END OF YEAR	<u>\$ 132,913</u>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2009 was as follows:

Actuarial accrued liability (AAL)	\$ 953,779
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	953,779
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll (active plan members)	3,947,458
UAAL as a percentage of covered payroll	24.16%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the Plan.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to financial statements, presents multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

10. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the May 1, 2008 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 4.5%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 9.0% with an ultimate healthcare inflation rate of 5.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2011 was 29 years.

REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Original Budget	Final Budget	Actual	Variance Over (Under)
REVENUES				
Taxes	\$ 5,385,110	\$ 5,385,110	\$ 5,151,179	\$ (233,931)
Licenses and permits	315,040	315,040	349,721	34,681
Intergovernmental	897,665	897,665	960,849	63,184
Charges for services	441,510	441,510	451,437	9,927
Fines and forfeits	175,000	175,000	152,526	(22,474)
Investment income	300,000	300,000	206,218	(93,782)
Miscellaneous	333,740	333,740	273,823	(59,917)
Total revenues	<u>7,848,065</u>	<u>7,848,065</u>	<u>7,545,753</u>	<u>(302,312)</u>
EXPENDITURES				
General government	1,942,930	1,942,930	1,824,289	(118,641)
Public safety	4,375,235	4,375,235	4,475,319	100,084
Public works	1,279,890	1,279,890	1,248,453	(31,437)
Total expenditures	<u>7,598,055</u>	<u>7,598,055</u>	<u>7,548,061</u>	<u>(49,994)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>250,010</u>	<u>250,010</u>	<u>(2,308)</u>	<u>(252,318)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	15,000	15,000	12,920	(2,080)
Transfers in	50,000	50,000	50,000	-
Transfers (out)	(303,300)	(303,300)	(92,300)	211,000
Total other financing sources (uses)	<u>(238,300)</u>	<u>(238,300)</u>	<u>(29,380)</u>	<u>208,920</u>
NET CHANGE IN FUND BALANCE	<u>\$ 11,710</u>	<u>\$ 11,710</u>	<u>(31,688)</u>	<u>\$ (43,398)</u>
FUND BALANCE, MAY 1			<u>4,128,085</u>	
FUND BALANCE, APRIL 30			<u>\$ 4,096,397</u>	

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2011

Actuarial Valuation Date December 31,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age Normal	Funded Ratio (1) / (2)	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2010	\$ 4,431,251	\$ 6,016,241	73.65%	\$ 1,584,990	\$ 1,749,182	90.61%
2009	4,307,989	5,775,302	74.59%	1,467,313	2,002,510	73.27%
2008	3,906,638	5,476,054	71.34%	1,569,416	1,971,506	79.60%
2007	4,003,013	4,953,532	80.81%	950,519	1,941,547	48.96%
2006	3,378,373	4,452,014	75.88%	1,073,641	1,849,360	58.05%
2005	2,832,931	4,032,660	70.25%	1,199,729	1,785,654	67.19%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF FUNDING PROGRESS
POLICE PENSION FUND

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	\$ 11,428,082	\$ 16,096,932	71.00%	\$ 4,668,850	\$ 2,128,445	219.35%
2009	10,513,849	15,017,269	70.01%	4,503,420	2,086,282	215.86%
2008	9,825,170	13,375,000	73.46%	3,549,830	1,972,195	179.99%
2007	9,337,970	12,530,879	74.52%	3,192,909	1,864,068	171.29%
2006	9,224,393	11,250,382	81.99%	2,025,989	1,823,982	111.08%
2005	8,233,557	9,952,551	82.73%	1,718,994	1,706,363	100.74%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

Actuarial Valuation Date April 30,	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) AAL (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2010	N/A	N/A	N/A	N/A	N/A	N/A
2009	\$ -	\$ 953,779	0.00%	\$ 953,779	\$ 3,947,458	24.16%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2011

<u>Fiscal Year</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 215,849	\$ 218,648	98.72%
2010	214,413	214,413	100.00%
2009	230,272	230,272	100.00%
2008	235,898	235,898	100.00%
2007	228,026	228,026	100.00%
2006	212,671	212,671	100.00%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
POLICE PENSION FUND

April 30, 2011

<u>Fiscal Year April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 570,105	\$ 704,238	80.95%
2010	463,791	597,123	77.67%
2009	468,730	515,891	90.86%
2008	366,376	505,521	72.47%
2007	458,763	459,630	99.81%
2006	390,658	461,362	84.67%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2011

<u>Fiscal Year April 30,</u>	<u>Employer Contributions</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage Contributed</u>
2011	\$ 18,234	\$ 83,796	21.76%
2010	16,581	83,932	19.76%

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2011

STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

a. Budgetary Information

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

- 1) The Village Administrator submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) Hearings are conducted.
- 3) The Budget Ordinance is legally enacted.
- 4) The Budget Ordinance may be amended by the Board of Trustees.
- 5) The budget is adopted on an accrual/modified accrual basis which is consistent with GAAP.

The Village operates under the Budget Act in lieu of appropriations. Annual budgets are adopted for the general, special revenue, debt service, capital projects, enterprise, internal service and pension trust funds.

The level of control (level at which expenditures may not exceed budget) is the Fund. The Village Administrator, as Budget Director, has the authority to amend the budget within the individual fund. Budgets lapse at year end.

b. Budget and Actual Expenditures/Expenses

Actual fund expenditures/expenses for the fiscal year greater than budgeted amounts at the legal level of budgetary control are as follows:

Fund	Expenditure/ Expense Budget	Actual Expenditures/ Expenses
Storm Water Management	\$ 120	\$ 19,002
Capital Improvement	1,817,520	2,462,772
Debt Service	655,235	718,464

SUPPLEMENTAL DATA

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Investment income	\$ 20,000	\$ 77,337
Intergovernmental	-	366,894
Developer contributions	90,000	889,602
Total revenues	<u>110,000</u>	<u>1,333,833</u>
EXPENDITURES		
Capital outlay	2,117,360	2,753,657
Less reimbursement		
Motor Fuel Tax	(299,840)	(290,885)
Total expenditures	<u>1,817,520</u>	<u>2,462,772</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,707,520)</u>	<u>(1,128,939)</u>
OTHER FINANCING SOURCES (USES)		
Transfers in	160,000	-
Transfers (out)	(137,335)	(72,635)
Total other financing sources (uses)	<u>22,665</u>	<u>(72,635)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,684,855)</u>	(1,201,574)
FUND BALANCE (DEFICIT), MAY 1		<u>2,282,653</u>
FUND BALANCE, APRIL 30		<u>\$ 1,081,079</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 498,115	\$ 498,115	\$ 513,948
Intergovernmental	-	-	57,930
Investment income	112,000	112,000	111,997
Total revenues	<u>610,115</u>	<u>610,115</u>	<u>683,875</u>
EXPENDITURES			
Debt service			
Principal	432,525	432,525	432,481
Interest and fiscal charges	222,710	222,710	285,983
Total expenditures	<u>655,235</u>	<u>655,235</u>	<u>718,464</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(45,120)</u>	<u>(45,120)</u>	<u>(34,589)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	183,250	183,250	118,550
Total other financing sources (uses)	<u>183,250</u>	<u>183,250</u>	<u>118,550</u>
NET CHANGE IN FUND BALANCE	<u>\$ 138,130</u>	<u>\$ 138,130</u>	83,961
FUND BALANCE, MAY 1			<u>2,916,367</u>
FUND BALANCE, APRIL 30			<u>\$ 3,000,328</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

April 30, 2011

	Special Revenue			Capital Projects			Total Governmental Funds
	Emergency 911	Motor Fuel Tax	Hotel/Motel	Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	
ASSETS							
Cash and investments	\$ 297,018	\$ -	\$ 99,423	\$ 782,224	\$ 47,415	\$ 849,723	\$ 2,075,803
Receivables (net, where applicable, of allowances for uncollectibles)							
Intergovernmental	-	23,238	-	-	-	-	23,238
Accrued interest	1,830	1,830	1,830	3,660	1,830	3,660	14,640
Other	-	-	49,260	-	-	-	49,260
TOTAL ASSETS	\$ 298,848	\$ 25,068	\$ 150,513	\$ 785,884	\$ 49,245	\$ 853,383	\$ 2,162,941
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 2,494	\$ -	\$ 446	\$ 15,163	\$ -	\$ -	\$ 18,103
Due to other funds	-	21,503	-	-	-	-	21,503
Total liabilities	2,494	21,503	446	15,163	-	-	39,606
FUND BALANCES							
Reserved for public safety	296,354	-	-	-	-	-	296,354
Reserved for special projects	-	-	-	770,721	49,245	853,383	1,673,349
Unreserved							
Undesignated - Special Revenue Fund	-	3,565	150,067	-	-	-	153,632
Total fund balances	296,354	3,565	150,067	770,721	49,245	853,383	2,123,335
TOTAL LIABILITIES AND FUND BALANCES	\$ 298,848	\$ 25,068	\$ 150,513	\$ 785,884	\$ 49,245	\$ 853,383	\$ 2,162,941

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Special Revenue			Capital Projects			Total Governmental Funds
	Emergency 911	Motor Fuel Tax	Hotel/Motel	Sidewalks/ Pathways	Storm Water Management	Equipment Replacement	
REVENUES							
Intergovernmental	\$ -	\$ 294,196	\$ 378,619	\$ -	\$ -	\$ -	\$ 672,815
Charges for services	65,532	-	-	-	-	-	65,532
Investment income	10,564	3,682	3,460	29,362	3,220	26,042	76,330
Miscellaneous	-	-	-	-	22,684	-	22,684
Total revenues	76,096	297,878	382,079	29,362	25,904	26,042	837,361
EXPENDITURES							
Current							
General government	-	-	141,671	-	-	-	141,671
Public safety	79,559	-	53,160	-	-	-	132,719
Public works	-	347	-	-	18,884	-	19,231
Capital outlay	-	290,885	-	187,734	118	65,179	543,916
Total expenditures	79,559	291,232	194,831	187,734	19,002	65,179	837,537
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,463)	6,646	187,248	(158,372)	6,902	(39,137)	(176)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	92,300	92,300
Transfers (out)	-	-	(45,915)	(50,000)	-	-	(95,915)
Total other financing sources (uses)	-	-	(45,915)	(50,000)	-	92,300	(3,615)
NET CHANGE IN FUND BALANCES	(3,463)	6,646	141,333	(208,372)	6,902	53,163	(3,791)
FUND BALANCES (DEFICIT), MAY 1	299,817	(3,081)	8,734	979,093	42,343	800,220	2,127,126
FUND BALANCES, APRIL 30	\$ 296,354	\$ 3,565	\$ 150,067	\$ 770,721	\$ 49,245	\$ 853,383	\$ 2,123,335

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Charges for services	\$ 68,440	\$ 65,532
Investment income	12,470	10,564
Total revenues	<u>80,910</u>	<u>76,096</u>
EXPENDITURES		
Current		
Public safety	<u>93,335</u>	<u>79,559</u>
Total expenditures	<u>93,335</u>	<u>79,559</u>
NET CHANGE IN FUND BALANCE	<u>\$ (12,425)</u>	(3,463)
FUND BALANCE, MAY 1		<u>299,817</u>
FUND BALANCE, APRIL 30		<u>\$ 296,354</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Intergovernmental	\$ 297,880	\$ 294,196
Investment income	2,160	3,682
Total revenues	<u>300,040</u>	<u>297,878</u>
EXPENDITURES		
Current		
Public works	200	347
Capital outlay		
Reimbursement to Capital Improvement Fund	299,840	290,885
Total expenditures	<u>300,040</u>	<u>291,232</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	6,646
FUND BALANCE (DEFICIT), MAY 1		<u>(3,081)</u>
FUND BALANCE, APRIL 30		<u>\$ 3,565</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
HOTEL/MOTEL TAX FUND

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Intergovernmental	\$ 333,050	\$ 378,619
Investment income	2,220	3,460
	<hr/>	
Total revenues	335,270	382,079
<hr/>		
EXPENDITURES		
Current		
General government	161,860	141,671
Public safety	59,010	53,160
	<hr/>	
Total expenditures	220,870	194,831
<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	114,400	187,248
<hr/>		
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(45,915)	(45,915)
	<hr/>	
Total other financing sources (uses)	(45,915)	(45,915)
<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ 68,485</u>	141,333
<hr/>		
FUND BALANCE, MAY 1		<u>8,734</u>
<hr/>		
FUND BALANCE, APRIL 30		<u>\$ 150,067</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
SIDEWALKS/PATHWAY FUND

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Investment income	\$ 50,000	\$ 29,362
Miscellaneous	35,000	-
	<hr/>	
Total revenues	85,000	29,362
<hr/>		
EXPENDITURES		
Capital outlay	317,000	187,734
	<hr/>	
Total expenditures	317,000	187,734
<hr/>		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(232,000)	(158,372)
<hr/>		
OTHER FINANCING SOURCES (USES)		
Transfers (out)	(50,000)	(50,000)
	<hr/>	
Total other financing sources (uses)	(50,000)	(50,000)
<hr/>		
NET CHANGE IN FUND BALANCE	<u>\$ (282,000)</u>	(208,372)
<hr/>		
FUND BALANCE, MAY 1		<u>979,093</u>
<hr/>		
FUND BALANCE, APRIL 30		<u>\$ 770,721</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STORM WATER MANAGEMENT FUND

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Investment income	\$ 1,450	\$ 3,220
Miscellaneous	-	22,684
	<u>1,450</u>	<u>25,904</u>
EXPENDITURES		
Current		
Public works	-	18,884
Capital outlay	120	118
	<u>120</u>	<u>19,002</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,330</u>	6,902
FUND BALANCE, MAY 1		<u>42,343</u>
FUND BALANCE, APRIL 30		<u>\$ 49,245</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

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

For the Year Ended April 30, 2011

	Final Budget	Actual
REVENUES		
Investment income	\$ 34,210	\$ 26,042
Total revenues	34,210	26,042
EXPENDITURES		
Capital outlay	65,240	65,179
Total expenditures	65,240	65,179
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(31,030)	(39,137)
OTHER FINANCING SOURCES (USES)		
Transfers (out)	143,300	92,300
Total other financing sources (uses)	143,300	92,300
NET CHANGE IN FUND BALANCE	\$ 112,270	53,163
FUND BALANCE, MAY 1		800,220
FUND BALANCE, APRIL 30		\$ 853,383

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND

For the Year Ended April 30, 2011

	Balances May 1	Additions	Deletions	Balances April 30
ASSETS				
Cash and cash equivalents	\$ 91,360	\$ 12,595	\$ -	\$ 103,955
TOTAL ASSETS	\$ 91,360	\$ 12,595	\$ -	\$ 103,955
LIABILITIES				
Due to bondholders	\$ 91,360	\$ 12,595	\$ -	\$ 103,955
TOTAL LIABILITIES	\$ 91,360	\$ 12,595	\$ -	\$ 103,955

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
GENERAL OBLIGATION REFUNDING BONDS OF 2003

April 30, 2011

Date of Issue	May 15, 2003
Date of Maturity	December 30, 2016
Authorized Issue	\$ 5,650,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.75% - 3.10%
Interest Dates	June 30 and December 30
Principal Maturity Date	December 30
Payable at	Bank of America

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Year	Fiscal Year	Tax Levy			Interest Due on			
		Principal	Interest	Totals	June 30	Amount	December 30	Amount
2010	2012	\$ 415,000	\$ 85,715	\$ 500,715	2011	\$ 42,857	2011	\$ 42,858
2011	2013	435,000	72,850	507,850	2012	36,425	2012	36,425
2012	2014	450,000	59,365	509,365	2013	29,682	2013	29,683
2013	2015	470,000	45,415	515,415	2014	22,707	2014	22,708
2014	2016	490,000	30,845	520,845	2015	15,422	2015	15,423
2015	2017	505,000	15,655	520,655	2016	7,827	2016	7,828
		<u>\$ 2,765,000</u>	<u>\$ 309,845</u>	<u>\$ 3,074,845</u>		<u>\$ 154,920</u>		<u>\$ 154,925</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
 TAXABLE DEBT CERTIFICATES, SERIES 2009, BUILD AMERICA BONDS

April 30, 2011

Date of Issue	September 15, 2009
Date of Maturity	December 15, 2012
Authorized Issue	\$ 5,885,000
Denomination of Bonds	\$ 5,000
Interest Rates	2.25%
Interest Dates	June 15 and December 15
Principal Maturity Date	December 15, 2012
Payable at	US Bank

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Tax Year	Fiscal Year	Tax Levy			Interest Due on			
		Principal	Interest	Totals	June 15	Amount	December 15	Amount
2010	2012	\$ -	\$ 132,412	\$ 132,412	2011	\$ 66,206	2011	\$ 66,206
2011	2013	5,885,000	132,412	6,017,412	2012	66,206	2012	66,206
		<u>\$ 5,885,000</u>	<u>\$ 264,824</u>	<u>\$ 6,149,824</u>		<u>\$ 132,412</u>		<u>\$ 132,412</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF DEBT SERVICE REQUIREMENTS
PROMISSORY NOTE OF 2008

April 30, 2011

Date of Issue	December 12, 2008
Date of Maturity	December 30, 2018
Authorized Issue	\$ 375,000
Interest Rates	3.980%
Interest Dates	June 30 and December 30
Principal Maturity Date	December 30
Payable at	Burr Ridge Bank and Trust

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Payment Schedule			Interest Due on			
	Principal	Interest	Totals	June 30	Amount	December 30	Amount
2012	\$ 33,898	\$ 12,015	\$ 45,913	2012	\$ 6,125	2012	\$ 5,890
2013	35,162	10,751	45,913	2013	5,549	2013	5,202
2014	36,606	9,307	45,913	2014	4,821	2014	4,486
2015	38,077	7,836	45,913	2015	4,095	2015	3,741
2016	39,608	6,305	45,913	2016	3,339	2016	2,966
2017	41,186	4,727	45,913	2017	2,567	2017	2,160
2018	42,854	3,058	45,912	2018	1,736	2018	1,322
2019	44,602	1,332	45,934	2019	885	2019	447
	<u>\$ 311,993</u>	<u>\$ 55,331</u>	<u>\$ 367,324</u>		<u>\$ 29,117</u>		<u>\$ 26,214</u>

(See independent auditor's report.)

VILLAGE OF BURR RIDGE, ILLINOIS

SCHEDULE OF GENERAL FUND OPERATING BUDGET

For the Year Ended April 30, 2011

	2010-11 Budget	2010-11 Actual
REVENUES	\$ 7,848,065	\$ 7,545,753
Proceeds from the sale of capital assets	15,000	12,920
Transfers in	50,000	50,000
Total revenues	<u>7,913,065</u>	<u>7,608,673</u>
EXPENDITURES BEFORE IPBC ALLOCATION, BUT INCLUDING TRANSFERS TO OTHER FUNDS		
Boards and commissions	297,895	267,259
Administration	438,470	421,958
Community development	466,060	468,387
Finance	276,165	262,582
Central services	465,715	281,369
Police	4,384,655	4,432,787
Public works	1,410,390	1,312,576
Building and grounds	162,005	114,422
Total expenditures	<u>7,901,355</u>	<u>7,561,340</u>
NET OPERATING SUPLUS	<u>\$ 11,710</u>	47,333
Reduction of IPBC reserves		<u>(79,020)</u>
NET CHANGE IN FUND BALANCE		<u>\$ (31,687)</u>

(See independent auditor's report.)