



# RIVER FOREST FINANCES RECEIVE 'D' GRADE

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## THE FINANCIAL STATE OF RIVER FOREST

A new analysis of the latest available comprehensive annual financial report found River Forest had a Taxpayer Burden™ of \$7,500, earning it a "D" grade based on Truth in Accounting's grading scale.

Financial decisions made by the village's elected officials over the years have left River Forest with a \$27.8 million shortfall, which equates to \$7,500 for every taxpayer. Most of the village's overall debt comes from constitutionally-protected pension benefits and retiree health care costs. The village has promised \$39.3 million in pensions and \$4.8 million in other post-employment benefits. However, it hasn't set aside enough money to adequately fund these obligations.

River Forest's financial condition is not only concerning, but also misleading as government officials have failed to disclose significant amounts of retirement debt on the village's balance sheet. As a result, residents and taxpayers have been presented with an inaccurate and untruthful accounting of the village government's finances.

### Here's the truth:

**\$27.8**  
million

Money needed to  
pay bills

**-\$7,500**

Taxpayer  
Burden

**D**

Financial grade

Data included in this report is derived from the village of River Forest's 2017 audited Comprehensive Annual Financial Report and retirement plans' actuarial reports.

# RIVER FOREST FINANCIAL BREAKDOWN

## FAST FACTS

- + River Forest has \$21.5 million available in assets to pay \$49.3 million worth of bills.
- + The outcome: A \$27.8 million shortfall and a \$7,500 Taxpayer Burden.
- + Despite reporting all of its pension debt, the village continues to hide \$3.1 million of its retiree health care debt.
- + River Forest's reported net position is inflated by \$4.4 million, largely because it has delayed recognizing changes to its net pension liability.

### THE VILLAGE'S BILLS EXCEED ITS ASSETS

Assets	\$64,165,000
<i>Minus:</i> Capital assets	-\$40,461,000
Restricted assets	-\$2,222,000
Assets available to pay bills	\$21,482,000
<i>Minus:</i> Bills	-\$49,321,000
Money needed to pay bills	-\$27,839,000
<b>Each taxpayer's share of this debt</b>	<b>-\$7,500</b>

### BILLS THE VILLAGE HAS ACCUMULATED

Bonds	\$578,000
Other liabilities	\$19,295,000
<i>Minus:</i> Debt related to capital assets	-\$14,600,000
Unfunded pension benefits	\$39,258,000
Unfunded retiree health care	\$4,790,000
<b>Bills</b>	<b>\$49,321,000</b>

## GRADE: D

Bottom line: River Forest does not have enough money to pay its bills, so it has received a "D" for its finances from Truth in Accounting. A "D" grade is given to municipalities with a Taxpayer Burden between \$5,000 and \$20,000.

Truth in Accounting is committed to educating and empowering citizens with understandable, reliable, and transparent government financial information. To be knowledgeable participants in their government and its budget process, citizens need truthful and transparent financial information.