

VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2010

VILLAGE OF FOREST PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
April 30, 2010

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
Board of Commissioners
Village of Forest Park, 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 Forest Park, Illinois (the Village) as of and for the year ended April 30, 2010, which collectively along with the discretely presented component unit, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Village of Forest Park Public Library (the discretely presented component unit). The discretely presented component unit financial statements as of and for the year ended April 30, 2010 were audited by other auditors, whose reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. 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 and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated the same date as this report on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis, schedule of funding progress for pensions and other post employment benefits, schedule of employer contributions for pensions, and budgetary comparison information 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 required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data section for the year ended April 30, 2010, listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The supplemental data section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.


Crowe Horwath LLP

Oak Brook, Illinois
November 15, 2010

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

As management of the Village of Forest Park ("Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2010. The Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes in net assets and currently known facts. It should be read in conjunction with the auditor's opinion on page 1 and the Village's financial statements beginning on page 16.

Financial Highlights

Net assets in the Village's governmental funds, Statement 5, increased during the year by \$782,300. In addition, unreserved fund balance in the General Fund improved by \$364,000 over FY09. In the three major operating funds, the General Fund, Water Fund and Parking Fund, current assets (that are available to pay ongoing bills) are 1.7 times current liabilities, compared to 1.8 times last year, a decrease of 5.6 percent in working capital.

General fund revenues (excluding grants) for FY10 were 0.7% more than FY09 however revenues fell short of budget estimates by over \$1.0 million for the second year in a row. The municipal share of State taxes fell \$666,500 or -14.9% in FY10 and -6.2% in FY09. The other significant shortfalls from budget were \$198,500 in Utility/Franchise taxes, mostly due to lower natural gas costs. For the third consecutive year, the Village deferred major purchases and financed some vehicle purchases in order to balance the budget.

Water Fund revenues increased \$406,400, mostly in charges for water and Parking Fund revenues increased in all parking lots except one by \$24,900, 11.6% and 5.1% respectively.

Revenue increases in FY10 came from:

- water rates which cover increased water costs from the City of Chicago;
- ambulance fees resulting in \$66,000 in additional revenue over last year;
- ticket revenues increased \$225,000; and
- \$78,000 in licenses, fees and permits, even though rates were not increased.

Actual expenditures in the three major operating funds (excluding grants) were \$226,400 higher this year, or 1.5% compared to \$279,400 lower the previous year, or -1.6%. Some of the steps taken to curtail costs were:

- department heads were asked to curtail any discretionary spending until revenues improved;
- negotiated lower liability insurance rates with a new carrier;
- salt expense was more than half of last year's cost due to a milder winter; and
- no major roadway repairs were necessary, and budgeted Madison Street repairs were deferred once again.

The three operating funds ended the year with revenues exceeding expenditures by approximately \$203,400.

The sale of the Altenheim property to the West Cook YMCA fell through in late September. It is our understanding that the West Cook YMCA was unable to secure the funding through donations that they

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2010 (unaudited)

had anticipated. The Village, while sorry for the loss of the sale, acted quickly to secure the escrow funds of \$292,000. The value of the escrow account was recognized in fiscal 2009 though this money was received in October of 2009. The property is again being marketed by the Village and we are working with some interested groups.

The Village received \$525,000 from the failed Roos Condominium LLC that would have been located at Harrison and Circle. These funds were originally intended to be used for infrastructure improvements at the site.

During FY10, both Harvard Street and Jackson Boulevard were resurfaced and enhanced from Harlem to Desplaines. Enhancements include traffic calming curb cuts, decorative lighting and a pocket park at Harvard and Beloit. The projects were funded through \$4.5 million in Federal grants and a loan from IDOT to be repaid over 36 months from the VIP Fund. These projects have brought some needed upgrades to the North and South sides of town and the added landscaping and pedestrian friendly crosswalks have been well received.

The Village-owned 501 Desplaines building was remodeled during FY10 to provide office space for the police detective unit. This allowed the Village to "retire" the trailer behind Village Hall that had been rented for over ten years. The decision to renovate the building came after notification that the State had approved a grant in the amount of \$200,000 to improve the property. These funds have not been received however this major project was completed with funding by proceeds in the Federal Customs Fund, which is restricted for use for new Police Department equipment and initiatives. The new office space has provided a much needed expansion to our current Police facility and will allow all of our officers to work in a more modern facility.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements

The government-wide financial statements, Statements 1 and 2, are designed to provide readers with a broad overview of Village finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The Village's net assets increased \$2.367 million in FY09 and increased \$3.384 million in FY10, due mostly to capital grants and contributions, Statement 2.

The statement of activities presents information showing how the Village's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

The Governmental Activities reflect the Village's basic services, which include administration, public safety, streets and alleys, and community outreach. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities (also called Proprietary Funds) reflect private sector-type operations, where the fees for services typically cover all or most of the costs of operations, including depreciation. The component unit, which is shown only in the Government-wide financials, is the Forest Park Public Library. Though a separate legal entity, the Library is included because by statute the Village is financially accountable for it.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Village can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for eight major governmental funds, the General Fund, VIP Program Fund, Brown Street, Harlem/Harrison and Roosevelt/Hannah TIFs and the 2002 Bond Fund, Special Tax Allocation Fund, the Incremental Sales Tax Fund, nine other special revenue funds and one debt service fund, which are considered to be non-major funds. Individual fund information for these non-major governmental funds is provided in Exhibits 8 and 9.

The Village maintains one type of proprietary fund, the enterprise fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses proprietary funds to account for its water and sewer operations and parking lot operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water fund and the parking fund, both of which are considered to be major funds of the Village.

Fiduciary funds are used to account for resources held for the benefit of others, in this case, Fire and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2010 (unaudited)

because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

The notes are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Detailed non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following chart reflects the condensed Statement of Net Assets (in thousands):

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:						
Current assets	\$ 16,513.0	\$14,349.9	\$ 4,157.5	\$ 4,752.2	\$ 20,670.5	\$ 19,102.1
Deferred charges	189.2	203.4	-	-	189.2	203.4
Capital assets	<u>26,567.3</u>	<u>23,891.3</u>	<u>9,120.4</u>	<u>8,886.8</u>	<u>35,687.7</u>	<u>32,778.1</u>
Total assets	43,269.5	38,444.6	13,277.9	13,639.0	56,547.4	52,083.6
Liabilities:						
Current liabilities	6,822.1	4,883.9	529.7	525.6	7,351.8	5,409.5
Long-term liabilities	<u>14,602.0</u>	<u>15,148.5</u>	<u>4,523.0</u>	<u>4,838.8</u>	<u>19,125.0</u>	<u>19,987.2</u>
Total liabilities	21,424.1	20,032.4	5,052.7	5,364.4	26,476.8	25,396.8
Net Assets:						
Invested in capital assets, net	10,362.1	7,641.9	4,281.7	3,741.5	14,643.8	11,383.3
Restricted	5,377.3	4,968.3	-	-	5,377.3	4,968.3
Unrestricted	<u>6,106.0</u>	<u>5,802.0</u>	<u>3,943.5</u>	<u>4,533.1</u>	<u>10,049.5</u>	<u>10,335.1</u>
Total Net Assets	<u>\$ 21,845.4</u>	<u>\$18,412.2</u>	<u>\$ 8,225.2</u>	<u>\$ 8,274.6</u>	<u>\$ 30,070.6</u>	<u>\$ 26,686.8</u>

Current assets of \$20.7 million are 2.8 times current liabilities of \$7.4 million, compared to 3.5 times last year. This ratio shows that our ability to pay our current bills in a timely fashion, though good, is not as good as last year. This is due mostly to revenues exceeding current expenditures by \$842,600 in the TIF funds during FY10. The increase in TIF revenues are restricted to TIF expenditures and cannot be used for general operating expenses. The net assets (assets less liabilities) are represented by capital assets such as buildings and other structures, parking lots, and infrastructure net of any outstanding debt and funds that are restricted for debt service and construction projects. Unrestricted net assets can be

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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used to finance day-to-day operations without constraints established by legal requirements. Total government-wide unrestricted net assets decreased in FY10 after slight increases in FY09 and FY08.

The following chart reflects the condensed Statement of Activities (in thousands) compared to last year:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program Revenues:						
Charges for services	\$ 4,721.8	\$ 3,986.2	\$ 4,422.4	\$ 4,309.5	\$ 9,144.2	\$ 8,295.7
Oper. grants/contr.	529.9	718.4			529.9	718.4
Capital grants/contr.	3,463.3	638.6			3,463.3	638.6
General Revenues:						
Property taxes	6,797.0	8,667.5			6,797.0	8,667.5
Other taxes	7,122.8	7,637.6			7,122.8	7,637.6
Other revenues	<u>169.1</u>	<u>520.6</u>	<u>1.9</u>	<u>3.0</u>	<u>171.0</u>	<u>523.6</u>
Total Revenues	22,803.9	22,168.9	4,424.3	4,312.5	27,228.2	26,481.4
Expenses						
General government	7,303.3	6,315.4			7,303.3	6,315.4
Police protection	4,448.2	4,759.9			4,448.2	4,759.9
Fire protection	2,463.7	2,612.5			2,463.7	2,612.5
Health and safety	524.5	446.7			524.5	446.7
Community outreach	615.8	684.2			615.8	684.2
Public works	4,398.0	5,528.2			4,398.0	5,528.2
Water and sewer			2,874.2	2,586.1	2,874.2	2,586.1
Parking lot operations			550.0	467.0	550.0	467.0
Interest on debt	<u>517.2</u>	<u>555.7</u>	<u>149.5</u>	<u>159.1</u>	<u>666.7</u>	<u>714.8</u>
Total Expenses	20,270.7	20,902.6	3,573.7	3,212.2	23,844.4	24,114.8
Transfers In / (Out)	<u>900.0</u>	<u>800.0</u>	<u>(900.0)</u>	<u>(800.0)</u>	<u>-</u>	<u>-</u>
Change in Net Assets	<u>\$ 3,433.2</u>	<u>\$ 2,066.3</u>	<u>\$ (49.4)</u>	<u>\$ 300.3</u>	<u>\$ 3,383.8</u>	<u>\$ 2,366.6</u>

The principle sources of revenue for the Governmental Activities are fees for services, property taxes and state taxes. In FY10, 20.7 percent of revenue of \$22,803,900 comes from charges for services. Property tax revenue decreased \$1,870,500, or 21.6 percent from last year. Other taxes (mostly the municipal share of state taxes) decreased \$514,700 (6.7 percent) after decreasing \$502,800 (6.2 percent) the previous year. Net expenditures in governmental activities decreased \$881,300 or 4.4 percent mostly due to the shortfall in revenues. Expenditures in the business-type activities increased \$610,900, or 15.2 percent, due to higher costs for water from the City of Chicago.

Virtually all revenue in the Business-type Activities comes from fees for services. There was a 2.6 percent increase in collections in fiscal year 2010 from 2009; due predominantly to increased charges for water to cover higher water costs and higher maintenance and repair expenses.

Together, police and fire protection represent 29.0 percent of the total cost of operating the Village (including infrastructure improvements). Public works and the water department together account for 31.1 percent and other governmental expenses are 40.2 percent of total operating expenses.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

Basic services of the Village are reported in the General Fund, which is the primary major fund in the governmental group. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

The changes in the various governmental funds balances are shown (in thousands) on the next page.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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	<u>Major Funds</u>				<u>Non-major Funds</u>				As of 4/30/09 Total Governmental Funds
	General Fund	VIP Fund	Brown Street Station TIF	Other TIF Funds	2002 Bond Fund*	Special Revenue Funds	Debt Service Funds	Total Governmental Funds	
Revenues	\$ 15,107.2	\$ 3,638.0	\$ 718.5	\$ 572.4	\$ 1,116.6	\$ 1,673.1	\$ -	\$ 22,825.8	\$ 22,283.1
Expenditures	16,912.1	4,870.7	145.4	568.8	538.1	1,402.4	-	24,437.5	21,502.1
Excess (deficiency) of revenues over expenditures	(1,804.9)	(1,232.7)	573.1	3.6	578.5	270.7	-	(1,611.7)	781.0
Transfer in (out)	1,592.6				(312.6)	(380.0)	-	900.0	800.0
Loan Proceeds	141.5	1,352.5						1,494.0	995.0
Net change in Fund Balances	(70.8)	119.8	573.1	3.6	265.9	(109.3)	-	782.3	1,776.0
FB at beginning of year	300.8	1,968.6	2,926.4	1,724.0	3,014.4	553.7	79.2	10,567.1	8,791.1
FB at end of year	<u>\$ 230.0</u>	<u>\$ 2,088.4</u>	<u>\$ 3,499.5</u>	<u>\$ 1,727.6</u>	<u>\$ 3,280.3</u>	<u>\$ 444.4</u>	<u>\$ 79.2</u>	<u>\$ 11,349.4</u>	<u>\$ 10,567.1</u>

*2002 Bond Fund combines with the Special Tax Allocation and Incremental Sales Tax Funds.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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Proprietary Funds

Proprietary funds are business-type activities where customers pay for the services provided. The major proprietary funds are the Water Fund and the Parking Fund.

The changes in the net assets of the various proprietary funds are shown below (in thousands):

	2010			2009
	Water Fund	Parking Fund	Total Proprietary Funds	Total Proprietary Funds
Total revenues	\$ 3,909.4	\$ 514.9	\$ 4,424.3	\$ 4,312.5
Total expenses	3,014.9	558.7	3,573.6	3,212.1
Net Change in Net Assets	894.5	(43.8)	850.7	1,100.4
Transfers in (out)	(800.0)	(100.0)	(900.0)	(800.0)
Net change in Fund Balances	94.5	(143.8)	(49.3)	300.4
Net Assets at beginning of year	<u>3,653.6</u>	<u>4,620.9</u>	<u>8,274.5</u>	<u>7,974.1</u>
Net Assets at end of year	<u>\$ 3,748.1</u>	<u>\$ 4,477.1</u>	<u>\$ 8,225.2</u>	<u>\$ 8,274.5</u>

Transfers from the Water Fund and Parking Fund to the General Fund each year of \$800,000 and \$100,000 respectively cover the approximate cost to the Village of unallocated expenses, such as liability insurance, pension, Social Security taxes and other employment costs, and intangible property rights.

Revenues in the Water and Parking Funds combined increased \$111,900, or 2.6 percent. Water rates were increased during FY10 to cover increased costs of water obtained from the City of Chicago. Expenditures, including transfers out, increased \$416,500, or 11.5 percent. Net assets of the proprietary funds decreased 0.6 percent from FY09.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

GENERAL FUND BUDGETARY HIGHLIGHTS

The following chart reflects the condensed Budgetary Comparison Schedule (in thousands):

	2010			2009		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Taxes	\$11,157.7	\$ 9,891.4	\$(1,266.3)	\$10,994.5	\$10,146.5	\$ (848.0)
Licenses and permits	968.9	983.8	14.9	847.6	707.9	(139.7)
Fees for services	2,310.8	2,268.3	(42.5)	2,270.6	2,100.4	(170.2)
Grant revenue	345.9	163.9	(182.0)	632.3	333.2	(299.1)
Fines	2,220.0	1,671.2	(548.8)	1,320.5	1,316.5	(4.0)
Other	<u>179.1</u>	<u>128.6</u>	<u>(50.5)</u>	<u>335.9</u>	<u>455.7</u>	<u>119.8</u>
Total Revenues	17,182.4	15,107.2	(2,075.2)	16,401.4	15,060.2	(1,341.2)
Expenditures:						
General Public Affairs	929.1	802.2	126.9	1,000.8	912.3	88.5
Police Department	4,212.2	3,950.6	261.6	4,116.2	3,847.2	269.0
Community services	660.5	615.7	44.8	712.1	684.2	27.9
Accounts and finance	5,386.8	4,937.2	449.6	4,712.0	4,688.3	23.7
Grants	432.1	311.0	121.1	691.4	581.3	110.1
Fire Department	2,865.5	2,690.8	174.7	2,883.3	2,697.2	186.1
Public property	1,707.4	1,563.3	144.1	1,860.0	1,763.5	96.5
Streets and pub. improv.	1,479.1	1,532.0	(52.9)	1,619.9	1,711.9	(92.0)
Health and safety	<u>472.8</u>	<u>509.3</u>	<u>(36.5)</u>	<u>497.9</u>	<u>439.0</u>	<u>58.9</u>
Total Expenditures	18,145.5	16,912.1	1,233.4	18,093.6	17,324.9	768.7
Excess (deficiency) of						
revenues over expend.:	(963.1)	(1,804.9)		(1,692.2)	(2,264.7)	
Operating Transfers In	1,600.0	1,592.6		1,400.0	1,640.8	
Loan Proceeds	<u>-</u>	<u>141.5</u>		<u>195.0</u>	<u>195.0</u>	
Net Change to Fund						
Balance	\$636.9	\$(70.8)		\$(97.2)	\$(428.9)	

Overall, revenues were \$47,000 higher, or 0.3 percent than last year and \$2,057,200 less or 12.0 percent lower than budgeted. More than half of the variation is in lower than expected tax revenues through the County and State. Excluding grants, general fund revenues were \$1.9 million (11.2%) lower than expected. Tax revenue decreased in fiscal year 2010 over 2009 by \$255.1 thousand or 2.5 percent lower than last year.

Expenditures (excluding grants) overall were \$1,233,400, or 7.1 percent, lower than last year. Because of the shortfall in revenues, for the third consecutive year all departments curtailed expenditures in order to spend less than the amounts appropriated.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

CAPITAL ASSET AND DEBT ADMINISTRATION

Governmental Activities
Change in Capital Assets
(in thousands)

	Balance as of April 30, 2009	Net Additions/ (Deletions)	Balance as of April 30, 2010
Non-Depreciable Assets			
Land	\$ 4,516.1	\$ 65.0	\$ 4,581.1
Other Capital Assets			
Infrastructure	33,080.1	3,073.0	36,153.1
Buildings and improvements	2,722.0	85.1	2,807.1
Vehicles/Furniture/Fixtures	4,187.3	130.2	4,317.5
Accum. Depreciation	<u>(20,614.2)</u>	<u>(677.3)</u>	<u>(21,291.5)</u>
Net Capital Assets	\$ 23,891.3	\$ 2,676.0	\$26,567.3

The net increase in depreciable infrastructure assets results from the streets and alleys reconstruction with Federal grants for Jackson and Harvard and under the CDBG grant program. Replacement equipment purchased this year includes five squad cars for the police department, a gas generator for the fire department and a Pelican Sweeper for Public Works. Some of the financing means for the equipment were insurance proceeds for totaled vehicles, restricted Police Department funds, federal grants and loan proceeds.

Business-Type Activities
Change in Capital Assets
(in thousands)

	Balance as of April 30, 2009	Net Additions/ (Deletions)	Balance as of April 30, 2010
Non-Depreciable Assets			
Land	\$ 698.3	\$ -	\$ 698.3
Other Capital Assets			
Infrastructure	8,929.4	516.3	9,445.7
Buildings and improvements	2,034.9	-	2,034.9
Vehicles, Equipment	301.5	13.3	314.8
Accum. Depreciation	<u>(3,077.3)</u>	<u>(295.9)</u>	<u>(3,373.2)</u>
Net Capital Assets	\$ 8,886.8	\$ 233.7	\$ 9,120.5

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)**

Debt Administration

At April 30, 2010, the Village had outstanding debt as follow:

		<u>Principal & Interest due Within one year</u>
Governmental Activities		
General Obligation TIF Refunding Bonds, 2002	\$ 3,105,000	\$ 530,670
General Obligation TIF Refunding Bonds, 2003A	510,000	183,033
General Obligation Alternative Revenue Bond, 2005	8,240,000	715,925
Premium on Bonds	<u>115,338</u>	<u>-0-</u>
Total Bonds	\$11,970,338	1,429,628
General Obligation Debt Certificate	2,704,291	301,668
IDOT Loan Payable	1,018,661	552,732
Bank Loans Payable	511,996	164,769
Net Pension Obligations	58,292	-0-
Other Post Employment Benefits	<u>75,770</u>	<u>-0-</u>
Total Governmental Long-term Debt	\$16,339,348	\$ 2,448,797
Business-type Activities		
General Obligation Debt Certificates	\$ 705,214	\$ 80,190
Loan Payable (IEPA)	<u>4,133,538</u>	<u>379,414</u>
Total Business-type Long-term Debt	\$ 4,838,752	\$ 459,604

The governmental general obligation bond payments of \$1,429,628 are due from the Debt Service funds, financed through TIF property tax deposits and the VIP Fund, through one-half percent sales tax. Interest rates on the bonds range from 1.40 to 7.50 percent. The General Obligation Debt Certificate ranges in interest rates from 4.15 to 7.50 percent. The General Fund, Water Fund and Parking Fund share the principle and interest payments for the general obligation debt certificate.

The actuarial value of net pension obligations and other post employment benefits are required under the Governmental Accounting Standards Board (GASB) to be reported, but not to be funded. These amounts will vary as actuarial experience in the various retirement funds fluctuates from year to year.

Under Illinois law, the Village's outstanding debt is limited to 8.625 percent of the assessed valuations in our jurisdiction. The Village's debt limit under this law is \$37.3 million compared to legal debt outstanding at April 30, 2010, of \$11.855 million (excludes premium on bonds).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues in the FY11 budget are expected to increase a modest 1.3% due to increases in water rates and parking revenues in the village-owned lots. In the water fund, fees for water will be increased an average of 5% on 1/1/11 in anticipation of increases in cost of City of Chicago water. In the parking

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS**

April 30, 2010 (unaudited)

fund, no fee increases are anticipated for metered parking in FY11 however we do expect more users and a 2.6% increase in revenues.

State-shared revenues have decreased the last three fiscal years from \$4.5 million in FY07 to \$3.8 million in FY10, or -15.0%. When the FY11 Budget was prepared, an increase in State-shared revenues over FY10 was projected of 4.6%. In the first four months of FY11, the downward trend is continuing and it is difficult to predict when the economy will improve so that revenues rebound to previous levels. For Utility taxes, from FY07 to FY10, the increase was 1.0%, and we increased our estimate for FY11 over FY10 slightly by 0.6%. During that same timeframe, the Consumer Price Index (CPI-U) for the greater Chicago metropolitan area decreased -0.7%. We have recently observed a reduction in sales at one of the major retail businesses along Roosevelt Road, and the Village will also receive less in sales tax from that corridor due to the loss of an automobile dealership.

The three revenue sources summarized below account for 60% of the General Fund budget in FY11:

	Actual	Audited	3-Year		Budget	% Incr
	FY07	FY10	Change	%	FY11	over
				Incr.		FY10
<u>Select Revenues</u>						
R.E. Tax Receipts	3,636,884	4,263,241	626,357	17.2%	4,349,835	2.0%
State Taxes	4,473,526	3,803,570	(669,956)	-15.0%	3,978,784	4.6%
Util/Fran	<u>1,660,025</u>	<u>1,676,901</u>	<u>16,876</u>	1.0%	<u>1,686,854</u>	0.6%
Total Select Rev.	9,770,435	9,743,712	(26,723)	-0.3%	10,015,473	2.8%

The only new revenue source for FY11 is an extra \$500 administrative fee for towing costs associated with certain crimes. It is used to replace police vehicles as necessary. It is estimated that annual revenue for this new fee may generate up to \$80,000.

Hopefully the economy will start to turn around soon and we will be able to achieve, or exceed, our revenue goals.

Because of the financial problems of the State of Illinois, the State is approximately four months in arrears with payment of municipal share of state income taxes. Currently, that amounts to about \$384,000 for the Village. All revenue for FY10 is recognized in the financial statements however, the shortage in cash flow makes a significant difference in our daily operations.

Expenditures in the FY11 budget in the major operating funds (excluding grants) are projected to be equal to the FY10 results. The approved budget was pared back from department requests which included some deferred capital expenditures from FY10 because of lower than expected revenues. Department requests totaled \$788,000 more than was approved. Revenues are monitored closely and if the economy improves significantly, some of the denied requests may be approved for expenditure.

From FY07 to FY10, expenditures in the general fund increased 5.4% and 27.5% in the water and parking funds combined. The overall increase in expenditures for the three major funds was 8.6%, or an average of 2.9% per year. During the same period, wages and employee benefits increased 9.6%, a

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2010 (unaudited)

3.2% average per year. Wages increased 9.2% over the three years, approximately 3.1% per year. The largest increases in benefits were in health insurance and pension contributions, 12.4% and 12.9% respectively. The FY11 budget includes a decrease in wages of -5.6% and an increase of benefits of 5.2%, for a net decrease of wages and benefits of -2.5%. The decrease in wages results from not replacing a long time highly paid employee and a police lieutenant through retirements, and the decision not to hire a replacement for the Director of Public Health and Safety.

	Actual FY07	Pre-Audit FY10	3-Year Change	% Incr.	Budget FY11	% Incr over FY10
<u>Summary of Expenditures (excl. Grants)</u>						
General Fund	15,660,982	16,511,284	850,302	5.4%	16,850,006	2.1%
Water Fund	2,216,967	2,769,821	552,854	24.9%	3,026,626	9.3%
Parking Fund	<u>392,768</u>	<u>556,421</u>	<u>163,653</u>	41.7%	<u>623,426</u>	12.0%
TOTAL	18,270,717	19,837,526	1,566,809	8.6%	20,500,058	3.3%
Wages Paid	7,756,133	8,471,833	715,700	9.2%	7,995,749	-5.6%
Health/Life Ins.	1,169,924	1,314,558	144,634	12.4%	1,385,448	5.4%
Pension Plans	1,248,303	1,409,501	161,198	12.9%	1,475,362	4.7%
Other Benefits	<u>756,559</u>	<u>780,679</u>	<u>24,120</u>	3.2%	<u>825,000</u>	5.7%
Total Payroll Costs	10,930,919	11,976,571	1,045,652	9.6%	11,681,559	-2.5%

The Village contributions to the Police and Fire Pension Trusts increased \$124,500, or 12.2% between FY07 and FY10. The actuarial required contributions for 2009 increased 31.9% over 2008 mostly due to investment losses, some of which have already been recovered from increased market values of assets. The Village budget for FY11 keeps the funding level at last year's amounts, however, should revenues exceed expectations, the Village will make additional contributions if possible. The current funded ratios for the Police and Fire Trusts are 67.0% and 60.2% respectively. Any shortages in the funds will increase the Village's required actuarial contributions in future years.

In the midst of economic uncertainty, the Village is reluctant to increase fees paid by residents who are also struggling. We are aggressively seeking to lower costs and have already renegotiated several contracts to lower expenses for the future.

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. Questions concerning this report or requests for additional financial information should be directed to the Village Clerk, Village of Forest Park, 517 Desplaines Avenue, Forest Park, Illinois, 60130.

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VILLAGE OF FOREST PARK, ILLINOIS
Statement of Net Assets
April 30, 2010

STATEMENT 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 11,582,647	\$ 3,634,954	\$ 15,217,601	\$ 1,622,089
Receivables:				
Property tax receivable	2,353,393	-	2,353,393	883,922
Due from other governments	1,842,004	-	1,842,004	16,019
Interest receivable	738	-	738	-
Accounts receivable	520,413	533,619	1,054,032	-
Prepaid Items	120,033	22,924	142,957	7,570
Internal balances	33,977	(33,977)	-	-
Net pension surplus	59,778	-	59,778	-
Total current assets	<u>16,512,983</u>	<u>4,157,520</u>	<u>20,670,503</u>	<u>2,529,600</u>
Noncurrent assets:				
Deferred charges	189,168	-	189,168	-
Capital assets not being depreciated	4,581,150	698,257	5,279,407	134
Capital assets being depreciated, net	21,986,192	8,422,195	30,408,387	1,133,956
Total noncurrent assets	<u>26,756,510</u>	<u>9,120,452</u>	<u>35,876,962</u>	<u>1,134,090</u>
Total assets	<u>\$ 43,269,493</u>	<u>\$ 13,277,972</u>	<u>\$ 56,547,465</u>	<u>\$ 3,663,690</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable	\$ 1,421,735	\$ 177,566	\$ 1,599,301	\$ 30,174
Accrued payroll	39,645	-	39,645	16,647
Other liabilities	87,789	14,985	102,774	-
Deferred revenue	3,179,862	-	3,179,862	883,922
Interest payable	295,952	21,444	317,396	-
Long-term obligations, due within one year:				
Bonds payable	925,000	-	925,000	-
Installment contracts payable	552,732	-	552,732	-
Debt certificates payable	174,661	45,339	220,000	-
Loans payable	144,772	270,386	415,158	-
Total current liabilities	<u>6,822,148</u>	<u>529,720</u>	<u>7,351,868</u>	<u>930,743</u>
Noncurrent liabilities:				
Long-term obligations, due in more than one year:				
Bonds payable	11,045,338	-	11,045,338	-
Installment contracts payable	465,929	-	465,929	-
Debt certificates payable	2,529,630	659,875	3,189,505	-
Loans payable	367,224	3,863,152	4,230,376	-
Net pension obligation	105,626	-	105,626	-
IMRF net pension obligation	12,444	-	12,444	-
Other post employment benefit obligation	75,770	-	75,770	-
Total noncurrent liabilities	<u>14,601,961</u>	<u>4,523,027</u>	<u>19,036,774</u>	<u>-</u>
Total liabilities	<u>21,424,109</u>	<u>5,052,747</u>	<u>26,476,856</u>	<u>930,743</u>
Net assets				
Invested in capital assets, net of related debt	10,362,056	4,281,700	14,643,756	1,134,090
Restricted for:				
Debt service	3,063,545	-	3,063,545	-
Capital projects	2,313,765	-	2,313,765	-
Other purposes	-	-	-	152,256
Unrestricted	<u>6,106,018</u>	<u>3,943,525</u>	<u>10,049,543</u>	<u>1,446,601</u>
Total net assets	<u>21,845,384</u>	<u>8,225,225</u>	<u>30,070,609</u>	<u>2,732,947</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 43,269,493</u>	<u>\$ 13,277,972</u>	<u>\$ 56,547,465</u>	<u>\$ 3,663,690</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
Statement of Activities
Year ended April 30, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit	
	Expenses	Fees, Fines & Charges for Services	Operating grants and contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities		Total
Primary government:								
Governmental activities:								
General government	\$ 7,303,325	\$ 2,939,891	\$ -	\$ -	\$ (4,363,434)	\$ -	\$ (4,363,434)	
Police protection	4,448,225	525,683	64,836	-	(3,857,706)	-	(3,857,706)	
Fire protection	2,463,737	20,760	7,299	679,866	(1,755,812)	-	(1,755,812)	
Health and safety	524,540	-	-	-	(524,540)	-	(524,540)	
Community outreach	615,785	448,871	-	-	(166,914)	-	(166,914)	
Public works	4,397,988	786,550	457,748	2,783,462	(370,228)	-	(370,228)	
Interest on debt	517,152	-	-	-	(517,152)	-	(517,152)	
Total governmental activities	20,270,752	4,721,755	529,883	3,463,328	(11,555,786)		(11,555,786)	
Business-type activities:								
Water operations	2,966,937	3,907,550	-	-	-	\$ 940,613	940,613	
Sewer operations	48,012	-	-	-	-	(48,012)	(48,012)	
Parking lot operations	558,752	514,901	-	-	-	(43,851)	(43,851)	
Business-type activities:	3,573,701	4,422,451	-	-	-	848,750	848,750	
Total primary government	\$ 23,844,453	\$ 9,144,206	\$ 529,883	\$ 3,463,328	(11,555,786)	848,750	(10,707,036)	
Component unit							\$ (1,210,330)	
Public library	\$ 1,264,596	\$ 38,247	\$ 16,019	\$ -				
General revenues:								
Taxes:								
Property taxes					6,796,977	-	6,796,977	
Replacement tax					166,161	-	166,161	
Income tax					1,209,965	-	1,209,965	
Sales tax					3,789,849	-	3,789,849	
Other taxes					1,956,844	-	1,956,844	
Investment earnings					47,095	1,900	48,995	
Other general revenues					122,064	-	122,064	
Transfers					900,000	(900,000)	-	
Total general revenues and transfers					14,988,955	(898,100)	14,090,855	
Change in net assets					3,433,169	(49,350)	3,383,819	
Net assets, beginning of year					18,412,215	8,274,575	26,686,790	
Net assets, end of year					\$ 21,845,384	\$ 8,225,225	\$ 30,070,609	

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2010

	Major Funds										Total Governmental Funds
	General Fund	VIP Program Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Fund	Nonmajor Governmental Funds		
ASSETS											
Cash and cash equivalents	\$ -	\$ 1,219,566	\$ 3,534,664	\$ 55,833	\$ 2,814,954	\$ 2,605,418	\$ 421,943	\$ 148,661	\$ 781,608	\$ 11,582,647	
Receivables:											
Property tax receivable	2,108,574	-	-	-	-	-	-	-	244,819	2,353,393	
Due from other governments	1,514,360	260,690	-	-	-	-	-	-	66,954	1,842,004	
Accounts receivable	516,080	-	-	-	-	-	-	-	4,333	520,413	
Interest receivable	738	-	-	-	-	-	-	-	-	738	
Interfund receivable	656,724	685,441	-	-	804	53,678	-	88,675	224,154	1,709,476	
Prepaid items	120,033	-	-	-	-	-	-	-	-	120,033	
Total assets	\$ 4,916,509	\$ 2,165,697	\$ 3,534,664	\$ 55,833	\$ 2,815,758	\$ 2,659,096	\$ 421,943	\$ 237,336	\$ 1,321,868	\$ 18,128,704	
LIABILITIES AND FUND BALANCE											
Liabilities											
Accounts payable	\$ 343,287	\$ 1,183	\$ 35,160	\$ -	\$ 1,040,710	\$ 1,395	\$ -	\$ -	\$ -	\$ 1,421,735	
Accrued payroll	39,645	-	-	-	-	-	-	-	-	39,645	
Other liabilities	87,789	-	-	-	-	-	-	-	-	87,789	
Deferred revenue	3,233,674	76,149	-	-	-	-	-	-	244,818	3,554,641	
Interfund payable	982,081	-	-	99,672	3,615	804	35,890	-	553,437	1,675,499	
Total liabilities	4,686,476	77,332	35,160	99,672	1,044,325	2,199	35,890	-	798,255	6,779,309	
Fund balance											
Reserved for:											
Prepaid items	120,033	-	-	-	-	-	-	-	-	120,033	
Separate tax levies	854,693	-	-	-	-	-	-	-	-	854,693	
Debt service	-	-	-	-	-	2,656,897	386,053	237,336	79,211	3,359,497	
Capital projects	-	2,088,365	-	-	-	-	-	-	-	2,088,365	
Unreserved, reported in:											
General fund	(744,693)	-	-	-	-	-	-	-	-	(744,693)	
Special revenue funds	-	-	3,499,504	(43,839)	1,771,433	-	-	-	444,402	5,671,500	
Total fund balance	230,033	2,088,365	3,499,504	(43,839)	1,771,433	2,656,897	386,053	237,336	523,613	11,349,395	
TOTAL LIABILITIES AND FUND BALANCE	\$ 4,916,509	\$ 2,165,697	\$ 3,534,664	\$ 55,833	\$ 2,815,758	\$ 2,659,096	\$ 421,943	\$ 237,336	\$ 1,321,868	\$ 18,128,704	

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS

April 30, 2010

Total fund balances - governmental funds		\$ 11,349,395
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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 funds:

Capital assets	47,858,863	
Accumulated depreciation	<u>(21,291,521)</u>	
Net capital assets		26,567,342

Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:

Sales taxes receivable	225,426	
Other taxes receivable	149,353	
Net pension surplus	<u>59,778</u>	
Total long-term assets		434,557

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets.

189,168

Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.

(295,952)

Some liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

Bonds payable	(11,970,338)	
Installment contracts payable	(1,018,661)	
Debt certificates payable	(2,704,291)	
Loans payable	(511,996)	
Net pension obligation	(105,626)	
IMRF net pension obligation	(12,444)	
Other post employment benefit obligation	<u>(75,770)</u>	
Total long-term liabilities		<u>(16,399,126)</u>

Net assets of governmental activities		\$ <u>21,845,384</u>
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VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2010

	Major Funds										Total Governmental Funds	
	General Fund	VIP Program Fund	Brown Street Station TIF Fund	Harrison TIF Fund	Roosvelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Fund	Nonmajor Governmental Funds			
Revenues												
Property tax revenue	\$ 4,263,241	\$ -	\$ 682,985	\$ 27,061	\$ 539,170	\$ -	\$ 775,028	\$ -	\$ 509,492	\$ -	\$ 6,796,977	
Personal property replace tax	147,711	-	-	-	-	-	-	-	18,450	-	166,161	
Sales tax	2,366,677	916,057	-	-	-	-	-	341,115	-	-	3,623,849	
Intergovernmental revenues	209,790	-	-	-	-	-	-	-	616,371	-	826,161	
Auto rental tax	17,138	-	-	-	-	-	-	-	-	-	17,138	
Income tax	1,209,965	-	-	-	-	-	-	-	-	-	1,209,965	
Utility taxes	1,676,901	-	-	-	-	-	-	-	-	-	1,676,901	
Licenses and permits	983,822	-	-	-	-	-	-	-	-	-	983,822	
Fees for services	2,268,294	-	-	-	-	-	-	-	-	-	2,268,294	
Grant revenue	163,877	2,719,620	-	-	-	-	-	-	-	-	2,883,497	
Fines	1,671,204	2,335	35,573	192	5,992	345	31	35	517,403	1,760	2,188,607	
Interest on investments	1,083	-	-	-	-	-	-	-	-	-	1,083	
Other revenue	127,480	-	-	-	-	-	-	-	9,628	-	137,108	
Total revenues	15,107,183	3,638,012	718,558	27,253	545,162	345	775,059	341,150	1,673,104	-	22,825,826	
Expenditures												
Current:												
Office of the mayor	5,368,582	-	-	-	-	-	-	-	359,668	-	5,728,250	
Office of accounts and finance	7,938,962	-	-	-	-	6,659	-	-	601,339	-	8,546,960	
Office of public property	1,563,268	-	-	-	-	-	-	-	441,427	-	2,004,695	
Office of streets and public improvement	1,532,008	4,159,736	145,430	835	389,892	-	-	-	-	-	6,227,901	
Office of health and safety	509,332	-	-	-	-	-	-	-	-	-	509,332	
Debt service:												
Principal retired	-	355,000	-	-	155,000	370,000	-	-	-	-	880,000	
Interest and charges	-	356,013	-	-	23,070	161,395	-	-	-	-	540,478	
Total expenditures	16,912,152	4,870,749	145,430	835	567,962	538,054	-	-	1,402,434	-	24,437,616	
Excess (deficiency) of revenues over expenditures	(1,804,969)	(1,232,737)	573,128	26,418	(22,800)	(537,709)	775,059	341,150	270,670	-	(1,611,790)	
Other financing sources (uses)												
Transfers in	1,592,642	-	-	-	-	767,275	-	-	-	-	2,359,917	
Transfers out	-	-	-	-	-	-	(767,275)	(312,642)	(380,000)	-	(1,459,917)	
Loan proceeds	141,526	1,352,548	-	-	-	-	-	-	-	-	1,494,074	
Total other financing sources (uses)	1,734,168	1,352,548	-	-	-	767,275	(767,275)	(312,642)	(380,000)	-	2,394,074	
Net change in fund balances	(70,801)	119,811	573,128	26,418	(22,800)	229,566	7,784	28,508	(109,330)	-	782,284	
Fund balances at beginning of year	300,834	1,968,554	2,926,376	(70,257)	1,794,233	2,427,331	378,269	208,828	632,943	-	10,567,111	
Fund balances at end of year	\$ 230,033	\$ 2,088,365	\$ 3,499,504	\$ (43,839)	\$ 1,771,433	\$ 2,656,897	\$ 386,053	\$ 237,336	\$ 523,613	\$ -	\$ 11,349,395	

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 Year Ended April 30, 2010

Net change in total fund balances \$ 782,284

Amounts reported for governmental activities in the Statement of Activities are different because:

Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.

The change from fiscal year 2009 to 2010 consists of:

Sales taxes received from the state of Illinois	(89,938)	
Other taxes received	<u>68,033</u>	
Total change in deferred revenues		(21,905)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

Decrease in net pension liability	(3,462)	
Increase in other postemployment benefit liability	(53,065)	
Decrease in accrued interest on debt	23,326	
Amortization of deferred bond issuance costs	(14,198)	
Amortization of bond premium	<u>4,881</u>	
Total expenses of non-current resources		(42,518)

Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

Capital expenditures, net of disposals	3,353,369	
Depreciation, net of disposals	<u>(677,331)</u>	
Capital expenditures in excess of depreciation		2,676,038

In governmental funds, long-term debt is considered an other financing source, but in the statement of net assets, debt is reported as a liability. In the current period, proceeds were received from:

A loan for the Illinois Department of Transportation	(1,352,548)	
Two installment contracts to purchase equipment	<u>(141,526)</u>	
Total proceeds of long-term debt		(1,494,074)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets.

General obligation bonds	880,000	
Debt certificates payable	166,722	
IDOT loan payable	333,887	
Loans payable	<u>152,735</u>	
Total retirement of debt		<u>1,533,344</u>

Change in net assets of governmental activities \$ 3,433,169

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
April 30, 2010

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 585,880	\$ 3,049,074	\$ 3,634,954
Receivables:			
Accounts receivable	533,619	-	533,619
Interfund receivable	-	651,464	651,464
Prepays	12,882	10,042	22,924
Total current assets	<u>1,119,499</u>	<u>3,710,580</u>	<u>4,168,573</u>
Noncurrent assets:			
Capital assets not being depreciated	-	698,257	698,257
Capital assets being depreciated, net	8,181,196	240,999	8,422,195
Total noncurrent assets	<u>8,181,196</u>	<u>939,256</u>	<u>9,120,452</u>
Total assets	<u>\$ 9,313,577</u>	<u>\$ 4,649,836</u>	<u>\$ 13,963,413</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities:			
Accounts payable	\$ 170,185	\$ 7,381	\$ 177,566
Other liabilities	14,985	-	14,985
Debt certificates	35,019	10,320	45,339
Loans payable	270,386	-	270,386
Interfund payable	685,441	-	685,441
Interest payable	21,444	-	21,444
Total current liabilities	<u>1,197,460</u>	<u>17,701</u>	<u>1,215,161</u>
Noncurrent liabilities:			
Debt certificates	504,827	155,048	659,875
Loans payable	3,863,152	-	3,863,152
Total noncurrent liabilities	<u>4,367,979</u>	<u>155,048</u>	<u>4,523,027</u>
Total liabilities	<u>5,565,439</u>	<u>172,749</u>	<u>5,738,188</u>
Net assets			
Invested in capital assets, net of related debt	3,507,812	773,888	4,281,700
Unrestricted	240,326	3,703,199	3,943,525
Total net assets	<u>3,748,138</u>	<u>4,477,087</u>	<u>8,225,225</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,313,577</u>	<u>\$ 4,649,836</u>	<u>\$ 13,963,413</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 Year Ended April 30, 2010

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
Operating revenues			
Charges for services	\$ 3,907,550	\$ 514,898	\$ 4,422,448
Total operating revenues	<u>3,907,550</u>	<u>514,898</u>	<u>4,422,448</u>
Operating expenses			
Operations	2,457,940	501,158	2,959,098
Depreciation	<u>250,208</u>	<u>48,874</u>	<u>299,082</u>
Total operating expenses	<u>2,708,148</u>	<u>550,032</u>	<u>3,258,180</u>
Operating income (loss)	<u>1,199,402</u>	<u>(35,134)</u>	<u>1,164,268</u>
Nonoperating revenues and (expenses)			
Interest revenue	1,900	3	1,903
Interest expense	(140,776)	(8,720)	(149,496)
Loss on disposal of capital assets	<u>(166,025)</u>	<u>-</u>	<u>(166,025)</u>
Total nonoperating revenues and (expenses)	<u>(304,901)</u>	<u>(8,717)</u>	<u>(313,618)</u>
Income (loss) before transfers	<u>894,501</u>	<u>(43,851)</u>	<u>850,650</u>
Transfers			
Transfers out	<u>(800,000)</u>	<u>(100,000)</u>	<u>(900,000)</u>
Total transfers	<u>(800,000)</u>	<u>(100,000)</u>	<u>(900,000)</u>
Change in net assets	<u>94,501</u>	<u>(143,851)</u>	<u>(49,350)</u>
Net assets at beginning of year	<u>3,653,637</u>	<u>4,620,938</u>	<u>8,274,575</u>
Net assets at end of year	<u>\$ 3,748,138</u>	<u>\$ 4,477,087</u>	<u>\$ 8,225,225</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2010

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 3,845,338	\$ 514,898	\$ 4,360,236
Cash payments for goods and services	(2,230,704)	(106,430)	(2,337,134)
Cash payments to employees for services	(235,607)	(393,179)	(628,786)
Net cash provided by operating activities:	<u>1,379,027</u>	<u>15,289</u>	<u>1,394,316</u>
Cash flows from noncapital financing activities:			
Transfers out	(800,000)	(100,000)	(900,000)
Interfund lending	685,441	(651,464)	33,977
Net cash used for noncapital financing activities:	<u>(114,559)</u>	<u>(751,464)</u>	<u>(866,023)</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(685,441)	(13,321)	(698,762)
Principal paid on debt	(296,724)	(9,850)	(306,574)
Interest paid on debt	(143,856)	(8,720)	(152,576)
Net cash used for capital and related financing activities:	<u>(1,126,021)</u>	<u>(31,891)</u>	<u>(1,157,912)</u>
Cash flows from investing activities:			
Interest received	1,900	3	1,903
Net cash provided by investing activities:	<u>1,900</u>	<u>3</u>	<u>1,903</u>
Net increase (decrease) in cash	140,347	(768,063)	(627,716)
Cash and cash equivalents, beginning of year	445,533	3,817,137	4,262,670
Cash and cash equivalents, end of year	<u>\$ 585,880</u>	<u>\$ 3,049,074</u>	<u>\$ 3,634,954</u>
Reconciliation of operating income to			
Net cash provided by operating activities:			
Operating income (loss)	\$ 1,199,402	\$ (35,134)	\$ 1,164,268
Adjustments to reconcile operating income			
to net cash provided by operating activities:			
Depreciation	250,208	48,874	299,082
Decrease (increase) in accounts receivable	(62,212)	-	(62,212)
Decrease (increase) in prepaids	986	(5,832)	(4,846)
Increase (decrease) in accounts payable	(9,357)	7,381	(1,976)
Total adjustments	<u>179,625</u>	<u>50,423</u>	<u>230,048</u>
Net cash provided by operating activities:	<u>\$ 1,379,027</u>	<u>\$ 15,289</u>	<u>\$ 1,394,316</u>

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
April 30, 2010

	<u>Pension Trust Funds</u>
ASSETS	
Cash and cash equivalents	\$ 1,314,557
Investments	
Government securities	17,527,565
Mutual Funds	4,909,779
Insurance contracts	<u>8,763,687</u>
Total investments	31,201,031
Receivables:	
Interest receivable	63,136
Prepaid items	<u>3,816</u>
Total assets	<u>32,582,540</u>
LIABILITIES	
Accounts payable	<u>7,419</u>
Total liabilities	<u>7,419</u>
NET ASSETS	
Plan net assets held in trust for employees' pension benefits	<u>\$ 32,575,121</u>

See accompanying notes the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY
 NET ASSETS
 PENSION TRUST FUNDS
 Year ended April 30, 2010

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 1,142,675
Plan members	455,007
Total contributions	<u>1,597,682</u>
Net investment income	<u>3,286,688</u>
Miscellaneous revenue	<u>50</u>
Total additions	<u>4,884,420</u>
DEDUCTIONS	
Benefits and refunds	2,681,636
Administrative expenses	<u>64,730</u>
Total deductions	<u>2,746,366</u>
Increase in plan net assets	2,138,054
Plan net assets at beginning of year	<u>30,437,067</u>
Plan net assets at end of year	<u>\$ 32,575,121</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Forest Park (Village) was incorporated in 1856 under the provisions of the Illinois Revised Statutes, as amended. The Village operates under a Mayor-Commissioner form of government. Education and social services are provided by separate governing bodies that are beyond the direct or indirect control of the Village's government. The accounting policies of the Village of Forest Park conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies.

Financial Reporting Entity: The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations are Component Units - An Amendment to Statement No. 14*, under which these basic financial statements include all organizations, activities, functions and component units for which the Village is financially accountable, or that are fiscally dependent upon the Village or that would cause these financial statements to be misleading to exclude. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden with the Village.

In conformity with GAAP, the Village's Police and Firefighters' Pension Funds have been included as component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. Thus, their financial information has been blended within the Village's basic financial statements as fiduciary funds.

The Forest Park Public Library is included in the reporting entity because of its operational and financial relationship with the Village of Forest Park. The Forest Park Public Library meets the criteria for discrete presentation and is shown in the component unit column in the Village-wide financial statements. The Forest Park Public Library is reported in a separate column to emphasize that it is legally separate from the Village of Forest Park. The Forest Park Public Library has issued separate financial statements for the year ended April 30, 2010. Separate financial statements can be obtained by contacting its office at 7555 Jackson Boulevard, Forest Park, Illinois 60130.

Basis of Presentation: The Village's basic financial statements consist of Village-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The Village-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Village-wide Financial Statements - The statement of net assets and the statement of activities display information about the Village as a whole. In the Village-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (proprietary funds), which rely to a significant extent on fees and charges for support. The Village-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-type activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements - The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds.

Measurement Focus and Basis of Accounting:

Village-Wide Financial Statements - The Village-wide financial statements, component unit financial statements, and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the balance sheet and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounts, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Village and its component units apply all GASB pronouncements and all Financial Accounting Standards

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

The Village has reported three categories of program revenues in the statement of activities: (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

Eliminations have been made in the statement of net assets to remove the "grossing up" effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – 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. For this purpose the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes, and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

For the year ended April 30, 2010, a portion of the Village's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, or \$472,248, in order to properly present 12 months of revenue on the financial statements. The Village does not anticipate this event to recur in future years.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds separate all activity into two categories: operating revenues and expenses and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the Village-wide financial statements are prepared because of the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the Village-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

General Fund – The General Fund, sometimes referred to by the Village as the General Corporate Fund, is the general operating fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund.

VIP Program Fund – The Village Improvement Program (VIP) Program Fund is a special revenue fund of the Village. It is used to account for the 2005 General Obligation Bond issuance and the non-home rule sales tax revenues which fund improvements to the Village's public infrastructure.

Brown Street Station TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from the area in far north Forest Park. This is a mixed of commercial and residential area TIF and funds will be used to improve streetscapes and for future development.

Harlem / Harrison TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from its specific area in Forest Park. This is a commercial area TIF and funds will be used to improve streetscapes and for future development.

Roosevelt / Hannah TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from its specific area in Forest Park. This is a commercial area TIF and funds will be used to improve streetscapes and for future development.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2002 Bond Fund – The 2002 Bond Fund, also known as the Forest Park Mall TIF, is a debt service fund used to pay principle and interest on \$5,765,000 general obligation bond. The original TIF was divided in 2001 and currently comprises the Wal-Mart property, including the parking lot. The bond debt service is totally funded by incremental property taxes paid by Wal-Mart. The Special Tax Allocation Fund receives the deposits of the incremental property taxes attributable to the Mall TIF. Funds are transferred at least annually to pay the debt service on the 2002 Bond. The Incremental Sales Tax Fund receives one-half of the municipal sales tax (0.5%) of monthly Wal-Mart sales as reported to the Village by Wal-Mart. These funds are transferred to the 2002 Bond Fund if incremental property taxes are inadequate to fully satisfy the debt service. Any excess funds not needed for debt service are returned to the Village.

Proprietary Funds: Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The Village reports the following major proprietary funds:

Water Fund – This fund accounts for the revenues and expenses related to the operation of the Village’s water and sewer. Revenues are generated through charges to users based upon water and sewer consumption.

Vehicle Parking Fund – This fund accounts for the revenues and expenses related to the operation of the Village’s parking lots. Revenues are generated through charges to users based upon usage of the parking spaces.

Governmental Funds: In addition to the general fund type mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

Debt Service Funds – The Debt Service Funds are used to account for the Village’s accumulation of resources for, and the payment of, general long-term debt, principal, interest, and related costs.

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the following fund types: pension trust funds.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments

Description of Village Policy

Separate checking accounts are maintained to satisfy legal restrictions or as authorized by the Village Board. The Village maintains a cash checking account pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is included on the combined balance sheet as "cash and cash equivalents." The deposits and investments of the pension trust funds are held separately from those of other funds.

All investments are reported at fair value, which generally represents quoted market price as of the last business day of the year. Gains or losses on the sale or maturity of investments are recorded as current investment income at the date of sale or maturity. Cash equivalents are stated at cost.

The Village maintains an investment pool that is available for use by all funds except the pension trust funds. Village investments are in either certificates of deposit with local financial institutions or deposits with the Illinois Funds Money Market Fund.

The value of the Illinois Funds Money Market Fund and Illinois Metropolitan Investment Fund equates to the number of shares owned as of April 30, 2010. These deposits are regulated by the Comptroller of the State of Illinois.

Cash Flows: For purposes of the statement of cash flows for the Proprietary Funds, the Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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 Village-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation on all assets is provided on the straight-line basis as described below.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Public domain infrastructure capital assets including roads, curbs and gutters, drainage systems, and lighting systems are also capitalized. Depreciation of the assets listed below is computed using the straight-line method over the following estimated useful lives:

Buildings	100 Years
Equipment	3-20 Years
Infrastructure - roads	30-40 Years
Infrastructure - water	100 Years
Building improvement	100 Years

Compensated Absences: The Village has no compensated absence program that would require an accrual in the financial statements.

Vacation Policy: Full-time permanent employees of the Village other than firefighters in the Fire Department, police officers in the Police Department, and members of the Local 705 Teamsters Union shall be entitled to paid vacations based on the following years of service:

Less than 1 year	Nothing
After 1 year	10 working days
After 8 years	15 working days
After 15 years	20 working days

For each year of service over 15 years, one additional vacation day up to a maximum of 25 working days.

Vacation time must be taken within one year in which the time is earned and may not be accumulated from year to year.

Members of the firefighters and police officers unions and Local 705 Teamsters union are entitled to and receive vacation benefits as stated in the current contracts.

Deferred Revenue: Deferred revenue liabilities are those items satisfying the asset recognition criteria that have not satisfied the revenue recognition criteria of measurable and available for the current period. To meet the available criteria, the revenue must be received within 60 days of the end of year. If received later, the revenue is reflected as a deferred revenue liability in the financial statements. The Village recognizes deferred revenue liabilities for property taxes and amounts due from other governmental agencies. Revenues are measurable and available if received within 60 days of the fiscal year end.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets and Fund Equity: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Post-Employment Health Care Benefits: The Village provides health insurance to its retired employees, with over 20 years of service, at their own expense.

Federal Grants: The Village participated in the Community Development Block Grant Program (CDBG). The CDBG Program funded a public construction project. Revenue from this grant is recorded as earned in an amount equal to expenditures incurred.

Interfund Receivables and Payables: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Village-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

Long-Term Debt: In the Village-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources.

Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires Village's 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 basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the Village believes that the differences will be insignificant.

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Village

At year end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were \$15,215,217. In addition, the Village maintained two petty cash accounts with a carrying value of \$2,384. The balances in the bank were \$15,207,924.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard & Poor's).

The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

exceed the portion of the deposit requiring collateralization. As of April 30, 2010 the Village bank balances were fully collateralized.

Concentration of Credit Risk - The Village places no limit on the amount it may invest in any one issuer.

The following is a reconciliation between Note 2 and the basic financial statements of the primary government:

<u>Note 2</u>		<u>Financial Statements</u>	
Carrying value of cash and cash equivalents	\$ 15,215,217	Statement 1 (Primary Government) Cash and cash equivalents	\$ 15,217,601
Petty cash	<u>2,384</u>	Total financial statements	<u>\$ 15,217,601</u>
Total notes	<u>\$ 15,217,601</u>		

Police Pension Fund

At year end, the Police Pension Fund's carrying amount of cash was \$761,371 while the bank balances were \$756,945. The FDIC insures bank balances up to \$250,000. As of April 30, 2010, \$756,945 of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund's name by a financial institution acting as the fund's agent.

The Police Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2010:

	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
U.S. Treasury securities	\$ 1,297,121	\$ 698,957	\$ 598,164	\$ -	\$ -
GNMA	7,467,610	-	-	2,759	7,464,851
FHLMC	1,180,119	-	-	-	1,180,119
FNMA	2,143,007	-	-	-	2,143,007
Mutual funds	1,372,460	1,372,460	-	-	-
Insurance contracts	<u>4,772,833</u>	<u>4,772,833</u>	-	-	-
Total investments	<u>\$ 18,233,150</u>	<u>\$ 6,844,250</u>	<u>\$ 598,164</u>	<u>\$ 2,759</u>	<u>\$10,787,977</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Fund’s policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of “investment grade” quality (that is, at the time of purchases, rated no lower than “Baa” by Moody’s and no lower than “BBB” by Standard & Poor’s). The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. One of the U.S. Treasury Department’s objectives for conversatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the Pension Fund’s intent is to hold the bonds until they recover.

Credit ratings for the Police Pension Fund’s investments in debt securities at April 30, 2010 (excluding investments in U.S. Treasuries, which are not considered to have credit risk) were as follows:

Disclosure Ratings for Debt Securities (S&P/Moody’s)
(As a percentage of total fair value for debt securities)

<u>Investment Type</u>	<u>AAA/Aaa</u>
Federal Home Loan Mortg Corp	100%
Federal National Mortg Assoc	100%
Money Market Mutual Fund	100%
Insurance Contracts	n/a

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Pension Fund’s investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor’s, Moody’s, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund was fully collateralized as of April 30, 2010.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2010

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Concentration of Credit Risk - The Village places no limit on the amount the Police Pension Fund may invest in any one issuer. More than 5% of the Police Pension Fund's investments are in invested in individual GNMA's and guaranteed insurance contracts. These investments are 10.9% and 24.9%, respectively, of the Village's total Police Pension Fund investments.

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits and certificates of deposit was \$553,186 and \$5,439,708, respectively, while the bank balances were \$548,989 and \$5,439,708, respectively. The FDIC insures bank balances up to \$250,000. As of April 30, 2010, \$548,989 and \$5,439,708 of the bank balances were collateralized, although the Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

The Firefighters' Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments at April 30, 2010.

	Investment Maturities		
	Fair Value	Less than One Year	One to Five Years
Certificates of deposit	\$ 5,439,708	\$2,075,122	\$3,364,586
Insurance Contracts	3,990,854	3,990,854	-
Equity Mutual Funds	3,537,319	3,537,319	-
Total investments	\$ 12,967,881	\$9,603,295	\$3,364,586

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Firefighters' Pension Fund's investment policy, the fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities; additionally the fixed income portfolio is structured allowing for duration between three and eight years.

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund's investment policy establishes criteria for

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 2 - CASH, CASH EQUIVALENTS, AND INVESTMENTS (Continued)

allowable investments; those criteria follow the requirements the Illinois Pension Code. The Firefighters' Pension Fund's investment policy also prescribes "that investments be made in a prudent manner. That is, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would use considering the primary objective of preserving one's capital."

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the Firefighters' Pension Fund's deposits may not be returned to it. At year end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

Concentration of Credit Risk - This is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. At April 30, 2010, the Firefighters' Fund has over 5% of plan net assets invested in Discover Bank brokered certificates of deposit, \$2,826,310, ING Smart Design Insurance Contract, \$1,712,145, two Sun Life Insurance Contract, \$842,590 each, Allianz Small Cap Value Mutual Fund, \$1,081,344, and Growth Fund of America Mutual Fund, \$1,111,164.

The Fund's investment policy has a stated target that 55 to 75 percent of its portfolio be in fixed income securities, 35 to 45 percent target in equities with the remaining 2 to 10 percent cash and equivalents.

The following is a reconciliation between the Note 2 and the basic financial statements of the fiduciary funds:

<u>Note 2</u>	<u>Financial Statements</u>
Carrying value of cash and cash equivalents (police \$761,371 fire \$553,186) \$ 1,314,557	Statement 10 Cash and cash equivalents \$ 1,314,557
Carrying value of investments (police \$18,233,150, fire \$12,967,881) <u>31,201,031</u>	Investments <u>31,201,031</u>
Total notes <u>\$ 32,515,588</u>	Total financial statements <u>\$ 32,515,588</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2009 are attached as an enforceable lien on January 1, 2009 on property values assessed as of the same date. Taxes are levied by December of the subsequent year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the 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. The County collects such taxes and remits them to the Village periodically. The Village receives the majority of its real estate taxes in March and October. The property tax revenue in the financial statements represents approximately one-half of the 2008 and one-half of the 2009 property tax levies.

Property taxes for the current 2009 tax levy are received in two installments in March 2010 and October 2010.

Property taxes receivable, constituting primarily the second installment due in October 2010, is recorded as deferred revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2011.

In the final tax extension, the County Clerk provides for an allowance for loss and cost of 3.0% for all tax levying funds except debt service, which has a 5.0% factor. All uncollected taxes over six years old are written off. An allowance for uncollectible taxes is established for all uncollected taxes over two years old. The receivable for uncollected taxes from the current levy is offset by a liability for deferred revenue property taxes.

The Public Library (Library) receives its own distribution of real estate taxes directly from the Cook County Collector to the Library's own money market account.

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period from May 1, 2009 through April 30, 2010 follows:

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Deletions</u>	Balance at End of <u>Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,516,150	\$ 65,000	\$ -	\$ 4,581,150
Capital assets being depreciated:				
Infrastructure	33,080,127	3,901,687	828,710	36,153,104
Building and improvements	2,721,955	433,217	348,051	2,807,121
Fixtures and equipment	4,187,262	305,990	175,764	4,317,488
Subtotal	<u>39,989,344</u>	<u>4,640,894</u>	<u>1,352,525</u>	<u>43,277,713</u>
Accumulated depreciation				
Infrastructure	(17,729,617)	(943,774)	(457,279)	(18,216,112)
Building and improvements	(593,158)	(27,671)	(10,400)	(610,429)
Fixtures and equipment	(2,291,415)	(327,129)	(153,564)	(2,464,980)
Total accumulated depreciation	<u>(20,614,190)</u>	<u>(1,298,574)</u>	<u>(621,243)</u>	<u>(21,291,521)</u>
Total capital assets being depreciated, net	<u>19,375,154</u>	<u>3,342,320</u>	<u>731,282</u>	<u>21,986,192</u>
Governmental activities, net	<u>\$ 23,891,304</u>	<u>\$ 3,407,320</u>	<u>\$ 731,282</u>	<u>\$ 26,567,342</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 698,257	\$ -	\$ -	\$ 698,257
Capital assets being depreciated:				
Building and improvements	2,034,854	-	-	2,034,854
Equipment	301,501	13,320	-	314,821
Infrastructure	8,929,458	685,441	169,184	9,445,715
Subtotal	<u>11,265,813</u>	<u>698,761</u>	<u>169,184</u>	<u>11,795,390</u>
Accumulated depreciation				
Building and improvements	(1,414,006)	(41,075)	-	(1,455,081)
Equipment	(110,566)	(42,742)	-	(153,308)
Infrastructure	(1,552,701)	(215,265)	(3,160)	(1,764,806)
Total accumulated depreciation	<u>(3,077,273)</u>	<u>(299,082)</u>	<u>(3,160)</u>	<u>(3,373,195)</u>
Total capital assets being depreciated, net	<u>8,188,540</u>	<u>399,679</u>	<u>166,024</u>	<u>8,422,195</u>
Business-type activities, net	<u>\$ 8,886,797</u>	<u>\$ 399,679</u>	<u>\$ 166,024</u>	<u>\$ 9,120,452</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of \$1,298,574 and \$299,082 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

<u>Governmental Activities</u>	<u>Amount</u>	<u>Business-Type Activities</u>	<u>Amount</u>
General government	\$ 127,461	Water	\$ 250,208
Health and public safety	15,208	Parking lots	48,874
Public works	1,014,900	Total depreciation expense	<u>\$ 299,082</u>
Police protection	141,005		
Total depreciation expense	<u>\$ 1,298,574</u>		

NOTE 5 - LONG-TERM DEBT

General Long-Term Debt

The following is a summary of changes in long-term obligation transactions of the Village for the year ended April 30, 2010:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Principal Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds:					
G.O. TIF Refunding Bonds, 2002	\$ 3,475,000	\$ -	\$ 370,000	\$ 3,105,000	\$ 385,000
G.O. TIF Alternative Revenue, 2003A	665,000	-	155,000	510,000	165,000
G.O. Alternative Revenue Series 2005	8,595,000	-	355,000	8,240,000	375,000
Premium on Bonds	120,219	-	4,881	115,338	-
Total Bonds	<u>12,855,219</u>	<u>-</u>	<u>884,881</u>	<u>11,970,338</u>	<u>925,000</u>
G.O. Debt Certificates	2,871,013	-	166,722	2,704,291	174,661
IDOT Loan Payable	-	1,352,548	333,887	1,018,661	552,732
Loans Payable	523,205	141,526	152,735	511,996	144,772
Net Pension Obligation - Police Pension	39,962	562,554	496,890	105,626	-
Net Pension Obligation - Fire Pension	14,868	455,519	530,165	(59,778)	-
Net Pension Obligation - IMRF	-	12,444	-	12,444	-
Other Post Employment Benefits	22,705	136,829	83,764	75,770	-
Total Governmental Long-Term Debt	<u>\$ 16,326,972</u>	<u>\$ 2,661,420</u>	<u>\$ 2,649,044</u>	<u>\$ 16,339,348</u>	<u>\$ 1,797,165</u>
BUSINESS-TYPE ACTIVITIES					
G.O. Debt Certificates	\$ 748,492	\$ -	\$ 43,278	\$ 705,214	\$ 45,339
Loan Payable	4,396,834	-	263,296	4,133,538	270,386
Total Business-type Long-Term Debt	<u>\$ 5,145,326</u>	<u>\$ -</u>	<u>\$ 306,574</u>	<u>\$ 4,838,752</u>	<u>\$ 315,725</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Components of Long-Term Obligations: Long-term obligations of the governmental long-term debt at April 30, 2010 consist of the following individual issues:

General Obligation Tax Increment Refunding Bonds \$5,765,000 Series 2002 issue dated May 1, 2002, interest payable each June 1 and December 1, matures serially starting December 1, 2002 through December 1, 2016, with interest ranging from 3.00% to 4.85%. The principal and interest are payable from the 2002 Bond Fund.

General Obligation Tax Increment Alternative Revenue Bonds \$1,115,000 Series 2003A issue dated October 1, 2003, interest payable each June 1 and December 1, matures serially starting December 1, 2002 through December 1, 2012, with interest ranging from 3.00% to 4.85%. The principal and interest are payable from the Roosevelt/Hannah TIF Fund.

The Village has pledged a portion of future sales tax revenues to repay these bonds issued in October 2003 to finance certain eligible costs within the Roosevelt/Hannah Tax Increment Financing (TIF) District. The bonds are payable solely from the incremental property taxes generated by the refurbished district. Total principal and interest remaining on the 2003A bonds is \$546,841, payable through 2013. For the current year, principal and interest paid and total incremental property tax revenues were \$178,070 and \$539,170, respectively.

General Obligation Alternative Revenue Bonds \$9,600,000 Series 2005 issue dated June 14, 2005, interest payable each June 1 and December 1, matures serially starting December 1, 2005 through December 1, 2025, with interest ranging from 4.25% to 4.35%. The principal and interest are payable from the VIP Program Fund. The Village has pledged future VIP Program revenues, net of specified operating expenses, to repay these bonds issued in June 2005. The bonds are payable solely from VIP Program net revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 75 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$11,542,574. Principal and interest paid for the current year and total VIP Program net revenues were \$711,013 and \$916,057, respectively.

General Obligation Debt Certificates \$4,600,000 Series 2001 principal for purchase of land, due in annual installments, interest payable each May 1 and November 1, matures serially through November 1, 2021, with interest ranging from 4.15% to 7.50%. The principal is payable from the General Fund, Water Fund (Enterprise Fund), and Vehicle Parking Fund (Enterprise Fund).

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Loan Payable \$643,479 principal is for the purchase of a fire truck, due in installments ranging from \$26,153 through \$38,997, interest payable semiannually on March 15 and September 15, with an interest rate of 4.25%. Final maturity is on September 15, 2014. The principal is payable from the General Fund.

Loan Payable \$130,000 principal is for the purchase of an ambulance, due in installments ranging from \$9,616 through \$27,986, principal and interest payable monthly, with an interest rate of 4.55%. Final maturity is on August 10, 2010. The principal is payable from the General Fund.

Loan Payable \$195,000 principal is for the purchase of a fire truck, due in installments of \$3,641, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on May 20, 2013. The principal is payable from the General Fund.

Loan Payable \$141,526 principal is for the purchase of a street sweeper, due in installments of \$2,642, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on June 1, 2014. The principal is payable from the General Fund.

Loan payable of \$1,352,548 principal is for the reimbursement of infrastructure projects performed by Illinois Department of Transportation, due in installment of \$46,061 monthly, with no interest, with final maturity in September 2011. The payment is payable from the VIP Fund.

Debt Service Requirements to Maturity

A schedule of all future principal and interest obligations for general long-term liability of the Village is as follows:

Year Ending	GO TIF Refunding Bonds 2002		GO TIF Alt Rev 2003A		GO Alt Rev 2005	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2011	\$ 385,000	\$ 145,670	\$ 165,000	\$ 18,032	\$ 375,000	\$ 340,926
2012	405,000	128,346	170,000	12,422	390,000	324,988
2013	425,000	109,108	175,000	6,387	405,000	308,412
2014	445,000	88,920	-	-	425,000	291,200
2015	465,000	68,672	-	-	440,000	273,138
2016-2020	980,000	71,300	-	-	2,485,000	1,088,796
2021-2025	-	-	-	-	3,035,000	545,316
2026-2030	-	-	-	-	685,000	29,798
Totals	<u>\$ 3,105,000</u>	<u>\$ 612,016</u>	<u>\$ 510,000</u>	<u>\$ 36,841</u>	<u>\$ 8,240,000</u>	<u>\$ 3,202,574</u>

The repayment for the Debt Certificates listed above is for both governmental and business-type activities.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ending	Ambulance Loan Payable		Fire Truck Loan Payable		2009 Fire Truck Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2011	\$ 9,616	\$ 91	\$ 69,479	\$ 10,174	\$ 38,855	\$ 4,842
2012	-	-	72,463	7,191	40,640	3,057
2013	-	-	75,576	4,079	42,508	1,190
2014	-	-	39,061	830	3,254	12
Totals	<u>\$ 9,616</u>	<u>\$ 91</u>	<u>\$ 256,579</u>	<u>\$ 22,274</u>	<u>\$ 125,257</u>	<u>\$ 9,101</u>

Year Ending	Debt Certificates		2010 Street Sweeper Loans Payable		IDOT Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2011	\$ 220,000	\$ 161,858	\$ 26,822	\$ 4,879	\$ 552,732	\$ -
2012	230,000	149,978	28,045	3,656	465,929	-
2013	240,000	137,558	29,454	2,246	-	-
2014	250,000	127,598	30,690	1,011	-	-
2015	260,000	116,848	5,533	22	-	-
2016-2020	1,505,000	394,342	-	-	-	-
2021-2025	704,505	52,546	-	-	-	-
Totals	<u>\$ 3,409,505</u>	<u>\$ 1,140,728</u>	<u>\$ 120,544</u>	<u>\$ 11,814</u>	<u>\$ 1,018,661</u>	<u>\$ -</u>

Legal Debt Margin: Villages under Illinois law are subject to a debt limit since they are not home-rule units. Currently, the total outstanding debt of non-referendum bonding of Illinois villages is 8.625% of their assessed valuations. The Village at April 30, 2010 satisfies this requirement as follows:

Assessed valuation for 2009	\$ 444,213,981
At maximum outstanding debt rate	<u>8.625%</u>
Maximum debt	38,313,456
Legal debt outstanding at April 30, 2010	
Series 2002	\$ 3,105,000
Series 2003A	510,000
Series 2005	<u>8,240,000</u>
Legal debt outstanding at April 30, 2010	<u>11,855,000</u>
Remaining Legal Debt Margin	<u>\$ 26,458,456</u>

Business-Type Long-Term Debt: I.E.P.A. Loan Payable issued June 13, 2002, and February 1, 2005 principal and interest payable each October 29 and April 29, matures serially starting October 29, 2003 through April 29, 2023, with an interest rate of 2.675%. The Village has been approved to borrow a total of \$8,076,363. The principal and interest are payable from the Water Fund. A schedule of all future debt obligations follows:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ending		<u>Principal</u>		<u>Interest</u>
<u>April 30,</u>				
2011	\$	270,386	\$	109,029
2012		277,667		101,748
2013		285,144		94,270
2014		292,823		86,592
2015		300,708		78,706
2016-2020		1,619,358		277,715
2021-2025		<u>1,087,452</u>		<u>51,439</u>
Totals	\$	<u>4,133,538</u>	\$	<u>799,499</u>

Defeasance of Debt: In May of 2002, the Village issued \$5,765,000 of General Obligation Tax Increment Financing Refunding Bonds Series 2002 payable in installments as described above. The bonds were issued to advance refund \$5,545,000 of 1994 G.O. TIF Bonds. The proceeds from the 2002 Bonds have been placed in an irrevocable trust with an escrow agent who purchased U.S. government securities to provide for all future debt service payments due in the years 2003-2014 on the 1994 G.O. Bonds. As of April 30, 2010, \$2,555,000 of the bonds remains outstanding; however, these bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements.

NOTE 6 - INTERFUND ACTIVITY

The following interfund balances existed as of April 30, 2010:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Fund - General Fund	\$ 656,724	\$ 982,081
Major Governmental Fund - VIP Program Fund	685,441	-
Major Governmental Fund - Harlem / Harrison TIF Fund	-	99,672
Major Governmental Fund - Roosevelt / Hannah TIF Fund	804	3,615
Major Governmental Fund - 2002 Bond Fund	53,678	804
Major Governmental Fund - Special Tax Allocation TIF Fund	-	35,890
Major Governmental Fund - Incremental Sales TIF Fund	88,675	-
Major Enterprise Fund - Water Fund	-	685,441
Major Enterprise Fund - Vehicle Parking Fund	651,464	-
Nonmajor Governmental Funds	<u>224,154</u>	<u>553,437</u>
Total Interfunds	<u>\$ 2,360,940</u>	<u>\$ 2,360,940</u>

All interfund balances are temporary balances resulting mainly from funds being loaned by the General Fund for expenditures. The General fund owed \$651,464 to the Vehicle Parking fund for negative cash balances as of April 30, 2010. The Water fund owed \$685,441 to the VIP Program fund for the IDOT water main project costs as of April 30, 2010.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 6 - INTERFUND ACTIVITY (Continued)

The following transfers occurred during fiscal year 2010:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Fund - General Fund	\$ 1,592,642	\$ -
Major Governmental Fund - 2002 Bond Fund	767,275	-
Major Governmental Fund - Special Tax Allocation TIF Fund	-	767,275
Major Governmental Fund - Incremental Sales TIF Fund	-	312,642
Nonmajor Governmental Funds	-	380,000
Major Proprietary Funds - Water Fund	-	800,000
Major Proprietary Funds - Vehicle Parking Fund	-	100,000
Total Interfunds	<u>\$ 2,359,917</u>	<u>\$ 2,359,917</u>

The transfers represent both routine and non-routine items. Generally, routine transfers occur to meet the operating purposes of another fund, such as the transfers by the Water and Vehicle Parking Funds of \$800,000 and \$100,000, respectively, to the General Fund for unallocated operating and overhead expenses. Other routine transfers occur to reimburse the General Fund for road repair and maintenance expenditures covered by the Motor Fuel Tax and expenditures on behalf of TIF districts and debt service funds. Transfers to/from other funds offset one another and are therefore not reported in the Village-wide statement of activities.

NOTE 7 - DEFINED BENEFIT PENSION PLANS

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) AND SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP) DEFINED BENEFIT PENSION PLANS

Plan Description: The Village's defined benefit pension plan for Regular employees (IMRF) and Sheriff's Law enforcement employees (SLEP) provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund and the Sheriff's Law Enforcement Personnel, an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. The IMRF issues publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, The Village's Regular plan members are required to contribute 4.50% (7.50% for SLEP) of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rate for calendar year 2009 was 7.71% (11.14% for SLEP) of annual covered payroll. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Annual Pension Cost: For December 31, 2009, the Village's annual pension cost of \$227,756 (\$13,852 for SLEP) for the Regular plan was equal to your employer's required and actual contributions.

Trend Information for the Plans

IMRF Regular:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/10	\$108,427	89%	\$12,444
12/31/09	277,756	100%	0
12/31/08	242,315	100%	0
12/31/07	249,698	100%	0

SLEP:

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/09	\$13,852	100%	\$0
12/31/08	13,466	100%	0
12/31/07	13,540	100%	0

The required contribution was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2007 (December 31, 2007 for SLEP), included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.0% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% (10.0% for SLEP) per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually. The actuarial value of your employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 15%(15% for SLEP) corridor between the actuarial and market value of assets. The Village Regular plan's unfunded(overfunded for SLEP) actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2007, was 23 years (27 years for SLEP).

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 88.63% (123.36% for SLEP) funded. The actuarial accrued liability for benefits was \$9,589,783 (\$142,106 for SLEP) and the actuarial value of assets was \$8,499,789 (\$175,306 for SLEP), resulting in an underfunded (overfunded for SLEP) actuarial accrued liability (UAAL) of \$1,089,994 ((\$33,200) for SLEP).

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The covered payroll (annual payroll of active employees covered by the plan) was \$3,602,540 (\$124,346 for SLEP) and the ratio of the UAAL to the covered payroll was 30% (0% for SLEP).

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Due to the results of the 2008 actuarial valuation and estimated investment losses, the IMRF Board adopted a phase-in plan for employer contribution rates. Employers may contribute the full actuarial required contribution (ARC) rate, the phase-in rate, or some rate between the two. The ARC rate for the calendar year 2010 for the Village is 10.63%. The Village elected to use the phase-in rate of 9.41%. As a result, the Village updated the APC and employer contributions made between January and April to be updated through April 30. The application of the phase-in rate resulted in the recognition of a net pension obligation for the year end April 30, 2010 of \$12,444 for the Regular plan.

Annual Required Contribution	\$	108,427
Interest on NPO		-
Annual Pension Cost		108,427
Actual Contribution		95,983
Increase in net pension obligation		12,444
Net pension obligation at May 1, 2009		-
Net pension obligation at April 30, 2010	\$	<u>12,444</u>

POLICE PENSION

Plan Description: Police sworn personnel are covered by the Police Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2009, the Police Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them		32
Current employees		
Vested		25
Nonvested		<u>14</u>
Total		<u>71</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The following is a summary of the Police Pension Fund plan as provided for in Illinois Compiled Statutes.

The Police Pension Fund plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, and 1% of such salary for each additional year of service over 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension of a police officer who retires 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% of the original pension and 3% simple interest annually thereafter.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as additions in the period in which employee services are performed.

Method Used to Value Investments

Fixed-income securities are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund 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. Administrative costs are financed through investment earnings. Employer contributions for 2009 were \$496,890. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Change in net pension obligation (NPO) for the past three fiscal years:

	April 30, <u>2009</u>	April 30, <u>2008</u>	April 30, <u>2007</u>
Annual required contribution	\$ 561,697	\$ 468,488	\$ 431,845
Interest on net pension obligation	2,997	(524)	-
Adjustment to annual required contribution	<u>(2,140)</u>	<u>363</u>	<u>-</u>
Annual pension cost	562,554	468,327	431,845
Contributions made	<u>496,890</u>	<u>421,385</u>	<u>431,845</u>
Increase (decrease) in net pension obligation	65,664	(46,942)	(6,980)
Net pension obligation (asset) beg of year	<u>39,962</u>	<u>(6,980)</u>	<u>-</u>
Net pension obligation (asset) end of year	<u>\$ 105,626</u>	<u>\$ 39,962</u>	<u>\$ (6,980)</u>

The net pension obligation has been reported in the Village's government-wide financial statements.

Concentrations of Investments: The Police Pension Fund has the following investments, other than those issued or guaranteed by the U.S. government, which represent 5% or more of net assets:

Jackson National Life	\$ 1,092,896
Lincoln Benefit Life	1,062,659
AIG Insurance Co.	1,445,872
The Hartford	937,205

Funded Status and Funding Progress:

The funded status for the Police Pension Fund as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2007	\$ 17,914,643	\$ 23,472,490	76.32%	\$ 5,557,847	\$ 2,385,947	232.9%
4/30/2008	18,080,808	25,539,296	70.80%	7,458,488	2,342,675	318.4%
4/30/2009	18,137,483	27,071,653	67.00%	8,934,170	2,687,010	332.5%

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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 the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The April 30, 2009 actuarial assumptions for the Police Pension Fund are as follows:

Actuarial valuation date	April 30, 2009
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	24 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

Police pension financial statements for the fiscal year ended April 30, 2010 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	\$ 761,371
Investments	
Government securities	12,087,857
Mutual funds	1,372,460
Insurance contracts	4,772,833
Total Investments	18,233,150
Receivables:	
Interest receivable	18,346
Prepaid items	1,895
Total assets	19,014,762
LIABILITIES	
Accounts payable	3,892
Total liabilities	3,892
NET ASSETS	
Plan net assets held in trust for employees' pension benefits	\$ 19,010,870

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	\$ 654,205
Plan members	286,079
Total contributions	940,284
Net investment income	1,353,116
Miscellaneous income	50
Total additions	2,293,450
DEDUCTIONS	
Benefits and refunds	1,374,212
Administrative expenses	45,850
Total deductions	1,420,062
Increase (decrease) in net assets	873,388
Plan net assets at beginning of year	18,137,482
Plan net assets at end of year	\$ 19,010,870

FIRE PENSION

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2009, the Firefighters' Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	30
Current employees	
Vested	11
Nonvested	13
Total	54

The following is a summary of the Firefighters' Pension Fund plan as provided for in Illinois State Statutes.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The Firefighters' Pension Fund plan provides retirement benefits as well as death and disability benefits. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement.

The monthly pension shall be increased by one-twelfth of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service and one-twelfth of 1% of such monthly service for each additional month over 30 years of service, to a maximum of 75% of such monthly salary. Employees with at least 10 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a Firefighter who retires with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and paid upon reaching at least the age 55, by 3% of the original pension and 3% compounded annually thereafter.

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: The financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as additions in the period in which employee services are performed.

Method Used to Value Investments: Fixed-income securities are reported at fair value. Short-term investments are reported at cost which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2009 were \$530,165. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

Change in net pension obligation for the past three fiscal years:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

	April 30, <u>2009</u>	April 30, <u>2008</u>	April 30, <u>2007</u>
Annual required contribution	\$ 455,200	\$ 477,645	\$ 435,481
Interest on net pension obligation	1,115	(172)	-
Adjustment to annual required contribution	<u>(796)</u>	<u>119</u>	<u>-</u>
Annual pension cost	455,519	477,592	435,481
Contributions made	<u>530,165</u>	<u>460,437</u>	<u>435,481</u>
Increase (decrease) in net pension obligation	(74,646)	17,155	(2,287)
Net pension obligation (asset) beg of year	<u>14,868</u>	<u>(2,287)</u>	<u>-</u>
Net pension obligation (asset) end of year	<u>\$ (59,778)</u>	<u>\$ 14,868</u>	<u>\$ (2,287)</u>

The net pension asset has been reported in the Village's government-wide financial statements.

Concentrations of Investments: The Firefighters' Pension Fund has the following investments, other than those issued or guaranteed by the U.S. government, which represent 5% or more of net assets:

SunLife Insurance Contract	\$ 842,590
SunLife Insurance Contract	842,590
ING SmartDesign Insurance Contract	1,712,145
Allianz Small Cap Value Mutual Fund	1,081,344
Growth Fund of American Mutual Fund	1,111,164
Discover Bank Brokered Certificate of Deposit	2,826,310

Funded Status and Funding Progress:

The funded status for the Firefighters' Pension Fund as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2007	\$ 14,308,807	\$ 18,175,470	78.73%	\$ 3,866,663	\$ 1,607,852	240.5%
4/30/2008	14,479,167	19,163,979	75.55%	4,684,812	1,691,221	277.0%
4/30/2009	12,299,585	20,441,328	60.17%	8,141,743	1,768,587	460.4%

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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 the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The April 30, 2009 actuarial assumptions for the Firefighters' Pension Fund are as follows:

Actuarial valuation date	April 30, 2009
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	24 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Firefighters' pension financial statements for the fiscal year ended April 30, 2010 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	\$ 553,186
Investments	
Government securities	5,439,708
Mutual funds	3,537,319
Insurance contracts	3,990,854
Total Investments	12,967,881
Receivables:	
Interest receivable	44,790
Prepaid items	1,921
Total assets	13,567,778
LIABILITIES	
Accounts payable	3,527
Total liabilities	3,527
NET ASSETS	
Plan net assets held in trust for employees' pension benefits	\$ 13,564,251

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	\$ 488,470
Plan members	168,928
Total contributions	657,398
Net investment income	1,933,572
Total additions	2,590,970
DEDUCTIONS	
Benefits and refunds	1,307,424
Administrative expenses	18,880
Total deductions	1,326,304
Increase (decrease) in net assets	1,264,666
Plan net assets at beginning of year	12,299,585
Plan net assets at end of year	\$ 13,564,251

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The Village of Forest Park provides limited health care insurance for its eligible retired employees.

Retirees and beneficiaries currently receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	53
Active nonvested plan members	<u>43</u>
Total	<u>107</u>

Funding Policy. Funding is provided by The Village on a pay-as-you-go basis with no contribution from the retiree. The Village's contribution on behalf of the employees to the insurance provider was \$41,883 for 2009.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2010, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2010
Annual required contribution	\$ 135,634
Interest on net OPEB obligation	3,586
Adjustment to annual required contribution	<u>(2,391)</u>
Annual OPEB cost	136,829
Contributions made	<u>83,764</u>
Increase (decrease) in net OPEB obligation	53,065
Net OPEB obligation beginning of year	<u>22,705</u>
Net OPEB obligation end of year	<u><u>\$ 75,770</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 was as follows:

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2008	\$ 64,588	64.8%	\$ 22,705
4/30/2009	68,195	61.4%	49,018
4/30/2010	68,634	61.0%	75,770

Funded Status and Funding Progress. As of April 30, 2009, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1.25 million.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2008	\$ -	\$ 1,307,299	0.00%	\$ 1,307,299	\$ -	0.00%
4/30/2009	-	1,307,299	0.00%	1,307,299	-	0.00%
4/30/2010	-	2,035,510	0.00%	2,035,510	-	0.00%

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 the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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 the 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 the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

In the April 30, 2010 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 5.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8 percent initially, reduced by decrements to an ultimate rate of 6 percent. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets was marked to the market value of the retiree healthcare account as of April 30, 2010. The UAAL is being amortized as a level percentage of projected payroll on an closed basis. The remaining amortization period at April 30, 2010, was thirty years.

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every two years; above is the information from the most recent valuation as of April 30, 2010.

NOTE 9 - 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; illnesses of employees; and natural disasters. Medical and liability risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

A lawsuit has been filed against the Village alleging that the Village violated the defendant's right to privacy, the Federal Wiretap Act, the Illinois Eavesdropping Statute, and the Computer Fraud and Abuse Act. The Village's liability insurer has reached a settlement after fiscal year-end in which the insurer has agreed to pay \$95,000 in exchange for a full release of claims. The deductible the Village was required to pay on the case was \$25,000. This amount has been recorded as a liability in the General Fund in other liabilities as of April 30, 2010.

A lawsuit has been filed against the Village alleging during the course of an arrest a Village officer used excessive force. The Village's liability insurer has reached a settlement after fiscal year-end in which the insurer has agreed to pay an undisclosed amount in exchange for a full release of claims. The deductible the Village was required to pay on the case was \$50,000. This amount has been recorded as a liability in the General Fund in other liabilities as of April 30, 2010.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2010

NOTE 10 - FUND BALANCES

Reserved for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of six separate tax levies. The Village considers these six tax levies as departments of the General Fund since none of these "funds" are self-sufficient. The changes in the fund balances of these tax levies for the fiscal year ended April 30, 2010 are as follows:

	Reserved	Revenue			Reserved
	Fund			Expenditures	Fund
	Balance	Specified	Subsidized		Balance
	4/30/09				4/30/10
Fire Protection	\$ -	\$ 603,622	\$ 2,087,170	\$ 2,690,792	\$ -
Trees and Forestry	-	104,195	79,912	184,107	-
Garbage	-	41,384	886,751	928,135	-
Insurance	-	486,160	1,862,714	2,348,874	-
Playground/Recreation	854,693	-	-	48,987	805,706
Police Protection	-	603,622	3,346,976	3,950,598	-
Totals	<u>\$ 854,693</u>	<u>\$ 1,838,983</u>	<u>\$ 8,263,523</u>	<u>\$10,151,493</u>	<u>\$ 805,706</u>

Subsidized revenue, per above, is the subsidy needed from the Village to fund the total expenditures of the six separate tax levies.

Deficit Fund Equity: The following funds had deficit fund balances/net assets as of April 30, 2010 these balances are expected to be reduced through future revenues or transfers:

Social Security Fund	\$ 145,314
Harlem/Harrison TIF Fund	43,839

NOTE 11 - FRANCHISE FEES

The Village has granted two franchises, one to AT&T (formerly SBC/Ameritech) for telephone service and one to AT&T Comcast (formerly Media One of Northern Illinois, Inc., a division of AT&T).

The Ameritech franchise agreement dated November 19, 1984 provides that the Village will share in the aggregate franchise payment Ameritech pays to all Illinois municipalities (except Chicago). The aggregate franchise fee is negotiated between the State and Ameritech. The franchise fee is allocated to the Village based on the number of access lines into the community. Franchise fees are paid monthly to the Village. The franchise can be terminated by either party with 60-day written notice.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 11 - FRANCHISE FEES (Continued)

The Media One of Northern Illinois, Inc., a division of AT&T, franchise agreement dated June 12, 2000, is a 15-year agreement for the operation of cable television in the Village. The contract is continued under the successor company, AT&T Comcast Corp. As of 2002, the franchise fee is 5% of gross revenues and is paid to the Village quarterly for sales in the preceding quarter.

NOTE 12 - TAX INCREMENT FINANCING

The Village issued \$6,200,000 of General Obligation Tax Increment Bonds Series 1994 to fund certain eligible costs within its Forest Park Mall Tax Increment Financing (TIF) District. The original Series 1994 was refunded in fiscal year 2003 with General Obligation Refunding Tax Increment Bonds Series 2003. The principal economic activity stimulated was the construction and subsequent opening of a Wal-Mart Store.

The redevelopment agreement and the bond ordinance for the 1994 bonds allocate the proceeds of the bond issue as follows:

\$4,500,000	(Plus one-half of the total amount of interest having accrued in the escrow) To Wal-Mart Stores, Inc., payable no later than 30 days after the store opens and conducts sales activity.
\$600,000	To Teachers Retirement System or the State of Illinois, the developer, payable once Wal-Mart Stores, Inc. acquires title to the property.
\$935,500	For capitalized interest payment made semiannually starting June 1, 1994 through December 1, 1996.
\$164,500	For bond issuance costs.

All construction activity and payouts under the tax increment financing were completed in 1995 and that Capital Projects Fund was closed. Debt service is still required annually and is paid from tax increment revenues.

Covenants: The bond ordinance required the Village to establish and fund separate accounts held by U.S. Bank as trustee for the principal and interest payments on the bond issue. Three separate accounts have been established.

The Village has deposited into the first account the capitalized interest payments as well as the bond premium and accrued interest received at sale. In February 1994, deposits were made into this account to satisfy interest payment requirements through December 1997.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 12 - TAX INCREMENT FINANCING (Continued)

The second account is for the deposit of the TIF real estate taxes received on all parcels within the redevelopment area. TIF real estate taxes represent additional real estate taxes assessed because of the increase in the Equalized Assessed Valuation prior to the effective date of the TIF establishment. That is, all taxing entities (i.e., County, Village, Schools, etc.) continue to receive their share of taxes attributable to the 1993 Equalized Assessed Valuation in effect at the TIF establishment. The Village receives the entire portion of incremental real estate taxes, if any, because of the increase in the Equalized Assessed Valuation in 1993 and subsequent years, solely for deposit into a Special Tax Allocation Fund. All TIF real estate taxes are to be used first for the retirement of principal and interest. If TIF real estate tax collections exceed principal and interest requirements plus other redevelopment costs, under state law the Village is required to declare a "surplus" and send to Cook County, any such monies for the purpose of distribution to all relevant taxing entities (County, Schools, Park District, etc.).

Amalgamated Bank of Chicago, the successor to U.S. Bank, as the bond trustee, is to make an accounting each November of the available funds in the various trustee accounts. The bond ordinance requires a sufficient fund balance first from the incremental property taxes account and then from the sales tax account to meet the next three semi-annual principal and interest payments. If the accounting determines that excess funds are available beyond the next three payments, then the trustee can transfer any excess sales taxes to the Village for its unrestricted use. Also, the bond issue does provide for early retirement under certain conditions. If a proper accounting determines that insufficient funds are available to meet the next three payments then the trustee informs the Village of the deficiency amount, which should then be deposited into the third account. The elected Village officials decide whether to fund the deficiency from other available resources or by not fully abating property taxes secured by the bonds.

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT

Gleason Dodge: The Village has entered into a business development agreement with the 7911 Corporation to encourage the building of a Jerry Gleason Dodge Auto and Truck Dealership (Gleason Dodge) within the Village.

Commencing on the opening date of the dealership, the Village shall rebate to the 7911 Corporation a portion of the Municipal Sales Tax generated by the automobile dealership and received by the Village in accordance with the percentage formula set forth below:

Out of the first \$200,000 in Municipal Sales Tax generated in each sales tax year, 60% thereof shall be rebated by the Village to the 7911 Corporation, and

On all amounts of Municipal Sales Tax over \$200,000 generated in each sales tax year, 75% thereof shall be rebated by the Village to the 7911 Corporation.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT (Continued)

Within 120 days after the end of the sixth and twelfth month of each sales tax year, the Village shall pay the applicable sales tax rebate for that portion of the particular sales tax year to 7911 Corporation, based on the records of the Illinois Department of Revenue except as stated below:

The date that is 120 days after there ceases to be an automobile dealership actively doing business on the property provided; however, if there is a resumption of the automobile dealership's business before the 120 days elapse, then the Village's obligations to make payments under this agreement shall continue;

The Village has made sales tax rebate payments to 7911 Corporation in the total sum of \$1,000,000.

Famous Liquors: In June 1998, the Village Council approved a business development agreement with Famous Liquors. The incentive to Famous Liquors will end at the earlier of 12 years, or the \$300,000 accumulated incentive paid to Famous Liquors. During the first two years of the agreement, sales taxes from Famous Liquors will be evenly split between Famous Liquors and the Village. In years 3 to 12, the Village will receive a yearly \$40,000 based on sales tax collections. In addition, 60% of the sales tax collections in excess of \$40,000 will be rebated to Famous Liquors with the Village retaining the remaining 40%.

As of April 30, 2010, the Village made payments totaling \$131,987 to Famous Liquors.

Molly Malone's, Inc.: The Village entered into a development and economic incentive agreement with Molly Malone's, Inc. in February 2002 for improvements to the facility. The agreement provides for a rebate of municipal sales taxes in the amount of 60% of taxes generated for ten years up to a maximum rebate of \$125,000.

As of April 30, 2010, the Village made payments totaling \$45,318 to Molly Malone's.

Forest Park Mall: The Village entered into a redevelopment agreement with the Living Word Christian Center (LWCC) as developer of the Forest Park Mall in 2001. Upon satisfaction of conditions contained in the agreement, the Village agrees to rebate 50% of the municipal sales taxes (MST) generated by new businesses in the Forest Park Mall and 50% of incremental real estate taxes received by the Village. The agreement expires January 1, 2015 or upon payment of a total of \$4,900,000.

In addition, the Village agrees to pay to SVT, LLC, doing business as Ultra Foods, \$78,000 per year for two years, payable quarterly, and 50% of MST generated in years 10 through 20 of the lease with LWCC, not to exceed \$1,260,000.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT (Continued)

As of April 30, 2010, the Village made payments totaling \$2,244,937 to LWCC and \$78,000 to SVT, LLC.

Bed Bath and Beyond, Inc.: In February, 2004, the Village entered into an agreement with NWC Harlem Washington LLC to facilitate the redevelopment, remodeling and upgrading of the property to be leased by Bed Bath and Beyond at the corner of Washington and Harlem in Forest Park. The property was subsequently sold to Bed Bath and Beyond of Forest Park, LLC and the agreement was assigned. Under the terms, the Village agrees to rebate 50% of municipal sales taxes generated for 13 years up to a maximum of \$400,000.

As of April 30, 2010, the Village paid \$141,337 to Bed Bath and Beyond of Forest Park, LLC.

NOTE 14 - FOREST PARK PUBLIC LIBRARY

Cash and Investments

The Library maintains a cash and investment pool that is available for use by all funds. Each fund type's portion of this pool is displayed on the financial statements as "cash and investments."

Permitted Deposits and Investments - Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

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

Deposits - At year end, the carrying amount of the Library's deposits totaled \$16,882 and the bank balances totaled \$16,711. Additionally, at year end the Library has \$1,605,207 invested in the Illinois Funds.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library’s investment policy states that investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. The policy further states that the fund should maintain sufficient liquidity to meet current obligations and those reasonably to be anticipated. Specifically, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs. The Library’s investment in the Illinois Funds has a maturity of less than one year.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under state statute, the Library’s investment policy states that investments are to be limited to securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. At year end, the Library’s investment in the Illinois Funds is rated AAAM by Standard & Poor’s.

Custodial Credit Risk – In the case of deposits, this is the risk that in the event of a bank failure, the Library’s deposits may not be returned to it. The Library’s investment policy states deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage unless adequately collateralized pursuant to regulations of the Federal Reserve regarding custody and safekeeping of collateral. At year end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library’s investment policy does not specifically address custodial credit risk for investments. At year end, the Library’s investment in the Illinois Funds is not subject to custodial credit risk.

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Library’s investment in a single issuer. The Library’s investment policy states funds should be diversified appropriately to the nature and amount of the funds. At year end, the Library’s investment in the Illinois Funds represents more than 5% of the total cash and investments portfolio.

Property Taxes

The Library submits its tax levy to the Village Council of the Village of Forest Park, Illinois for approval. One approved, the Village submits the Library’s tax levy to the Cook County Clerk’s office. The Library’s property taxes are levied each calendar year on all taxable real property located within the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. The Cook County Assessor is responsible for assessment of all taxable real property within Cook County.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

The Cook County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the Cook County Collector as the basis for issuing tax bills to Cook County taxpayers. The Cook County Collector collects all property taxes and submits them to the County Treasurer, who remits them to the Library. Taxes must be levied by the last Tuesday in December and are payable in two installments, on March 1 and August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the levy year.

Interfund Transfers

There were no interfund transfers during the year.

Capital Assets

	Balance at <u>April 30, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>April 30, 2010</u>
Capital assets not being depreciated:				
Land	\$ 134	\$ -	\$ -	\$ 134
Capital assets being depreciated:				
Buildings	1,188,553	-	-	1,188,553
Furniture and equipment	116,885	-	-	116,885
Computer equipment	154,338	-	-	154,338
Collections	<u>655,867</u>	<u>228,927</u>	<u>81,861</u>	<u>802,933</u>
Subtotal	<u>2,115,643</u>	<u>228,927</u>	<u>81,861</u>	<u>2,262,709</u>
Accumulated depreciation				
Buildings	(516,752)	(41,768)	-	(558,520)
Furniture and equipment	(98,531)	(1,950)	-	(100,481)
Computer equipment	(129,449)	(5,531)	-	(134,980)
Collections	<u>(270,753)</u>	<u>(145,880)</u>	<u>(81,861)</u>	<u>(334,772)</u>
Subtotal	<u>(1,015,485)</u>	<u>(195,129)</u>	<u>(81,861)</u>	<u>(1,128,753)</u>
Total capital assets being depreciated, net	<u>1,100,158</u>	<u>33,798</u>	-	<u>1,133,956</u>
Capital assets, net	<u>\$ 1,100,292</u>	<u>\$ 33,798</u>	<u>\$ -</u>	<u>\$ 1,134,090</u>

Operating Lease

The Library rents telecommunication and copier equipment under an operating lease. Lease expense under these leases for the year was \$10,698. Future minimum lease payments are as follows:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Year Ended April 30	Amount
2011	\$ <u>2,100</u>

Net Asset Restrictions

The following is a summary of the changes in restricted net assets during the year:

	Beginning Balances	Increases	Decreases	Ending Balances
General Fund				
Unemployment Insurance	\$ 2,396	\$ 1,065	\$ 786	\$ 2,675
Workers Compensation	38,350	2,246	1,945	38,651
Special Revenue Funds				
Audit	3,398	7,173	6,900	3,671
Insurance	67,954	1,031	10,655	58,330
Social Security	34,504	99,891	85,466	48,929
Total	\$ 146,602	\$ 111,406	\$ 105,752	\$ 152,256

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past fiscal year.

Employee Retirement System - Defined Benefit Pension Plan

Illinois Municipal Retirement System

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employe public employee retirement system that acts as a common investment and administrative agent for 2,640 local governments and school districts in Illinois. IMRF does issue a publicly available financial report that includes financial statements and required

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

IMRF covers all Library employees who work more than 1,000 hours per year. Pension benefits vest after 8 years of service. Participating members who retire at or after age 60 with 8 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 statutes. Participating member are required to contribute 4.5% of their annual salary to IMRF. The Library is required to contribute the remaining amounts necessary to fund the system, using the actuarial basis specified by statute (entry age normal); for the calendar year 2009 the rate was 6.81%

The employees of the Library are poled with the employees of the Village of Forest Park for purposes of actuarial valuation. Therefore, the amount of accumulated retirement liability and normal costs related specifically to Library personnel is not available.

The Library remits amounts withheld from employees for IMRF as well as the employer's share of IMRF to the Village of Forest Park. For the year ending April 30, 2010, the employer's share of IMRF amounts to \$38,787.

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS

In June 2007, the GASB issued Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. It defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Statement 51 is effective for the Village's fiscal year ending April 30, 2011.

In June 2008, GASB issued Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Statement 53 is effective for financial statements for periods beginning after June 15, 2009.

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2010

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In December 2009, the GASB issued Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. This Statement amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, to permit an agent employer that has an individual employer OPEB plan with fewer than 100 total plan members to use the alternative measurement method, at its option, regardless of the number of total plan members in the agent multiple employer OPEB plan in which it participates. This Statement also amends a Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, requirement that a defined benefit OPEB plan obtain an actuarial valuation. The amendment permits the requirement to be satisfied for an agent multiple-employer OPEB plan by reporting an aggregation of results of actuarial valuations of the individual-employer OPEB plans or measurements resulting from use of the alternative measurement method for individual-employer OPEB plans that are eligible. In addition, this Statement clarifies that when actuarially determined OPEB measures are reported by an agent multiple-employer OPEB plan and its participating employers. The provisions related to the use and reporting of the alternative method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plans financial statements for Village's financial periods beginning after June 15, 2011.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to unallocated insurance contracts to improve the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

Management has not determined the impact these statements will have on the financial position and results of operations of the Village.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 APRIL 30, 2010

Regular

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 8,499,789	\$ 9,589,783	\$ 1,089,994	88.63%	\$ 3,602,540	30.26%
12/31/08	8,403,299	9,450,384	1,047,085	88.92%	3,638,369	28.78%
12/31/07	9,764,806	9,127,092	(637,714)	106.99%	3,472,854	-18.36%
12/31/06	9,714,688	8,779,894	(934,794)	110.65%	3,249,713	-28.77%
12/31/05	8,820,682	8,135,136	(685,546)	108.43%	3,026,126	-22.65%
12/31/04	7,918,057	7,158,176	(759,881)	110.62%	3,043,389	-24.97%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$8,229,242. On a market basis, the funded ratio would be 85.81%

SLEP

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/09	\$ 175,306	\$ 142,106	\$ (33,200)	123.36%	\$ 124,346	0.00%
12/31/08	149,863	106,482	(43,381)	140.74%	120,884	0.00%
12/31/07	136,314	75,099	(61,215)	181.51%	119,608	0.00%
12/31/06	107,815	46,957	(60,858)	229.60%	117,953	-51.60%
12/31/05	81,377	20,652	(60,725)	394.04%	111,323	-54.55%
12/31/04	58,600	7,307	(51,293)	801.97%	103,735	-49.45%

On a market value basis, the actuarial value of assets as of December 31, 2009 was \$171,959. On a market basis, the funded ratio would be 121.01%

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS
 APRIL 30, 2010

<u>POLICE PENSION FUND</u>						
Actuarial Valuation	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/09	\$ 18,137,483	\$ 27,071,653	67.00%	\$ 8,934,170	\$ 2,687,010	332.5%
4/30/08	18,080,808	25,539,296	70.80%	7,458,488	2,342,675	318.4%
4/30/07	17,914,643	23,472,490	76.32%	5,557,847	2,385,947	232.9%
4/30/06	16,984,836	21,352,857	79.54%	4,368,021	2,191,554	199.3%
4/30/05	16,832,594	20,620,264	81.63%	3,787,670	2,150,281	176.1%
4/30/04	17,275,786	19,008,679	90.88%	1,732,893	1,998,588	86.7%

<u>FIREFIGHTERS' PENSION FUND</u>						
Actuarial Valuation	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/09	\$ 12,299,585	\$ 20,441,328	60.17%	\$ 8,141,743	\$ 1,768,587	460.4%
4/30/08	14,479,167	19,163,979	75.55%	4,684,812	1,691,221	277.0%
4/30/07	14,308,807	18,175,470	78.73%	3,866,663	1,607,852	240.5%
4/30/06	13,679,540	18,347,111	74.56%	4,667,571	1,513,245	308.4%
4/30/05	12,596,622	16,676,651	75.53%	4,080,029	1,477,442	276.2%
4/30/04	12,432,616	16,776,933	74.11%	4,344,317	1,331,174	326.4%

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and the unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the unfunded actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System (PERS). Trends in unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effect of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION FUNDS
 APRIL 30, 2010

Fiscal Year Ended	POLICE PENSION			FIRE PENSION		
	Required Contribution	Percentage Contributed	Net Pension Asset (Obligation)	Required Contribution	Percentage Contributed	Net Pension Asset (Obligation)
4/30/09	\$ 562,554	88.00%	\$ (105,626)	\$ 455,519	116.40%	\$ 59,778
4/30/08	468,327	90.00%	(39,962)	477,592	96.40%	(14,868)
4/30/07	431,845	101.60%	(6,980)	435,481	100.50%	2,287
4/30/06	477,484	100.00%	-	485,999	100.00%	-
4/30/05	372,623	100.00%	-	443,034	100.00%	-
4/30/04	335,750	78.85%	(301,159)	429,927	107.67%	140,173

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actual contribution is made from the Village general fund and is based on the property tax levy apportioned to the pension funds. Additional information as of the latest actuarial valuations follows.

	<u>Police Pension</u>	<u>Fire Pension</u>
Actuarial valuation date	April 30, 2009	April 30, 2009
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level % payroll, closed	Level % payroll, closed
Remaining amortization period	24 years	25 years
Actuarial valuation method	Fair Value	Fair Value
Significant actuarial assumptions:		
a) Rate of return on investments of present and future assets	7.50%	7.50%
b) Projected salary increases- attributable to inflation	5.00% inc. inflation at 3.00%	5.00% inc. inflation at 3.00%

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
 APRIL 30, 2010

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/10	\$ -	\$ 2,035,510	0.00%	\$ 2,035,510	\$ -	0.0%
4/30/09	-	1,307,299	0.00%	1,307,299	-	0.0%
4/30/08	-	1,307,299	0.00%	1,307,299	-	0.0%
4/30/07	N/A	N/A	N/A	N/A	N/A	N/A
4/30/06	N/A	N/A	N/A	N/A	N/A	N/A
4/30/05	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Information not available.

*April 30, 2008 was the first year of actuarial valuation

Actuarial valuation date	April 30, 2010
Actuarial cost method	Entry Age
Amortization method	Level % payroll, open
Remaining amortization period	30 years
Actuarial valuation method	Fair Value
Significant actuarial assumptions:	
Investment rate of return*	5.00%
Projected salary increases	5.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate
Percentage of Active Employees Assumed to Elect Benefit	50.00%
Employer Provided Benefit	40% of premium to age 65; Current Health Insurance Premium for Life for Disabled Public Safety Employees (\$657 - 1,121/month)
*Includes inflation at	3.00%

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2010

	GENERAL FUND				SPECIAL REVENUE FUNDS					
	Original and Final Budget		Variance from Final Budget		VIP PROGRAM FUND		BROWN STREET STATION TIP FUND			
	Actual	Final Budget	Positive (Negative)	Original and Final Budget	Actual	Positive (Negative)	Original and Final Budget	Actual	Positive (Negative)	
Revenues										
Property tax revenue	\$ 4,240,000	\$ 4,263,241	\$ 23,241	\$ -	\$ -	\$ -	\$ 600,000	\$ 682,985	\$ 82,985	
Personal property replace tax	157,285	147,711	(9,574)	-	-	-	-	-	-	
Sales tax	3,206,200	2,366,677	(839,523)	944,000	916,057	(27,943)	-	-	-	
Intergovernmental revenues	256,750	209,790	(46,960)	-	-	-	-	-	-	
Auto rental tax	17,500	17,138	(362)	-	-	-	-	-	-	
Income tax	1,404,508	1,209,965	(194,543)	-	-	-	-	-	-	
Utility taxes	1,875,440	1,676,901	(198,539)	-	-	-	-	-	-	
Licenses and permits	968,856	983,822	14,966	-	-	-	-	-	-	
Fees for services	2,310,898	2,268,294	(42,604)	-	-	-	-	-	-	
Grant revenue	345,900	163,877	(182,023)	-	2,719,620	2,719,620	-	-	-	
Fines	2,220,000	1,671,204	(548,796)	-	-	-	55,000	35,573	(19,427)	
Interest on investments	18,117	1,083	(17,034)	6,000	2,335	(3,665)	-	-	-	
Other revenue	160,942	127,480	(33,462)	-	-	-	-	-	-	
Total revenues	17,182,396	15,107,183	(2,075,213)	950,000	3,638,012	2,688,012	655,000	718,558	63,558	
Expenditures										
Current:										
Office of the mayor	5,801,786	5,368,582	433,204	-	-	-	-	-	-	
Office of accounts and finance	8,684,411	7,938,962	745,449	-	-	-	-	-	-	
Office of public property	1,707,415	1,563,268	144,147	-	-	-	-	-	-	
Office of streets and public improvement	1,479,146	1,532,008	(52,862)	1,144,248	4,159,736	(3,015,488)	1,015,000	145,430	869,570	
Office of health and safety	472,846	509,332	(36,486)	-	-	-	-	-	-	
Debt service:										
Principal retired	-	-	-	355,000	355,000	-	-	-	-	
Interest and charges	-	-	-	356,013	356,013	-	-	-	-	
Total expenditures	18,145,604	16,912,152	1,233,452	1,855,261	4,870,749	(3,015,488)	1,015,000	145,430	869,570	
Excess (deficiency) of revenues over expenditures	(963,208)	(1,804,969)	(841,761)	(905,261)	(1,232,737)	(327,476)	(360,000)	573,128	933,128	
Other financing sources (uses)										
Transfers in	1,600,000	1,592,642	(7,358)	-	-	-	-	-	-	
Transfers out	-	-	-	-	-	-	-	-	-	
Loan proceeds	-	141,526	141,526	-	1,352,548	1,352,548	-	-	-	
Total other financing sources (uses)	1,600,000	1,734,168	134,168	-	1,352,548	1,352,548	-	-	-	
Net change in fund balance	\$ 636,792	(70,801)	(707,593)	\$ (905,261)	119,811	\$ 1,025,072	\$ (360,000)	573,128	\$ 933,128	
Fund balance at beginning of year		300,834			1,968,554			2,926,376		
Fund balance at end of year		\$ 230,033			\$ 2,088,365			\$ 3,499,504		

See accompanying notes to schedule.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2010

	SPECIAL REVENUE FUNDS				Variance from Final Budget Positive (Negative)
	HARLEM / HARRISON TIF FUND		ROOSEVELT / HANNAH TIF FUND		
	Original and Final Budget	Actual	Original and Final Budget	Actual	
Revenues					
Property tax revenue	\$ 12,000	\$ 27,061	\$ 15,061	\$ 900,000	\$ 539,170
Personal property replace tax	-	-	-	-	\$ (360,830)
Sales tax	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Auto rental tax	-	-	-	-	-
Income tax	-	-	-	-	-
Utility taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Fees for services	-	-	-	-	-
Grant revenue	-	-	-	-	-
Fines	-	-	-	-	-
Interest on investments	150	192	42	6,000	5,992
Other revenue	-	-	-	-	(8)
Total revenues	12,150	27,253	15,103	906,000	545,162
					(360,838)
Expenditures					
Current:					
Office of the mayor	-	-	-	-	-
Office of accounts and finance	-	-	-	-	-
Office of public property	-	-	-	-	-
Office of streets and public improvement	6,000	835	5,165	651,500	389,892
Office of health and safety	-	-	-	-	-
Debt service:					
Principal retired	-	-	-	155,000	155,000
Interest and charges	-	-	-	27,720	23,070
Total expenditures	6,000	835	5,165	834,220	567,962
					266,258
Excess (deficiency) of revenues over expenditures	6,150	26,418	20,268	71,780	(22,800)
					(94,580)
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Loan proceeds	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balance	\$ 6,150	\$ 26,418	\$ 20,268	\$ 71,780	\$ (22,800)
					\$ (94,580)
Fund balance at beginning of year					
		(70,257)			1,794,233
Fund balance at end of year		\$ (43,839)			\$ 1,771,433

See accompanying notes to schedule.

NOTES TO THE BUDGETARY COMPARISON SCHEDULE
APRIL 30, 2010

Budgetary Data:

1. The Village Budget Officer submits to the Village Council, in early May, a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget document is available for public inspection for at least 30 days prior to the Village Council's passage of the Annual Appropriations Ordinance.
3. The Village Council must hold at least one public hearing on the budget prior to its passage.
4. The budget is legally enacted through the passage of the Annual Appropriations Ordinance.
5. The Village Council by a two-thirds vote is authorized to transfer budgeted amounts among departments within any fund. The Village Council must approve any revisions, which alter the total expenditures of any fund. The budget information stated in the financial statements includes adjustments made during the year.
6. The level of control where expenditures may not exceed the budget is the department level of activity. Unspent budgetary amounts lapse at year end and, therefore, are not carried over to succeeding years.
7. The Village prepares budgets for the following funds in accordance with accounting principles generally accepted in the United States of America (GAAP):

General Fund	E-911 Fund
IMRF Fund	Social Security Fund
Motor Fuel Tax Fund	2002 Bond Fund
Library Bond Fund	VIP Program Fund
Special Tax Allocation Fund	Incremental Sales Tax Fund
Harlem / Harrison TIF Fund	Brown Street Station TIF Fund
Water and Sewer Fund	Vehicle Parking Fund
Roosevelt / Hannah TIF Fund	

8. The following funds had expenditures/expenses in excess of budget:

<u>Fund</u>	<u>Excess over Budget</u>
VIP Program Fund	\$ 3,015,488
Vehicle Parking Fund	21,440

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 4,240,000	\$ 4,263,241	\$ 23,241
Personal property replacement tax	157,285	147,711	(9,574)
Sales tax	3,206,200	2,366,677	(839,523)
Intergovernmental revenues			
Use tax	236,000	187,905	(48,095)
Foreign fire insurance tax	19,000	20,760	1,760
Pull tabs/jar games	1,250	1,125	(125)
Charitable games	500	-	(500)
Total intergovernmental revenues	<u>256,750</u>	<u>209,790</u>	<u>(46,960)</u>
Auto rental tax	17,500	17,138	(362)
Local share-income tax	1,404,508	1,209,965	(194,543)
Utility taxes			
Telephone utility tax	700,000	670,171	(29,829)
Electric utility tax	566,000	559,456	(6,544)
Franchise tax - cable	214,240	215,390	1,150
Gas utility tax	395,200	231,884	(163,316)
Total utility taxes	<u>1,875,440</u>	<u>1,676,901</u>	<u>(198,539)</u>
Licenses and permits			
Liquor license	91,725	90,558	(1,167)
Liquor license application fee	1,000	4,514	3,514
Business license	41,000	47,754	6,754
Sidewalk use permit	3,000	2,300	(700)
Solicitor's license	700	288	(412)
Amusement devises	28,900	30,185	1,285
Amusement tax video rental	45,000	39,552	(5,448)
Vending machines	6,000	4,093	(1,907)
Tobacco license	5,600	4,600	(1,000)
Gasoline stations' license	14,648	14,368	(280)
Taxicabs' license	10,000	3,260	(6,740)
Scavenger services' license	15,000	17,500	2,500
Contractors' license	16,600	19,150	2,550
Vehicle license	235,000	246,237	11,237
Animal license	2,500	3,664	1,164
Building permits	150,000	154,207	4,207
Electric permits	20,000	17,463	(2,537)
Plumbing permits	26,333	19,340	(6,993)
HVAC permits	2,000	2,575	575
Water permit fees	2,000	4,200	2,200
Sign permits	30,000	28,833	(1,167)
Dumpster permits	4,000	2,750	(1,250)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
FOIA	\$ 500	\$ 537	\$ 37
Parking permits	210,000	217,268	7,268
Garage sale permits	1,200	1,285	85
Parkway landscaping permit	150	-	(150)
Dog park permits	<u>6,000</u>	<u>7,341</u>	<u>1,341</u>
Total licenses and permits	<u>968,856</u>	<u>983,822</u>	<u>14,966</u>
Fees for services			
Plats and sub-division fees	3,500	950	(2,550)
Plan review fees	1,000	15,000	14,000
Elevator inspection fees	18,000	14,300	(3,700)
Food service inspection fees	15,000	19,875	4,875
Certificate of compliance fees	74,000	54,470	(19,530)
Zoning application fees	3,750	2,965	(785)
Ambulance charges	285,000	294,584	9,584
Emergency fire suppression services	385,282	385,282	-
Sidewalk replacement	4,800	6,220	1,420
Highway maintenance - IDOT	72,000	64,630	(7,370)
Police/fire testing fees	5,000	2,230	(2,770)
Refuse collection charges	647,200	641,089	(6,111)
Recycling fees	103,100	88,826	(14,274)
Yard waste fees	52,900	50,415	(2,485)
Accident reports	3,500	4,671	1,171
SORA registration fees	100	170	70
Water towers	116,266	133,993	17,727
Real estate	30,000	30,000	-
Picnic grove rental/fees	1,000	1,810	810
Groovin' in the grove	3,000	1,915	(1,085)
Community center	6,500	4,426	(2,074)
Day care-after school program	160,000	146,284	(13,716)
Day care-summer program	60,000	58,266	(1,734)
Youth activities	4,000	2,838	(1,162)
Classes	2,500	2,538	38
Trips - tours - excursions	160,000	137,784	(22,216)
Taxi - cab fares/fees	5,500	1,902	(3,598)
Meals-on-wheels	2,500	2,861	361
Community Events	30,000	39,051	9,051
RTA - administration subsidy	40,000	45,881	5,881
RTA - PACE advertisement	9,000	6,028	(2,972)
RTA - dial-a-ride	6,000	6,778	778
RTA - PACE passes/fares	<u>500</u>	<u>262</u>	<u>(238)</u>
Total fees for services	<u>2,310,898</u>	<u>2,268,294</u>	<u>(42,604)</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	Final Budget	Actual	Variance from Budget Positive (Negative)
Grant revenue			
Cook county - PEER/PIPE	\$ -	\$ 13,848	\$ 13,848
Federal FF training grant	-	42,875	42,875
Parking facilities #06203643	225,000	-	(225,000)
U.S. DOJ police vests grant	10,000	1,733	(8,267)
ICJIA police grant JAG	18,000	-	(18,000)
DCCA - fire equipment	15,000	7,299	(7,701)
CDBG 2008 alley project	-	63,000	63,000
Wal-Mart grant	-	1,500	1,500
DECO Naval reserve grant 09-20	50,000	842	(49,158)
Tabacco control gr-liquor commission	-	4,880	4,880
Operating - non-categorical	27,900	27,900	-
Total grant revenue	<u>345,900</u>	<u>163,877</u>	<u>(182,023)</u>
Fines			
Traffic and parking fines	1,450,000	1,209,686	(240,314)
Compliance tickets	750,000	394,130	(355,870)
Code violation fines	15,000	64,477	49,477
Other fines and penalties	5,000	2,911	(2,089)
Total fines	<u>2,220,000</u>	<u>1,671,204</u>	<u>(548,796)</u>
Interest on investments	<u>18,117</u>	<u>1,083</u>	<u>(17,034)</u>
Other revenue			
Miscellaneous revenue	81,550	89,677	8,127
NSF - agency collections	150	555	405
Centennial sales	40	1,386	1,346
Workmen's comp reimbursements	14,000	23,928	9,928
Health care reimbursements	13,202	-	(13,202)
FEMA/IEMA disaster relief	-	241	241
Claims and damages	52,000	11,693	(40,307)
Total other revenue	<u>160,942</u>	<u>127,480</u>	<u>(33,462)</u>
Total revenues	<u>\$ 17,182,396</u>	<u>\$ 15,107,183</u>	<u>\$ (2,075,213)</u>

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP) BASIS AND ACTUAL
 Year Ended April 30, 2010

	Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Expenditures			
Office of the mayor			
General public affairs	\$ 929,069	\$ 802,199	\$ 126,870
Police	4,212,193	3,950,598	261,595
Community services	<u>660,524</u>	<u>615,785</u>	<u>44,739</u>
Total office of the mayor	<u>5,801,786</u>	<u>5,368,582</u>	<u>433,204</u>
Office of accounts and finance			
Village clerk	4,590,075	4,425,401	164,674
Grant expenditures	432,069	310,952	121,117
Finance	796,723	511,817	284,906
Fire	971,707	910,383	61,324
Fire protection	<u>1,893,837</u>	<u>1,780,409</u>	<u>113,428</u>
Total office of accounts and finance	<u>8,684,411</u>	<u>7,938,962</u>	<u>745,449</u>
Office of public property			
Public property	974,218	951,367	22,851
Public property/street lights	355,000	283,053	71,947
Forestry	197,325	184,107	13,218
Playground and recreation	56,872	48,987	7,885
Property maintenance	<u>124,000</u>	<u>95,754</u>	<u>28,246</u>
Total office of public property	<u>1,707,415</u>	<u>1,563,268</u>	<u>144,147</u>
Office of streets and public improvement			
Streets and public improvement	536,991	603,873	(66,882)
Garbage	<u>942,155</u>	<u>928,135</u>	<u>14,020</u>
Total office of streets and public improvement	<u>1,479,146</u>	<u>1,532,008</u>	<u>(52,862)</u>
Office of health and safety			
Public health and safety	<u>472,846</u>	<u>509,332</u>	<u>(36,486)</u>
Total office of health and safety	<u>472,846</u>	<u>509,332</u>	<u>(36,486)</u>
Total expenditures	<u>\$ 18,145,604</u>	<u>\$ 16,912,152</u>	<u>\$ 1,233,452</u>

VIP PROGRAM FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax revenues	\$ 944,000	\$ 916,057	\$ (27,943)
Interest on investments	6,000	2,335	(3,665)
Grant revenue	-	2,719,620	2,719,620
Total revenues	<u>950,000</u>	<u>3,638,012</u>	<u>2,688,012</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	1,144,248	4,159,736	(3,015,488)
Debt service:			
Principal retired	355,000	355,000	-
Interest and charges	356,013	356,013	-
Total expenditures	<u>1,855,261</u>	<u>4,870,749</u>	<u>(3,015,488)</u>
Other financing sources (uses)			
Loan proceeds	-	1,352,548	1,352,548
Total other financing sources (uses)	<u>-</u>	<u>1,352,548</u>	<u>1,352,548</u>
Net change in fund balance	<u>\$ (905,261)</u>	119,811	<u>\$ 1,025,072</u>
Fund balance at beginning of year		<u>1,968,554</u>	
Fund balance at end of year		<u>\$ 2,088,365</u>	

BROWN STREET STATION TIF FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 600,000	\$ 682,985	\$ 82,985
Interest on investments	<u>55,000</u>	<u>35,573</u>	<u>(19,427)</u>
Total revenues	<u>655,000</u>	<u>718,558</u>	<u>63,558</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>1,015,000</u>	<u>145,430</u>	<u>869,570</u>
Total expenditures	<u>1,015,000</u>	<u>145,430</u>	<u>869,570</u>
Net change in fund balance	<u>\$ (360,000)</u>	573,128	<u>\$ 933,128</u>
Fund balance at beginning of year		<u>2,926,376</u>	
Fund balance at end of year		<u>\$ 3,499,504</u>	

HARLEM / HARRISON TIF FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 12,000	\$ 27,061	\$ 15,061
Interest on investments	<u>150</u>	<u>192</u>	<u>42</u>
Total revenues	<u>12,150</u>	<u>27,253</u>	<u>15,103</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>6,000</u>	<u>835</u>	<u>5,165</u>
Total expenditures	<u>6,000</u>	<u>835</u>	<u>5,165</u>
Net change in fund balance	<u>\$ 6,150</u>	26,418	<u>\$ 20,268</u>
Fund balance at beginning of year		<u>(70,257)</u>	
Fund balance at end of year		<u>\$ (43,839)</u>	

ROOSEVELT / HANNAH TIF FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 900,000	\$ 539,170	\$ (360,830)
Interest on investments	<u>6,000</u>	<u>5,992</u>	<u>(8)</u>
Total revenues	<u>906,000</u>	<u>545,162</u>	<u>(360,838)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	651,500	389,892	261,608
Debt service:			
Principal retired	155,000	155,000	-
Interest and charges	<u>27,720</u>	<u>23,070</u>	<u>4,650</u>
Total expenditures	<u>834,220</u>	<u>567,962</u>	<u>266,258</u>
Net change in fund balance	<u>\$ 71,780</u>	(22,800)	<u>\$ (94,580)</u>
Fund balance at beginning of year		<u>1,794,233</u>	
Fund balance at end of year		<u>\$ 1,771,433</u>	

2002 BOND FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	\$ 17,535	\$ 345	\$ (17,190)
Total revenues	<u>17,535</u>	<u>345</u>	<u>(17,190)</u>
Expenditures			
Office of accounts and finance			
Bank fees	3,000	-	3,000
Other expenditures	5,000	6,659	(1,659)
Debt service:			
Principal retired	355,000	370,000	(15,000)
Interest and charges	<u>176,482</u>	<u>161,395</u>	<u>15,087</u>
Total expenditures	<u>539,482</u>	<u>538,054</u>	<u>1,428</u>
Excess (deficiency) of revenues over expenditures	<u>(521,947)</u>	<u>(537,709)</u>	<u>(15,762)</u>
Other financing sources (uses)			
Transfers in	<u>-</u>	<u>767,275</u>	<u>767,275</u>
Total other financing sources (uses)	<u>-</u>	<u>767,275</u>	<u>767,275</u>
Net change in fund balance	<u>\$ (521,947)</u>	229,566	<u>\$ 751,513</u>
Fund balance at beginning of year		<u>2,427,331</u>	
Fund balance at end of year		<u>\$ 2,656,897</u>	

SPECIAL TAX ALLOCATION FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 615,000	\$ 775,028	\$ 160,028
Interest on investments	<u>6,500</u>	<u>31</u>	<u>(6,469)</u>
Total revenues	<u>621,500</u>	<u>775,059</u>	<u>153,559</u>
Excess (deficiency) of revenues over expenditures	<u>621,500</u>	<u>775,059</u>	<u>153,559</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(767,275)</u>	<u>(767,275)</u>
Total other financing sources (uses)	<u>-</u>	<u>(767,275)</u>	<u>(767,275)</u>
Net change in fund balance	<u>\$ 621,500</u>	7,784	<u>\$ (613,716)</u>
Fund balance at beginning of year		<u>378,269</u>	
Fund balance at end of year		<u>\$ 386,053</u>	

INCREMENTAL SALES FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax	\$ 355,000	\$ 341,115	\$ (13,885)
Interest on investments	<u>2,100</u>	<u>35</u>	<u>(2,065)</u>
Total revenues	<u>357,100</u>	<u>341,150</u>	<u>(15,950)</u>
Excess (deficiency) of revenues over expenditures	<u>357,100</u>	<u>341,150</u>	<u>(15,950)</u>
Other financing sources (uses)			
Transfers out	<u>(355,000)</u>	<u>(312,642)</u>	<u>42,358</u>
Total other financing sources (uses)	<u>(355,000)</u>	<u>(312,642)</u>	<u>42,358</u>
Net change in fund balance	<u>\$ 2,100</u>	28,508	<u>\$ 26,408</u>
Fund balance at beginning of year		<u>208,828</u>	
Fund balance at end of year		<u>\$ 237,336</u>	

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS

COMBINING BALANCE SHEET

April 30, 2010

	Special Revenue Funds					
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Police Vehicle Fund	Foreign Fire Insurance Fund	Illinois Municipal Retirement Fund
ASSETS						
Cash and cash equivalents	\$ 264,972	\$ 81,350	\$ 102,651	\$ -	\$ 23,466	\$ -
Receivables:						
Property tax receivable	-	-	-	-	-	121,837
Due from other governments	-	-	-	-	-	-
Accounts receivable	-	-	3,714	619	-	-
Interfund receivable	-	-	-	25,380	-	119,563
TOTAL ASSETS	<u>\$ 264,972</u>	<u>\$ 81,350</u>	<u>\$ 106,365</u>	<u>\$ 25,999</u>	<u>\$ 23,466</u>	<u>\$ 241,400</u>
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Deferred revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 121,837
Interfund payable	35,184	-	-	-	-	-
Total liabilities	<u>35,184</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>121,837</u>
FUND BALANCE						
Reserved for debt service	-	-	-	-	-	-
Unreserved, special revenue funds	229,788	81,350	106,365	25,999	23,466	119,563
Total fund balance	<u>229,788</u>	<u>81,350</u>	<u>106,365</u>	<u>25,999</u>	<u>23,466</u>	<u>119,563</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 264,972</u>	<u>\$ 81,350</u>	<u>\$ 106,365</u>	<u>\$ 25,999</u>	<u>\$ 23,466</u>	<u>\$ 241,400</u>

Special Revenue Funds				Debt Service Fund	
Social Security Fund	Motor Fuel Tax Fund	Harrison / Circle Fund	Total Nonmajor Special Revenue Funds	Library Bond Fund	Total Nonmajor Governmental Funds
\$ -	\$ 309,169	\$ -	\$ 781,608	\$ -	\$ 781,608
122,982	-	-	244,819	-	244,819
-	66,954	-	66,954	-	66,954
-	-	-	4,333	-	4,333
-	-	-	144,943	79,211	224,154
<u>\$ 122,982</u>	<u>\$ 376,123</u>	<u>\$ -</u>	<u>\$ 1,242,657</u>	<u>\$ 79,211</u>	<u>\$ 1,321,868</u>
\$ 122,981	\$ -	\$ -	\$ 244,818	\$ -	\$ 244,818
145,315	372,938	-	553,437	-	553,437
<u>268,296</u>	<u>372,938</u>	<u>-</u>	<u>798,255</u>	<u>-</u>	<u>798,255</u>
-	-	-	-	79,211	79,211
(145,314)	3,185	-	444,402	-	444,402
<u>(145,314)</u>	<u>3,185</u>	<u>-</u>	<u>444,402</u>	<u>79,211</u>	<u>523,613</u>
<u>\$ 122,982</u>	<u>\$ 376,123</u>	<u>\$ -</u>	<u>\$ 1,242,657</u>	<u>\$ 79,211</u>	<u>\$ 1,321,868</u>

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 Year Ended April 30, 2010

	Special Revenue Funds					
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Police Vehicle Fund	Foreign Fire Insurance Fund	Illinois Municipal Retirement Fund
Revenues						
Property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,129
Personal property replace tax	-	-	-	-	-	9,703
Intergovernmental revenues	202,493	-	-	-	20,760	-
Fines	-	43,344	448,302	25,757	-	-
Interest on investments	325	536	456	-	86	-
Other revenue	-	3,578	-	6,050	-	-
Total revenues	202,818	47,458	448,758	31,807	20,846	262,832
Expenditures						
Current:						
Office of the mayor	124,267	61,594	151,759	22,048	-	-
Office of accounts and finance	-	-	-	-	10,905	266,827
Office of public property	-	-	441,427	-	-	-
Total expenditures	124,267	61,594	593,186	22,048	10,905	266,827
Excess (deficiency) of revenues over expenditures	78,551	(14,136)	(144,428)	9,759	9,941	(3,995)
Other financing sources (uses)						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	78,551	(14,136)	(144,428)	9,759	9,941	(3,995)
Fund balances at beginning of year	151,237	95,486	250,793	16,240	13,525	123,558
Fund balances at end of year	\$ 229,788	\$ 81,350	\$ 106,365	\$ 25,999	\$ 23,466	\$ 119,563

Special Revenue Funds				Debt Service Fund		Total
Social Security Fund	Motor Fuel Tax Fund	Harrison / Circle Fund	Total Nonmajor Special Revenue Funds	Library Bond Fund		Nonmajor Governmental Funds
\$ 256,363	\$ -	\$ -	\$ 509,492	\$ -		\$ 509,492
8,747	-	-	18,450	-		18,450
-	393,118	-	616,371	-		616,371
-	-	-	517,403	-		517,403
-	357	-	1,760	-		1,760
-	-	-	9,628	-		9,628
<u>265,110</u>	<u>393,475</u>	<u>-</u>	<u>1,673,104</u>	<u>-</u>		<u>1,673,104</u>
-	-	-	359,668	-		359,668
323,607	-	-	601,339	-		601,339
-	-	-	441,427	-		441,427
<u>323,607</u>	<u>-</u>	<u>-</u>	<u>1,402,434</u>	<u>-</u>		<u>1,402,434</u>
<u>(58,497)</u>	<u>393,475</u>	<u>-</u>	<u>270,670</u>	<u>-</u>		<u>270,670</u>
<u>-</u>	<u>(380,000)</u>	<u>-</u>	<u>(380,000)</u>	<u>-</u>		<u>(380,000)</u>
<u>-</u>	<u>(380,000)</u>	<u>-</u>	<u>(380,000)</u>	<u>-</u>		<u>(380,000)</u>
<u>(58,497)</u>	<u>13,475</u>	<u>-</u>	<u>(109,330)</u>	<u>-</u>		<u>(109,330)</u>
<u>(86,817)</u>	<u>(10,290)</u>	<u>-</u>	<u>553,732</u>	<u>79,211</u>		<u>632,943</u>
<u>\$ (145,314)</u>	<u>\$ 3,185</u>	<u>\$ -</u>	<u>\$ 444,402</u>	<u>\$ 79,211</u>		<u>\$ 523,613</u>

VILLAGE OF FOREST PARK, ILLINOIS

EMERGENCY 911 FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
911 emergency surcharge	\$ 195,000	\$ 202,493	\$ 7,493
Interest on investments	<u>2,000</u>	<u>325</u>	<u>(1,675)</u>
Total revenues	<u>197,000</u>	<u>202,818</u>	<u>5,818</u>
Expenditures			
Office of the mayor			
Bank service fees	250	198	52
Regular	35,281	35,281	-
E-911 - expenditures/costs	<u>300,000</u>	<u>88,788</u>	<u>211,212</u>
Total expenditures	<u>335,531</u>	<u>124,267</u>	<u>211,264</u>
Net change in fund balance	<u>\$ (138,531)</u>	78,551	<u>\$ 217,082</u>
Fund balance at beginning of year		<u>151,237</u>	
Fund balance at end of year		<u>\$ 229,788</u>	

VILLAGE OF FOREST PARK, ILLINOIS

NARCOTICS FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
Seizure fees	\$ 80,000	\$ 43,344	\$ (36,656)
Sales of seized vehicles	-	3,578	3,578
Interest on investments	<u>1,200</u>	<u>536</u>	<u>(664)</u>
Total revenues	<u>81,200</u>	<u>47,458</u>	<u>(33,742)</u>
Expenditures			
Office of the mayor			
Bank service fees	100	43	57
Seizure expenditures	<u>75,000</u>	<u>61,551</u>	<u>13,449</u>
Total expenditures	<u>75,100</u>	<u>61,594</u>	<u>13,506</u>
Net change in fund balance	<u>\$ 6,100</u>	(14,136)	<u>\$ (20,236)</u>
Fund balance at beginning of year		<u>95,486</u>	
Fund balance at end of year		<u>\$ 81,350</u>	

VILLAGE OF FOREST PARK, ILLINOIS

U.S. CUSTOMS FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
U.S. Customs deposits	\$ -	\$ 448,302	\$ 448,302
Interest on investments	<u>1,000</u>	<u>456</u>	<u>(544)</u>
Total revenues	<u>1,000</u>	<u>448,758</u>	<u>447,758</u>
Expenditures			
Office of the mayor			
Bank service fees	200	172	28
Overtime	13,000	13,000	-
U.S. Customs expenditures	125,000	138,587	(13,587)
Office of public property			
Capital outlay	<u>-</u>	<u>441,427</u>	<u>(441,427)</u>
Total expenditures	<u>138,200</u>	<u>593,186</u>	<u>(454,986)</u>
Net change in fund balance	<u>\$ (137,200)</u>	(144,428)	<u>\$ (7,228)</u>
Fund balance at beginning of year		<u>250,793</u>	
Fund balance at end of year		<u>\$ 106,365</u>	

VILLAGE OF FOREST PARK, ILLINOIS

POLICE VEHICLE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
Supervision fees	\$ 7,000	\$ 6,917	\$ (83)
Towing	25,000	18,840	(6,160)
Insurance claims of police vehicles	<u>-</u>	<u>6,050</u>	<u>6,050</u>
Total revenues	<u>32,000</u>	<u>31,807</u>	<u>(193)</u>
Expenditures			
Office of the mayor			
Police Vehicle Expenditures	<u>25,000</u>	<u>22,048</u>	<u>2,952</u>
Total expenditures	<u>25,000</u>	<u>22,048</u>	<u>2,952</u>
Net change in fund balance	<u>\$ 7,000</u>	9,759	<u>\$ 2,759</u>
Fund balance at beginning of year		<u>16,240</u>	
Fund balance at end of year		<u>\$ 25,999</u>	

VILLAGE OF FOREST PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	\$ 250,000	\$ 253,129	\$ 3,129
Personal property replacement tax	<u>10,400</u>	<u>9,703</u>	<u>(697)</u>
Total revenues	<u>260,400</u>	<u>262,832</u>	<u>2,432</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>290,000</u>	<u>266,827</u>	<u>23,173</u>
Total expenditures	<u>290,000</u>	<u>266,827</u>	<u>23,173</u>
Net change in fund balance	<u>\$ (29,600)</u>	(3,995)	<u>\$ 25,605</u>
Fund balance at beginning of year		<u>123,558</u>	
Fund balance at end of year		<u>\$ 119,563</u>	

SOCIAL SECURITY FUND
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	\$ 335,000	\$ 256,363	\$ (78,637)
Personal property replacement tax	<u>9,400</u>	<u>8,747</u>	<u>(653)</u>
Total revenues	<u>344,400</u>	<u>265,110</u>	<u>(79,290)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>335,000</u>	<u>323,607</u>	<u>11,393</u>
Total expenditures	<u>335,000</u>	<u>323,607</u>	<u>11,393</u>
Net change in fund balance	<u>\$ 9,400</u>	(58,497)	<u>\$ (67,897)</u>
Fund balance at beginning of year		<u>(86,817)</u>	
Fund balance at end of year		<u>\$ (145,314)</u>	

MOTOR FUEL TAX FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Motor fuel tax allotment	\$ 400,000	\$ 393,118	\$ (6,882)
Interest on investments	<u>8,000</u>	<u>357</u>	<u>(7,643)</u>
Total revenues	<u>408,000</u>	<u>393,475</u>	<u>(14,525)</u>
Excess (deficiency) of revenues over expenditures	<u>408,000</u>	<u>393,475</u>	<u>(14,525)</u>
Other financing (uses)			
Transfer out	<u>(400,000)</u>	<u>(380,000)</u>	<u>20,000</u>
Total other financing (uses)	<u>(400,000)</u>	<u>(380,000)</u>	<u>20,000</u>
Net change in fund balance	<u>\$ 8,000</u>	13,475	<u>\$ 5,475</u>
Fund balance at beginning of year		<u>(10,290)</u>	
Fund balance at end of year		<u>\$ 3,185</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 WATER FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 3,957,485	\$ 3,907,550	\$ (49,935)
Operating expenses			
Operations	2,617,606	2,457,940	159,666
Depreciation	170,000	250,208	(80,208)
Total operating expenses	<u>2,787,606</u>	<u>2,708,148</u>	<u>79,458</u>
Operating income (loss)	<u>1,169,879</u>	<u>1,199,402</u>	<u>29,523</u>
Nonoperating revenues and (expenses)			
Interest revenue	2,500	1,900	(600)
Interest expense	(143,856)	(140,776)	3,080
Loss on disposal of capital assets	-	(166,025)	(166,025)
Total nonoperating revenues and (expenses)	<u>(141,356)</u>	<u>(304,901)</u>	<u>(163,545)</u>
Income (loss) before transfers	<u>1,028,523</u>	<u>894,501</u>	<u>(134,022)</u>
Transfers			
Transfers out	(800,000)	(800,000)	-
Total transfers	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Change in net assets	<u>\$ 228,523</u>	94,501	<u>\$ (134,022)</u>
Net assets at beginning of year		<u>3,653,637</u>	
Net assets at end of year		<u>\$ 3,748,138</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 VEHICLE PARKING FUND
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2010

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 494,700	\$ 514,898	\$ 20,198
Operating expenses			
Operations	482,592	501,158	(18,566)
Depreciation	46,000	48,874	(2,874)
Total operating expenses	<u>528,592</u>	<u>550,032</u>	<u>(21,440)</u>
Operating income (loss)	<u>(33,892)</u>	<u>(35,134)</u>	<u>(1,242)</u>
Nonoperating revenues and (expenses)			
Interest revenue	-	3	3
Interest expense	<u>(8,421)</u>	<u>(8,720)</u>	<u>(299)</u>
Total nonoperating revenues and (expenses)	<u>(8,421)</u>	<u>(8,717)</u>	<u>(296)</u>
Income (loss) before transfers	<u>(42,313)</u>	<u>(43,851)</u>	<u>(1,538)</u>
Transfers			
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Total transfers	<u>-</u>	<u>(100,000)</u>	<u>(100,000)</u>
Change in net assets	<u>\$ (42,313)</u>	(143,851)	<u>\$ (101,538)</u>
Net assets at beginning of year		<u>4,620,938</u>	
Net assets at end of year		<u>\$ 4,477,087</u>	

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

April 30, 2010

	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 761,371	\$ 553,186	\$ 1,314,557
Investments			
Certificates of deposit	-	5,439,708	5,439,708
Government securities	12,087,857	-	12,087,857
Mutual Funds	1,372,460	3,537,319	4,909,779
Insurance contracts	<u>4,772,833</u>	<u>3,990,854</u>	<u>8,763,687</u>
Total investments	18,233,150	12,967,881	31,201,031
Receivables:			
Interest receivable	18,346	44,790	63,136
Prepaid items	<u>1,895</u>	<u>1,921</u>	<u>3,816</u>
Total assets	<u>19,014,762</u>	<u>13,567,778</u>	<u>32,582,540</u>
LIABILITIES			
Accounts payable	<u>3,892</u>	<u>3,527</u>	<u>7,419</u>
Total liabilities	<u>3,892</u>	<u>3,527</u>	<u>7,419</u>
NET ASSETS			
Plan net assets held in trust for employees' pension benefits	<u>\$ 19,010,870</u>	<u>\$ 13,564,251</u>	<u>\$ 32,575,121</u>

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS

For the Year ended April 30, 2010

	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 654,205	\$ 488,470	\$ 1,142,675
Plan members	<u>286,079</u>	<u>168,928</u>	<u>455,007</u>
Total contributions	<u>940,284</u>	<u>657,398</u>	<u>1,597,682</u>
Net investment income	1,353,116	1,933,572	3,286,688
Miscellaneous revenue	<u>50</u>	<u>-</u>	<u>50</u>
Total additions	<u>2,293,450</u>	<u>2,590,970</u>	<u>4,884,420</u>
DEDUCTIONS			
Benefits and refunds	1,374,212	1,307,424	2,681,636
Administrative expenses	<u>45,850</u>	<u>18,880</u>	<u>64,730</u>
Total deductions	<u>1,420,062</u>	<u>1,326,304</u>	<u>2,746,366</u>
Increase (decrease) in net assets	873,388	1,264,666	2,138,054
Plan net assets at beginning of year	<u>18,137,482</u>	<u>12,299,585</u>	<u>30,437,067</u>
Plan net assets at end of year	<u>\$ 19,010,870</u>	<u>\$ 13,564,251</u>	<u>\$ 32,575,121</u>

VILLAGE OF FOREST PARK
SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
FOR THE YEAR ENDED APRIL 30, 2010

Unemployment	\$ 16,557
Workman's comp insurance	<u>440,513</u>
Total tort immunity purposes expenditures	<u><u>\$ 457,070</u></u>

The Village levies property taxes for tort immunity/liability insurance purposes. As required by Public Act 91-0628 passed by the Illinois General Assembly, the Village is including the above list of tort immunity purposes expenditures in its annual financial report.

The Village's tax extension for liability insurance purposes for tax year 2008 as levied by Cook County was \$532,176. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

VILLAGE OF FOREST PARK, ILLINOIS
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES
 AND COMPARATIVE TAX STATISTICS
 YEAR ENDED APRIL 30, 2010

SCHEDULE 1

Tax levy year:	Assessed Valuation	Extended Village Tax Rate		
2000	\$ 215,727,348	2.0039		
2001	224,465,995	1.7177		
2002	287,578,558	1.3731		
2003	280,570,295	1.4487		
2004	283,806,070	1.4670		
2005	356,616,601	1.2210		
2006	354,116,468	1.2860		
2007	382,322,592	1.2630		
2008	432,613,550	1.0867		
2009	444,213,981	1.0611		
	2009 Levy		2008 Levy	
	Amount	Rate	Amount	Rate
General fund:				
Corporate	\$ 1,364,010	0.3071	\$ 1,244,171	0.2880
Fire protection	607,700	0.1368	597,056	0.1380
Forestry	103,906	0.0234	103,906	0.0240
Garbage	-	-	76,323	0.0180
Insurance	313,548	0.0706	532,176	0.1230
Police protection	607,700	0.1368	597,056	0.1380
Police pension	681,509	0.1534	578,548	0.1337
Firefighters' pension	532,752	0.1199	468,856	0.1080
Total general fund	<u>4,211,125</u>	<u>0.9480</u>	<u>4,198,092</u>	<u>0.9707</u>
Special revenue funds:				
Illinois municipal retirement fund	250,000	0.0563	250,000	0.0580
Social security fund	252,350	0.0568	252,350	0.0580
Total special revenue funds	<u>502,350</u>	<u>0.1131</u>	<u>502,350</u>	<u>0.1160</u>
Debt service funds:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total tax levy:	<u>\$ 4,713,475</u>	<u>1.0611</u>	<u>\$ 4,700,442</u>	<u>1.0867</u>
Collections as of April 30, 2010	<u>\$ 2,224,035</u>	<u>47.18%</u>	<u>\$ 4,487,433</u>	<u>95.47%</u>

VILLAGE OF FOREST PARK, ILLINOIS
LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
APRIL 30, 2010

General Obligation Tax Increment Refunding Bonds:

Series 2002

Dated: April 8, 2002

Interest Payable June 1 and December 1 of each year

Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	n/a Interest Rate	n/a Principal	Interest	Total Principal & Interest
2011	4.50%	\$ 385,000	\$ 145,670	\$ 530,670
2012	4.75%	405,000	128,346	533,346
2013	4.75%	425,000	109,108	534,108
2014	4.55%	445,000	88,920	533,920
2015	4.65%	465,000	68,672	533,672
2016	4.75%	480,000	47,050	527,050
2017	4.85%	500,000	24,250	524,250
Totals		<u>\$ 3,105,000</u>	<u>\$ 612,016</u>	<u>\$ 3,717,016</u>

VILLAGE OF FOREST PARK, ILLINOIS
 LONG-TERM DEBT OBLIGATION
 SCHEDULE OF BONDS OUTSTANDING
 APRIL 30, 2010

General Obligation Alternative Revenue Bonds:
 Series 2003A
 Dated: October 1, 2003
 Interest Payable January 1 and July 1 of each year
 Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	n/a Interest Rate	n/a Principal	Interest	Total Principal & Interest
2011	3.40%	\$ 165,000	\$ 18,032	\$ 183,032
2012	3.55%	170,000	12,422	182,422
2013	3.65%	175,000	6,387	181,387
Totals		\$ 510,000	\$ 36,841	\$ 546,841

VILLAGE OF FOREST PARK, ILLINOIS
LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
APRIL 30, 2010

General Obligation Alternative Revenue Bonds:
Series 2005
Dated: June 28, 2005
Interest Payable June 1 and December 1 of each year
Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	n/a Interest Rate	n/a Principal	Interest	Total Principal & Interest
2011	4.25%	\$ 375,000	\$ 340,926	\$ 715,926
2012	4.25%	390,000	324,988	714,988
2013	4.25%	405,000	308,412	713,412
2014	4.25%	425,000	291,200	716,200
2015	4.25%	440,000	273,138	713,138
2016	3.75%	460,000	254,438	714,438
2017	3.85%	480,000	237,188	717,188
2018	3.90%	495,000	218,708	713,708
2019	3.95%	515,000	199,402	714,402
2020	4.05%	535,000	179,060	714,060
2021	4.10%	560,000	157,392	717,392
2022	4.15%	580,000	134,432	714,432
2023	4.20%	605,000	110,362	715,362
2024	4.25%	630,000	84,952	714,952
2025	4.30%	660,000	58,178	718,178
2026	4.35%	685,000	29,798	714,798
Totals		<u>\$ 8,240,000</u>	<u>\$ 3,202,574</u>	<u>\$ 11,442,574</u>

VILLAGE OF FOREST PARK, ILLINOIS
LONG-TERM DEBT OBLIGATION
SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
APRIL 30, 2010

General Obligation Debt Certificates:

Dated: November 1, 2001

Interest Payable May 1 and November 1 of each year

Paying Agent - Cole Taylor Bank

Fiscal Year Ending April 30,	n/a Rate	n/a Principal	Interest	Total Principal & Interest
2011	5.40%	\$ 220,000	\$ 161,858	\$ 381,858
2012	5.40%	230,000	149,978	379,978
2013	4.15%	240,000	137,558	377,558
2014	4.30%	250,000	127,598	377,598
2015	4.40%	260,000	116,848	376,848
2016	4.55%	275,000	105,408	380,408
2017	4.60%	285,000	92,896	377,896
2018	4.70%	300,000	79,786	379,786
2019	4.80%	315,000	65,686	380,686
2020	4.80%	330,000	50,566	380,566
2021	4.90%	345,000	34,726	379,726
2022	4.95%	359,505	17,820	377,325
Totals		<u>\$ 3,409,505</u>	<u>\$ 1,140,728</u>	<u>\$ 4,550,233</u>
