VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
Year Ended April 30, 2012

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Crowe Horwath LLP
Independent Member Crowe Horwath International

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, the discretely presented component unit, 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, 2012, 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, 2012 were audited by other auditors, whose report thereon has 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, 2012, 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 February 2009, the GASB released Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This statement is effective for fiscal periods beginning after June 15, 2010. As discussed in Note 1 in the Notes to the Financial Statements, the Village has implemented this statement retrospectively as of their fiscal year ended April 30, 2012. The statement addresses the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions as well as establishing fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 15 and the schedule of funding progress, schedule of employer contributions, and schedule of revenues, expenditures and changes in fund balances – budget and actual (general fund and major special revenue funds) on pages 70 through 75 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The accompanying combining and individual fund statements and schedules and supplemental data are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the financial statements as a whole. The supplementary data has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
November 13, 2012

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, 2012. 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 changes in the Village's fund balances for major funds (Statement 5) increased by $2,775,308 from FY2011. This increase is primarily due to the proprietary Parking Fund transfer to General Fund, reflecting an increase of $3,392,576 overall for the General Fund balance. The decrease in the Roosevelt/Hannah TIF fund of $1,061,966 reflects payment to the developer for prior years' portion of property tax rebates per the economic incentive agreement, and consultation for Roosevelt Road improvement and potential TIF district expansion.

General fund revenues (excluding grants, Parking Fund transfer, and operating transfers) in FY2012 were $340,641 more (2.33%) than FY11 and $452,750 less (-2.9%) than budget. Significant increases from FY11 general fund revenues include:

- Real estate tax collection increased $78,575 or 1.9%
- Local share sales tax increased $89,986 or 3.6%
- Building permits and related fees increased $184,015 or 97.9% due to Wal-Mart's expansion
- Refuse collection increased $44,144 or 6.9% due to January 1, 2012 scheduled rate increase of 3% and increased residential count
- Other revenues (miscellaneous, worker's compensation reimbursements, claims and damages) increased by $161,221 or 191.0%

These increases were partially offset by the following decreases from FY11 actual revenues:

- Ambulance charges, $39,775 or 13.0%
- Traffic fines and Redlight enforcement violations $133,450 or 9.83%
- Income, local use, and other taxes collected by the state, $28,683 or 2.0%
- Utility taxes, $66,751, or 8.2%.

In the proprietary fund, the Water Fund revenues increased $470,537 or 11.1% over FY2011. Revenues vary both by rates and consumption. Overall rate increases include 5.0% on January 1, 2011, and a 25.0% increase on January 1, 2012 per the City of Chicago. There was little increase in consumption (0.6%); however the expense of purchased water increased 7.6%, or $167,138. The Water Fund balance reflects a net decrease of $37,039 as funds in the amount of $685,441 were repaid to the VIP Fund for prior years' water main and construction projects (Statement 8).

In fiscal year 2012, the proprietary Parking Fund was transferred into the General Fund to reflect as available funds on the balance sheet. This transfer was conducted with the advisement of our legal counsel. Parking related revenues for FY12 totaled $517,391, an overall increase of 0.7% or $3,721 from FY11. Constitution Court reflected an increase of $9,512 or 14.9%, however all other lots, including the Van Buren CTA lot and parking meters, showed an aggregate decrease of $8,245 or 1.9%. Parking Fund expenses were re-allocated throughout various expenditure accounts within the General Fund.

Expenditures in the major operating funds (General and Water, excluding grants and transfers out) were $789,049 higher than last year, or 3.9%. However these funds' expenditures remained under FY12 budget by $199,300, or 1.0%. In addition to the increased cost of purchased water, other significant changes in expenditures from last year were:

- Overall wages paid (including overtime) increased 4.1%; insurance benefits increased 5.5%; pension costs reflected a 3.6% decrease, with the variance attributed to Police and Fire pension contributions through real estate and replacement taxes. Total increase in wages and benefits of $372,459, or 3.0%
- FY12 implementation of residential flood prevention assistance program, $40,685
- Principal on line of credit for new vehicles recognized in General Fund as expenditure, $278,596 (offset of loan proceed recognized as an other financing source)
- Liability insurance increased from $505,374 to $549,714, or 8.7%
- Fuel expenses increased by $48,981 or 24.7%

- One time budgeted purchases included a portable salt dome at the Public Works garage ($31,466), and the digital sign at the Community Center ($33,731)

During FY12, the 2001 General Obligation Refunding Debt Certificate was refinanced, reducing interest rates that originally ranged from 4.15 - 4.95% to 2.0 - 3.0% for the duration of the debt ending 2021, reflecting a net present value savings of $266,495. This debt obligation is financed solely through the major operating funds. Bond proceeds from the refinancing as well as the redemption of refunded debt are reported as other financing sources in the General Fund. In the non-major governmental VIP Fund, expenditures in FY12 included re-construction on Industrial Drive, an IDOT grant construction project for re-surfacing on Harrison Street, and the DCEO Ike grant for flooding mitigation within the boundaries of Desplaines, Madison, Circle, and Jackson.

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 declining.

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. 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 fifteen 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 seven major governmental funds: General fund, Brown Street Station TIF, Harlem/Harrison TIF, Roosevelt/Hannah TIF, and the 2002 Bond Fund (including the Special Tax Allocation and

Incremental Sales Tax Funds); and eight other special revenue funds, which are considered to be non-major funds. Individual fund information for these non-major governmental funds is provided in Exhibits 9 and 10.

The Village maintains one type of proprietary fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village's Water Fund is a proprietary fund used to account for water and sewer operations, and is considered to be a major fund of the Village. In prior fiscal years, the Parking Fund was separated as a proprietary fund, but in FY12 all parking lot operations were transferred to the General Fund.

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 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		Business-type		Total Primary	
	2012	**2011**	**2012**	**2011**	**2012**	**2011**
Assets:						
Current and other assets	$ 17,029.2	$ 13,930.5	$ 1,343.2	$ 4,824.9	$ 18,372.4	$ 18,755.4
Capital assets	28,642.0	27,427.4	7,888.9	9,196.8	36,530.9	36,624.2
Total assets	45,671.2	41,357.9	9,232.1	14,021.7	54,903.3	55,379.6
Liabilities:						
Current liabilities	5,747.5	5,584.8	788.3	527.0	6,535.8	6,111.8
Long-term liabilities	12,745.6	13,144.7	3,744.5	4,200.3	16,490.1	17,345.0
Total liabilities	18,493.1	18,729.5	4,532.8	4,727.3	23,025.9	23,456.8
Net Assets:						
Invested in capital assets, net	15,627.9	13,523.0	3,817.1	4,674.1	19,445.0	18,197.1
Restricted	4,222.5	3,989.1	-	-	4,222.5	3,989.1
Unrestricted	7,327.6	5,116.3	882.2	4,620.3	8,209.8	9,736.6
Total Net Assets	$ 27,178.0	$ 22,628.4	$ 4,699.3	$ 9,294.4	$ 31,877.3	$ 31,922.8

Source: Statement 1

Total current assets of $18,143,303 are 2.8 times current liabilities of $6,535,828, compared to 3.0 times last year. This ratio shows that our ability to pay our current bills in a timely fashion has maintained. TIF Funds are included in Governmental Activities; however 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 used to finance day-to-day operations without constraints established by legal requirements. The transfer of assets and liabilities from the Business Type Activities (Parking Fund) to Governmental Activities (General Fund) defines the variance for the comparable year's data. The reporting of capital assets and long-term debt transfer from the Business Type to Governmental Activities is reconciled on Statement 6 of the auditor's report. Total primary government assets show a decrease of $476,388, as Roosevelt/Hannah TIF Fund's cash decreased $1,056,000, reflecting payment to developer as noted prior. Total liabilities have decreased by $430,867, leaving a decrease in net assets of $45,521.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenues						
Program Revenues:						
Charges for services	$ 4,925.4	$ 4,497.5	$ 4,711.4	$ 4,757.1	$ 9,636.8	$ 9,254.6
Oper. grants/contr.	862.9	1,333.0	-	-	862.9	1,333.0
Capital grants/contr.	1,355.1	1,251.4	-	299.7	1,355.1	1,551.1
General Revenues:						
Property taxes	6,731.5	6,163.4	-	-	6,731.5	6,163.4
Other taxes	7,249.2	7,346.2	-	-	7,249.2	7,346.2
Other revenues	180.9	107.9	2.5	1.8	183.4	109.7
Total Revenues	21,305.0	20,699.4	4,713.9	5,058.6	26,018.9	25,758.0
Expenses						
General government	6,829.3	7,289.2	-	-	6,829.3	7,289.2
Police protection	5,050.0	4,735.4	-	-	5,050.0	4,735.4
Fire protection	2,994.0	2,746.5	-	-	2,994.0	2,746.5
Health and safety	319.6	327.2	-	-	319.6	327.2
Community outreach	685.0	626.4	-	-	685.0	626.4
Public works	6,409.8	3,798.9	-	-	6,409.8	3,798.9
Water and sewer	-	-	3,129.6	3,011.3	3,129.6	3,011.3
Parking lot operations	-	-	-	624.5	-	624.5
Interest on debt	511.3	607.4	136.0	139.1	647.3	746.5
Total Expenses	22,799.0	20,131.0	3,265.6	3,774.9	26,064.6	23,905.9
Transfers Out / (In)	6,043.5	214.6	(6,043.5)	(214.6)	-	-
Change in Net Assets	$ 4,549.6	$ 783.0	$ (4,595.1)	$ 1,069.1	$ (45.5)	$ 1,852.1

Sources: Statements 2 and 8; Note 9

Governmental Activities revenues increased by $605,650. The principle sources of revenue for the Governmental Activities are fees for services, property taxes and state taxes. In FY12, 23.1% of the total revenue of $21,305,108 comes from charges for services, 31.6% is from property taxes, and 34.0% is from other taxes. Property tax revenue increased $568,179, or 9.2% from last year. Other taxes decreased $97,046 or 1.3%, while other revenues increased $72,943 or 67.6%. Total expenses in governmental activities increased $2,668,007. Of this, $729,905 is a reflection in General Fund expenditures from FY11 to FY12. In FY12 Parking Fund business-type activities transferred to governmental activities. In FY11, the Parking Fund expenses were $632,304. Roosevelt/Hannah TIF fund expenditures increased from FY11 to FY12 by $1,410,012, as was mentioned for payment to developer and costs associated with Roosevelt Road improvement.

In FY12, revenues from charges for services for Business-type Activities (Water Fund) increased $468,017 or 11.0%, and expenses increased $122,905, or 3.9%

Together, police and fire protection represent 30.9% of the total cost of operating the Village (including infrastructure improvements). Public works and the water department together account for 36.6%, and other governmental expenses, including debt service, are 32.5% of total expenses.

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 following page:

Changes in Governmental Fund Balances

	Major Funds					Non-major Funds		
	General Fund	Brown Street Station TIF	Harlem/ Harrison TIF	Roosevelt/ Hannah TIF	2002 Bond Fund*	Special Revenue Funds	Total Governmental Funds	As of 4/30/11 Total Governmental Funds
Revenues	$ 16,021.7	$ 665.3	$ 4.4	$ 849.0	$ 790.2	$ 2,694.5	$ 21,025.1	$ 20,603.3
Expenditures	17,979.6	531.9	2.5	1,911.0	540.0	2,639.4	23,604.4	22,315.3
Excess (deficiency) of revenues over expenditures	(1,957.9)	133.4	1.9	(1,062.0)	250.2	55.1	(2,579.3)	(1,712.0)
Transfer in (out)	5,017.6	-	-	-	(321.3)	325.4	5,021.7	214.6
Redemption of refunded debt	(2,514.3)	-	-	-	-	-	(2,514.3)	-
Bond proceeds	2,568.6	-	-	-	-	-	2,568.6	-
Loan Proceeds	278.6	-	-	-	-	-	278.6	-
Net change in fund balances	3,392.6	133.4	1.9	(1,062.0)	(71.1)	380.5	2,775.3	(1,497.4)
Fund Balance at beginning of year	447.8	2,506.9	(46.2)	1,912.3	3,175.2	1,856.0	9,852.0	11,349.4
Fund Balances at end of year	$ 3,840.4	$ 2,640.3	$ (44.3)	$ 850.3	$ 3,104.1	$ 2,236.5	$ 12,627.4	$ 9,852.0

Source: Statement 5 & Exhibit 10

*2002 Bond Fund includes the Special Tax Allocation and Incremental Sales Tax Funds

Operating transfers in/out, redemption of refunded debt, bond and loan proceeds do not reflect in revenues or expenditures, but are considered other sources of financing.

Proprietary Funds
Proprietary funds are business-type activities where customers pay for the services provided. The proprietary fund is the Water Fund, and is considered a major fund. (The Parking Fund was transferred to the General Fund effective FY2012).

The change in the net asset of the proprietary fund is shown below (in thousands):

Changes in Proprietary Fund Balances

	2012			2011
	Water Fund	Parking Fund	Total Proprietary Funds	Total Proprietary Funds
Total revenues	$ 4,713.9	$ -	$ 4,713.9	$ 4,759.0
Total expenses	3,265.6	-	3,265.6	3,774.9
Net Change in Net Assets	1,448.3	-	1,448.3	984.1
Transfers in (out)	(1,485.4)	(3,536.3)	(5,021.7)	(214.5)
Contribution revenue	-	-	-	299.6
Special items	-	(1,021.8)	(1,021.8)	-
Net change in Fund Balances	(37.1)	(4,558.1)	(4,595.2)	1,069.2
Net Assets at beginning of year	4,736.3	4,558.1	9,294.4	8,225.2
Net Assets at end of year	$ 4,699.2	$ -	$ 4,699.2	$ 9,294.4

Source: Statement 8

Transfers from the Water Fund to the General Fund annually of $800,000 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 Fund increased $468,017, or 11.0%. Water rates were increased during FY12 to cover the 25.0% increased cost of water obtained from the City of Chicago. Expenses, (excluding the annual transfer to General Fund and the transfer out of $685,441 owed to the VIP Fund), increased $122,905, or 3.9% over FY11. Net assets of the proprietary Water Fund decreased by $37,039 from FY11. If the repayment owed to the VIP had not been transferred out, the Water Fund would have had an increase of net assets in the amount of $648,402.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	2012			2011		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Taxes	$ 10,264.1	$ 9,955.0	$ (309.1)	$ 10,145.0	$ 9,871.1	$ (273.9)
Licenses and permits	1,014.0	1,174.2	160.2	942.6	889.7	(52.9)
Fees for services	2,443.7	2,231.1	(212.6)	2,305.8	2,312.9	7.1
Grant revenue	731.1	522.6	(208.5)	1,213.0	1,086.0	(127.0)
Parking revenue	523.0	517.4	(5.6)	-	-	-
Fines	1,678.5	1,374.0	(304.5)	1,739.5	1,461.1	(278.4)
Interest on investment	5.0	1.5	(3.5)	4.2	4.1	(0.1)
Other	29.2	245.9	216.7	66.1	84.9	18.8
Total Revenues	16,688.6	16,021.7	(666.9)	16,416.2	15,709.8	(706.4)
Expenditures:						
General Public Affairs	961.6	825.8	135.8	810.5	692.5	118.0
Police Department	4,417.1	4362.7	54.4	4,170.6	4,001.1	169.5
Community services	712.9	681.2	31.7	640.8	625.3	15.5
Accounts and finance	4,830.2	4,759.1	71.1	4,697.7	4,390.0	307.7
Grants	720.4	508.3	212.1	1,286.5	1,176.9	109.6
Fire Department	2,726.7	2,705.8	20.9	2,788.8	2,520.0	268.8
Public property	1,772.5	1,875.6	(103.1)	1,663.4	1,647.4	16.0
Streets and public improv.	1,484.7	1,509.6	(24.9)	1,452.5	1,434.8	17.7
Health and safety	342.9	348.8	(5.9)	323.2	314.3	8.9
Total Expenditures	17,969.0	17,576.9	392.1	17,834.0	16,802.3	1,031.7
Excess (deficiency) of revenues over expenditures:	(1,280.4)	(1,555.2)	274.8	(1,417.8)	(1,092.5)	(325.3)
Debt Service Payments	(319.5)	(402.7)	83.2	(302.6)	(447.4)	144.8
Operating Transfers In	1,550.0	5,017.6	3,467.6	1,700.0	1,778.5	(78.5)
Redemption of refunded debt	-	(2,514.3)	(2,514.3)	-	-	-
Bond Proceeds	-	2,568.6	2,568.6	-	-	-
Loan Proceeds	-	278.6	278.6	-	-	-
Net Change to Fund Balance	$ (49.9)	$ 3,392.6	$ 3,442.5	$ (20.4)	$ 238.6	$ (259.2)

Source: RSI-5 and Exhibit 2

Overall, General Fund revenues were $311,849 higher than last year (2.0%) and $666,850 less than budget (4.0%). The variation in taxes is in lower than expected property tax revenues of $87,309, income tax of $50,186, and utility taxes of $134,046. Fine revenue was also less than expected by $304,537, mostly due to road construction that disabled two out of three Redlight cameras from June through November 2011. As well, fees for services were less than budget expectations by $212,584. Excluding grants, which fluctuate widely from year to year, and parking revenue, general fund revenues were $452,750 (2.9%) lower than expected.

Expenditures (excluding grants) were $96,743 less than budgeted for FY12 and overall were $729,905, more than last year. For FY12 this includes the expenses that were transferred from the Parking Fund transfer to various accounts within the General Fund. As comparison, the Parking Fund actual expenses in FY11 were $632,304. Due to shortfalls in revenues, all departments review expenditures monthly in order to spend less than the amounts appropriated.

CAPITAL ASSET AND DEBT ADMINISTRATION

Governmental Activities Change in Capital Assets
(in thousands)

	Balance as of May 1, 2011	Net Additions/ (Deletions)	Balance as of April 30, 2012
Non-Depreciable Assets			
Land	$ 4,667.1	$ 698.3	$ 5,365.4
Construction in Progress	-	436.7	436.7
Non-Depreciable Assets Total	4,667.1	1,135.0	5,802.1
Other Capital Assets			
Infrastructure	37,814.3	363.1	38,177.4
Buildings and improvements	2,807.1	1,639.3	4,446.4
Vehicles/Furniture/Fixtures	4,414.3	535.6	4,949.9
Accum. Depreciation	(22,275.5)	(2,458.4)	(24,733.9)
Net Capital Assets	$ 27,427.3	$ 1,214.6	$ 28,641.9

Source: Note 4

The net addition in land reflects the transfer of Parking Fund capital assets to the General Fund. The net increase in depreciable infrastructure assets results from the streets reconstruction with VIP and grant funds for Industrial Drive, Harrison Street, and alleys under the CDBG grant program. Replacement equipment purchased this year included a Chevy Tahoe (Fire Dept.), a Chevy Bus (Community Center), a Ford F250 truck (Public Works), (2) Ford Escapes (Health and Safety), and a 2012 International truck (Streets and Public Improvements). The financing means for the equipment was proceeds from sales of assets and loan proceeds.

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

	Balance as of May 1, 2011	Net Additions/ (Deletions)	Balance as of April 30, 2012
Non-Depreciable Assets			
Land	$ 698.3	$ (698.3)	$ -
Other Capital Assets			
Infrastructure	9,445.7	-	9,445.7
Buildings and improvements	2,321.2	(1,639.3)	681.9
Vehicles, Equipment	328.1	(129.5)	198.6
Accum. Depreciation	(3,596.5)	1,159.2	(2,437.3)
Net Capital Assets	$ 9,196.8	$ (1,307.9)	$ 7,888.9

Source: Note 4

Equipment added during FY12 was a sewer camera and jetting equipment paid directly from the Water Fund.

Debt Administration

At April 30, 2012, the Village had outstanding debt as follow:

	Principal Due	Principal & Interest Due Within One Year
Governmental Activities		
General Obligation TIF Refunding Bonds, 2002	$ 2,315,000	$ 534,108
General Obligation TIF Refunding Bonds, 2003A	175,000	181,387
General Obligation Alternative Revenue Bond, 2005	7,475,000	713,412
Premiums on Bonds	104,916	-
Total Bonds	$ 10,069,916	1,428,907
General Obligation Debt Certificate Series 2011	2,568,644	292,175
Bank Loans Payable	375,503	137,585
Net Pension Obligations	827,709	-
Other Postemployment Benefits	221,093	-
Compensated Absences	477,633	426,887
Total Governmental Long-term Debt	$ 14,540,498	$ 2,285,554
Business-type Activities		
General Obligation Debt Certificate Series 2011	$ 486,356	$ 55,321
Loan Payable (IEPA)	3,585,485	379,414
Compensated Absences	13,614	10,422
Total Business-type Long-term Debt	$ 4,085,455	$ 445,157

The governmental general obligation bond payments of $1,428,907 are due from the Debt Service funds, financed through TIF property tax deposits and the VIP Fund, which is financed through one-half percent sales tax. Interest rates on the bonds range from 1.40 to 7.50 percent. The General Obligation Debt Certificate was refinanced in FY2012, and interest rates now range from 2.0 to 3.0 percent. The General Fund and Water Fund share the principle and interest payments for the general obligation debt certificate.

The actuarial value of net pension obligations and other postemployment 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 fluctuate from year to year. A portion of the outstanding compensated absences totaling $4,967 was transferred to Governmental Activities during FY12 due to the closure of the Parking Fund.

Under Illinois law, the Village's outstanding debt is limited to 8.625% of the assessed valuations in our jurisdiction. The Village's debt limit under this law is $30.4 million compared to legal debt outstanding at April 30, 2012, of $9.965 million (excludes premium on bonds).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Excluding grants, budgeted revenues for FY13 are expected to increase 1.0% from General Fund FY12 actual, and 21.1% in the Water Fund from FY12 actual, an overall increase of 14.0% from FY12 actual operating fund revenues.

Property taxes and state-shared revenues each represent approximately 25.0% of General Fund revenues. For FY2013, property taxes have been budgeted at a 9.2% increase over FY12 actual. To date for FY13, 44.1% of budgeted property tax revenue in the General Fund has been received compared to 3.8% at this time in FY12. Second installment notices from Cook County were on time this year, which reflects positively on budgeted revenues. State-shared revenues are also showing an improvement, having increased 1.1% over FY11, and 9.5% from FY10. For this reason we see a positive trend during this period of economic recovery, and have budgeted state-shared revenues at a 9.7% increase for FY2013. For the first five months of FY13, municipal sales taxes have increased 8.1%, indicating that local sales are up.

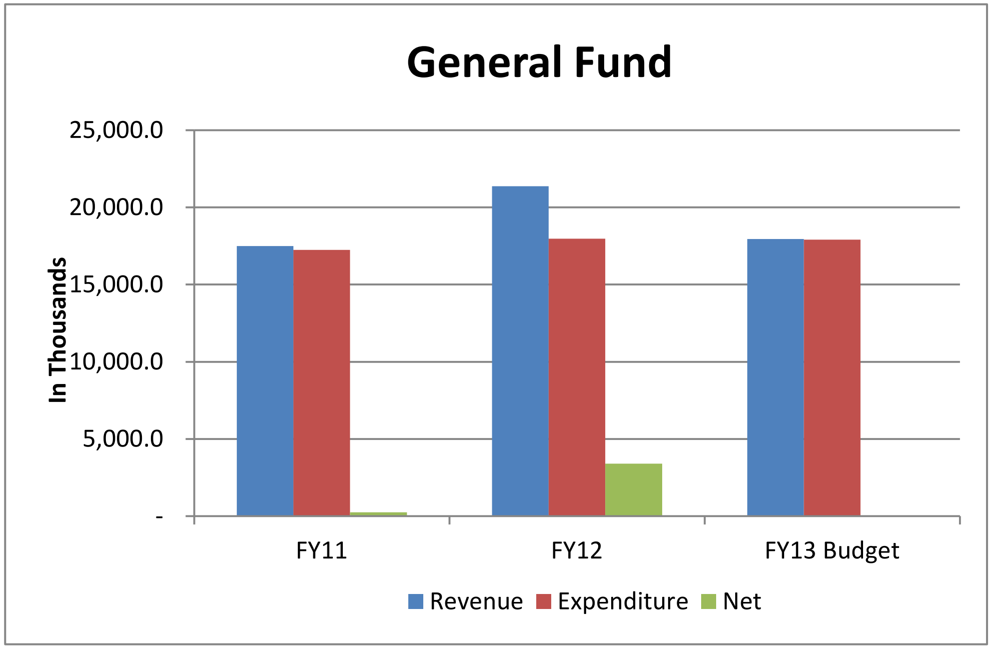
Another large component of the state-shared revenues is the local share of state income taxes. Though there was a 67.0% increase in the state income tax rate as of January 1, 2011, the local share is distributed in proportion to population. From the 2010 census results, the Village population decreased from 15,688 in 2000 to 14,167, while the State population went up slightly. However for the first five months of FY13, the Village share of state income tax is up 6.0% from the comparable period in FY12, another inclination that economic factors are improving. The State though is currently three months in arrears with payment of municipal share of state income taxes amounting to $268,013 for the Village. While all state-owed revenue is recognized in the financial statements, the shortage in cash flow makes a significant difference in our daily operations.

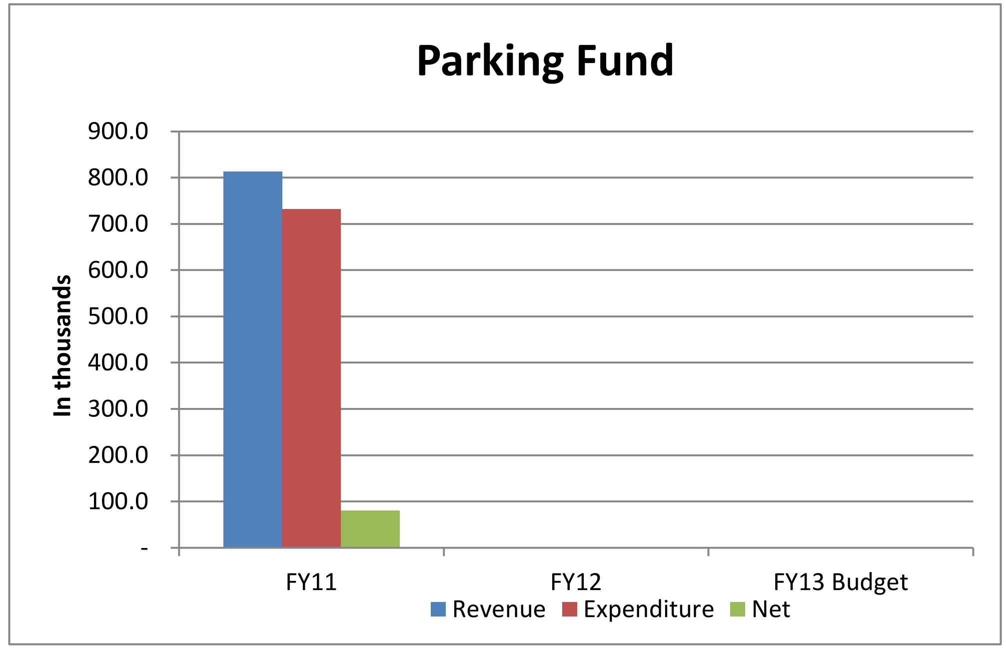
Utility and franchise taxes are approximately 10.0% of General Fund revenues. From FY10 to FY11, these taxes had a slight decrease totaling $2,846. Again in FY12, there was more significant decrease from FY11 of $40,189, or 2.4%. For FY13 the budget forecasts a 6.5% increase. For the first five months of FY13, electric utility tax has maintained a slight increase in revenue over FY12 of 4.8%, and cable franchise taxes have increased 4.4%, while gas utility and telephone utility taxes have decreased 36.7% and 11.9% respectively.

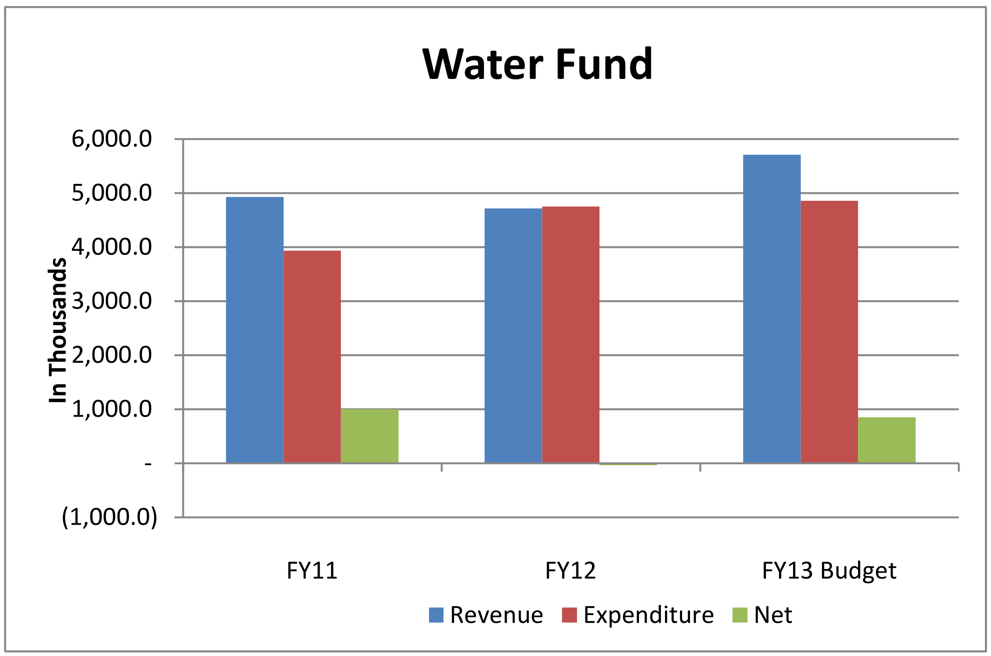
There is reason for optimism in Forest Park as well as the United States. Unemployment numbers nationwide continue to decrease and Illinois is better than the national numbers. Wal-Mart, one of the largest contributors to the sales tax for the Village, recently completed a 30,000 square foot expansion. We have added a large appliance retailer in our downtown business district and several new restaurants. A car dealer in town has added a new line of vehicles to the existing business and has also completed a large expansion. The Village is in the process of expanding the TIF areas along Roosevelt Road between Harlem/Desplaines in an effort to spur development. We have applied for state and federally funded grants to assist with infrastructure projects throughout Forest Park. We have started the process of refinancing some existing debt to take advantage of the low interest rates available today, as we did with the 2001 general obligation debt. We are in the process of converting our existing street lighting system to a new LED system. When completed this new system will decrease our annual budget for lighting and maintenance and will pay substantial dividends when the 10 year loan is paid off. It will also decrease the energy demands of our Village lighting system by 70.0%. The Village is participating in an electrical aggregation plan which will also save our residents $1.6 million annually.

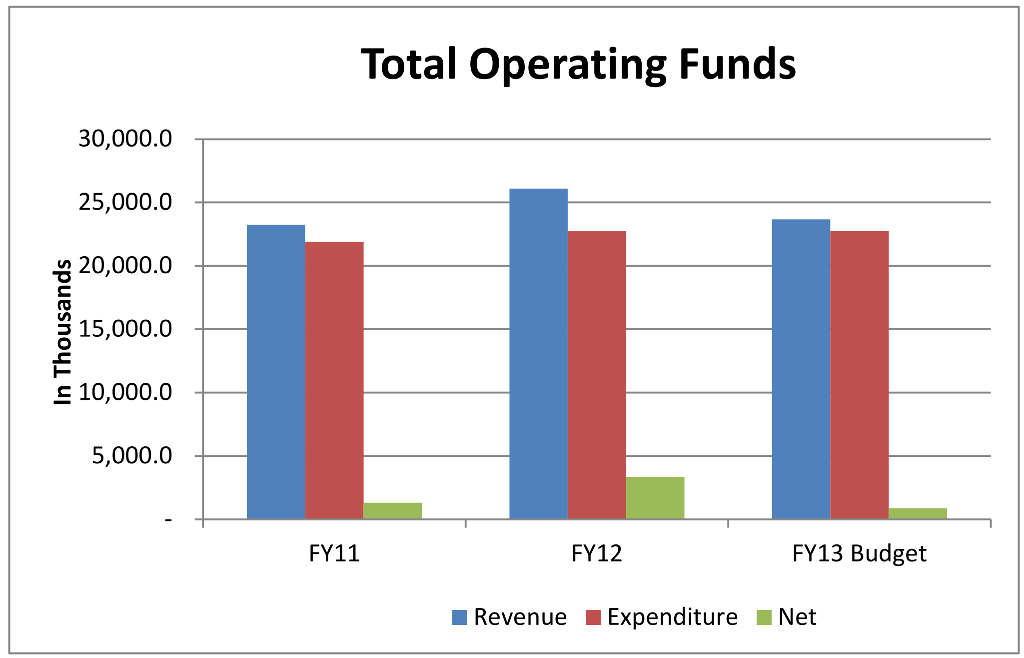
Expenditures in the FY13 budget in the major operating funds (excluding grants) are projected to increase 2.5% over the FY12 actual. The approved budget was pared back $377,520 from FY12 final budget. Deferred vehicle and equipment purchases from prior years could no longer be postponed. With the knowledge that interest rates are at historic lows the Village was able to secure a line of credit for the purchase of new equipment and therefore spread the payments over the next five years. It is our intention to pay the loans off early as finances become available since the line of credit is structured with no pre-payment penalty.

The charts on the next page show the three-year trend for revenues and expenditures from FY11 to next year's budget for the major operating funds.

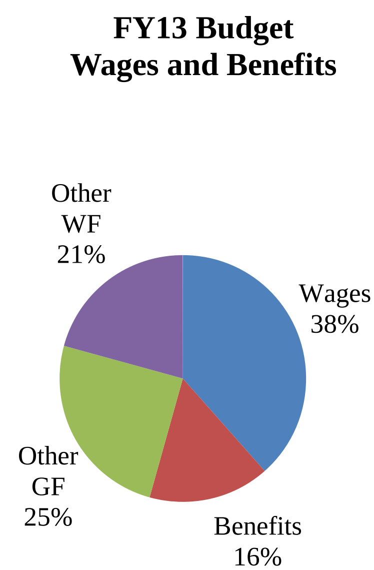

General Fund
25,000.0
20,000.0
15,000.0
10,000.0
5,000.0
-
In Thousands
FY11
FY12
FY13 Budget
Revenue
Expenditure
Net


Parking Fund
900.0
800.0
700.0
600.0
500.0
400.0
300.0
200.0
100.0
-
In thousands
FY11
FY12
FY13 Budget
Revenue
Expenditure
Net


Water Fund
6,000.0
5,000.0
4,000.0
3,000.0
2,000.0
1,000.0
-
(1,000.0)
In Thousands
FY11
FY12
FY13 Budget
Revenue
Expenditure
Net


Total Operating Funds
30,000.0
25,000.0
20,000.0
15,000.0
10,000.0
5,000.0
-
In Thousands
FY11
FY12
FY13 Budget
Revenue
Expenditure
Net

Wages and benefits continue to be the major portion of the Village budget. The Village has been successful in negotiations with labor groups in securing moderate raises of 1.0-2.0% in the coming years. Fifty-four percent of total expenditures from the major operating funds represent employment costs, including taxes, pensions, and health and life insurance. (See chart below). This percentage has remained fairly level over the last five years. The budgeted increase in overall wages, allowances, incentives, and overtime in FY13 is 2.5% compared to FY12.



Health and life insurance costs are projected to be higher than FY12 in FY13 by 4.6%. These costs are mitigated by reviewing benefit levels annually and going out for competitive pricing each year. The Village contributions to employee retirement plans, Social Security and Medicare in next year's budget total $1,901,575, 1.5% greater than in FY12.

In the midst of economic uncertainty, the Village is reluctant to increase fees paid by residents who are also struggling, however we are cognizant of the need to continue to provide quality services that our residents expect. 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.

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2012

	Primary Government			
	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
ASSETS				
Current assets:				
Cash and cash equivalents	$ 11,195,498	$ 849,631	$ 12,045,129	$ 2,073,361
Receivables:				
Property tax receivable	2,420,160	-	2,420,160	943,099
Due from other governments	2,035,366	-	2,035,366	-
Accounts receivable	605,558	778,963	1,384,521	14,528
Prepaid items	258,127	-	258,127	6,099
Internal balances	285,441	(285,441)	-	-
Total current assets	16,800,150	1,343,153	18,143,303	3,037,087
Noncurrent assets:				
Deferred charges	229,020	-	229,020	-
Capital assets not being depreciated	5,802,129	-	5,802,129	134
Capital assets being depreciated, net	22,839,860	7,888,902	30,728,762	1,314,888
Total noncurrent assets	28,871,009	7,888,902	36,759,911	1,315,022
Total assets	$ 45,671,159	$ 9,232,055	$ 54,903,214	$ 4,352,109
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable	$ 468,316	$ 410,049	$ 878,365	$ 37,697
Accrued payroll	41,656	-	41,656	23,715
Other liabilities	22,816	9,110	31,926	-
Unearned revenue	3,219,609	-	3,219,609	943,099
Interest payable	200,261	28,213	228,474	-
Long-term obligations, due within one year:				
Compensated absences	426,887	10,422	437,309	-
Bonds payable	1,005,000	-	1,005,000	-
Debt certificates payable	239,628	45,372	285,000	-
Loans payable	123,345	285,144	408,489	-
Total current liabilities	5,747,518	788,310	6,535,828	1,004,511
Noncurrent liabilities:				
Long-term obligations, due in more than one year:				
Compensated absences	50,746	3,192	53,938	-
Bonds payable	9,064,916	-	9,064,916	-
Debt certificates payable	2,329,016	440,984	2,770,000	-
Loans payable	252,158	3,300,341	3,552,499	-
Net pension obligation	777,133	-	777,133	-
IMRF net pension obligation	50,576	-	50,576	-
Other post employment benefit obligation	221,093	-	221,093	-
Total noncurrent liabilities	12,745,638	3,744,517	16,490,155	-
Total liabilities	18,493,156	4,532,827	23,025,983	1,004,511
Net assets				
Invested in capital assets, net of related debt	15,627,926	3,817,061	19,444,987	1,315,022
Restricted for:				
Debt service	2,903,780	-	2,903,780	-
Capital projects	1,318,719	-	1,318,719	-
Other purposes	-	-	-	135,744
Unrestricted	7,327,578	882,167	8,209,745	1,896,832
Total net assets	27,178,003	4,699,228	31,877,231	3,347,598
TOTAL LIABILITIES AND NET ASSETS	$ 45,671,159	$ 9,232,055	$ 54,903,214	$ 4,352,109

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year ended April 30, 2012

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
Functions/Programs	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Component Unit
Primary government:								
Governmental activities:								
General government	$ 6,829,270	$ 3,367,433	$ 44,534	$ -	$ (3,417,303)		$ (3,417,303)	
Police protection	5,049,964	228,804	326,318	-	(4,494,842)		(4,494,842)	
Fire protection	2,994,026	26,486	-	668,015	(2,299,525)		(2,299,525)	
Health and safety	319,619	-	-	-	(319,619)		(319,619)	
Community outreach	685,052	466,883	-	-	(218,169)		(218,169)	
Public works	6,409,833	835,780	492,073	687,109	(4,394,871)		(4,394,871)	
Interest on debt	511,267	-	-	-	(511,267)		(511,267)	
Total governmental activities	22,799,031	4,925,386	862,925	1,355,124	(15,655,596)		(15,655,596)	
Business-type activities:								
Water operations	3,193,572	4,711,412	-	-	-	$ 1,517,840	1,517,840	
Sewer operations	71,959	-	-	-	-	(71,959)	(71,959)	
Total business-type activities:	3,265,531	4,711,412	-	-	-	1,445,881	1,445,881	
Total primary government	$ 26,064,562	$ 9,636,798	$ 862,925	$ 1,355,124	(15,655,596)	1,445,881	(14,209,715)	
Component unit								
Public library	$ 1,420,202	$ 31,858	$ 14,956	$ -				$ (1,373,388)
General revenues:								
Taxes:								
Property taxes					6,731,548	-	6,731,548	1,604,800
Replacement tax					166,616	-	166,616	34,465
Income tax					1,200,314	-	1,200,314	-
Sales tax					4,010,212	-	4,010,212	-
Telecommunication tax					633,517	-	633,517	-
Utility tax					743,074	-	743,074	-
Other taxes					495,485	-	495,485	-
Investment earnings					45,036	2,521	47,557	1,104
Other general revenues					135,871	-	135,871	3,099
Transfers					6,043,549	(6,043,549)	-	-
Total general revenues and transfers					20,205,222	(6,041,028)	14,164,194	1,643,468
Change in net assets					4,549,626	(4,595,147)	(45,521)	270,080
Net assets, beginning of year					22,628,377	9,294,375	31,922,752	3,077,518
Net assets, end of year					$ 27,178,003	$ 4,699,228	$ 31,877,231	$ 3,347,598

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2012

	Major Funds								
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and cash equivalents	$ 2,709,789	$ 2,641,239	$ 10,414	$ 897,264	$ 2,630,753	$ 314,459	$ 123,843	$ 1,867,737	$ 11,195,498
Receivables:									
Property tax receivable	2,122,535	-	-	-	-	-	-	297,625	2,420,160
Due from other governments	1,703,678	-	-	-	-	-	-	331,688	2,035,366
Accounts receivable	505,558	-	-	-	-	-	-	100,000	605,558
Interfund receivable	235,480	-	-	-	38,619	-	60,135	285,441	619,675
Prepaid items	258,127	-	-	-	-	-	-	-	258,127
Total assets	$ 7,535,167	$ 2,641,239	$ 10,414	$ 897,264	$ 2,669,372	$ 314,459	$ 183,978	$ 2,882,491	$ 17,134,384
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	$ 340,921	$ 898	$ 465	$ 46,984	$ 465	$ 25,000	$ -	$ 53,583	$ 468,316
Accrued payroll	41,656	-	-	-	-	-	-	-	41,656
Other liabilities	22,816	-	-	-	-	-	-	-	22,816
Deferred revenue	3,228,916	-	-	-	-	-	-	411,094	3,640,010
Interfund payable	60,451	-	54,200	-	1,609	35,890	804	181,280	334,234
Total liabilities	3,694,760	898	54,665	46,984	2,074	60,890	804	645,957	4,507,032
Fund balance									
Nonspendable									
Prepaid items	258,127	-	-	-	-	-	-	-	258,127
Restricted									
Economic development	-	2,640,341	-	850,280	-	-	-	-	3,490,621
Public safety	-	-	-	-	-	-	-	1,019,476	1,019,476
Streets & highways	-	-	-	-	-	-	-	1,396,810	1,396,810
Debt service	-	-	-	-	2,667,298	253,569	183,174	-	3,104,041
Playground/Recreation	745,372	-	-	-	-	-	-	-	745,372
Unassigned	2,836,908	-	(44,251)	-	-	-	-	(179,752)	2,612,905
Total fund balance	3,840,407	2,640,341	(44,251)	850,280	2,667,298	253,569	183,174	2,236,534	12,627,352
TOTAL LIABILITIES AND FUND BALANCE	$ 7,535,167	$ 2,641,239	$ 10,414	$ 897,264	$ 2,669,372	$ 314,459	$ 183,978	$ 2,882,491	$ 17,134,384

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, 2012

Total fund balances - governmental funds		$ 12,627,352
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	$ 53,375,840	
Accumulated depreciation	(24,733,851)	
Net capital assets		28,641,989
Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:		
Sales taxes receivable	236,701	
Other taxes receivable	150,727	
Grant receivable	32,973	
Total deferred revenue		420,401
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.		229,020
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(200,261)
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	(10,069,916)	
Debt certificates payable	(2,568,644)	
Loans payable	(375,503)	
Compensated absences	(477,633)	
Net pension obligation	(777,133)	
IMRF net pension obligation	(50,576)	
Other post employment benefit obligation	(221,093)	
Total long-term liabilities		(14,540,498)
Net assets of governmental activities		$ 27,178,003

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2012

	Major Funds								
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Property tax revenue	$ 4,157,619	$ 642,171	$ 4,419	$ 830,912	$ -	$ 516,628	$ -	$ 579,799	$ 6,731,548
Personal property replacement tax	148,115	-	-	-	-	-	-	18,501	166,616
Sales tax	2,561,949	-	-	-	-	-	273,384	965,745	3,801,078
Intergovernmental revenues	234,332	-	-	-	-	-	-	627,091	861,423
Auto rental tax	18,822	-	-	-	-	-	-	-	18,822
Income tax	1,200,314	-	-	-	-	-	-	-	1,200,314
Utility taxes	1,633,866	-	-	-	-	-	-	-	1,633,866
Licenses and permits	1,174,184	-	-	-	-	-	-	-	1,174,184
Fees for services	2,231,075	-	-	-	-	-	-	-	2,231,075
Grant revenue	522,622	-	-	-	-	-	-	297,533	820,155
Parking revenue	517,391	-	-	-	-	-	-	-	517,391
Fines	1,373,963	-	-	-	-	-	-	189,107	1,563,070
Interest on investments	1,487	23,188	12	18,040	162	14	14	2,136	45,053
Other revenue	245,968	-	-	-	-	-	-	14,580	260,548
Total revenues	16,021,707	665,359	4,431	848,952	162	516,642	273,398	2,694,492	21,025,143
Expenditures									
Current:									
Office of the mayor	6,090,491	-	-	-	-	-	-	319,585	6,410,076
Office of accounts and finance	7,752,396	-	-	-	6,651	-	-	699,671	8,458,718
Office of public property	1,875,511	-	-	-	-	-	-	-	1,875,511
Office of streets and public improvement	1,509,615	531,945	2,515	1,728,495	-	-	-	751,133	4,523,703
Office of health and safety	348,931	-	-	-	-	-	-	-	348,931
Debt service:									
Principal retired	276,606	-	-	170,000	405,000	-	-	544,046	1,395,652
Interest and charges	126,105	-	-	12,423	128,345	-	-	324,988	591,861
Total expenditures	17,979,655	531,945	2,515	1,910,918	539,996	-	-	2,639,423	23,604,452
Excess (deficiency) of revenues over expenditures	(1,957,948)	133,414	1,916	(1,061,966)	(539,834)	516,642	273,398	55,069	(2,579,309)
Other financing sources (uses)									
Transfers in	5,017,612	-	-	-	534,074	-	-	685,441	6,237,127
Transfers out	-	-	-	-	-	(532,404)	(323,018)	(360,000)	(1,215,422)
Redemption of refunded debt	(2,514,328)	-	-	-	-	-	-	-	(2,514,328)
Bond proceeds	2,568,644	-	-	-	-	-	-	-	2,568,644
Loan proceeds	278,596	-	-	-	-	-	-	-	278,596
Total other financing sources (uses)	5,350,524	-	-	-	534,074	(532,404)	(323,018)	325,441	5,354,617
Net change in fund balances	3,392,576	133,414	1,916	(1,061,966)	(5,760)	(15,762)	(49,620)	380,510	2,775,308
Fund balances at beginning of year	447,831	2,506,927	(46,167)	1,912,246	2,673,058	269,331	232,794	1,856,024	9,852,044
Fund balances at end of year	$ 3,840,407	$ 2,640,341	$ (44,251)	$ 850,280	$ 2,667,298	$ 253,569	$ 183,174	$ 2,236,534	$ 12,627,352

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, 2012

Net change in total fund balances		$ 2,775,308
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 2011 to 2012 consists of:		
Sales taxes received from the state of Illinois	$ 4,183	
Other taxes received	(1,818)	
Grant revenue	32,973	
Total change in deferred revenues		35,338
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.		
Increase in net pension liability	(423,435)	
Increase in other postemployment benefit liability	(73,262)	
Decrease in IMRF net pension liability	(8,546)	
Decrease in compensated absences	14,347	
Decrease in accrued interest on debt	75,269	
Amortization of deferred bond issuance costs	(17,566)	
Amortization of bond premium	5,325	
Total expenses of non-current resources		(427,868)
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	1,262,163	
Depreciation	(1,414,395)	
Capital expenditures in excess of depreciation		(152,232)
The original cost of assets disposed of had a net value greater than the disposal proceeds. The difference has been recorded in the statement of activities.		(59,306)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
Donated asset		244,627
A transfer of capital assets from business type activities to governmental activities is not reported in the governmental funds but increases capital assets in the statement of net assets.		1,181,547
A transfer of long-term debt from business type activities to governmental activities is not reported in the governmental funds but increases long-term debt in the statement of net assets.		
Debt certificates payable	(154,736)	
Compensated absences	(4,967)	
Total transfer of debt		(159,703)
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	965,000	
Debt certificates payable	193,389	
IDOT loan payable	154,046	
Loans payable	83,217	
Redemption of refunded debt	2,514,328	
Total retirement of debt		3,909,980
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:		
Loans	(278,596)	
Debt certificates	(2,568,644)	
Total issuances of debt		(2,847,240)
The issuance of long-term debt resulted in bond issuance costs that were reported as changes in current financial resources in the governmental funds. However, these amounts have been deferred and amortized in the statement of net assets.		49,175
Change in net assets of governmental activities		$ 4,549,626

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET ASSETS
April 30, 2012

	Major Funds		
	Water Fund	Vehicle Parking Fund	Total Proprietary Funds
ASSETS			
Current assets:			
Cash and cash equivalents	$ 849,631	$ -	$ 849,631
Receivables:			
Accounts receivable	778,963	-	778,963
Total current assets	1,628,594	-	1,628,594
Noncurrent assets:			
Capital assets being depreciated, net	7,888,902	-	7,888,902
Total noncurrent assets	7,888,902	-	7,888,902
Total assets	$ 9,517,496	$ -	$ 9,517,496
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities:			
Accounts payable	$ 410,049	$ -	$ 410,049
Other liabilities	9,110	-	9,110
Compensated absences	10,422	-	10,422
Debt certificates	45,372	-	45,372
Loans payable	285,144	-	285,144
Interfund payable	285,441	-	285,441
Interest payable	28,213	-	28,213
Total current liabilities	1,073,751	-	1,073,751
Noncurrent liabilities:			
Compensated absences	3,192	-	3,192
Debt certificates	440,984	-	440,984
Loans payable	3,300,341	-	3,300,341
Total noncurrent liabilities	3,741,325	-	3,741,325
Total liabilities	4,818,268	-	4,818,268
Net assets			
Invested in capital assets, net of related debt	3,817,061	-	3,817,061
Unrestricted	882,167	-	882,167
Total net assets	4,699,228	-	4,699,228
TOTAL LIABILITIES AND NET ASSETS	$ 9,517,496	$ -	$ 9,517,496

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, 2012

	Major Funds		
	Water Fund	Vehicle Parking Fund	Total Proprietary Funds
Operating revenues			
Charges for services	$ 4,711,412	$ -	$ 4,711,412
Total operating revenues	4,711,412	-	4,711,412
Operating expenses			
Operations	2,963,309	-	2,963,309
Depreciation	166,314	-	166,314
Total operating expenses	3,129,623	-	3,129,623
Operating income (loss)	1,581,789	-	1,581,789
Nonoperating revenues and (expenses)			
Interest revenue	2,521	-	2,521
Interest expense	(135,908)	-	(135,908)
Total nonoperating revenues and (expenses)	(133,387)	-	(133,387)
Income (loss) before transfers and special items	1,448,402	-	1,448,402
Transfers out	(1,485,441)	(3,536,264)	(5,021,705)
Special items	-	(1,021,844)	(1,021,844)
Change in net assets	(37,039)	(4,558,108)	(4,595,147)
Net assets at beginning of year	4,736,267	4,558,108	9,294,375
Net assets at end of year	$ 4,699,228	$ -	$ 4,699,228

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2012

	Major Funds: Water Fund	Major Funds: Vehicle Parking Fund	Total Proprietary Funds
Cash flows from operating activities:			
Cash received from customers	$ 4,483,764	$ -	$ 4,483,764
Cash payments for goods and services	(2,463,579)	-	(2,463,579)
Cash payments to employees for services	(248,702)	-	(248,702)
Net cash provided by operating activities:	1,771,483	-	1,771,483
Cash flows from noncapital financing activities:			
Transfers out	(1,485,441)	(2,695,811)	(4,181,252)
Interfund borrowing	285,441	-	285,441
Net cash used for noncapital financing activities:	(1,200,000)	(2,695,811)	(3,895,811)
Cash flows from capital and related financing activities:			
Purchase of capital assets	(39,974)	-	(39,974)
Principal paid on debt	(314,278)	-	(314,278)
Interest paid on debt	(107,482)	-	(107,482)
Net cash used for capital and related financing activities:	(461,734)	-	(461,734)
Cash flows from investing activities:			
Interest received	2,521	-	2,521
Net cash provided by investing activities:	2,521	-	2,521
Net increase (decrease) in cash and cash equivalents	112,270	(2,695,811)	(2,583,541)
Cash and cash equivalents, beginning of year	737,361	2,695,811	3,433,172
Cash and cash equivalents, end of year	$ 849,631	$ -	$ 849,631
Reconciliation of operating income to Net cash provided by operating activities:			
Operating income (loss)	$ 1,581,789	$ -	$ 1,581,789
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:			
Depreciation	166,314	-	166,314
Decrease (increase) in accounts receivable	(227,648)	-	(227,648)
Increase (decrease) in accounts payable	246,777	-	246,777
Increase (decrease) in other liabilities	57	-	57
Increase (decrease) in compensated absences	4,194	-	4,194
Total adjustments	189,694	-	189,694
Net cash provided by (used for) operating activities:	$ 1,771,483	$ -	$ 1,771,483

See accompanying notes to the financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
April 30, 2012

ASSETS		
Cash and cash equivalents	$	2,208,071
Investments		
Certificates of deposits		2,767,921
Government securities		12,927,068
Mutual funds		6,503,046
Insurance contracts		9,598,482
Total investments		31,796,517
Interest receivable		27,491
Prepaid items		9,105
Total assets		34,041,184
LIABILITIES		
Accounts payable		3,918
Total liabilities		3,918
NET ASSETS		
Plan net assets held in trust for employees' pension benefits	$	34,037,266

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, 2012

ADDITIONS	
Contributions	
Employer	$ 1,235,907
Plan members	567,148
Total contributions	1,803,055
Net investment income	1,175,201
Total additions	2,978,256
DEDUCTIONS	
Benefits and refunds	2,793,009
Administrative expenses	59,060
Total deductions	2,852,069
Increase in plan net assets	126,187
Plan net assets at beginning of year	33,911,079
Plan net assets at end of year	$ 34,037,266

See accompanying notes to the financial statements.

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 fiduciary 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 included 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 Government-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, 2012. 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 Government-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 Government-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.

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the Village as a whole. In the Government-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 Government-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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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:

Government-wide Financial Statements – The Government-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 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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2012, 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 $379,572, in order to properly present 12 months of revenue on the financial statements.

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 Government-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 Government-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.

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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2002 Bond Fund; Special Tax Allocation Fund; Incremental Sales Tax Fund – The 2002 Bond Fund, also known as the Forest Park Mall TIF, is a debt service fund used to pay principal 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 (a debt service 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 (a debt service 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. During the fiscal year ending April 30, 2012, the activity of the Vehicle Parking Fund was transferred to the General Fund.

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 pension trust funds.

(Continued)

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, 2012. 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 Government-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.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accrued Vacation: Per the Village's 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.

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.

Unearned Revenue: The Village reports deferred and unearned revenues on its financial statements. Deferred revenues arise when potential revenue does not meet both the measureable and available criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred and unearned revenue is removed from the balance sheet or statement of net assets and revenue is recognized.

Net Assets and Fund Equity: 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.

Fund Balance - In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the Village's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific source by passing of a Board Resolution by the Village's Board of Trustees. Amendments or modifications of the committed fund balance must be also by approved by passing of a Board Resolution by the Board of Trustees.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary fund equity is classified as held in trust for pension benefits on the statement of fiduciary net assets. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

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 Government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

Long-Term Debt: In the Government-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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 expenditures.

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 $12,042,566. In addition, the Village maintained two petty cash accounts with a carrying value of $2,563. The balances in the bank were $12,206,014.

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 exceed the portion of the deposit requiring collateralization. As of April 30, 2012 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.

(Continued)

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

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

Note 2		Financial Statements	
Carrying value of cash and cash equivalents	$ 12,042,566	Statement 1 (Primary Government) Cash and cash equivalents	$ 12,045,129
Petty cash	2,563	Total financial statements	$ 12,045,129
Total notes	$ 12,045,129		

Police Pension Fund

At year end, the Police Pension Fund's carrying amount of cash was $919,764 while the bank balances were $922,409. As of April 30, 2012, $922,409 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, 2012:

		Investment Maturities			
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	Greater Than Ten Years
GNMA	$ 6,558,663	$ -	$ 384	$ 3,295	$ 6,554,984
FHLMC	4,694,883	-	-	-	4,694,883
FNMA	1,673,522	-	-	-	1,673,522
Mutual funds	1,587,824	1,587,824	-	-	-
Insurance contracts	5,061,028	5,061,028	-	-	-
Total investments	$ 19,575,920	$6,648,852	$ 384	$ 3,295	$12,923,389

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.

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

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 conservatorships 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, 2012 (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)

Investment Type	AAA/Aaa
Government National Mortgage Association	100%
Federal Home Loan Mortgage Corporation	100%
Federal National Mortgage Association	100%
Mutual Funds	100%
Insurance Contract	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, 2012.

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 FHLMC, 23.98%, FNMA, 8.55%, Jackson National Life Insurance Contracts, 5.92%, Lincoln Benefit Life Insurance Contracts, 5.81%, and AIG Insurance Co. Insurance Contracts, 7.90%.

(Continued)

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

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits and certificates of deposit was $1,288,307 and $2,767,921, respectively, while the bank balances were $1,288,307 and $2,767,921, respectively. As of April 30, 2012, $1,288,307 and $2,767,921 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, 2012.

		Investment Maturities	
	Fair Value	Less than One Year	One to Five Years
Certificates of Deposit	$ 2,767,921	$ 1,555,566	$ 1,212,355
Insurance Contracts	4,537,454	4,537,454	-
Equity Mutual Funds	4,915,222	4,915,222	-
Total investments	$ 12,220,597	$ 11,008,242	$ 1,212,355

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 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.

(Continued)

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

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, 2012, the Firefighters' Fund has over 5% of plan net assets invested in ING Smart Design Insurance Contracts, 14.51%, Sun Life Insurance Contracts, 13.82%, and Alliance Ovation Insurance Contracts 5.27%.

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:

Note 2		Financial Statements	
Carrying value of cash and cash equivalents (police $919,764 fire $1,288,307)	$ 2,208,071	Statement 10 Cash and cash equivalents	$ 2,208,071
Carrying value of investments (police $19,575,920, fire $12,220,597)	31,796,517	Investments	31,796,517
Total notes	$ 34,004,588	Total financial statements	$ 34,004,588

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2011 are attached as an enforceable lien on January 1, 2011 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 2010 and one-half of the 2011 property tax levies.

Property taxes for the current 2011 tax levy are received in two installments in March 2012 and October 2012.

Property taxes receivable, constituting primarily the second installment due in October 2012, is recorded as deferred revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2013.

In the final tax extension, the County Clerk provides for an allowance for loss and cost of 3% for all tax levying funds except debt service, which has a 5% 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.

(Continued)

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period from May 1, 2011 through April 30, 2012 follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 4,667,150	$ 698,257	$ -	$ 5,365,407
Construction in Progress	-	436,722	-	436,722
Total capital assets not being depreciated, net	4,667,150	1,134,979	-	5,802,129
Capital assets being depreciated:				
Infrastructure	37,814,309	660,067	296,980	38,177,396
Building and improvements	2,807,121	1,639,302	-	4,446,423
Fixtures and equipment	4,414,249	579,479	43,836	4,949,892
Subtotal	45,035,679	2,878,848	340,816	47,573,711
Accumulated depreciation				
Infrastructure	(18,860,377)	(1,009,434)	(251,092)	(19,618,719)
Building and improvements	(635,934)	(1,321,947)	-	(1,957,881)
Fixtures and equipment	(2,779,165)	(408,504)	(30,418)	(3,157,251)
Total accumulated depreciation	(22,275,476)	(2,739,885)	(281,510)	(24,733,851)
Total capital assets being depreciated, net	22,760,203	138,963	59,306	22,839,860
Governmental activities, net	$ 27,427,353	$ 1,273,942	$ 59,306	$ 28,641,989
Business-type activities:				
Capital assets not being depreciated:				
Land	$ 698,257	$ -	$ 698,257	$ -
Capital assets being depreciated:				
Building and improvements	2,321,189	-	1,639,302	681,887
Fixtures and equipment	328,141	39,974	169,478	198,637
Infrastructure	9,445,715	-	-	9,445,715
Subtotal	12,095,045	39,974	1,808,780	10,326,239
Accumulated depreciation				
Building and improvements	(1,503,287)	(7,814)	(1,256,026)	(255,075)
Fixtures and equipment	(197,383)	(31,125)	(69,464)	(159,044)
Infrastructure	(1,895,843)	(127,375)	-	(2,023,218)
Total accumulated depreciation	(3,596,513)	(166,314)	(1,325,490)	(2,437,337)
Total capital assets being depreciated, net	8,498,532	(126,340)	483,290	7,888,902
Business-type activities, net	$ 9,196,789	$ (126,340)	$ 1,181,547	$ 7,888,902

(Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of $1,414,395 and $166,314 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

Governmental Activities	Amount
General government	$ 91,181
Health and public safety	12,683
Public works	1,090,136
Police protection	121,941
Fire protection	98,454
Total depreciation expense	$ 1,414,395

Business-Type Activities	Amount
Water	$ 166,614
Total depreciation expense	$ 166,614

Capital assets were transferred to governmental activities from business-type activities during fiscal year 2012 with related accumulated depreciation of $1,325,490. This amount is included in the accumulated depreciation additions amount in the governmental activities capital asset activity schedule.

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, 2012:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Principal Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds:					
G.O. TIF Refunding Bonds, 2002	$ 2,720,000	$ -	$ 405,000	$ 2,315,000	$ 425,000
G.O. TIF Alternative Revenue, 2003A	345,000	-	170,000	175,000	175,000
G.O. Alternative Revenue Series 2005	7,865,000	-	390,000	7,475,000	405,000
Premium on Bonds	110,241	-	5,325	104,916	-
Total Bonds	11,040,241	-	970,325	10,069,916	1,005,000
G.O. Debt Certificates Series 2001*	2,529,942	154,736	2,684,678	-	-
G.O. Debt Certificates Series 2011	-	2,568,644	-	2,568,644	239,628
IDOT Loan Payable	154,046	-	154,046	-	-
Loans Payable	180,124	278,596	83,217	375,503	123,345
Net Pension Obligation - Police Pension	197,132	191,190	-	388,322	-
Net Pension Obligation - Fire Pension	156,566	232,245	-	388,811	-
Net Pension Obligation - IMRF	42,030	8,546	-	50,576	-
Other Post Employment Benefits	147,831	73,262	-	221,093	-
Compensated Absences**	487,013	410,536	419,916	477,633	426,887
Total Governmental Long-Term Debt	$ 14,934,925	$ 3,917,755	$ 4,312,182	$ 14,540,498	$ 1,794,860

(Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Principal Due Within One Year
BUSINESS-TYPE ACTIVITIES					
G.O. Debt Certificates Series 2001*	$ 659,563	$ -	$ 659,563	-	$ -
G.O. Debt Certificates Series 2011	-	486,356	-	486,356	45,372
Loan Payable	3,863,152	-	277,667	3,585,485	285,144
Compensated Absences**	14,387	15,846	16,619	13,614	10,422
Total Business-type Long-Term Debt	$ 4,537,102	$ 502,202	$ 953,849	$ 4,085,455	$ 340,938

*A portion of the outstanding Series 2001 Debt Certificates totaling $154,736 was transferred from Business-type activities to Governmental activities during fiscal year 2012.
**A portion of the outstanding compensated absences totaling $4,967 was transferred from Business-type activities to Governmental activities during fiscal year 2012.

Components of Long-Term Obligations: Long-term obligations of the governmental long-term debt at April 30, 2012 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 $181,387, payable through 2013. For the current year, principal and interest paid and total incremental property tax revenues were $182,422 and $830,912, 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 $10,011,660. Principal and interest paid for the current year and total VIP Program net revenues were $714,988 and $965,745, respectively.

NOTE 5 - LONG-TERM DEBT (Continued)

General Obligation Debt Certificates $3,055,000 Series 2011 principal to current refund the General Obligation Debt Certificates series 2001, due in annual installments, interest payable each May 1 and November 1, matures serially through November 1, 2021, with interest ranging from 2% to 3%. The principal is payable from the General Fund and Water Fund (Enterprise Fund). As a result of the refunding, the Village reduced its total debt service payments over the next 10 years by $276,060 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of $243,803.

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 $28,398 principal is for the purchase of a Chevy Tahoe truck, due in installments of $529, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on September 15, 2016. The principal is payable from the General Fund.

Loan Payable $26,906 principal is for the purchase of a Ford pickup truck, due in installments of $501, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on March 1, 2017. The principal is payable from the General Fund.

Loan Payable $28,500 principal is for the purchase of a Chevy truck, due in installments of $531, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on October 15, 2016. The principal is payable from the General Fund.

Loan Payable $41,446 principal is for the purchase of two Ford Escape vehicles, due in installments of $773, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on January 25, 2017. The principal is payable from the General Fund.

Loan Payable $153,346 principal is for the purchase of an International truck, due in installments of $2,857, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on March 25, 2017. The principal is payable from the General Fund.

(Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

Debt Service Requirements to Maturity

A schedule of all future principal and interest obligations for the Village's general obligation bonds and debt certificates is as follows:

Year Ending	GO TIF Refunding Bonds 2002		GO TIF Alt Rev 2003A	
April 30,	Principal	Interest	Principal	Interest
2013	$ 425,000	$ 109,108	$ 175,000	$ 6,387
2014	445,000	88,920	-	-
2015	465,000	68,672	-	-
2016	480,000	47,050	-	-
2017	500,000	24,250	-	-
Totals	$ 2,315,000	$ 338,000	$ 175,000	$ 6,387

Year Ending	GO Alt Rev 2005		Debt Certificates 2011*	
April 30,	Principal	Interest	Principal	Interest
2013	$ 405,000	$ 308,412	$ 285,000	$ 62,496
2014	425,000	291,200	280,000	66,876
2015	440,000	273,138	285,000	61,276
2016	460,000	254,438	295,000	55,576
2017	480,000	237,188	300,000	49,674
2018-2022	2,685,000	888,994	1,610,000	141,252
2023-2026	2,850,000	283,290	-	-
Totals	$ 7,745,000	$ 2,536,660	$ 3,055,000	$ 437,150

*The repayment schedule for the Debt Certificates is for both governmental and business-type activities.

A schedule of future principal and interest for equipment loans of the Village is as follows:

Year Ending	2009 Fire Truck		2010 Street Sweeper		2010 Chevy Tahoe	
April 30,	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 42,508	$ 1,190	$ 29,342	$ 2,246	$ 5,340	$ 1,013
2014	3,254	12	30,690	1,011	5,583	770
2015	-	-	5,645	22	5,840	513
2016	-	-	-	-	6,108	245
2017	-	-	-	-	2,097	20
Totals	$ 45,762	$ 1,202	$ 65,677	$ 3,279	$ 24,968	$ 2,561

(Continued)

NOTE 5 - LONG-TERM DEBT (Continued)

Year Ending	Ford Pickup Truck		2011 Chevy Truck		Two Ford Escapes	
April 30,	Principal	Interest	Principal	Interest	Principal	Interest
2013	$ 4,965	$ 1,052	$ 5,359	$ 1,015	$ 7,650	$ 1,621
2014	5,192	825	5,604	770	8,001	1,270
2015	5,430	587	5,861	513	8,368	903
2016	5,678	339	6,129	245	8,750	521
2017	4,423	83	2,097	20	6,816	137
Totals	$ 25,688	$ 2,886	$ 25,050	$ 2,563	$ 39,585	$ 4,452

Year Ending	2012 International Truck		Total Loans Payable	
April 30,	Principal	Interest	Principal	Interest
2013	$ 28,181	$ 6,103	$ 123,345	$ 14,240
2014	29,472	4,812	87,796	9,470
2015	30,822	3,462	61,966	6,000
2016	32,230	2,054	58,895	3,404
2017	28,068	584	43,501	844
Totals	$ 148,773	$ 17,015	$ 375,503	$ 33,958

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, 2012 satisfies this requirement as follows:

Assessed valuation for 2011		$ 353,030,571
At maximum outstanding debt rate		8.625%
Maximum debt		30,448,887
Legal debt outstanding at April 30, 2012		
Series 2002	$ 2,315,000	
Series 2003A	175,000	
Series 2005	7,475,000	
Legal debt outstanding at April 30, 2012		9,965,000
Remaining Legal Debt Margin		$ 20,483,887

NOTE 5 - LONG-TERM DEBT (Continued)

Business-Type Long-Term Debt: I.E.P.A. Loans 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:

EPA Loan Schedule Year Ending April 30,	Principal	Interest
2013	$ 285,144	$ 94,270
2014	292,823	86,592
2015	300,708	78,706
2016	308,806	70,609
2017	317,022	62,393
2018-2022	1,708,399	188,675
2023	372,583	7,478
Totals	$ 3,585,485	$ 588,723

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, 2012, $1,390,000 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, 2012:

	Due From	Due To
Major Governmental Fund - General Fund	$ 235,480	$ 60,451
Major Governmental Fund - Harlem / Harrison TIF Fund	-	54,200
Major Governmental Fund - 2002 Bond Fund	38,619	1,609
Major Governmental Fund - Special Tax Allocation TIF Fund	-	35,890
Major Governmental Fund - Incremental Sales TIF Fund	60,135	804
Nonmajor Governmental Funds	285,441	181,280
Major Enterprise Fund - Water Fund	-	285,441
Total Interfunds	$ 619,675	$ 619,675

All interfund balances are temporary balances resulting mainly from funds being loaned by the General Fund for expenditures.

NOTE 6 - INTERFUND ACTIVITY (Continued)

The following transfers occurred during fiscal year 2012:

	Transfer In	Transfer Out
Major Governmental Fund - General Fund	$ 5,017,612	$ -
Major Governmental Fund - 2002 Bond Fund	534,074	-
Major Governmental Fund - Special Tax Allocation TIF Fund	-	532,404
Major Governmental Fund - Incremental Sales TIF Fund	-	323,018
Nonmajor Governmental Funds	685,441	360,000
Major Enterprise Fund - Water Fund	-	1,485,441
Major Enterprise Fund - Vehicle Parking Fund	-	3,536,264
Total Interfunds	$ 6,237,127	$ 6,237,127

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 of $800,000, to the General Fund for unallocated operating and overhead expenses. During the fiscal year ending April 30, 2012, the activity of the Vehicle Parking Fund was transferred to the General Fund totaling $3,536,264. 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 Government-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 rates for calendar years 2011 and 2012 were 10.31% (13.01% for SLEP) and 13.51% of annual covered payroll, respectively. 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.

Annual Pension Cost: For the fiscal year April 30, 2012, the Village's actual contributions to the Regular plan were $8,546 less than the annual pension cost of $362,867.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Trend Information for the Plans

IMRF Regular:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
4/30/12	$ 362,867	98%	$ 50,576
4/30/11	332,615	91%	42,030
4/30/10	277,756	89%	12,444

For calendar year 2011, the Village's annual pension cost of $14,900 for the SLEP plan was equal to the employer's required and actual contributions.

SLEP:

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/11	$ 14,900	100%	$ -
12/31/10	15,953	100%	-
12/31/09	13,852	100%	-

The required contribution for 2011 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, 2009, 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% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually.

The actuarial value of the 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 20% 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 an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 84.80% (117.46% for SLEP) funded. The actuarial accrued liability for benefits was $10,910,394 ($198,023 for SLEP) and the actuarial value of assets was $9,252,236 ($232,605 for SLEP), resulting in an underfunded (overfunded for SLEP) actuarial accrued liability (UAAL) of $1,658,158 ($34,582 for SLEP).

The covered payroll (annual payroll of active employees covered by the plan) was $3,564,667 ($114,531 for SLEP) and the ratio of the UAAL to the covered payroll was 47% (no ratio for SLEP since the plan is overfunded).

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.

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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 rates for the calendar year 2011 and 2012 for the Village are 10.68% and 13.51%, respectively. The Village elected to use the phase-in rate of 10.31% for calendar year 2011. No phase-in rate was utilized for calendar year 2012. The application of the phase-in rate resulted in the recognition of a net pension obligation for the year end April 30, 2012 of $50,576 for the Regular plan.

Annual Required Contribution	$ 361,968
Interest on NPO	3,152
Adjustment to annual required contribution	(2,253)
Annual Pension Cost	362,867
Actual Contribution	354,321
Increase in net pension obligation	8,546
Net pension obligation at May 1, 2011	42,030
Net pension obligation at April 30, 2012	$ 50,576

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. There is no separate, audited GAAP-basis Police Pension Plan report available.

At April 30, 2011 (the most recent actuarial valuation date), 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	33
Current employees	
Vested	26
Nonvested	11
Total	70

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

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed $106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 fiscal year 2012 were $692,137. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	April 30, 2012	April 30, 2011	April 30, 2010
Annual required contribution	$ 870,729	$ 810,717	$ 651,656
Interest on net pension obligation	22,192	8,638	7,922
Adjustment to annual required contribution	(9,594)	(6,561)	(5,828)
Annual pension cost (APC)	883,327	812,794	663,753
Contributions made	692,137	730,836	654,205
Increase (decrease) in net pension obligation	191,190	81,958	9,548
Net pension obligation (asset) beg of year	197,132	115,174	105,626
Net pension obligation (asset) end of year	$ 388,322	$ 197,132	$ 115,174
Percentage of APC Contributed	78.4%	89.9%	98.6%

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	$ 1,159,265
Lincoln Benefit Life	1,137,659
AIG Insurance Co.	1,546,702
FHLMC	4,694,883
FNMA	1,673,522

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)
4/30/2011	$ 19,733,088	$ 29,899,827	66.0%	10,166,739	$ 2,824,862	359.9%

(Continued)

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, 2011 actuarial assumptions for the Police Pension Fund are as follows:

Actuarial valuation date	April 30, 2011
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	30 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, 2012 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	$ 919,764
Investments	
Government securities	12,927,068
Mutual funds	1,587,824
Insurance contracts	5,061,028
Total Investments	19,575,920
Receivables:	
Interest receivable	18,746
Prepaid items	2,149
Total assets	20,516,579
LIABILITIES	
Accounts payable	2,163
Total liabilities	2,163
NET ASSETS	
Plan net assets held in trust for employees' pension benefits	$ 20,514,416

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	$ 692,137
Plan members	382,553
Total contributions	1,074,690
Net investment income	1,161,364
Total additions	2,236,054
DEDUCTIONS	
Benefits and refunds	1,419,416
Administrative expenses	35,310
Total deductions	1,454,726
Increase (decrease) in net assets	781,328
Plan net assets at beginning of year	19,733,088
Plan net assets at end of year	$ 20,514,416

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. There is no separate, audited GAAP-basis Firefighters' Pension Plan report available. At April 30, 2011 (the most recent actuarial valuation date), 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	31
Current employees	
Vested	9
Nonvested	14
Total	54

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

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit.

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at $106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

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 2012 were $543,770. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	April 30, 2012	April 30, 2011	April 30, 2010
Annual required contribution	$ 770,226	$ 744,133	$ 517,235
Interest on net pension obligation	13,216	(2,415)	(4,483)
Adjustment to annual required contribution	(7,427)	1,834	3,299
Annual pension cost (APC)	776,015	743,552	516,051
Contributions made	543,770	554,789	488,470
Increase (decrease) in net pension obligation	232,245	188,763	27,581
Net pension obligation (asset) beg of year	156,566	(32,197)	(59,778)
Net pension obligation (asset) end of year	$ 388,811	$ 156,566	$ (32,197)
Percentage of APC Contributed	70.1%	74.6%	94.7%

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	$ 1,866,263
ING SmartDesign Insurance Contract	1,959,872
Alliance Small Cap Value Mutual Fund	711,319

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 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)
4/30/2011	$ 14,177,990	$ 22,305,470	63.6%	$ 8,127,480	$ 1,846,667	440.1%

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.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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, 2011 actuarial assumptions for the Firefighters' Pension Fund are as follows:

Actuarial valuation date	April 30, 2011
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	30 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%

Firefighters' pension financial statements for the fiscal year ended April 30, 2012 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	$ 1,288,307
Investments	
Certificate of Deposits	2,767,921
Mutual funds	4,915,222
Insurance contracts	4,537,454
Total Investments	12,220,597
Receivables:	
Interest receivable	8,745
Prepaid items	6,956
Total assets	13,524,605
LIABILITIES	
Accounts payable	1,755
Total liabilities	1,755
NET ASSETS	
Plan net assets held in trust for employees' pension benefits	$ 13,522,850

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	$ 543,770
Plan members	184,595
Total contributions	728,365
Net investment income	13,837
Total additions	742,202
DEDUCTIONS	
Benefits and refunds	1,373,593
Administrative expenses	23,750
Total deductions	1,397,343
Increase (decrease) in net assets	(655,141)
Plan net assets at beginning of year	14,177,991
Plan net assets at end of year	$ 13,522,850

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The Village provides the continuation of health care benefits and life insurance to Police, Fire, and Municipal employees who retire from the Village in accordance with Illinois Compiled Statutes. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the Village and is the basis for the OPEB obligation is accounted for under GASB Statement 45. The Village Board of Commissioners has the authority of establishing and amending benefits offered by this plan. The OPEB plan is a single-employer plan. There is no separate, audited GAAP-basis postemployment benefit plan report available. At April 30, 2010 (the most recent actuarial valuation date), the OPEB plan membership consisted of:

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	43
Total	107

Funding Policy. Funding is provided by the Village on a pay-as-you-go basis. Retirees and their dependants may continue coverage under The Village of Forest Park's group health program by contributing a monthly premium. They may participate in any of the plans available to active employees. The Village pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost. The Village's contribution on behalf of the employees to the insurance provider was $55,099 for 2012.

(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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 fiscal year 2012, 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, 2012
Annual required contribution	$ 125,897
Interest on net OPEB obligation	7,392
Adjustment to annual required contribution	(4,928)
Annual OPEB cost	128,361
Contributions made	55,099
Increase (decrease) in net OPEB obligation	73,262
Net OPEB obligation beginning of year	147,831
Net OPEB obligation end of year	$ 221,093

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012 was as follows:

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2010	$ 68,634	61.0%	$ 75,770
4/30/2011	127,160	43.3%	147,831
4/30/2012	128,361	42.9%	221,093

Funded Status and Funding Progress. As of April 30, 2010 (the most recent actuarial valuation date), the plan was unfunded. The actuarial accrued liability for benefits was approximately $2 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)
4/30/2010	$ -	$ 2,035,510	$ 2,035,510	0.0%	$ 8,046,576	25.3%

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.

(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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.

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 open 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. The Net OPEB obligation has been updated through April 30, 2012.

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.

NOTE 10 - FUND BALANCES

Restricted for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of five separate tax levies. The Village considers these five 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, 2012 are as follows:

(Continued)

NOTE 10 - FUND BALANCES (Continued)

	Restricted Fund Balance 4/30/11	Revenue Specified	Revenue Subsidized	Expenditures	Restricted Fund Balance 4/30/12
Fire Protection	$ -	$ 607,700	$ 2,138,775	$ 2,746,475	$ -
Trees and Forestry	-	114,909	73,976	188,885	-
Insurance	-	404,417	574,195	978,612	-
Playground/Recreation	764,421	-	-	19,049	745,372
Police Protection	-	607,700	3,755,024	4,362,724	-
Totals	$ 764,421	$ 1,734,726	$ 6,541,970	$ 8,295,745	$ 745,372

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

Deficit Fund Equity: The following funds had deficit fund balances/net assets as of April 30, 2012. These balances are expected to be reduced through future revenues or transfers:

Harlem/Harrison TIF Fund	$ 44,251
Illinois Municipal Retirement Fund	17,757
Social Security Fund	161,995

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 AT&T franchise agreement dated November 19, 1984 provides that the Village will share in the aggregate franchise payment AT&T pays to all Illinois municipalities (except Chicago). The aggregate franchise fee is negotiated between the State and AT&T. 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.

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, 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

Forest Park Mall TIF

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 2002. The principal economic activity stimulated was the construction and subsequent opening of a Wal-Mart Store.

(Continued)

NOTE 12 - TAX INCREMENT FINANCING (Continued)

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.

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.

(Continued)

NOTE 12 - TAX INCREMENT FINANCING (Continued)

Roosevelt-Hannah TIF

The Village entered into a redevelopment agreement with the Living Word Christian Center (LWCC) to redevelop what was then known as the Forest Park Mall. The area comprising the shopping plaza was a part of the original Forest Park Mall TIF which at the time was used to make debt service payments on the original debt (see above). The shopping plaza acquired by LWCC was separated from the Forest Park Mall TIF area in 2002 and the area east of the Wal-Mart to Hannah Avenue was named the Roosevelt-Hannah TIF.

Upon satisfaction of the conditions contained in the agreement, the Village agrees to reimburse eligible costs from TIF funds to LWCC annually as follows: 50% of tax increment; and 50% of municipal sales taxes (MST) generated by new businesses opening in the shopping plaza. The agreement expires January 1, 2015 or upon payment of a total of $4,900,000.

In addition, the TIF funds are used to make debt service payments on the Series 2003A Bond, which financed initial eligible costs.

In an additional business development agreement with SVT, LLC, doing business as Ultra Foods, the Village agreed to pay to SVT $78,000 per year for two years, and 50% of MST generated in years 10 through 20 of the lease with LWCC, not to exceed $1,260,000.

Brown Street Station TIF

In 2000, the Village formed the Brown Street Station TIF for the far northeast area of town to Harlem Avenue and south along Harlem to Dixon. No developer has come forward with plans for the area. Property tax increment has been accumulating and at the beginning of fiscal year 2012 totaled $2.5 million.

During fiscal year 2012, the Brown Street Station area was enhanced at the cost of $487,362 for redevelopment improvements. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT

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, 2012, after completion of twelve years, the Village made payments totaling $55,438 to Molly Malone's.

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT (Continued)

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, 2012, the Village has paid $221,504 to Bed Bath and Beyond of Forest Park, LLC.

Currie Motors Chevrolet: On May 1, 2010, the Village entered into an agreement with Currie Motors Chevrolet to reimburse Currie for costs associated with opening a new expanded facility on Roosevelt Road. Under the terms, the Village agrees to rebate 50% of municipal sales taxes generated above $50,000 per year for 15 years up to maximum of $1,250,000.

As of April 30, 2012, the Village has paid $210,288 to Currie Motors Chevrolet.

Hawk Chrysler Dodge Jeep: On March 12, 2012, the Village entered into an agreement with Hawk Chrysler Dodge Jeep to reimburse the company for costs associated with expanding their current facility on Roosevelt Road. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above a base sales tax revenue amount of $195,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of $700,000.

As of April 30, 2012, sales did not exceed the base sales tax revenue amount, therefore no amounts have been paid to Hawk Chrysler Dodge Jeep.

Grand Appliance, Inc.: On March 27, 2012, the Village entered into an agreement with 7436-40 Madison Street, LLC to facilitate the redevelopment, remodeling and upgrading of the property to be leased by Grand Appliance, Inc. located at 7436-7440 Madison Street in Forest Park. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above an annual base sales tax revenue amount of $500,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of $300,000.

As of April 30, 2012, no sales taxes have been generated, therefore no amounts have been paid to 7436-40 Madison Street, LLC.

NOTE 14 - FOREST PARK PUBLIC LIBRARY

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.

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

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.

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

Deposits – At year end, the carrying amount of the Library's deposits totaled $16,443 and the bank balances totaled $16,343. Additionally, at year end the Library has $2,056,918 invested in the Illinois Funds.

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. Once 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 Library District and accrued as unearned revenue in the fiscal year of levy. Property taxes due 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)

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.

Capital Assets

	Balance at April 30, 2011	Additions	Deletions	Balance at April 30, 2012
Capital assets not being depreciated:				
Land	$ 134	$ -	$ -	$ 134
Capital assets being depreciated:				
Buildings	1,261,784	38,685	-	1,300,469
Furniture and equipment	185,323	16,466	-	201,789
Computer equipment	154,338	19,710	-	174,048
Collections	923,724	245,988	99,187	1,070,525
Subtotal	2,525,169	320,849	99,187	2,746,831
Accumulated depreciation				
Buildings	(603,949)	(47,147)	-	(651,096)
Furniture and equipment	(116,119)	(17,284)	-	(133,403)
Computer equipment	(140,511)	(9,473)	-	(149,984)
Collections	(407,141)	(189,506)	(99,187)	(497,460)
Subtotal	(1,267,720)	(263,410)	(99,187)	(1,431,943)
Total capital assets being depreciated, net	1,257,449	57,439	-	1,314,888
Capital assets, net	$ 1,257,583	$ 57,439	$ -	$ 1,315,022

Operating Lease

The Library rents telecommunication and copier equipment under an operating lease. Lease expense under these leases for the year was $10,868. Future minimum lease payments are as follows:

Year Ended April 30	Amount
2013	$ 10,974
2014	2,550
2015	2,550
2016	1,912
	$ 17,986

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

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	$ 3,170	$ -	$ 614	$ 2,556
Workers Compensation	38,625	2,163	-	40,788
Special Revenue Funds				
Audit	3,808	-	267	3,541
Insurance	49,203	-	20,632	28,571
Social Security	53,967	6,321	-	60,288
Total	$ 148,773	$ 8,484	$ 21,513	$ 135,744

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-employer 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 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.

All employees hired in positions that meet or exceed the prescribed annual hourly standard of 1,000 hours worked per year must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of $106,800 at January 1, 2011. The maximum salary cap increases each year thereafter.

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, b the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefits provisions and all other requirements are established by state statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2011 was 9.33 percent.

The employees of the Library are pooled 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, 2012, the employer's share of IMRF amounts to $58,276.

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement is effective for the Village's financial year ending April 30, 2013. The Village has not engaged in transferor-operator service concession arrangements, therefore implementation of this statement will have no impact.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity,* and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. This Statement is effective for the Village's financial year ending April 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for the Village's financial year ending April 30, 2013. The Village plans to implement this codification for the year ending April 30, 2013.

(Continued)

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In June 2011, the GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position.* This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments,* and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for the Village's financial year ending April 30, 2013. The Village plans to implement the new reporting requirements for the year ending April 30, 2013.

In June 2011, the GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. When all of the conditions specified by the Statement exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for the Village's financial year ending April 30, 2013. The Village has considered the impacts of implementing this Statement and has determined that the implementation will not have a significant effect on its financial statements.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for the Village's financial year ending April 30, 2014. The Village plans to implement the new reporting requirements for the year ending April 30, 2013.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012*, *an amendment of GASB Statements No. 10 and No. 62.* The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues,* by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments.* This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases,* and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables*

(Continued)

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues, respectively. The provisions of this Statement are effective for the Village's financial year ending April 30, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans.* This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the Village's fiscal year ending April 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions. This* Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures,* as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

NOTE 16 – SPECIAL ITEMS

During the fiscal year ending April 30, 2012, the activity of the Vehicle Parking Fund was transferred to the General Fund. As a result, the Village transferred capital assets, compensated absences payable, and the outstanding General Obligation Debt Certificates Series 2001, from Business-type Activities to Governmental Activities as of May 1, 2011. The government-wide statement of activities reports this transaction as a transfer to/from. The fund financial statements report the removal of capital assets and long-term debt as special items in the Vehicle Parking Fund of $1,021,844:

Vehicle Parking Fund	Balance May 1, 2011
Capital Assets	$ 1,181,547
Debt Certificates Payable	(154,736)
Compensated Absences	(4,967)
Total Special Items	$ 1,021,844

NOTE 17 - RESTATEMENTS

As a result of the implementation of GASB Statement 54, the Police Vehicle Fund was combined into the General Fund. The effect of this restatement on fund balance is presented below:

	General Fund	Police Vehicle Fund
Fund Balance, April 30, 2011	$ 468,659	$ (20,828)
Restatements:		
Police Vehicle	(20,828)	20,828
Fund Balance, May 1, 2011	$ 447,831	$ -

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
ILLINOIS MUNICIPAL RETIREMENT FUND
April 30, 2012

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)
12/31/11	$ 9,252,236	$ 10,910,394	$ 1,658,158	84.8%	$ 3,564,667	46.5%
12/31/10	8,596,861	10,031,601	1,434,740	85.7%	3,634,262	39.5%
12/31/09	8,499,789	9,589,783	1,089,994	88.6%	3,602,540	30.3%

On a market value basis, the actuarial value of assets as of December 31, 2011 was $8,805,224. On a market basis, the funded ratio would be 80.70%

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)
12/31/11	$ 232,605	$ 198,023	$ (34,582)	117.5%	$ 114,531	0.0%
12/31/10	206,844	181,366	(25,478)	114.0%	127,016	0.0%
12/31/09	175,306	142,106	(33,200)	123.4%	124,346	0.0%

On a market value basis, the actuarial value of assets as of December 31, 2011 was $225,915. On a market basis, the funded ratio would be 114.09%

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS
April 30, 2012

POLICE PENSION FUND

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)
4/30/11	$ 19,733,088	$ 29,899,827	66.0%	$ 10,166,739	$ 2,824,862	359.9%
4/30/10	19,010,870	28,564,354	66.6%	9,553,484	2,698,737	354.0%
4/30/09	18,137,483	27,071,653	67.0%	8,934,170	2,687,010	332.5%
4/30/08	18,080,808	25,539,296	70.8%	7,458,488	2,342,675	318.4%
4/30/07	17,914,643	23,472,490	76.3%	5,557,847	2,385,947	232.9%
4/30/06	16,984,836	21,352,857	79.5%	4,368,021	2,191,554	199.3%

FIREFIGHTERS' PENSION FUND

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)
4/30/11	$ 14,177,990	$ 22,305,470	63.6%	$ 8,127,480	$ 1,846,667	440.1%
4/30/10	13,564,251	21,672,072	62.6%	8,107,821	1,745,299	464.6%
4/30/09	12,299,585	20,441,328	60.2%	8,141,743	1,768,587	460.4%
4/30/08	14,479,167	19,163,979	75.6%	4,684,812	1,691,221	277.0%
4/30/07	14,308,807	18,175,470	78.7%	3,866,663	1,607,852	240.5%
4/30/06	13,679,540	18,347,111	74.6%	4,667,571	1,513,245	308.4%

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, 2012

	POLICE PENSION			FIRE PENSION		
Fiscal Year Ended	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)
4/30/12	$ 870,729	79.5%	$ (388,322)	$ 770,226	70.6%	$ (388,811)
4/30/11	810,717	90.1%	(197,132)	744,133	74.6%	(156,566)
4/30/10	651,656	100.4%	(115,174)	517,235	94.4%	32,197
4/30/09	561,697	88.5%	(105,626)	455,200	116.5%	59,778
4/30/08	468,488	89.9%	(39,962)	47,764	96.4%	(14,868)
4/30/07	431,845	101.6%	6,980	435,481	100.5%	2,287

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.

	Police Pension	Fire Pension
Actuarial valuation date	April 30, 2011	April 30, 2011
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level % payroll, closed	Level % payroll, closed
Remaining amortization period	30 years	30 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 POSTEMPLOYMENT BENEFITS
April 30, 2012

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	0.0%	$ 2,035,510	$ 8,046,576	25.3%
4/30/08*	-	1,307,299	0.0%	1,307,299	7,506,750	17.4%

* April 30, 2008 was the first year an actuarial valuation was performed

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 BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2012

	GENERAL FUND			SPECIAL REVENUE FUNDS BROWN STREET STATION TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues						
Property tax revenue	$ 4,244,928	$ 4,157,619	$ (87,309)	$ 700,000	$ 642,171	$ (57,829)
Personal property replacement tax	172,069	148,115	(23,954)	-	-	-
Sales tax	2,573,991	2,561,949	(12,042)	-	-	-
Intergovernmental revenues	237,064	234,332	(2,732)	-	-	-
Auto rental tax	17,600	18,822	1,222	-	-	-
Income tax	1,250,500	1,200,314	(50,186)	-	-	-
Utility taxes	1,767,912	1,633,866	(134,046)	-	-	-
Licenses and permits	1,013,995	1,174,184	160,189	-	-	-
Fees for services	2,443,659	2,231,075	(212,584)	-	-	-
Grant revenue	731,122	522,622	(208,500)	-	-	-
Parking revenue	523,000	517,391	(5,609)	-	-	-
Fines	1,678,500	1,373,963	(304,537)	-	-	-
Interest on investments	5,017	1,487	(3,530)	40,000	23,188	(16,812)
Other revenue	29,200	245,968	216,768	-	-	-
Total revenues	16,688,557	16,021,707	(666,850)	740,000	665,359	(74,641)
Expenditures						
Current:						
Office of the mayor	6,091,554	5,869,680	221,874	-	-	-
Office of accounts and finance	8,277,300	7,973,207	304,093	-	-	-
Office of public property	1,772,509	1,875,511	(103,002)	-	-	-
Office of streets and public improvement	1,484,714	1,509,615	(24,901)	2,025,000	531,945	1,493,055
Office of health and safety	342,931	348,931	(6,000)	-	-	-
Debt service:						
Principal retired	193,389	276,606	(83,217)	-	-	-
Interest and charges	126,104	126,105	(1)	-	-	-
Total expenditures	18,288,501	17,979,655	308,846	2,025,000	531,945	1,493,055
Excess (deficiency) of revenues over expenditures	(1,599,944)	(1,957,948)	(358,004)	(1,285,000)	133,414	1,418,414
Other financing sources (uses)						
Transfers in	1,550,000	5,017,612	3,467,612	-	-	-
Redemption of refunded debt	-	(2,514,328)	(2,514,328)	-	-	-
Bond proceeds	-	2,568,644	2,568,644	-	-	-
Loan proceeds	-	278,596	278,596	-	-	-
Total other financing sources (uses)	1,550,000	5,350,524	3,800,524	-	-	-
Net change in fund balances	$ (49,944)	3,392,576	$ 3,442,520	$ (1,285,000)	133,414	$ 1,418,414
Fund balances at beginning of year		447,831			2,506,927	
Fund balances at end of year		$ 3,840,407			$ 2,640,341	

See accompanying notes to the budgetary comparison schedule.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2012

	SPECIAL REVENUE FUNDS					
	HARLEM / HARRISON TIF FUND			ROOSEVELT / HANNAH TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues						
Property tax revenue	$ 30,000	$ 4,419	$ (25,581)	$ 900,000	$ 830,912	$ (69,088)
Personal property replacement tax	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Auto rental tax	-	-	-	-	-	-
Income tax	-	-	-	-	-	-
Utility taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-
Parking revenue	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Interest on investments	200	12	(188)	1,500	18,040	16,540
Other revenue	-	-	-	-	-	-
Total revenues	30,200	4,431	(25,769)	901,500	848,952	(52,548)
Expenditures						
Current:						
Office of the mayor	-	-	-	-	-	-
Office of accounts and finance	-	-	-	-	-	-
Office of public property	-	-	-	-	-	-
Office of streets and public improvement	2,000	2,515	(515)	651,500	1,728,495	(1,076,995)
Office of health and safety	-	-	-	-	-	-
Debt service:						
Principal retired	-	-	-	170,000	170,000	-
Interest and charges	-	-	-	12,423	12,423	-
Total expenditures	2,000	2,515	(515)	833,923	1,910,918	(1,076,995)
Excess (deficiency) of revenues over expenditures	28,200	1,916	(26,284)	67,577	(1,061,966)	(1,129,543)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Redemption of refunded debt	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances	$ 28,200	1,916	$ (26,284)	$ 67,577	(1,061,966)	$ (1,129,543)
Fund balances at beginning of year		(46,167)			1,912,246	
Fund balances at end of year		$ (44,251)			$ 850,280	

See accompanying notes to the budgetary comparison schedule.

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	Emergency 911 Fund
IMRF Fund	Social Security Fund
Motor Fuel Tax Fund	2002 Bond Fund
VIP Program Fund	Special Tax Allocation Fund
Incremental Sales Tax Fund	Harlem / Harrison TIF Fund
Brown Street Station TIF Fund	Water Fund
Roosevelt / Hannah TIF Fund	U.S. Customs Fund
Narcotics Fund	

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

Fund	Excess over Budget
Harlem/Harrison TIF Fund	$ 515
Roosevelt / Hannah TIF Fund	1,076,995

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	$ 4,244,928	$ 4,157,619	$ (87,309)
Personal property replacement tax	172,069	148,115	(23,954)
Sales tax	2,573,991	2,561,949	(12,042)
Intergovernmental revenues			
Use tax	208,300	206,769	(1,531)
Foreign fire insurance tax	25,514	26,486	972
Pull tabs/jar games	2,500	1,077	(1,423)
Charitable games	750	-	(750)
Total intergovernmental revenues	237,064	234,332	(2,732)
Auto rental tax	17,600	18,822	1,222
Local share-income tax	1,250,500	1,200,314	(50,186)
Utility taxes			
Telephone utility tax	653,520	633,517	(20,003)
Electric utility tax	630,000	558,171	(71,829)
Franchise tax - cable	256,542	257,275	733
Gas utility tax	227,850	184,903	(42,947)
Total utility taxes	1,767,912	1,633,866	(134,046)
Licenses and permits			
Liquor license	90,000	87,817	(2,183)
Liquor license application fee	1,000	6,771	5,771
Business license	51,000	49,997	(1,003)
Sidewalk use permit	2,500	3,125	625
Solicitor's license	300	360	60
Amusement devises	29,675	24,700	(4,975)
Amusement tax video rental	15,000	15,561	561
Vending machines	2,930	3,208	278
Tobacco license	4,600	4,300	(300)
Gasoline stations' license	12,450	10,900	(1,550)
Taxicabs' license	10,000	12,080	2,080
Scavenger services' license	17,500	17,500	-
Contractors' license	25,000	18,345	(6,655)
Vehicle license	245,000	246,662	1,662
Animal license	2,800	2,657	(143)
Building permits	130,000	245,228	115,228
Electric permits	15,000	17,673	2,673
Plumbing permits	20,000	21,489	1,489
HVAC permits	2,000	785	(1,215)
Water permit fees	1,500	-	(1,500)
Sign permits	30,000	36,174	6,174
Dumpster permits	3,500	4,395	895
Parking permits	208,000	219,961	11,961
Garage sale permits	1,200	1,170	(30)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Budget Positive (Negative)
Plan review fees	$ 1,000	$ 17,642	$ 16,642
Elevator inspection fees	15,000	14,850	(150)
Food service inspection fees	18,000	18,775	775
Certificate of compliance fees	50,000	68,600	18,600
Zoning application fees	2,500	450	(2,050)
Dog park permits	6,540	3,009	(3,531)
Total licenses and permits	1,013,995	1,174,184	160,189
Fees for services			
Ambulance charges	310,000	266,287	(43,713)
Emergency fire suppression services	408,742	401,728	(7,014)
Sidewalk replacement	5,000	5,460	460
Highway maintenance - IDOT	70,817	68,809	(2,008)
Police/fire testing fees	5,000	1,550	(3,450)
Refuse collection charges	685,000	683,237	(1,763)
Recycling fees	93,000	92,763	(237)
Yard waste fees	54,000	54,320	320
Police processing fee	-	1,300	1,300
Accident reports	4,500	3,926	(574)
SORA registration fees	100	40	(60)
Water towers	160,000	145,890	(14,110)
Real estate	30,000	30,000	-
Groovin' in the grove	500	2,011	1,511
Community center	5,000	3,986	(1,014)
Day care-after school program	210,000	160,148	(49,852)
Day care-summer program	70,000	57,656	(12,344)
Youth activities	6,000	1,656	(4,344)
Classes	5,000	1,683	(3,317)
Trips - tours - excursions	210,000	132,968	(77,032)
Taxi - cab fares/fees	5,500	2,616	(2,884)
Farmer's market	5,000	1,722	(3,278)
Community Events	40,000	42,831	2,831
RTA - administration subsidy	43,000	55,041	12,041
RTA - PACE advertisement	7,000	6,871	(129)
RTA - dial-a-ride	10,000	6,319	(3,681)
RTA - PACE passes/fares	500	257	(243)
Total fees for services	2,443,659	2,231,075	(212,584)
Grant revenue			
U.S. DOJ police vests grant	4,370	-	(4,370)
ICJIA police grant JAG	15,000	15,000	-
JAG Recover Act Grant	19,003	-	(19,003)
DOJ Grant	62,996	27,976	(35,020)
Police Narrow Banding Grant	-	6,542	6,542
Model Community Grant	192,396	142,883	(49,513)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Budget Positive (Negative)
IDOT Traffic Safety Grant	$ 32,070	$ 28,677	$ (3,393)
DCEO Clean Energy Grant	6,027	31,364	25,337
CDBG 2007 alley project	90,000	99,875	9,875
Police & Fire Grant	45,000	34,515	(10,485)
DCEO 2011 Parking Grant	125,000	-	(125,000)
DECO Naval reserve grant 09-20	49,160	46,222	(2,938)
FEMA/IEMA disaster relief	59,000	44,534	(14,466)
Tobacco control gr-liquor commission	2,000	5,240	3,240
Operating - non-categorical	29,100	39,794	10,694
Total grant revenue	731,122	522,622	(208,500)
Parking revenue			
Parking meters	91,500	89,408	(2,092)
Affinity Card sales	1,300	2,503	1,203
Van Buren lot	341,500	333,750	(7,750)
Ferdinand lot	1,200	701	(499)
Thomas/Madison lot	65,000	73,202	8,202
Beloit/Madison lot	7,000	3,411	(3,589)
Hannah/Madison lot	11,500	12,453	953
Circle/Madison lot	4,000	1,963	(2,037)
Total parking revenue	523,000	517,391	(5,609)
Fines			
Traffic and parking fines	1,191,000	1,104,954	(86,046)
Towing revenue	120,000	115,380	(4,620)
Compliance tickets	300,000	109,715	(190,285)
Code violation fines	55,000	37,129	(17,871)
Other fines and penalties	12,500	6,785	(5,715)
Total fines	1,678,500	1,373,963	(304,537)
Interest on investments	5,017	1,487	(3,530)
Other revenue			
Miscellaneous revenue	11,550	80,738	69,188
NSF - agency collections	400	120	(280)
Centennial sales	-	115	115
Workmen's comp reimbursements	5,000	15,157	10,157
FOIA	250	258	8
Claims and damages	12,000	149,580	137,580
Total other revenue	29,200	245,968	216,768
Total revenues	$ 16,688,557	$ 16,021,707	$ (666,850)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP) BASIS AND ACTUAL
Year Ended April 30, 2012

	Final Budget	Actual	Variance from Budget Positive (Negative)
Expenditures			
Office of the mayor			
General public affairs	$ 961,602	$ 825,789	$ 135,813
Police	4,417,075	4,362,724	54,351
Community services	712,877	681,167	31,710
Total office of the mayor	6,091,554	5,869,680	221,874
Office of accounts and finance			
Village clerk	4,830,176	4,759,054	71,122
Grant expenditures	720,421	508,318	212,103
Fire	868,432	830,011	38,421
Fire protection	1,858,271	1,875,824	(17,553)
Total office of accounts and finance	8,277,300	7,973,207	304,093
Office of public property			
Public property	1,002,195	1,143,506	(141,311)
Public property/street lights	335,900	310,010	25,890
Forestry	196,514	188,885	7,629
Playground and recreation	57,900	19,049	38,851
Property maintenance	180,000	214,061	(34,061)
Total office of public property	1,772,509	1,875,511	(103,002)
Office of streets and public improvement			
Streets and public improvement	556,114	625,361	(69,247)
Garbage	928,600	884,254	44,346
Total office of streets and public improvement	1,484,714	1,509,615	(24,901)
Office of health and safety			
Public health and safety	342,931	348,931	(6,000)
Total office of health and safety	342,931	348,931	(6,000)
Debt Service			
Principal retired	193,389	276,606	(83,217)
Interest and charges	126,104	126,105	(1)
Total office of public property	319,493	402,711	(83,218)
Total expenditures	$ 18,288,501	$ 17,979,655	$ 308,846

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 3

BROWN STREET STATION TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	$ 700,000	$ 642,171	$ (57,829)
Interest on investments	40,000	23,188	(16,812)
Total revenues	740,000	665,359	(74,641)
Expenditures			
Office of streets and public improvement			
Operating expenditures	2,025,000	531,945	1,493,055
Total expenditures	2,025,000	531,945	1,493,055
Net change in fund balance	$ (1,285,000)	133,414	$ 1,418,414
Fund balance at beginning of year		2,506,927	
Fund balance at end of year		$ 2,640,341	

HARLEM / HARRISON TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	$ 30,000	$ 4,419	$ (25,581)
Interest on investments	200	12	(188)
Total revenues	30,200	4,431	(25,769)
Expenditures			
Office of streets and public improvement			
Operating expenditures	2,000	2,515	(515)
Total expenditures	2,000	2,515	(515)
Net change in fund balance	$ 28,200	1,916	$ (26,284)
Fund balance at beginning of year		(46,167)	
Fund balance at end of year		$ (44,251)	

EXHIBIT 5

ROOSEVELT / HANNAH TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	$ 900,000	$ 830,912	$ (69,088)
Interest on investments	1,500	18,040	16,540
Total revenues	901,500	848,952	(52,548)
Expenditures			
Office of streets and public improvement			
Operating expenditures	651,500	1,728,495	(1,076,995)
Debt service			
Principal retired	170,000	170,000	-
Interest and charges	12,423	12,423	-
Total expenditures	833,923	1,910,918	(1,076,995)
Net change in fund balance	$ 67,577	(1,061,966)	$ (1,129,543)
Fund balance at beginning of year		1,912,246	
Fund balance at end of year		$ 850,280	

2002 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	$ 400	$ 162	$ (238)
Total revenues	400	162	(238)
Expenditures			
Office of accounts and finance			
Bank fees	3,000	2,700	300
Other expenditures	11,000	3,951	7,049
Debt service			
Principal retired	405,000	405,000	-
Interest and charges	128,345	128,345	-
Total expenditures	547,345	539,996	7,349
Excess (deficiency) of revenues over expenditures	(546,945)	(539,834)	7,111
Other financing sources (uses)			
Transfers in	-	534,074	534,074
Total other financing sources (uses)	-	534,074	534,074
Net change in fund balance	$ (546,945)	(5,760)	$ 541,185
Fund balance at beginning of year		2,673,058	
Fund balance at end of year		$ 2,667,298	

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 7

SPECIAL TAX ALLOCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	$ 550,000	$ 516,628	$ (33,372)
Interest on investments	100	14	(86)
Total revenues	550,100	516,642	(33,458)
Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	550,100	516,642	(33,458)
Other financing sources (uses)			
Transfers out	-	(532,404)	(532,404)
Total other financing sources (uses)	-	(532,404)	(532,404)
Net change in fund balance	$ 550,100	(15,762)	$ (565,862)
Fund balance at beginning of year		269,331	
Fund balance at end of year		$ 253,569	

INCREMENTAL SALES FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Sales tax	$ 345,000	$ 273,384	$ (71,616)
Interest on investments	100	14	(86)
Total revenues	345,100	273,398	(71,702)
Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	345,100	273,398	(71,702)
Other financing sources (uses)			
Transfers out	(300,000)	(323,018)	(23,018)
Total other financing sources (uses)	(300,000)	(323,018)	(23,018)
Net change in fund balance	$ 45,100	(49,620)	$ (94,720)
Fund balance at beginning of year		232,794	
Fund balance at end of year		$ 183,174	

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
April 30, 2012

	Special Revenue Funds			
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund
ASSETS				
Cash and cash equivalents	$ 269,165	$ 86,461	$ 534,146	$ 32,466
Receivables:				
Property tax receivable	-	-	-	-
Due from other governments	-	-	-	-
Accounts receivable	-	-	100,000	-
Interfund receivable	-	-	-	-
TOTAL ASSETS	$ 269,165	$ 86,461	$ 634,146	$ 32,466
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	$ -	$ 1,234	$ -	$ -
Deferred revenue	-	-	-	-
Interfund payable	1,528	-	-	-
Total liabilities	1,528	1,234	-	-
FUND BALANCE				
Restricted				
Public Safety	267,637	85,227	634,146	32,466
Streets & Highways	-	-	-	-
Unassigned	-	-	-	-
Total fund balance	267,637	85,227	634,146	32,466
TOTAL LIABILITIES AND FUND BALANCE	$ 269,165	$ 86,461	$ 634,146	$ 32,466

Special Revenue Funds				
Illinois Municipal Retirement Fund	Social Security Fund	Motor Fuel Tax Fund	VIP Fund	Total Nonmajor Governmental Funds
$ -	$ -	$ 19,950	$ 925,549	$ 1,867,737
126,113	171,512	-	-	297,625
-	-	58,141	273,547	331,688
-	-	-	-	100,000
-	-	-	285,441	285,441
$ 126,113	$ 171,512	$ 78,091	$ 1,484,537	$ 2,882,491
$ -	$ -	$ -	$ 52,349	$ 53,583
126,113	171,512	-	113,469	411,094
17,757	161,995	-	-	181,280
143,870	333,507	-	165,818	645,957
-	-	-	-	1,019,476
-	-	78,091	1,318,719	1,396,810
(17,757)	(161,995)	-	-	(179,752)
(17,757)	(161,995)	78,091	1,318,719	2,236,534
$ 126,113	$ 171,512	$ 78,091	$ 1,484,537	$ 2,882,491

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2012

	Special Revenue Funds			
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund
Revenues				
Property tax revenue	$ -	$ -	$ -	$ -
Personal property replacement tax	-	-	-	-
Sales tax	-	-	-	-
Intergovernmental revenues	177,341	-	-	26,486
Grant revenue	-	-	100,000	-
Fines	-	66,624	122,483	-
Interest on investments	249	319	544	110
Other revenue	-	14,580	-	-
Total revenues	177,590	81,523	223,027	26,596
Expenditures				
Current:				
Office of the mayor	136,222	52,408	130,955	-
Office of accounts and finance	-	-	-	23,643
Office of streets and public improvement	-	-	-	-
Debt service:				
Principal retired	-	-	-	-
Interest and charges	-	-	-	-
Total expenditures	136,222	52,408	130,955	23,643
Excess (deficiency) of revenues over expenditures	41,368	29,115	92,072	2,953
Other financing sources (uses)				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	41,368	29,115	92,072	2,953
Fund balances at beginning of year	226,269	56,112	542,074	29,513
Fund balances at end of year	$ 267,637	$ 85,227	$ 634,146	$ 32,466

Special Revenue Funds: Illinois Municipal Retirement Fund	Social Security Fund	Motor Fuel Tax Fund	VIP Fund	Total Nonmajor Governmental Funds
$ 245,678	$ 334,121	$ -	$ -	$ 579,799
9,729	8,772	-	-	18,501
-	-	-	965,745	965,745
-	-	423,264	-	627,091
-	-	-	197,533	297,533
-	-	-	-	189,107
-	-	207	707	2,136
-	-	-	-	14,580
255,407	342,893	423,471	1,163,985	2,694,492
-	-	-	-	319,585
340,278	335,750	-	-	699,671
-	-	-	751,133	751,133
-	-	-	544,046	544,046
-	-	-	324,988	324,988
340,278	335,750	-	1,620,167	2,639,423
(84,871)	7,143	423,471	(456,182)	55,069
-	-	-	685,441	685,441
-	-	(360,000)	-	(360,000)
-	-	(360,000)	685,441	325,441
(84,871)	7,143	63,471	229,259	380,510
67,114	(169,138)	14,620	1,089,460	1,856,024
$ (17,757)	$ (161,995)	$ 78,091	$ 1,318,719	$ 2,236,534

VILLAGE OF FOREST PARK, ILLINOIS

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
911 emergency surcharge	$ 223,000	$ 177,341	$ (45,659)
Interest on investments	500	249	(251)
Total revenues	223,500	177,590	(45,910)
Expenditures			
Office of the mayor			
Bank service fees	200	231	(31)
Regular	36,708	36,708	-
E-911 - expenditures/costs	100,000	99,283	717
Total expenditures	136,908	136,222	686
Net change in fund balance	$ 86,592	41,368	$ (45,224)
Fund balance at beginning of year		226,269	
Fund balance at end of year		$ 267,637	

VILLAGE OF FOREST PARK, ILLINOIS

NARCOTICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Fines			
Seizure fees	$ 50,000	$ 66,624	$ 16,624
Sales of seized vehicles	8,500	14,580	6,080
Interest on investments	1,000	319	(681)
Total revenues	59,500	81,523	22,023
Expenditures			
Office of the mayor			
Bank service fees	-	48	(48)
Seizure expenditures	60,123	52,360	7,763
Total expenditures	60,123	52,408	7,715
Net change in fund balance	$ (623)	29,115	$ 29,738
Fund balance at beginning of year		56,112	
Fund balance at end of year		$ 85,227	

VILLAGE OF FOREST PARK, ILLINOIS

U.S. CUSTOMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Fines			
U.S. Customs deposits	$ 250,000	$ 122,483	$ (127,517)
Grant revenue	-	100,000	100,000
Interest on investments	1,000	544	(456)
Total revenues	251,000	223,027	(27,973)
Expenditures			
Office of the mayor			
Bank service fees	200	240	(40)
Overtime	13,000	13,000	-
U.S. Customs expenditures	200,000	117,715	82,285
Total expenditures	213,200	130,955	82,245
Net change in fund balance	$ 37,800	92,072	$ 54,272
Fund balance at beginning of year		542,074	
Fund balance at end of year		$ 634,146	

VILLAGE OF FOREST PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	$ 275,000	$ 245,678	$ (29,322)
Personal property replacement tax	10,400	9,729	(671)
Total revenues	285,400	255,407	(29,993)
Expenditures			
Office of accounts and finance			
IMRF fund contributions	350,000	340,278	9,722
Total expenditures	350,000	340,278	9,722
Net change in fund balance	$ (64,600)	(84,871)	$ (20,271)
Fund balance at beginning of year		67,114	
Fund balance at end of year		$ (17,757)	

VILLAGE OF FOREST PARK, ILLINOIS

SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	$ 350,000	$ 334,121	$ (15,879)
Personal property replacement tax	9,400	8,772	(628)
Total revenues	359,400	342,893	(16,507)
Expenditures			
Office of accounts and finance			
IMRF fund contributions	340,000	335,750	4,250
Total expenditures	340,000	335,750	4,250
Net change in fund balance	$ 19,400	7,143	$ (12,257)
Fund balance at beginning of year		(169,138)	
Fund balance at end of year		$ (161,995)	

VILLAGE OF FOREST PARK, ILLINOIS

MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Motor fuel tax allotment	$ 380,000	$ 423,264	$ 43,264
Interest on investments	1,000	207	(793)
Total revenues	381,000	423,471	42,471
Expenditures	-	-	-
Excess (deficiency) of revenues over expenditures	381,000	423,471	42,471
Other financing (uses)			
Transfer out	(380,000)	(360,000)	20,000
Total other financing (uses)	(380,000)	(360,000)	20,000
Net change in fund balance	$ 1,000	63,471	$ 62,471
Fund balance at beginning of year		14,620	
Fund balance at end of year		$ 78,091	

VILLAGE OF FOREST PARK, ILLINOIS

VIP PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Sales tax revenues	$ 960,000	$ 965,745	$ 5,745
Grant revenue	2,538,700	197,533	(2,341,167)
Interest on investments	2,500	707	(1,793)
Total revenues	3,501,200	1,163,985	(2,337,215)
Expenditures			
Office of streets and public improvement			
Operating expenditures	3,016,135	751,133	2,265,002
Debt service			
Principal retired	602,603	544,046	58,557
Interest and charges	324,988	324,988	-
Total expenditures	3,943,726	1,620,167	2,323,559
Other financing sources (uses)			
Transfers in	-	685,441	685,441
Total other financing sources (uses)	-	685,441	685,441
Net change in fund balance	$ (442,526)	229,259	$ 671,785
Fund balance at beginning of year		1,089,460	
Fund balance at end of year		$ 1,318,719	

VILLAGE OF FOREST PARK, ILLINOIS

WATER FUND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2012

	Budget	Actual	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	$ 4,404,625	$ 4,711,412	$ 306,787
Operating expenses			
Operations	3,067,550	2,963,309	104,241
Depreciation	168,000	166,314	1,686
Total operating expenses	3,235,550	3,129,623	105,927
Operating income (loss)	1,169,075	1,581,789	412,714
Nonoperating revenues and (expenses)			
Interest revenue	2,000	2,521	521
Interest expense	(125,621)	(135,908)	(10,287)
Total nonoperating revenues and (expenses)	(123,621)	(133,387)	(9,766)
Income (loss) before transfers	1,045,454	1,448,402	402,948
Transfers			
Transfers out	(800,000)	(1,485,441)	(685,441)
Total transfers	(800,000)	(1,485,441)	(685,441)
Change in net assets	$ 245,454	(37,039)	$ (282,493)
Net assets at beginning of year		4,736,267	
Net assets at end of year		$ 4,699,228	

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
April 30, 2012

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 919,764	$ 1,288,307	$ 2,208,071
Investments			
Certificates of deposit	-	2,767,921	2,767,921
Government securities	12,927,068	-	12,927,068
Mutual Funds	1,587,824	4,915,222	6,503,046
Insurance contracts	5,061,028	4,537,454	9,598,482
Total investments	19,575,920	12,220,597	31,796,517
Interest receivable	18,746	8,745	27,491
Prepaid items	2,149	6,956	9,105
Total assets	20,516,579	13,524,605	34,041,184
LIABILITIES			
Accounts payable	2,163	1,755	3,918
Total liabilities	2,163	1,755	3,918
NET ASSETS			
Plan net assets held in trust for employees' pension benefits	$ 20,514,416	$ 13,522,850	$ 34,037,266

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
PENSION TRUST FUNDS
Year Ended April 30, 2012

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions			
Employer	$ 692,137	$ 543,770	$ 1,235,907
Plan members	382,553	184,595	567,148
Total contributions	1,074,690	728,365	1,803,055
Net investment income	1,161,364	13,837	1,175,201
Total additions	2,236,054	742,202	2,978,256
DEDUCTIONS			
Benefits and refunds	1,419,416	1,373,593	2,793,009
Administrative expenses	35,310	23,750	59,060
Total deductions	1,454,726	1,397,343	2,852,069
Increase (decrease) in net assets	781,328	(655,141)	126,187
Plan net assets at beginning of year	19,733,088	14,177,991	33,911,079
Plan net assets at end of year	$ 20,514,416	$ 13,522,850	$ 34,037,266

VILLAGE OF FOREST PARK

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
Year Ended April 30, 2012

Unemployment	$	32,984
Workman's comp insurance		382,564
Total tort immunity purposes expenditures	$	415,548

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 2010 as levied by Cook County was $263,801. 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, 2012
(Unaudited)

	Assessed Valuation	Extended Village Tax Rate
Tax levy year:		
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
2010	426,046,739	1.1392
2011	353,030,571	1.4767

	2011 Levy		2010 Levy	
	Amount	Rate	Amount	Rate
General fund:				
Corporate	$ 1,384,880	0.4273	$ 1,442,863	0.3387
Fire protection	607,700	0.1721	607,700	0.1426
Forestry	114,909	0.0325	109,913	0.0258
Insurance	404,417	0.1146	263,801	0.0619
Police protection	607,700	0.1721	607,700	0.1426
Police pension	681,509	0.1930	681,509	0.1600
Firefighters' pension	532,752	0.1930	532,752	0.1250
Total general fund	4,333,867	1.3046	4,246,238	0.9966
Special revenue funds:				
Illinois municipal retirement fund	257,500	0.0729	257,500	0.0604
Social security fund	350,200	0.0992	350,200	0.0822
Total special revenue funds	607,700	0.1721	607,700	0.1426
Total tax levy:	$ 4,941,567	1.4767	$ 4,853,938	1.1392
Collections as of April 30, 2012	$ 2,412,121	48.81%	$ 4,171,355	85.94%

See independent auditors' report.

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
April 30, 2012
(Unaudited)

General Obligation Tax Increment Financing 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,	Interest Rate	Principal	Interest	Total Principal & Interest
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		$ 2,315,000	$ 338,000	$ 2,653,000

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
April 30, 2012
(Unaudited)

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,	Interest Rate	Principal	Interest	Total Principal & Interest
2013	3.65%	$ 175,000	$ 6,387	$ 181,387
Totals		$ 175,000	$ 6,387	$ 181,387

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
April 30, 2012
(Unaudited)

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,	Interest Rate	Principal	Interest	Total Principal & Interest
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		$ 7,475,000	$ 2,536,660	$ 10,011,660

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT OBLIGATION
SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
April 30, 2012
(Unaudited)

General Obligation Debt Certificates:
Dated: December 21, 2011
Interest Payable May 1 and November 1 of each year
Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2013	2.00%	$ 285,000	$ 62,495	$ 347,495
2014	2.00%	280,000	66,875	346,875
2015	2.00%	285,000	61,275	346,275
2016	2.00%	295,000	55,575	350,575
2017	2.00%	300,000	49,675	349,675
2018	2.00%	305,000	43,675	348,675
2019	2.50%	315,000	37,575	352,575
2020	3.00%	320,000	29,700	349,700
2021	3.00%	330,000	20,100	350,100
2022	3.00%	340,000	10,200	350,200
Totals		$ 3,055,000	$ 437,145	$ 3,492,145

See independent auditors' report.