VILLAGE OF FRANKLIN PARK, ILLINOIS

ANNUAL FINANCIAL REPORT
Year Ended April 30, 2009

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2009

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Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2009 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village'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 Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund is based solely on the reports of the other auditors.

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

In our opinion, based on our audit and the reports 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, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2009, 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.

We also audited the adjustments described in Note 12 that were applied to restate the net assets and fund balances recorded at beginning of the year. In our opinion, such adjustments are appropriate and have been properly applied.

The schedule of funding progress, schedule of employer contributions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

The Village has not presented a Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These statements have been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

In June 2004, the GASB released Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions." This statement is effective for fiscal periods beginning after December 15, 2007 for phase two governments (those with total annual revenues of less than $100 million but more than $10 million). The Village has implemented this statement prospectively as of their fiscal year ended April 30, 2009. The statement addresses post employment benefits other than pension and establishes standards for the measurement, recognition, and display of expense, expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local government employers.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
March 4, 2011

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2009

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash	$ 10,880,974	$ 1,437,192	$ 12,318,166
Investments	4,008,638	1,012,158	5,020,796
Property taxes receivable	9,544,547	-	9,544,547
Accrued Interest	330	-	330
Accounts receivable	2,273,025	723,383	2,996,408
Prepaid items	25,000	-	25,000
Internal balances	(400,000)	400,000	-
Non-current			
Assets held for resale	837,320	-	837,320
Unamortized bond costs	683,221	161,534	844,755
Capital assets not being depreciated	12,935,840	565,780	13,501,620
Capital assets being depreciated, net	35,546,792	36,299,600	71,846,392
Total assets	76,335,687	40,599,647	116,935,334
Liabilities			
Current			
Cash overdraft liability	7,937,434	-	7,937,434
Accounts payable	2,674,830	784,289	3,459,119
Accrued payroll	580,500	51,623	632,123
Compensated absences payable	732,497	61,036	793,533
Accrued interest payable	418,811	344,135	762,946
Deferred property tax revenue	9,429,621	-	9,429,621
Other deferred revenue	844,574	-	844,574
Due to pension funds	50,953	-	50,953
Current portion - bonds payable	470,000	810,000	1,280,000
Current portion - leases payable	115,500	-	115,500
Current portion - loans payable	-	797,809	797,809
Non-current			
Bonds payable	28,310,704	17,612,887	45,923,591
Leases payable	533,990	-	533,990
Loans payable	-	6,483,112	6,483,112
Net pension obligation	1,631,996	-	1,631,996
Net OPEB obligation	1,433,601	144,392	1,577,993
Total liabilities	55,165,011	27,089,283	82,254,294
Net assets			
Invested in capital assets, net of related debt	19,588,142	12,389,459	31,977,601
Restricted assets			
Highways and streets	3,377,227	-	3,377,227
Community development	3,483,183	-	3,483,183
Debt service	824,051	-	824,051
Unrestricted	(6,101,927)	1,120,905	(4,981,022)
Total net assets	$ 21,170,676	$ 13,510,364	$ 34,681,040

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2009

		Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government							
Governmental activities							
General government	$ 6,509,784	$ 1,218,505	$ 37,674	$ -	$ (5,253,605)		$ (5,253,605)
Public safety	14,826,648	1,514,648	134,598	-	(13,177,402)		(13,177,402)
Highway and street	17,334,095	-	-	3,418,615	(13,915,480)		(13,915,480)
Public health	1,733,755	810	-	-	(1,732,945)		(1,732,945)
Community development	1,777,725	25,550	-	-	(1,752,175)		(1,752,175)
Building department	992,053	1,284,125	-	-	292,072		292,072
Interest on long-term debt	707,371	-	-	-	(707,371)		(707,371)
Total government activities	43,881,431	4,043,638	172,272	3,418,615	(36,246,906)		(36,246,906)
Business-type activities							
Water	5,516,858	4,448,697	-	-		$ (1,068,161)	(1,068,161)
Sewer	3,218,477	2,525,090	-	500,000		(193,387)	(193,387)
Commuter parking lot	8,778	31,386	-	-		22,608	22,608
Total business-type activities	8,744,113	7,005,173	-	500,000		(1,238,940)	(1,238,940)
Total primary government	$ 52,625,544	$ 11,048,811	$ 172,272	$ 3,918,615	(36,246,906)	(1,238,940)	(37,485,846)
General revenues							
Taxes							
Property taxes, levied for general purposes					12,809,050	-	12,809,050
Public service taxes					9,914,218	-	9,914,218
Unrestricted investment earnings					85,658	29,339	114,997
Gain on sale of fixed assets					109	3,922	4,031
Miscellaneous revenues					1,145,311	6,322	1,151,633
Total general revenues					23,954,346	39,583	23,993,929
Change in net assets					(12,292,560)	(1,199,357)	(13,491,917)
Net assets - beginning as restated					33,463,236	14,709,721	48,172,957
Net assets - ending					$ 21,170,676	$ 13,510,364	$ 34,681,040

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2009

	Major Funds				
	General Corporate Fund	Seymour Avenue Capital Projects Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Assets					
Cash	$ -	$ 1,141,689	$ 2,419,238	$ 7,320,047	$ 10,880,974
Investments	150,188	-	1,406,987	2,451,463	4,008,638
Property taxes receivable	8,125,691	-	136,541	1,282,315	9,544,547
Accrued interest	-	-	-	330	330
Accounts receivable	2,234,217	-	-	38,808	2,273,025
Prepaid items	-	-	-	25,000	25,000
Interfund receivables	568,500	-	685,000	-	1,253,500
Total assets	$ 11,078,596	$ 1,141,689	$ 4,647,766	$ 11,117,963	$ 27,986,014
Liabilities and fund balances					
Liabilities					
Cash overdraft liability	$ 5,570,145	$ -	$ -	$ 2,367,289	$ 7,937,434
Accounts payable	900,792	460,304	-	1,313,734	2,674,830
Accrued payroll	575,368	-	-	5,132	580,500
Compensated absences payable	721,908	-	-	10,589	732,497
Deferred property tax revenue	8,027,862	-	134,897	1,266,862	9,429,621
Other deferred revenue	624,944	681,385	-	-	1,306,329
Due to pension funds	50,953	-	-	-	50,953
Interfund payables	-	-	-	1,653,500	1,653,500
Total liabilities	16,471,972	1,141,689	134,897	6,617,106	24,365,664
Fund balances					
Reserved for interfunds	568,500	-	685,000	-	1,253,500
Reserved for prepaids	-	-	-	25,000	25,000
Reserved for public safety	-	-	-	371,784	371,784
Reserved for employee retirement	-	-	-	75,625	75,625
Reserved for highway and streets	-	-	-	3,377,227	3,377,227
Reserved for community development	-	-	-	3,483,183	3,483,183
Reserved for debt service	-	-	-	824,051	824,051
Reserved for capital projects	-	-	-	313,589	313,589
Unreserved	(5,961,876)	-	3,827,869	-	(2,134,007)
Unreserved - special revenue funds	-	-	-	(2,795,127)	(2,795,127)
Unreserved - debt service funds	-	-	-	(1,174,475)	(1,174,475)
Total fund balances	(5,393,376)	-	4,512,869	4,500,857	3,620,350
Total liabilities and fund balances	$ 11,078,596	$ 1,141,689	$ 4,647,766	$ 11,117,963	$ 27,986,014

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2009

Total fund balances - governmental funds		$	3,620,350
Amounts reported for governmental activities in the 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	148,218,120		
Accumulated depreciation	(99,735,488)		
Net capital assets			48,482,632
Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. Theses assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:			
State and local taxes	461,755		
Assets held for resale	837,320		
			1,299,075
Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:			(418,811)
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.			683,221
Some liabilities reported in the statement of net assets 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	(28,780,704)		
Leases payable	(649,490)		
Net pension obligation	(1,631,996)		
Net OPEB obligation	(1,433,601)		
Total long-term liabilities			(32,495,791)
Net assets of governmental activities		$	21,170,676

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2009

	Major Funds				
	General Corporate Fund	Seymour Avenue Capital Projects Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Revenues					
Property taxes	$ 8,835,663	$ -	$ 220,255	$ 3,753,132	$ 12,809,050
Sales taxes	2,645,880	-	-	-	2,645,880
Income taxes	1,679,644	-	-	-	1,679,644
Utility taxes	2,317,939	-	-	-	2,317,939
Other taxes	2,247,902	-	-	561,098	2,809,000
Licenses, permits and fees	1,905,453	-	-	-	1,905,453
Grant revenue	172,272	3,318,615	-	100,000	3,590,887
Other revenue	1,061,616	-	-	83,695	1,145,311
Fines and forfeitures	532,627	-	-	81,531	614,158
Investment income	37,602	-	40,651	7,405	85,658
Charges for services	1,166,005	-	-	358,022	1,524,027
Total revenues	22,602,603	3,318,615	260,906	4,944,883	31,127,007
Expenditures					
Current					
General government	5,546,779	-	-	230,958	5,777,737
Public safety	12,168,105	-	-	391,546	12,559,651
Highway and street	1,728,385	-	-	9,092,547	10,820,932
Public health	241,539	-	-	1,471,589	1,713,128
Community development	551,130	-	-	1,205,928	1,757,058
Building department	869,230	-	-	-	869,230
Debt service					
Principal	-	-	-	170,000	170,000
Interest and other charges	14,288	-	-	1,296,949	1,311,237
Capital outlay	1,302,474	3,318,615	-	292,869	4,913,958
Total expenditures	22,421,930	3,318,615	-	14,152,386	39,892,931
Excess (deficiency) of revenues over (under) expenditures	180,673	-	260,906	(9,207,503)	(8,765,924)
Other financing sources (uses)					
Transfers of assets held for resale	(837,320)	-	-	-	(837,320)
Proceeds from capital lease	267,271	-	-	-	267,271
Proceeds from the sale of fixed assets	109	-	-	-	109
Total other financing sources (uses)	(569,940)	-	-	-	(569,940)
Net changes in fund balances	(389,267)	-	260,906	(9,207,503)	(9,335,864)
Fund balances at beginning of year as restated	(5,004,109)	-	4,251,963	13,708,360	12,956,214
Fund balances at end of year	$ (5,393,376)	$ -	$ 4,512,869	$ 4,500,857	$ 3,620,350

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended April 30, 2009

Net change in fund balances - total governmental funds		$ (9,335,864)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay	4,241,846	
Contributed fixed assets	11,000	
Depreciation	(6,761,706)	
Capital outlay in excess of depreciation		(2,508,860)
The proceeds from the sale of land and equipment are reported as revenues and the purchase of land and equipment are reported as expenditures in the governmental funds. However, the cost of the land and equipment is removed from the capital asset account in the statement of net assets and offset against sale proceeds resulting in gain or (loss) in the statement of activities.		
Net effect of sales, trade-ins and disposals of assets		(108,655)
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. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.		
Principal retirement - bonds	170,000	
Principal retirement - leases	120,652	
Proceeds from capital leases	(267,271)	
		23,381
Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:		461,755
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.		
Amortization of deferred bond issuance costs, premium and discount	332,884	
Change in asset held for resale	837,320	
Change in net pension obligation	(831,902)	
Change in net OPEB obligation	(1,433,601)	
Change in accrued interest on debt	270,982	
Total expenses of non-current resources		(824,317)
Change in net assets of governmental activities		$ (12,292,560)

See accompanying notes to financial statements.

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2009

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Assets				
Current assets:				
Cash	$ 228,275	$ 1,130,594	$ 78,323	$ 1,437,192
Investments	1,012,158	-	-	1,012,158
Accounts receivable	419,147	304,236	-	723,383
Interfund receivable	400,000	-	-	400,000
Total current assets	2,059,580	1,434,830	78,323	3,572,733
Noncurrent assets:				
Unamortized bond costs	-	161,534	-	161,534
Capital assets, not being depreciated	408,725	157,055	-	565,780
Capital assets, net of accumulated depreciation	6,697,487	29,602,113	-	36,299,600
Total noncurrent assets	7,106,212	29,920,702	-	37,026,914
Total assets	9,165,792	31,355,532	78,323	40,599,647
Liabilities				
Current liabilities:				
Accounts payable	521,726	262,563	-	784,289
Accrued payroll	46,984	4,639	-	51,623
Compensated absences payable	30,518	30,518		61,036
Accrued interest payable	-	344,135	-	344,135
Current portion - bonds payable	-	810,000		810,000
Current portion - loans payable	-	797,809	-	797,809
Total current liabilities	599,228	2,249,664	-	2,848,892
Noncurrent liabilities:				
Noncurrent portion - bonds payable	-	17,612,887	-	17,612,887
Noncurrent portion - loans payable	-	6,483,112	-	6,483,112
Net OPEB obligation	72,196	72,196	-	144,392
Total noncurrent liabilities	72,196	24,168,195	-	24,240,391
Total liabilities	671,424	26,417,859	-	27,089,283
Net assets				
Invested in capital assets, Net of related debt	7,106,212	5,283,247	-	12,389,459
Unrestricted	1,388,156	(345,574)	78,323	1,120,905
Total net assets	$ 8,494,368	$ 4,937,673	$ 78,323	$ 13,510,364

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
Year Ended April 30, 2009

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Operating revenues				
Charges for services	$ 4,448,697	$ 2,525,090	$ 31,386	$ 7,005,173
Other revenue	6,216	-	106	6,322
Total operating revenues	4,454,913	2,525,090	31,492	7,011,495
Operating expenses				
Administration	1,752,206	1,360,605	8,700	3,121,511
Water purchases	2,240,855	-	-	2,240,855
Repairs & maintenance	416,253	269,978	78	686,309
Supplies & services	738,335	43,525	-	781,860
Depreciation	369,209	552,808	-	922,017
Total operating expenses	5,516,858	2,226,916	8,778	7,752,552
Operating income (loss)	(1,061,945)	298,174	22,714	(741,057)
Non-operating revenues (expenses)				
Investment income	24,677	4,662	-	29,339
Grant revenue	-	500,000	-	500,000
Interest expense	-	(991,561)	-	(991,561)
Gain on sale of capital assets	3,922	-	-	3,922
Total non-operating revenues (expenses)	28,599	(486,899)	-	(458,300)
Net income (loss)	(1,033,346)	(188,725)	22,714	(1,199,357)
Net assets at beginning of year, as restated	9,527,714	5,126,398	55,609	14,709,721
Net assets at end of year	$ 8,494,368	$ 4,937,673	$ 78,323	$ 13,510,364

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2009

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total Enterprise Funds
Cash flows provided (used) by operating activities				
Receipts from customers	$ 4,191,468	$ 2,791,304	$ 31,492	$ 7,014,264
Payments to suppliers	(3,872,804)	(1,234,087)	(8,778)	(5,115,669)
Payments to employees	(945,832)	(175,887)	-	(1,121,719)
Net cash provided (used) by operating activities	(627,168)	1,381,330	22,714	776,876
Cash flows provided by non-capital and related financing activities				
Receipts from grantors	-	500,000	-	500,000
Net cash provided by capital and related financing activities	-	500,000	-	500,000
Cash flows used by capital and related financing activities				
Principal paid on capital asset acquisition debt	-	(1,456,489)	-	(1,456,489)
Interest paid on capital asset acquisition debt	-	(1,046,243)	-	(1,046,243)
Purchases of capital assets	(352,399)	(276,931)	-	(629,330)
Net cash used by non-capital and related financing activities	(352,399)	(2,779,663)	-	(3,132,062)
Cash flows provided by investing activities				
Sale of investments	93,804	-	-	93,804
Interest	24,677	4,662	-	29,339
Net cash provided by investing activities	118,481	4,662	-	123,143
Net increase (decrease) in cash and cash equivalents	(861,086)	(893,671)	22,714	(1,732,043)
Balances - beginning of the year	1,089,361	2,024,265	55,609	3,169,235
Balances - end of year	$ 228,275	$ 1,130,594	$ 78,323	$ 1,437,192
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (1,061,945)	$ 298,174	$ 22,714	$ (741,057)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	369,209	552,808	-	922,017
Change in assets and liabilities:				
Decrease (increase) receivables, net	(263,445)	266,214	-	2,769
(Decrease) increase accounts payable	251,511	228,977	-	480,488
(Decrease) increase accrued payroll	46,984	4,639	-	51,623
(Decrease) increase compensated absences	30,518	30,518	-	61,036
Net cash provided (used) by operating activities	$ (627,168)	$ 1,381,330	$ 22,714	$ 776,876
Supplemental disclosures of non-cash transactions				
Principal paid on capital asset acquisition debt	$ -	$ 93,221	$ -	$ 93,221
Interest paid on capital asset acquisition debt	-	31,246	-	31,246
Purchases of capital assets	85,542	-	-	85,542
Change in net OPEB obligation	72,196	72,196	-	144,392

See accompanying notes to financial statements.

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2009

	Pension Trust Funds	Agency Funds
Assets		
Cash	$ 38,296	$ 352,333
Investments:		
Certificates of deposit	9,967,435	-
US government and agency obligations	7,048,673	-
US government backed securities	3,237,293	-
Insurance contracts	8,430,712	-
Equity securities	1,168,589	-
Equity mutual funds	2,205,158	-
Money market mutual funds	1,727,643	-
Accrued interest receivable	148,250	-
Other receivable	-	419
Due from village	50,953	-
Prepaids	1,333	-
Total assets	34,024,335	$ 352,752
Liabilities		
Accounts payable	20,815	$ 883
Deposits payable	-	351,869
Total liabilities	20,815	$ 352,752
Net assets		
Held in trust for pension benefits and other purposes	34,003,520	
Total net assets	$ 34,003,520	

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2009

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 1,884,535
Plan members	632,790
Total contributions	2,517,325
Net investment earnings	(4,807,441)
Total additions	(2,290,116)
Deductions	
Benefits	3,271,776
Administrative expenses	62,294
Total deductions	3,334,070
Change in net assets	(5,624,186)
Net assets - beginning of year	39,627,706
Net assets - end of year	$ 34,003,520

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Franklin Park, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. 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 on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan, Firefighter's Pension Plan and Foreign Fire Insurance Premium Tax Fund have been included in the financial reporting entity as blended component units.

Police Pension Plan – The Village's police department employees participate in the Police Pension Plan ("Police Pension Plan"). The Police Pension Plan functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the President, one elected pension beneficiary, and two elected police employees constitute the pension board. The Village is obligated to fund all Police Pension Plan costs based on actuarial valuations. The nature of the Police Pension Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Police Pension Plan can be obtained from the Village by contacting the Village Controller.

Firefighter's Pension Plan – The Village's fire department employees participate in the Firefighter's Pension Plan ("Firefighter's Pension Plan"). The Firefighter's Pension Plan functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighter's Pension Plan costs based on actuarial valuations. The nature of the Plan dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighter's Pension Plan can be obtained from the Village by contacting the Village Controller.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign Fire Insurance Premium Tax Fund – The Foreign Fire Insurance Premium Tax Fund was established to account for the fire department's allocable foreign fire insurance tax revenue. This revenue is provided to the fire department as an inducement to assist neighboring communities in emergency situations. The fund is governed by a board that includes members of the Board of Trustees and fire department personnel, all of which are elected by the members of the fire department. The fund is included within the Village's reporting entity as a special revenue fund.

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. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities,* which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities,* which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements – The government-wide 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 statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

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 a 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, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2009, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. The Village does not anticipate this event to occur in future years. 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds separate all activity into two categories: operating 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 due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, include a 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 Corporate Fund – 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.

Seymour Avenue Capital Projects Fund – This capital projects fund is used to account for the revenue and related expenditures for grant revenue received from the Illinois Department of Transportation. This revenue is expended for street improvements and projects on Seymour Avenue.

Working Cash Fund – This permanent fund is used to account for resources utilized for investment and daily operations Village.

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water and Sewer Fund – The Water and Sewer Fund accounts for the operating activities of the Village's water and sewer utilities services.

Commuter Parking Lot Fund – The Commuter Parking Lot fund accounts for the operating activities of the Village's parking lot activities.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village's own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has two pension trust funds that account for the Police Pension Plan and the Firefighter's Pension Plan.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental Funds

In addition to the major funds 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 that are legally restricted to expenditures for specified purposes.

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

Capital Projects Fund – The Capital Projects Fund is used to account for the Village's purchase or construction of major capital facilities, which are not financed by other funds.

Advances to Other Funds: Noncurrent portions of long-term interfund loans receivable (reported in "Advance to" asset accounts) are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. In the current year, the Village has no advances to other funds. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the Village-wide financial statements as "internal balances."

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 as assets with a cost of $10,000 or more and a useful life of more than one year. All fixed 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The cost 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 of all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	40 years
Infrastructure	20-75 years
Water and sewer system	10-75 years
Vehicles and equipment	5-10 years

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the Police Pension Plan and Fire Pension Plan with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

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

The following funds had deficit fund balances at April 30, 2009:

Fund	Amount
General Corporate Fund	$ 5,393,376
Garbage Fund	1,139,606
Downtown Franklin Avenue TIF Fund	1,800,155
Corporate Bond and Interest Fund	1,120,790
South Industrial TIF Fund	1,468
Resurrection TIF Fund	27,217

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, construction, or 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.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (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 periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements. The Village deferred in the government-wide statements the second installment of the 2008 property tax levy due to the second installment being intended to fund the next fiscal year's operations.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused sick and vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused vacation time upon termination of employment or retirement. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is $793,533.

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting For Proprietary Fund Activities: The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2009 was $837,320.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: Statues authorize the Village 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 Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. Pension funds with net assets of $2.5 million or more may invest up to 45% of plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least $5 million that have appointed an investment advisor may invest up to 45% of the plan's net assets in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was $2,851,126 at April 30, 2009, while the bank balances were $3,101,293. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Certificates of Deposit: Certificates of Deposit, excluding the Pension Trust Funds, amounted to $835,570 at April 30, 2009. In accordance with Village policy, certificates of deposit were collateralized with securities of the U.S. Government in an amount equal to 100% of the funds on deposit. All investment collateral is held in safekeeping in the Village's name by financial institutions acting as the Village's agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2009. All investments mature in less than one year:

Investment Types	Fair Value
Money market mutual fund	$ 2,606,163
Treasurer Illinois Funds	1,881,939
	4,488,102
Investments not sensitive to interest rate risk:	
Insurance annuities	1,579,063
Total investments	$ 6,067,165

Interest Rate Risk – The Village limits its exposure to interest rate risk by structuring the portfolio by not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Credit Risk – The Village limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Agencies and Illinois Funds. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAm by Standard & Poor's.

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 limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2009.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Western Reserve Life Insurance, Nationwide Life Insurance, Physician's Life Insurance, Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 10%, 5%, 5%, 34%, 7% and 31%, respectively, of the Village's investments.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Cash – Police Pension Plan: At April 30, 2009, the Police Pension Plan's carrying amount of cash was $6,552 while the bank balances were $9,572. The FDIC insures bank balances up to $250,000. As of April 30, 2009, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to $9,967,435 at April 30, 2009. In accordance with Police Pension Plan policy, certificates of deposit of $9,944,223 were collateralized with securities of the U.S. Government. $23,212 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Police Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2009:

		Investment Maturities
Investment Type	Fair Value	Greater than Ten Years
U.S. Agencies	$ 482,629	$ 482,629
Total	482,629	$ 482,629
Investments Not Sensitive to Interest Rate Risk:		
Mutual Funds	1,641,956	
Life Insurance Annuities	4,337,380	
Total Investments	$ 6,461,965	

Interest Rate Risk – The Police Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Police Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Police Pension Plan's investment policy also prescribes the "prudent person" rule.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. Although not required by the Police Pension Plan's investment policy, the Police Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan's investments are in Scudder Gateway Insurance Contract, ING USA Life Insurance Contracts, Pacific Life Insurance Contracts, Transamerica Life Insurance Contracts and Met Life Insurance Contracts. These investments are 19%, 12%, 12%, 11% and 10%, respectively, of the Police Pension Plan's total investments.

Cash – Firefighter's Pension Plan: At April 30, 2009, the Firefighter's Pension Plan's carrying amount of cash was $31,744 while the bank balances were $35,981. The FDIC insures bank balances up to $250,000. As of April 30, 2009, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter's Pension Plan's name by a financial institution acting as the Firefighter's Pension Plan's agent.

Investments – Firefighter's Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2009:

		Investment Maturities			
Investment Type	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
U.S. Treasury Notes	$ 1,840,380	$ -	$1,482,002	$ 358,378	$ -
U.S. Agencies	7,942,957	3,623,293	1,307,282	2,852,709	159,673
Total	9,783,337	$3,623,293	$2,789,284	$3,211,087	$ 159,673
Investments Not Sensitive to Interest Rate Risk:					
Equity Securities	1,168,589				
Mutual Funds	2,290,845				
Life Insurance Annuities	4,093,332				
Total Investments	$ 17,336,103				

Interest Rate Risk – The Firefighter's Pension Plan's formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

(Continued)

NOTE 2 - DEPOSITS 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 Firefighter's Pension Plan helps limit its exposure to credit risk by primarily investing in securities issued by the United States Government and/or its agencies that are implicitly guaranteed by the United States Government. The Firefighter's Pension Plan's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor's or by Moody's Investors Services. The Firefighter's Pension Plan's investment policy also prescribes the "prudent person" rule. Unrated investments are listed below:

Investment	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corporation	$ 3,966	7.0%	9/1/2015
Federal Home Loan Mortgage Corporation	3,270	7.0%	2/1/2032
Federal National Mortgage Association	15,211	7.5%	7/1/2029
Federal National Mortgage Association	8,257	7.0%	10/1/2029
Federal National Mortgage Association	12,517	7.0%	7/1/2032

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter's Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Firefighter's Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter's Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter's Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter's Pension Plan's investments are in U.S. Treasury Notes, Federal Home Loan Mortgage Corporation, Federal Home Loan Bank, Federal National Mortgage Association, U.S. Government Backed Securities, Pridex Wishire Insurance Contract and Principal Life Insurance Contract. These investments are 11%, 6%, 9%, 11%, 19%, 18% and 6%, respectively, of the Firefighter's Pension Plan's total investments.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:	
Statement of net assets	
Cash	$ 12,318,166
Investments	5,020,796
Cash overdraft liability	(7,937,434)
Statement of fiduciary net assets	
Pension trust funds	
Cash	38,296
Certificates of deposit	9,967,435
US government and agency obligations	7,048,673
US government backed securities	3,237,293
Insurance contracts	8,430,712
Equity securities	1,168,589
Equity mutual funds	2,205,158
Money market mutual funds	1,727,643
Agency funds	
Cash	352,333
Total	$ 43,557,660

Cash and investments per footnote:	
Cash	$ 2,851,126
Certificate of deposits	835,570
Investments	6,067,165
Cash – Police Pension Plan	6,552
Certificate of deposits – Police Pension Plan	9,967,435
Investments – Police Pension Plan	6,461,965
Cash – Firefighter's Pension Plan	31,744
Investments – Firefighter's Pension Plan	17,336,103
Total	$ 43,557,660

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2008 through April 30, 2009 follows:

	Restated Balance at May 1, 2008	Additions	Deletions	Balance at April 30, 2009
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,046,015	$ -	$ -	$ 10,046,015
Construction in progress	-	2,889,825	-	2,889,825
Total capital assets being not depreciated	10,046,015	2,889,825	-	12,935,840
Capital assets being depreciated:				
Infrastructure	123,603,467	363,988	-	123,967,455
Buildings and improvements	5,566,645	31,713	-	5,598,358
Vehicles and equipment	4,977,992	967,320	(228,845)	5,716,467
Subtotal	134,148,104	1,363,021	(228,845)	135,282,280
Less accumulated depreciation:				
Infrastructure	(86,490,556)	(6,013,781)	-	(92,504,337)
Buildings and improvements	(2,854,491)	(100,825)	-	(2,955,316)
Vehicles and equipment	(3,748,925)	(647,100)	120,190	(4,275,835)
Total accumulated depreciation	(93,093,972)	(6,761,706)	120,190	(99,735,488)
Total capital assets being depreciated, net	41,054,132	(5,398,685)	(108,655)	35,546,792
Governmental activities capital assets, net	$ 51,100,147	$(2,508,860)	$(108,655)	$ 48,482,632

Depreciation expense for the Village's Governmental Activities were charged to the following functions:

General government	$ 72,717
Public safety	186,383
Highway and street	6,502,606
Total	$ 6,761,706

(Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2008 through April 30, 2009 follows:

	Balance at May 1, 2008	Additions	Deletions	Balance at April 30, 2009
Business-Type activities:				
Capital assets not being depreciated:				
Land	$ 185,000	$ -	$ -	$ 185,000
Construction in progress	-	380,780	-	380,780
Total capital assets being not depreciated	185,000	380,780	-	565,780
Capital assets being depreciated:				
Water and sewer system	46,253,534	205,857	-	46,459,391
Storage reservoir/pump	4,953,329	28,554	-	4,981,883
Buildings and improvements	1,908,228	36,944	-	1,945,172
Vehicles and equipment	2,740,569	62,737	-	2,803,306
Subtotal	55,855,660	334,092	-	56,189,752
Less accumulated depreciation:				
Water and sewer system	(13,690,479)	(639,143)	-	(14,329,622)
Storage reservoir/pump	(2,225,641)	(125,381)	-	(2,351,022)
Buildings and improvements	(761,430)	(48,629)	-	(810,059)
Vehicles and equipment	(2,290,585)	(108,864)	-	(2,399,449)
Total accumulated depreciation	(18,968,135)	(922,017)	-	(19,890,152)
Total capital assets being depreciated, net	36,887,525	(587,925)	-	36,299,600
Business-Type activities capital assets, net	$ 37,072,525	$ (207,145)	$ -	$ 36,865,380

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

Water	$ 369,209
Sewer	552,808
Total	$ 922,017

(Continued)

NOTE 4 – LONG-TERM DEBT

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

	Restated Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Refunding – 2003	$ 380,000	$ -	$ 70,000	$ 310,000	$ 75,000
G.O. Alt. Rev. – 2004A	6,215,000	-	-	6,215,000	-
G.O. Alt. Rev. – 2005A	4,165,000	-	100,000	4,065,000	100,000
G.O. Alt. Rev. – 2006	9,500,000	-	-	9,500,000	-
G.O. Alt. Rev. – 2007	8,155,000	-	-	8,155,000	295,000
Plus deferred premium	812,960	-	22,820	790,140	-
Less deferred discount	(261,933)	-	(7,497)	(254,436)	-
Total G.O. Bonds	28,966,027	-	185,323	28,780,704	470,000
Leases payable	502,871	267,271	120,652	649,490	115,500
Net pension obligation	800,094	831,902	-	1,631,996	-
Net OPEB obligation	-	1,433,601	-	1,433,601	-
Total	$30,268,992	$2,532,774	$ 305,975	$ 32,495,791	$ 585,500

Business-Type Activities:

	Restated Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Alt. Rev. – 2004B	$17,970,000	$ -	$ 775,000	$ 17,195,000	$ 810,000
Plus deferred premium	1,292,222	-	64,335	1,227,887	-
Total G.O. Bonds	19,262,222	-	839,335	18,422,887	810,000
Loans payable	8,055,631	-	774,710	7,280,921	797,809
Net OPEB obligation	-	144,392	-	144,392	-
Total	$27,317,853	$ 144,392	$1,614,045	$ 25,848,200	$1,607,809

General Obligation Refunding Bonds, Series 2003 – On September 15, 2003, the Village Board authorized the issuance of $650,000 General Obligation Refunding Bonds, Series 2003, dated October 1, 2003. The bonds were issued to refund in advance of their respective maturities $600,000 in aggregate principal amount of the Village's Corporate Purpose Bonds Series 1992 and pay costs associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2012 are as follows:

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2010	$ 75,000	$ 12,535	$ 87,535	3.70%
2011	75,000	9,760	84,760	4.00%
2012	80,000	6,760	86,760	4.15%
2013	80,000	3,440	83,440	4.30%
Total	$ 310,000	$ 32,495	$ 342,495	

General Obligation Alternate Revenue Bonds, Series 2004A – The Village Board authorized the issuance of $14,865,000 General Obligation Bonds (Alternate Revenue Source), Series 2004A, dated February 4, 2004. The bonds were issued to provide funds to finance certain capital improvements in the Village and to pay the costs of issuance of the Series 2004A Bonds. A portion of the Project is expected to provide relief from traffic congestion and delay caused by the at-grade crossing of two railroads with a main Village Street. $8,650,000 of these bonds was refunded by the issuance of General Obligation Refunding Bonds (Alternative Revenue Source), Series 2006. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2034 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2010	$ -	$ 310,750	$ 310,750	5.00%
2011	-	310,750	310,750	5.00%
2012	-	310,750	310,750	5.00%
2013	-	310,750	310,750	5.00%
2014	-	310,750	310,750	5.00%
2015	-	310,750	310,750	5.00%
2016	-	310,750	310,750	5.00%
2017	-	310,750	310,750	5.00%
2018	-	310,750	310,750	5.00%
2019	-	310,750	310,750	5.00%
2020	-	310,750	310,750	5.00%
2021	-	310,750	310,750	5.00%
2022	-	310,750	310,750	5.00%
2023	-	310,750	310,750	5.00%
2024	-	310,750	310,750	5.00%
2025	-	310,750	310,750	5.00%
2026	-	310,750	310,750	5.00%
2027	-	310,750	310,750	5.00%
2028	-	310,750	310,750	5.00%
2029	-	310,750	310,750	5.00%
2030	-	310,750	310,750	5.00%
2031	240,000	304,750	544,750	5.00%
2032	1,385,000	264,125	1,649,125	5.00%
2033	1,455,000	193,125	1,648,125	5.00%
2034	1,530,000	118,500	1,648,500	5.00%
2035	1,605,000	40,125	1,645,125	5.00%
Total	$ 6,215,000	$ 7,446,375	$ 13,661,375	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of $4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2024 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2010	$ 100,000	$ 202,748	$ 302,748	5.00%
2011	135,000	197,748	332,748	5.00%
2012	140,000	190,998	330,998	5.00%
2013	145,000	183,998	328,998	5.00%
2014	180,000	177,328	357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	440,000	12,100	452,100	4.30%
Total	$ 4,065,000	$ 2,171,821	$ 6,236,821	

General Obligation Alternate Revenue Bonds, Series 2006 – The Village Board authorized the issuance of $9,500,000 General Obligation Bonds (Alternative Revenue Source), Series 2006. The bonds were issued to refund in advance of their respective maturities $8,650,000 in aggregate principal of the Village's General Obligation Bonds, (Alternative Revenue Source), Series 2004A and pay costs of $850,000 associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2030 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2010	$ -	$ 380,000	$ 380,000	4.00%
2011	-	380,000	380,000	4.00%
2012	40,000	379,200	419,200	4.00%
2013	40,000	377,600	417,600	4.00%
2014	45,000	375,900	420,900	4.00%
2015	45,000	374,100	419,100	4.00%
2016	50,000	372,200	422,200	4.00%

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2017	$ 50,000	$ 370,200	$ 420,200	4.00%
2018	50,000	368,200	418,200	4.00%
2019	55,000	366,100	421,100	4.00%
2020	55,000	363,900	418,900	4.00%
2021	60,000	361,600	421,600	4.00%
2022	60,000	359,200	419,200	4.00%
2023	65,000	356,700	421,700	4.00%
2024	985,000	335,700	1,320,700	4.00%
2025	1,030,000	295,400	1,325,400	4.00%
2026	1,070,000	253,400	1,323,400	4.00%
2027	1,110,000	209,800	1,319,800	4.00%
2028	1,160,000	164,400	1,324,400	4.00%
2029	1,205,000	117,100	1,322,100	4.00%
2030	1,255,000	67,900	1,322,900	4.00%
2031	1,070,000	21,400	1,091,400	4.00%
Total	$ 9,500,000	$ 6,650,000	$ 16,150,000	

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of $8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at January 1, 2023 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2010	$ 295,000	$ 368,270	$ 663,270	3.80%
2011	310,000	357,060	667,060	3.90%
2012	320,000	344,970	664,970	4.00%
2013	415,000	332,170	747,170	4.05%
2014	435,000	315,363	750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	975,000	46,313	1,021,313	4.75%
Total	$ 8,155,000	$ 3,387,574	$ 11,542,574	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of $1,041,348 less accumulated depreciation of $326,146 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2009 was $116,286. Remaining principal and interest payments are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	$ 115,500	$ 31,124	$ 146,624
2011	95,472	25,222	120,694
2012	80,818	21,355	102,173
2013	84,615	17,558	102,173
2014	88,594	13,579	102,173
2015	92,760	9,413	102,173
2016	28,956	5,044	34,000
2017	30,547	3,453	34,000
2018	32,228	1,772	34,000
	$ 649,490	$ 128,520	$ 778,010

General Obligation Alternate Revenue Bonds, Series 2004B – The Village Board authorized the issuance of $ 20,135,000 General Obligation Refunding Bonds Alternative Revenue Source), Series 2004B, dated April 1, 2004. The bonds were issued to refund a portion of the Village's outstanding General Obligation Alternate Revenue Source Bonds, Series 1993, and to pay the costs of issuance of the 2004B Bonds. Bonds maturing on or after July 1, 2014 are callable at the option of the Village on any date on or after January 1, 2014, at a price of par plus accrued interest. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2022 are as follows:

Fiscal Year	Principal	Interest	Total	Rate
2010	$ 810,000	$ 816,750	$ 1,626,750	4.00%
2011	840,000	783,750	1,623,750	4.00%
2012	1,030,000	746,350	1,776,350	5.00%
2013	1,085,000	698,625	1,783,625	5.00%
2014	1,135,000	643,125	1,778,125	5.00%
2015	1,190,000	585,000	1,775,000	5.00%
2016	1,250,000	524,000	1,774,000	5.00%
2017	1,315,000	459,875	1,774,875	5.00%
2018	1,380,000	392,500	1,772,500	5.00%
2019	1,450,000	321,750	1,771,750	5.00%
2020	1,520,000	247,500	1,767,500	5.00%
2021	1,590,000	169,750	1,759,750	5.00%
2022	1,675,000	88,125	1,763,125	5.00%
2023	925,000	23,125	948,125	5.00%
Total	$ 17,195,000	$ 6,500,225	$ 23,695,225	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Illinois Environmental Protection Agency Loan – L17-0848 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $2,634,735 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.36%. Payments on the loan commenced on January 1, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at July 1, 2014 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	$ 160,488	$ 30,674	$ 191,162
2011	165,926	25,236	191,162
2012	171,547	19,614	191,161
2013	177,360	13,802	191,162
2014	183,369	7,792	191,161
2015	94,001	1,579	95,580
	$ 952,691	$ 98,697	$ 1,051,388

Illinois Environmental Protection Agency Loan – L17-0924 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $4,553,800 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.82%. Payments on this loan commenced on February 24, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at September 15, 2016 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	$ 255,541	$ 57,403	$ 312,944
2011	262,786	50,158	312,944
2012	270,235	42,709	312,944
2013	277,896	35,048	312,944
2014	285,774	27,170	312,944
2015	293,875	19,069	312,944
2016	302,205	10,739	312,944
2017	154,300	2,173	156,473
	$ 2,102,612	$ 244,469	$ 2,347,081

Illinois Environmental Protection Agency Loan – L17-0925 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,523,912 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.15%. Payments on this loan commenced on November 7, 1997 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total Debt Service
2010	$ 192,360	$ 56,574	$ 248,934
2011	198,467	50,467	248,934
2012	204,768	44,166	248,934
2013	211,269	37,665	248,934
2014	217,977	30,958	248,935
2015	224,897	24,037	248,934
2016	232,037	16,897	248,934
2017	239,406	9,531	248,937
2018	122,537	1,930	124,467
	$ 1,843,718	$ 272,225	$ 2,115,943

Illinois Environmental Protection Agency Loan – L17-1161 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to $3,683,905 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.63%. Payments on this loan commenced on June 1, 2001 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at December 1, 2019 are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2010	$ 189,420	$ 61,290	$ 250,710
2011	194,424	56,286	250,710
2012	199,562	51,148	250,710
2013	204,835	45,875	250,710
2014	210,247	40,463	250,710
2015	215,801	34,909	250,710
2016	221,504	29,206	250,710
2017	227,356	23,354	250,710
2018	233,364	17,346	250,710
2019	239,529	11,181	250,710
2020	245,858	4,852	250,710
	$ 2,381,900	$ 375,910	$ 2,757,810

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2009, the equalized assessed valuation of the Village is $996,409,963 and the legal debt margin is $85,940,359. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/09, the Village did not complete its 2008 filing. However, no action has been taken against the Village compelling compliance with the debt covenants.

(Continued)

NOTE 5 – SHORT-TERM DEBT

The Village took out a Tax Anticipation Warrant on September 23, 2008 for $1,600,000 at an interest rate of 4.75%. This short-term debt was repaid by the Village as of April 30, 2009. A total of $14,288 of interest was paid. A summary of the short-term debt activity is as follows:

Balance 5/1/2009	Additions	Deductions	Balance 4/30/2009
$ -	$ 1,600,000	$ 1,600,000	$ -

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2009 total $14,333,934. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project
$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2009 is $2,030,076 plus unpaid accrued interest of $182,788 for a total amount due of $2,212,864. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of $2,400,000 replaced the original note in the amount of $1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project
$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2009 is $8,200,000 plus accrued interest of $3,921,070 for a total amount due of $12,121,070. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

NOTE 7 – INTERFUNDS

All interfund balances are expected to be repaid in the next fiscal year. The interfunds are a result of the cash loans between the funds.

(Continued)

NOTE 7 – INTERFUNDS (Continued)

	Due from other funds	Due to other funds
General Corporate		
Nonmajor Governmental	$ 568,500	$ -
Total General Corporate	568,500	-
Working Cash		
Nonmajor Governmental	685,000	-
Total Working Cash	685,000	-
Nonmajor Governmental		
General Corporate	-	568,500
Working Cash	-	685,000
Water	-	400,000
Total Nonmajor Governmental	-	1,653,500
Water		
Nonmajor Governmental	400,000	-
Total Water	400,000	-
Total	$ 1,653,500	$ 1,653,500

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund

Plan Description: The Village's defined benefit pension plan for Regular employees 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 (IMRF), 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. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report 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 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2008 was 6.49% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

For December 31, 2008, the Village's annual pension cost of $212,080 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2008	$ 212,080	100%	$ -
December 31, 2007	232,278	100%	-
December 31, 2006	265,128	100%	-

The required contribution for 2008 was determined as part of the December 31, 2006 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2006 valuation was 24 years.

Funded Status and Funding Progress: As of December 31, 2008, the most recent actuarial valuation date, the Regular plan was 81.51 percent funded. The actuarial accrued liability for benefits was $9,303,361 and the actuarial value of assets was $7,583,533, resulting in an under funded actuarial accrued liability (UAAL) of $1,719,828. The covered payroll (annual payroll of active employees covered by the plan) was $3,267,804 and the ratio of the UAAL to the covered payroll was 53 percent.

The schedule of funding progress, presented as RSI 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 liability for benefits.

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension 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 governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The Police Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2008 (the latest information available), the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	38
Current Employees Vested and Nonvested	47
	85

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue 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 fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	30.92%, 9.91%
Annual Pension Cost	$1,381,867
Contributions Made	$949,369
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,372,467
Interest on Net Pension Obligation	29,654
Adjustment to Annual Required Contribution	(20,254)
Annual Pension Cost	1,381,867
Actual Contributions	949,369
Increase in Net Pension Obligation	432,498
Net Pension Obligation as of April 30, 2008	423,632
Net Pension Obligation as of April 30, 2009	$ 856,130

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2009	$ 1,372,467	69.2%	$ 856,130
April 30, 2008	1,303,427	67.5%	423,632
April 30, 2007	1,238,733	90.8%	Not available

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension 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 governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighter's Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Plan may be obtained by writing the Village.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% annually thereafter.

At April 30, 2009 (the latest information available), the Firefighter's Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	45
Current Employees Vested and Nonvested	43
	88

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue 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 fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's 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 necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

Contribution rates:	
Village, Plan Members	31.495%, 9.91%
Annual Pension Cost	$1,349,011
Contributions Made	$949,607
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,340,658
Interest on Net Pension Obligation	26,352
Adjustment to Annual Required Contribution	(17,999)
Annual Pension Cost	1,349,011
Actual Contributions	949,607
Increase in Net Pension Obligation	399,404
Net Pension Obligation as of April 30, 2008	376,462
Net Pension Obligation as of April 30, 2009	$ 775,866

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2009	$ 1,349,011	70.4%	$ 775,866
April 30, 2008	1,297,715	73.8%	376,462
April 30, 2007	1,284,666	103.3%	36,012

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; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. In addition, the Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were $1,426,063 and $2,474,069, respectively.

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF must be at least 55 years old, have at least 8 years of credited service and no longer work in a position that qualifies for participation in IMRF. For Police Pension Plan and Firefighter's Pension Plan members, employees must at least 50 years old and have at least 20 years of credited service.

Funding Policy: Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was $347,158 for 2009.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

At April 30, 2009, the membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	38
Current Employees	
Vested and Nonvested	139
	177

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost 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 2009, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual Required Contribution	$ 1,925,151
Interest on OPEB	-
Annual OPEB Cost	1,925,151
Contributions	347,158
Increase (Decrease) in OPEB	1,577,993
OPEB at April 30, 2008	-
OPEB at April 30, 2009	$ 1,577,993

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2009 and the three preceding years were as follows:

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2009	$ 1,925,151	18.0%	$ 1,577,933
4/30/2008	n/a	n/a	n/a
4/30/2007	n/a	n/a	n/a

April 30, 2009 was the first year an actuarial valuation was performed.

Funded Status and Funding Progress: As of April 30, 2009, the plan was unfunded. The actuarial accrued liability for benefits was $18,816,415. 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

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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, 2009 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3% investment rate of return, a 3% inflation rate and an annual healthcare cost trend rate of 4.33% - 11.81% initially, reduced by decrements to an ultimate rate of 5.00% - 8.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2009. The UAAL is being amortized as a level dollar percentage of projected payroll on a open basis. The remaining amortization period at April 30, 2009, was 30 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, 2009.

NOTE 12 – PRIOR PERIOD RESTATEMENTS

The following restatements of fund balance/net assets were made during the fiscal year:

General Corporate Fund	
Fund balance as previously reported as of May 1, 2008	$ (3,968,008)
To record compensated absences payable not previously recorded	(793,329)
To record deferred revenue not previously reported	(242,772)
Restated fund balance as of May 1, 2008	$ (5,004,109)
911 Emergency Surcharge Tax Fund	
Fund balance as previously reported as of May 1, 2008	$ 198,771
To record compensated absences payable not previously recorded	(106)
Restated fund balance as of May 1, 2008	$ 198,665
Garbage Fund	
Fund balance as previously reported as of May 1, 2008	$ (710,382)
To record compensated absences payable not previously recorded	(15,609)
Restated fund balance as of May 1, 2008	$ (725,991)

(Continued)

NOTE 12 – PRIOR PERIOD RESTATEMENTS (Continued)

Governmental Activities	
Net assets as previously reported as of May 1, 2008	$ 45,540,753
To remove capital assets incorrectly reported in the prior year	(10,225,607)
To record net pension obligation not previously recorded	(800,094)
To record compensated absences payable not previously recorded	(809,044)
To record deferred revenue not previously reported	(242,772)
Restated net assets as of May 1, 2008	$ 33,463,236
Water Fund	
Net assets as previously reported as of May 1, 2008	$ 9,558,076
To record compensated absences payable not previously recorded	(30,362)
Restated net assets as of May 1, 2008	$ 9,527,714
Sewer Fund	
Net assets as previously reported as of May 1, 2008	$ 7,234,401
To adjust bond issuance costs and unamortized premium incorrectly reported	(2,077,641)
To record compensated absences payable not previously recorded	(30,362)
Restated net assets as of May 1, 2008	$ 5,126,398
Business-Type Activities	
Net assets as previously reported as of May 1, 2008	$ 16,848,086
To adjust bond issuance costs and unamortized premium incorrectly reported	(2,077,641)
To record compensated absences payable not previously recorded	(60,724)
Restated net assets as of May 1, 2008	$ 14,709,721

NOTE 13 – NEW ACCOUNTING PRONOUCEMENTS

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

(Continued)

NOTE 13 – NEW ACCOUNTING PRONOUCEMENTS (Continued)

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

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

NOTE 14 – CONSTRUCTION COMMITTMENTS

At the end of Fiscal Year 2009 the Village was engaged in the following construction projects:

- The Cherry Street Water Main project located at Cherry Street & Birch Street constructed by Patrick Construction at an estimated cost of $336,557,
- The Fuel Station located at Franklin Ave. & Martin Ave. at an estimated cost of $268,163,
- Upgrading the water meters of local residents and business at an estimated cost of $400,000 and
- Constructing an extension of Seymour Ave from Centrella Ave. to Irving Park Road with installation of a traffic signal and new intersection at Irving Park and Centrella Ave. constructed by Plote at an estimated price of $3,173,893.

All projects are schedule for completion during Fiscal Year 2010.

NOTE 15 – SUBSEQUENT EVENTS

On October 4, 2009, the Village obtained a line of credit from a local lending institution. The line of credit carries an interest rate of 4.00%. The Village drew down $2,000,000 on this line of credit on October 31, 2009. The line of credit was increased by $500,000 on October 14, 2010 which the Village drew down. The line of credit is due to be repaid on October 13, 2011.

On August 25, 2011, the Village obtained a general obligation note from a separate lending institution for of $3,000,000. The notes have an interest rate of 70% times the aggregate of One-Month LIBOR plus 2.5% and is due on March 1, 2011 or 6 months after the final closing. The Village has not closed this note to date. As such, the final maturity date for the note has not yet been determined.

(Continued)

NOTE 16 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION

The reader will notice that the accompanying audited financial statements for the fiscal year ending April 30, 2009 are dated some 22 months after the close of that year. This has been a period of transition for the village, as a new administration assumed office in May of 2009, when the nature and extent of the village's financial situation was as yet not fully known. Having taken office after the close of the fiscal year presented herein, the new (and current) administration has in effect been operating under significant uncertainty. These audited financial statements constitute the first reliable insight into village finances afforded management and presents an opportunity to more closely target ongoing efforts to address these important fiscal issues. These efforts have included the following steps to correct the more glaring deficiencies of prior financial management practices, enhance revenues and contain costs.

A new financial management team was charged with assuring the village's continued liquidity, achieving financial stability, clarifying its financial position and developing a budget based upon realistic cash flow projections. This budget, adopted for the 2011 fiscal year, projects a General Fund surplus approximating $1.0 million and, 10 months through the fiscal year, appears to be on track. Contributing to this projected surplus were several revenue enhancements:

- A refuse collection fee, projected to generate about $1.2 million was imposed,
- Increased vehicle registration fees added $63 thousand.
- Several property tax levies that had previously been abated were not, generating an additional $3.5 million in cash flow. It is anticipated that these levies will continue unabated for the next several years.
- Management fees lawfully due the General Fund from various TIF's began to be collected, generating approximately $250 thousand.
- A long-dormant receivables collection process is being revived and is expected to generate about $500 thousand in aged receivables.

Expenditure reductions were also undertaken.

- Both police and fire personnel were reduced by attrition and without incident, saving some $450 thousand annually.
- Both salary and hiring freezes were imposed, and the existing workforce is now supplemented on an as needed basis with part time and/or temporary personnel, thereby avoiding the costs of benefits.
- Water and sewer billing, previously done in-house is at this writing being shifted to a vendor, saving an estimated $17 thousand annually, primarily in personnel costs.

Additionally, previously absent institutional arrangements were put in place as well.

- The budget, which had traditionally been developed by the Comptroller and Mayor, was created from the bottom up and, for the first time, included the full participation of department heads and trustees.
- Department heads, who had been effectively isolated from the financial aspects of their operations, were given access to real-time budget versus actual revenue and expenditure data.

(Continued)

NOTE 16 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION (Continued)

- Linked to and dependent upon this access were the development of expenditure controls which integrated the Comptroller's office into the procurement process; a role that will shortly be expanded with the addition of a purchasing function.
- Finally, a rolling five year capital planning process which allows for the prioritization of major expenditures has been implemented.

Having made substantial progress in achieving financial stability, Village management sees very clearly the new, leaner realities of local government finance and understands its responsibility to adjust accordingly. Thus, over the coming months, additional actions, policies and programs designed to comport with these realities will be put in place.

- Review of existing contractual and vendor relationships, already begun on an ad-hoc basis, will be systematically expanded to all such relationships with an eye toward achieving greater economic advantage.
- Benchmarking village operating expenditures against similarly-situated communities will help develop a finer sense of value received for dollars expended as well as the desirability of continuing various services and programs.
- The Board has been asked to develop a consensus as to the village's mission and core functions, given the present and foreseeable economic environment. This, in conjunction with the above-referenced benchmarking, will be used to evaluate the viability of various programs and services.
- Opportunities to enter into joint purchasing arrangements with other local governments, thereby achieving new economies will be identified and pursued.

In all, management believes it has responded appropriately, and thus far effectively, to its fiscal situation as well as the environment in which it operates. Finally and dependably informed by the foregoing statements, notes and RSI, management's efforts in these areas will be enhanced.

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CORPORATE FUND
Year Ended April 30, 2009

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 10,234,477	$ 8,835,663	$ (1,398,814)
Sales taxes	2,645,000	2,645,880	880
Income taxes	1,850,000	1,679,644	(170,356)
Utility taxes	2,300,000	2,317,939	17,939
Other taxes	2,399,915	2,247,902	(152,013)
Licenses, permits and fees	1,831,200	1,905,453	74,253
Grant revenue	976,900	172,272	(804,628)
Other revenue	1,468,383	1,061,616	(406,767)
Fines and forfeitures	794,000	532,627	(261,373)
Investment income	190,000	37,602	(152,398)
Charges for services	1,277,500	1,166,005	(111,495)
Total revenues	25,967,375	22,602,603	(3,364,772)
Expenditures			
Current			
General government	5,437,545	5,546,779	109,234
Public safety	13,361,878	12,168,105	(1,193,773)
Highway and street	1,958,740	1,728,385	(230,355)
Public health	235,751	241,539	5,788
Community development	612,860	551,130	(61,730)
Building department	791,000	869,230	78,230
Debt service			
Interest and other charges	-	14,288	14,288
Capital outlay	919,444	1,302,474	383,030
Total expenditures	23,317,218	22,421,930	(895,288)
Excess (deficiency) of revenues over (under) expenditures	2,650,157	180,673	(2,469,484)
Other financing sources (uses)			
Transfers of assets held for resale	-	(837,320)	(837,320)
Proceeds from capital lease	-	267,271	267,271
Proceeds from the sale of fixed assets	5,000	109	(4,891)
Total other financing sources (uses)	5,000	(569,940)	(574,940)
Net changes in fund balances	$ 2,655,157	(389,267)	$ (3,044,424)
Fund balances at beginning of year		(5,004,109)	
Fund balances at end of year		$ (5,393,376)	

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

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

- The Finance Department submits to the Board of Trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the following funds:
  - Working Cash Fund
  - Foreign Fire Insurance Premium Fund
  - Police Department 1505 Fund
  - 911 Emergency Surcharge Tax Fund
  - MFT Fund
  - Unclaimed Rebates Fund
  - Special Service Area #4 Fund
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2009:

Fund	Amount
Water Fund	$ 116,865
Sewer Fund	2,837,305
GARRA Alternate Source Refunding Bonds Series 2004A Fund	8,054,604

VILLAGE OF FRANKLIN PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2009

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (4) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND						
12/31/2008	$ 7,583,533	$ 9,303,361	$ 1,719,828	81.5%	$ 3,267,804	52.6%
12/31/2007	9,829,165	8,307,462	(1,521,703)	118.3%	2,910,755	0.0%
12/31/2006	9,190,797	8,255,142	(935,655)	111.3%	2,959,022	0.0%
POLICE PENSION FUND						
4/30/2008	$ 19,370,974	$ 37,894,385	$ 18,523,411	51.1%	$ 3,280,940	564.6%
4/30/2007	19,330,483	36,849,658	17,519,175	52.5%	3,350,352	522.9%
4/30/2006	17,859,374	34,890,015	17,030,641	51.2%	3,218,659	529.1%

Note: Information as of 4/30/09 for the Police Pension Fund not available.

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (4) / (5)
FIREFIGHTER'S PENSION FUND						
4/30/2009	$ 17,458,475	$ 38,257,435	$ 20,798,960	45.6%	$ 3,015,057	689.8%
4/30/2008	20,222,441	37,079,485	16,857,044	54.5%	2,998,553	562.2%
4/30/2007	20,164,957	35,255,525	15,090,568	57.2%	3,106,223	485.8%
OTHER POST EMPLOYMENT BENEFITS						
4/30/2009	$ -	$ 18,816,415	$ 18,816,415	0.0%	Not available	Not available

Note: 2009 was the first actuarial valuation for other post employment benefits.

VILLAGE OF FRANKLIN PARK ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2009

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
		ILLINOIS MUNICIPAL RETIREMENT FUND		
12/31/2008	$ 212,080	$ 212,080	100%	$ -
12/31/2007	232,278	232,278	100%	-
12/31/2006	265,128	265,128	100%	-
		POLICE PENSION FUND		
4/30/2009	$ 949,369	$ 1,381,867	68.70%	$ 856,130
4/30/2008	879,795	1,303,427	67.50%	423,632
4/30/2007	1,124,609	1,238,733	90.79%	N/A
		FIREFIGHTER'S PENSION FUND		
4/30/2009	$ 949,607	$ 1,349,011	70.39%	$ 775,866
4/30/2008	957,265	1,297,715	73.77%	376,462
4/30/2007	1,327,060	1,284,666	103.30%	36,012
		OTHER POST EMPLOYMENT BENEFITS		
4/30/2009	$ 347,158	$ 1,925,151	18.03%	$ 1,577,993

Note: 2009 was the first actuarial valuation for other post employment benefits.

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash	$ 5,162,058	$ 1,844,400	$ 313,589	$ 7,320,047
Investments	2,428,070	23,393	-	2,451,463
Property taxes receivable	1,223,596	58,719	-	1,282,315
Accrued interest	330	-	-	330
Accounts receivable	38,808	-	-	38,808
Prepaid items	-	25,000	-	25,000
Total assets	$ 8,852,862	$ 1,951,512	$ 313,589	$ 11,117,963
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 1,175,022	$ 1,192,267	$ -	$ 2,367,289
Accounts payable	287,063	1,026,671	-	1,313,734
Accrued payroll	5,132	-	-	5,132
Compensated absences payable	10,589	-	-	10,589
Deferred property tax revenue	1,208,864	57,998	-	1,266,862
Interfund payables	1,653,500	-	-	1,653,500
Total liabilities	4,340,170	2,276,936	-	6,617,106
Fund balances				
Reserved for prepaids	-	25,000	-	25,000
Reserved for public safety	371,784	-	-	371,784
Reserved for employee retirement	75,625	-	-	75,625
Reserved for highway and streets	3,377,227	-	-	3,377,227
Reserved for community development	3,483,183	-	-	3,483,183
Reserved for debt service	-	824,051	-	824,051
Reserved for capital projects	-	-	313,589	313,589
Unreserved - special revenue funds	(2,795,127)	-	-	(2,795,127)
Unreserved - debt service funds	-	(1,174,475)	-	(1,174,475)
Total fund balances	4,512,692	(325,424)	313,589	4,500,857
Total liabilities and fund balances	$ 8,852,862	$ 1,951,512	$ 313,589	$ 11,117,963

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended April 30, 2009

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Property taxes	$ 2,579,004	$ 1,174,128	$ -	$ 3,753,132
Other taxes	561,098	-	-	561,098
Grant revenue	100,000	-	-	100,000
Other revenue	83,695	-	-	83,695
Fines and forfeitures	81,531	-	-	81,531
Investment income	2,660	4,745	-	7,405
Charges for services	358,022	-	-	358,022
Total revenues	3,766,010	1,178,873	-	4,944,883
Expenditures				
Current				
General government	225,618	5,340	-	230,958
Public safety	391,546	-	-	391,546
Highway and street	9,092,547	-	-	9,092,547
Public health	1,471,589	-	-	1,471,589
Community development	437,826	768,102	-	1,205,928
Debt service				
Principal	-	170,000	-	170,000
Interest and other charges	-	1,296,949	-	1,296,949
Capital outlay	292,869	-	-	292,869
Total expenditures	11,911,995	2,240,391	-	14,152,386
Net changes in fund balances	(8,145,985)	(1,061,518)	-	(9,207,503)
Fund balances at beginning of year as restated	12,658,677	736,094	313,589	13,708,360
Fund balances at end of year	$ 4,512,692	$ (325,424)	$ 313,589	$ 4,500,857

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2009

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Assets						
Cash	$ 59,743	$ 64,428	$ 242,058	$ -	$ 73,776	$ 1,234,754
Investments	-	-	-	-	-	-
Property taxes receivable	-	-	-	1,065,550	153,608	-
Accrued interest	330	-	-	-	-	-
Accounts receivable	-	-	-	-	-	38,808
Total assets	$ 60,073	$ 64,428	$ 242,058	$ 1,065,550	$ 227,384	$ 1,273,562
Liabilities and fund balances						
Liabilities						
Cash overdraft liability	$ -	$ -	$ -	$ 1,028,367	$ -	$ -
Accounts payable	-	-	-	108,486	-	114,029
Accrued payroll	-	-	72	5,060	-	-
Compensated absences payable	-	-	67	10,522	-	-
Deferred property tax revenue	-	-	-	1,052,721	151,759	-
Interfund payables	-	-	-	-	-	-
Total liabilities	-	-	139	2,205,156	151,759	114,029
Fund balances						
Reserved for public safety	60,073	64,428	241,919	-	-	-
Reserved for employee retirement	-	-	-	-	75,625	-
Reserved for highway and streets	-	-	-	-	-	1,159,533
Reserved for community development	-	-	-	-	-	-
Unreserved	-	-	-	(1,139,606)	-	-
Total fund balances	60,073	64,428	241,919	(1,139,606)	75,625	1,159,533
Total liabilities and fund balances	$ 60,073	$ 64,428	$ 242,058	$ 1,065,550	$ 227,384	$ 1,273,562

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ 144,634	$ 5,310	$ 2,245,710	$ 791,739	$ 149,392	$ 150,514	$ -	$ 5,162,058
-	-	-	-	-	2,428,070	-	2,428,070
-	4,438	-	-	-	-	-	1,223,596
-	-	-	-	-	-	-	330
-	-	-	-	-	-	-	38,808
$ 144,634	$ 9,748	$ 2,245,710	$ 791,739	$ 149,392	$ 2,578,584	$ -	$ 8,852,862
$ -	$ -	$ -	$ -	$ -	$ -	$ 146,655	$ 1,175,022
-	-	28,016	10,195	188	26,149	-	287,063
-	-	-	-	-	-	-	5,132
-	-	-	-	-	-	-	10,589
-	4,384	-	-	-	-	-	1,208,864
-	-	-	-	-	-	1,653,500	1,653,500
-	4,384	28,016	10,195	188	26,149	1,800,155	4,340,170
-	5,364	-	-	-	-	-	371,784
-	-	-	-	-	-	-	75,625
-	-	2,217,694	-	-	-	-	3,377,227
-	-	-	781,544	149,204	2,552,435	-	3,483,183
144,634	-	-	-	-	-	(1,800,155)	(2,795,127)
144,634	5,364	2,217,694	781,544	149,204	2,552,435	(1,800,155)	4,512,692
$ 144,634	$ 9,748	$ 2,245,710	$ 791,739	$ 149,392	$ 2,578,584	$ -	$ 8,852,862

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2009

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Revenues						
Property taxes	$ -	$ -	$ -	$ 1,042,323	$ 169,426	$ -
Other taxes	53,939	-	-	-	-	507,159
Grant revenue	-	-	-	-	-	-
Other revenue	950	-	-	14,560	-	49,066
Fines and forfeitures	-	81,531	-	-	-	-
Investment income	1,220	141	780	281	51	-
Charges for services	-	-	345,703	810	-	-
Total revenues	56,109	81,672	346,483	1,057,974	169,477	556,225
Expenditures						
Current						
General government	-	-	-	-	196,070	-
Public safety	36,082	52,235	303,229	-	-	-
Highway and street	-	-	-	-	-	937,943
Public health	-	-	-	1,471,589	-	-
Community development	-	-	-	-	-	-
Capital outlay	36,270	27,394	-	-	-	229,205
Total expenditures	72,352	79,629	303,229	1,471,589	196,070	1,167,148
Net changes in fund balances	(16,243)	2,043	43,254	(413,615)	(26,593)	(610,923)
Fund balances at beginning of year as restated	76,316	62,385	198,665	(725,991)	102,218	1,770,456
Fund balances at end of year	$ 60,073	$ 64,428	$ 241,919	$ (1,139,606)	$ 75,625	$ 1,159,533

	Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
	$ -	$ 4,702	$ -	$ 919,711	$ 106,569	$ -	$ 336,273	$ 2,579,004
	-	-	-	-	-	-	-	561,098
	-	-	100,000	-	-	-	-	100,000
	-	-	-	-	-	19,119	-	83,695
	-	-	-	-	-	-	-	81,531
	-	1	186	-	-	-	-	2,660
	-	-	-	-	-	11,509	-	358,022
	-	4,703	100,186	919,711	106,569	30,628	336,273	3,766,010
	-	-	-	16,365	2,000	8,965	2,218	225,618
	-	-	-	-	-	-	-	391,546
	-	-	8,154,604	-	-	-	-	9,092,547
	-	-	-	-	-	-	-	1,471,589
	-	-	-	87,036	7,645	327,596	15,549	437,826
	-	-	-	-	-	-	-	292,869
	-	-	8,154,604	103,401	9,645	336,561	17,767	11,911,995
	-	4,703	(8,054,418)	816,310	96,924	(305,933)	318,506	(8,145,985)
	144,634	661	10,272,112	(34,766)	52,280	2,858,368	(2,118,661)	12,658,677
	$ 144,634	$ 5,364	$ 2,217,694	$ 781,544	$ 149,204	$ 2,552,435	$ (1,800,155)	$ 4,512,692

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2009

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Assets							
Cash	$ -	$ 81,965	$ 651,214	$ 938,384	$ 172,837	$ -	$ 1,844,400
Investments	23,393	-	-	-	-	-	23,393
Property taxes receivable	58,719	-	-	-	-	-	58,719
Prepaid items	-	-	-	-	-	25,000	25,000
Total assets	$ 82,112	$ 81,965	$ 651,214	$ 938,384	$ 172,837	$ 25,000	$ 1,951,512
Liabilities and fund balances							
Liabilities							
Cash overdraft liability	$ 1,144,904	$ -	$ -	$ -	$ -	$ 47,363	$ 1,192,267
Accounts payable	-	83,433	-	938,384	-	4,854	1,026,671
Deferred property tax revenue	57,998	-	-	-	-	-	57,998
Total liabilities	1,202,902	83,433	-	938,384	-	52,217	2,276,936
Fund balances							
Reserved for prepaids	-	-	-	-	-	25,000	25,000
Reserved for debt service	-	-	651,214	-	172,837	-	824,051
Unreserved	(1,120,790)	(1,468)	-	-	-	(52,217)	(1,174,475)
Total fund balances	(1,120,790)	(1,468)	651,214	-	172,837	(27,217)	(325,424)
Total liabilities and fund balances	$ 82,112	$ 81,965	$ 651,214	$ 938,384	$ 172,837	$ 25,000	$ 1,951,512

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
Year Ended April 30, 2009

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Revenues							
Property taxes	$ 62,612	$ -	$ 674,144	$ -	$ 388,429	$ 48,943	$ 1,174,128
Investment income	4,745	-	-	-	-	-	4,745
Total revenues	67,357	-	674,144	-	388,429	48,943	1,178,873
Expenditures							
Current							
General government	5,340	-	-	-	-	-	5,340
Community development	-	-	438,217	-	304,345	25,540	768,102
Debt service							
Principal	170,000	-	-	-	-	-	170,000
Interest and other charges	1,296,949	-	-	-	-	-	1,296,949
Total expenditures	1,472,289	-	438,217	-	304,345	25,540	2,240,391
Net changes in fund balances	(1,404,932)	-	235,927	-	84,084	23,403	(1,061,518)
Fund balances at beginning of year	284,142	(1,468)	415,287	-	88,753	(50,620)	736,094
Fund balances at end of year	$ (1,120,790)	$ (1,468)	$ 651,214	$ -	$ 172,837	$ (27,217)	$ (325,424)

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUND
April 30, 2009

	Special Service Area #4 Fund	Total
Assets		
Cash	$ 313,589	$ 313,589
Total assets	$ 313,589	$ 313,589
Liabilities and fund balances		
Liabilities	$ -	$ -
Fund balances		
Reserved for capital projects	313,589	313,589
Total fund balances	313,589	313,589
Total liabilities and fund balances	$ 313,589	$ 313,589

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPTIAL PROJECT FUND
Year Ended April 30, 2009

	Special Service Area #4 Fund	Total
Revenues	$ -	$ -
Expenditures	-	-
Net changes in fund balances	-	-
Fund balances at beginning of year	313,589	313,589
Fund balances at end of year	$ 313,589	$ 313,589

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2009

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighter's Pension Fund	Total	Village Escrow Fund	Special Assessment Fund	Total
Assets						
Cash	$ 6,552	$ 31,744	$ 38,296	$ 20,844	$ 331,489	$ 352,333
Investments:						
Certificates of deposit	9,967,435	-	9,967,435	-	-	-
US government and agency obligations	482,629	6,566,044	7,048,673	-	-	-
US government backed securities	-	3,237,293	3,237,293	-	-	-
Insurance contracts	4,337,380	4,093,332	8,430,712	-	-	-
Equity securities	-	1,168,589	1,168,589	-	-	-
Equity mutual funds	869,717	1,335,441	2,205,158	-	-	-
Money market mutual funds	772,239	955,404	1,727,643	-	-	-
Accrued interest receivable	52,032	96,218	148,250	-	-	-
Other receivable	-	-	-	-	419	419
Due from village	22,624	28,329	50,953	-	-	-
Prepaids	500	833	1,333	-	-	-
Total assets	16,511,108	17,513,227	34,024,335	$ 20,844	$ 331,908	$ 352,752
Liabilities						
Accounts payable	4,478	16,337	20,815	$ 883	$ -	$ 883
Deposits payable	-	-	-	19,961	331,908	351,869
Total liabilities	4,478	16,337	20,815	$ 20,844	$ 331,908	$ 352,752
Net assets						
Held in trust for pension benefits and other purposes	16,506,630	17,496,890	34,003,520			
Total net assets	$ 16,506,630	$ 17,496,890	$ 34,003,520			

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2009

	Police Pension Fund	Firefighter's Pension Fund	Total
Additions			
Contributions			
Employer	$ 949,369	$ 935,166	$ 1,884,535
Plan members	329,182	303,608	632,790
Total contributions	1,278,551	1,238,774	2,517,325
Net investment earnings	(2,614,129)	(2,193,312)	(4,807,441)
Total additions	(1,335,578)	(954,538)	(2,290,116)
Deductions			
Benefits	1,541,511	1,730,265	3,271,776
Administrative expenses	26,293	36,001	62,294
Total deductions	1,567,804	1,766,266	3,334,070
Change in net assets	(2,903,382)	(2,720,804)	(5,624,186)
Net assets - beginning of year	19,410,012	20,217,694	39,627,706
Net assets - end of year	$ 16,506,630	$ 17,496,890	$ 34,003,520

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable President
and Members of the Board of Trustees
Village of Franklin Park, Illinois

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2009. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

Our examination disclosed the following noncompliances with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2009. The Village did not submit the required annual report in a timely manner for the State of Illinois. As required by the Illinois Tax Increment Redevelopment Allocation Act, the Village is required to submit the annual report for its TIF to the State of Illinois within 180 days of the end of the Village's fiscal year. Also, the Village did not hold a Joint Review Meeting, as required, during the fiscal year.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2009.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
March 4, 2011