

VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2011

VILLAGE OF FOREST PARK, ILLINOIS
ANNUAL FINANCIAL REPORT
April 30, 2011

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
Board of Commissioners
Village of Forest Park, Illinois

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park, Illinois (the Village) as of and for the year ended April 30, 2011, which collectively along with the discretely presented component unit, comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Village of Forest Park Public Library (the discretely presented component unit). The discretely presented component unit financial statements as of and for the year ended April 30, 2011 were audited by other auditors, whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. The financial statements of the discretely presented component unit were not audited in accordance with *Government Auditing Standards*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the report of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

The Management's Discussion and Analysis, schedule of funding progress for pensions and other post employment benefits, schedule of employer contributions for pensions, and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The combining and individual fund financial statements and schedules and supplemental data section for the year ended April 30, 2011, listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied 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. The supplemental data section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.



Crowe Horwath LLP

Oak Brook, Illinois
November 14, 2011

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

As management of the Village of Forest Park ("Village"), we offer readers of the financial statements this narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2011. The Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes in net assets and currently known facts. It should be read in conjunction with the auditor's opinion on page 1 and the Village's financial statements beginning on page 16.

Financial Highlights

Fund balances in the Village's governmental funds, Statement 5, decreased during the year by \$1,497,351 due to expenditures from reserves in the Brown Street Station TIF area and retirement of debt in the VIP capital improvements fund. The fund balance in the General Fund alone improved by \$238,626 over FY10. In the three major operating funds, the General Fund (on Statement 5) plus Water and Parking Funds (Statement 8), total fund balances increased \$1,307,776.

General fund revenues (excluding grants and operating transfers) for FY11 were \$304,596 less (-2.0 percent) than FY10 and \$564,500 less (-3.7 percent) than budget. Significant revenue decreases in the General Fund from FY10 to FY11 include:

- real estate taxes decreased \$167,700, or -3.8 percent;
- licenses, permits and fees decreased \$115,300, or -10.6 percent
- ticket revenues decreased by \$209,500, or -12.6 percent.

These decreases were partially offset by the following increases:

- sales and other taxes collected by the state, \$99,900, or 2.2 percent; and
- utility/franchise taxes, \$47,500, or 4.7 percent.

Water sales revenue increased \$326,700, 8.4 percent over FY10. (Keep in mind that revenues vary both by rates and consumption.) This includes average overall rate increases on January 1, 2010 of 7.5 percent and 5.0 percent on January 1, 2011. Water rates from the City of Chicago increased 15.0 percent and 14.0 percent respectively and the expense increased 12.5 percent, or \$245,400. Another significant increase in expenses was for water main repairs after huge storms in the summer of 2010 and winter of 2011. Repair costs increased from \$59,700 in FY10 to \$162,600, or 172.5 percent.

Parking fund revenues were down in all lots except the Van Buren CTA lot. Van Buren revenue increased \$19,800, or 6.3 percent, without any increase in charges. Revenue from the other parking lots and meters decreased \$21,000.

Actual expenditures in all three major operating funds (excluding grants) were \$327,000 lower than last year, or -1.6 percent. In addition to the cost of purchased water noted above, other significant changes in expenditures from last year were:

- overall, wages paid, excluding overtime, increased 1.1 percent; overtime increased 5.4 percent; insurance benefits increased 2.9 percent and pension costs increased 15.1 percent, for total increase of \$383,300, or 3.0 percent;
- legal costs decreased \$127,000, from \$262,800 to \$135,800;
- police vehicle purchases were paid from a special revenue fund consisting of county supervision fees and towing fees for a decrease of \$54,500 in the General Fund;
- liability insurance and worker's compensation costs decreased \$280,000;
- ticket collection fees decreased \$151,000 due to some significant construction decreasing red light camera citations;
- two positions in the Health & Safety department were eliminated, resulting in savings of \$150,800

The three operating funds ended the year with expenditures exceeding revenues by \$418,659.

During FY11 Franklin Street in the Brown Street Station TIF was resurfaced and enhanced from Harlem to Des Plaines. Enhancements continue the traffic calming curb cuts and decorative lighting features used on Harvard and Jackson Streets which were improved in FY10. This project was funded entirely by the TIF Fund and cost

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011**

\$1,465,600. The much-needed upgrades to the far North side of town and the added landscaping and pedestrian friendly crosswalks have been well received. The Village was also able to complete some alley reconstruction and one alley was redone using a Green alternative.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements, Statements 1 and 2, are designed to provide readers with a broad overview of Village finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The Village's net assets increased \$3.38 million in FY10 and increased \$1.85 million in FY11, due mostly to capital grants and contributions, Statement 2.

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

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

Fund Financial Statements

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

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

The Village maintains seventeen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for seven major governmental funds, the general fund, Brown Street, Harlem/Harrison and Roosevelt/Hannah TIFs and the 2002 Bond Fund (including the Special Tax Allocation and Incremental Sales

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MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

Tax funds), nine other special revenue funds and one debt service fund, which are considered to be non-major funds. Individual fund information for these non-major governmental funds is provided in Exhibits 9 and 10.

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

Fiduciary funds are used to account for resources held for the benefit of others, in this case, Fire and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental		Business-type		Total Primary	
	2011	2010	2011	2010	2011	2010
Assets:						
Current assets	\$ 13,756.1	\$ 16,513.0	\$ 4,824.9	\$ 4,157.5	\$ 18,581.0	\$ 20,670.5
Deferred charges	174.4	189.2	-	-	174.4	189.2
Capital assets	27,427.4	26,567.3	9,196.8	9,120.4	36,624.2	35,687.7
Total assets	41,357.9	43,269.5	14,021.7	13,277.9	55,379.6	56,547.4
Liabilities:						
Current liabilities	5,584.8	6,822.1	527.0	529.7	6,111.8	7,351.8
Long-term liabilities	13,144.7	14,602.0	4,200.3	4,523.0	17,345.0	19,125.0
Total liabilities	18,729.5	21,424.1	4,727.3	5,052.7	23,456.8	26,476.8
Net Assets:						
Invested in capital assets, net	13,523.0	10,362.1	4,674.1	4,281.7	18,197.1	14,643.8
Restricted	3,989.1	5,377.3	-	-	3,989.1	5,377.3
Unrestricted	5,116.3	6,106.0	4,620.3	3,943.5	9,736.6	10,049.5
Total Net Assets	\$ 22,628.4	\$ 21,845.4	\$ 9,294.4	\$ 8,225.2	\$ 31,922.8	\$ 30,070.6

Source: Statement 1

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Total current assets of \$18,581,000 are 3.0 times current liabilities of \$6,111,800, compared to 2.8 times last year. This ratio shows that our ability to pay our current bills in a timely fashion has improved. TIF Funds are included in Governmental Activities however TIF revenues are restricted to TIF expenditures and cannot be used for general operating expenses. The net assets (assets less liabilities) are represented by capital assets such as buildings and other structures, parking lots, and infrastructure net of any outstanding debt and funds that are restricted for debt service and construction projects. Unrestricted net assets can be used to finance day-to-day operations without constraints established by legal requirements. Total unrestricted net assets decreased in FY11 by \$312,900 and total net assets increased \$1,852,200.

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

	<u>Governmental</u> <u>Activities</u>		<u>Business-type</u> <u>Activities</u>		<u>Total Primary</u> <u>Government</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Revenues						
Program Revenues:						
Charges for services	\$ 4,497.5	\$ 4,721.8	\$ 4,757.1	\$ 4,422.4	\$ 9,254.6	\$ 9,144.2
Oper. grants/contr.	1,333.0	529.9	-	-	1,333.0	529.9
Capital grants/contr.	1,251.4	3,463.3	299.7	-	1,551.1	3,463.3
General Revenues:						
Property taxes	6,163.4	6,797.0	-	-	6,163.4	6,797.0
Other taxes	7,346.2	7,122.8	-	-	7,346.2	7,122.8
Other revenues	107.9	169.1	1.8	1.9	109.7	171.0
Total Revenues	20,699.4	22,803.9	5,058.6	4,424.3	25,758.0	27,228.2
Expenses						
General government	7,289.2	7,303.3	-	-	7,289.2	7,303.3
Police protection	4,735.4	4,448.2	-	-	4,735.4	4,448.2
Fire protection	2,746.5	2,463.7	-	-	2,746.5	2,463.7
Health and safety	327.2	524.5	-	-	327.2	524.5
Community outreach	626.4	615.8	-	-	626.4	615.8
Public works	3,798.9	4,398.0	-	-	3,798.9	4,398.0
Water and sewer	-	-	3,011.3	2,874.2	3,011.3	2,874.2
Parking lot operations	-	-	624.5	550.0	624.5	550.0
Interest on debt	607.4	517.2	139.1	149.5	746.5	666.7
Total Expenses	20,131.0	20,270.7	3,774.9	3,573.7	23,905.9	23,844.4
Transfers Out / (In)	214.6	900.0	(214.6)	(900.0)	-	-
Change in Net Assets	\$ 783.0	\$ 3,433.2	\$ 1,069.1	\$ (49.4)	\$ 1,852.1	\$ 3,383.8

Sources: Statements 2 and 8; Note 9

The main sources of revenue for the Governmental Activities are fees for services, property taxes and state taxes. In FY11, 21.7 percent of revenue of \$20,699,400 comes from charges for services, 30.7 percent from property taxes and 34.6 percent from other taxes. Property tax revenue decreased \$633,600, or 9.3 percent from last year. Other taxes (mostly the municipal share of state taxes) increased \$223,400 (3.1 percent) after decreases in FY10 and FY09 of \$514,700 (6.7 percent) and \$502,800 (6.2 percent) respectively. Total expenses in governmental activities decreased \$139,700 or 0.7 percent mostly due to the shortfall in revenues. Charges for services from Business-type Activities increased \$334,700 (7.6 percent). Total expenditures in the business-type activities increased \$201,200, or 5.6 percent, mostly due to higher costs for water from the City of Chicago.

Together, police and fire protection represent 31.3 percent of the total cost of operating the Village (including infrastructure improvements). Public works and the water department together account for 28.5 percent and other governmental expenses, including debt service, are 40.2 percent of total expenses.

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

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

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

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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	Major Funds				Non-major Funds			As of 4/30/10 Total Governmental Funds
	General Fund	Brown Street Station TIF	Other TIF Funds	2002 Bond Fund*	Special Revenue Funds	Debt Service Funds	Total Governmental Funds	
Revenues	\$ 15,709.9	\$ 508.2	\$ 641.9	\$ 773.2	\$ 2,970.1	\$ -	\$ 20,603.3	\$ 22,825.8
Expenditures	17,249.8	1,500.8	503.4	539.0	2,522.3	-	22,315.3	24,437.5
Excess (deficiency) of revenues over expenditures	(1,539.9)	(992.6)	138.5	234.2	447.8	-	(1,712.0)	(1,611.7)
Transfer in (out)	1,778.5	-	-	(339.3)	(1,145.4)	(79.2)	214.6	900.0
Loan proceeds	-	-	-	-	-	-	-	1,494.0
Net change in fund balances	238.6	(992.6)	138.5	(105.1)	(697.6)	(79.2)	(1,497.4)	782.3
Fund balance at beginning of year	230.0	3,499.5	1,727.6	3,280.3	2,532.8	79.2	11,349.4	10,567.1
Fund balance at end of year	\$ 468.6	\$ 2,506.9	\$ 1,866.1	\$ 3,175.2	\$ 1,835.2	\$ -	\$ 9,852.0	\$ 11,349.4

Source: Statement 5 & Exhibit 10

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

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Proprietary Funds

Proprietary funds are business-type activities where customers pay for the services provided. The major proprietary funds are the Water Fund and the Parking Fund. There are no other proprietary funds.

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

	2011			2010
	Water Fund	Parking Fund	Total Proprietary Funds	Total Proprietary Funds
Total revenues	\$ 4,245.3	\$ 513.7	\$ 4,759.0	\$ 4,424.3
Total expenses	3,142.6	632.3	3,774.9	3,573.7
Net change in net assets	1,102.7	(118.6)	984.1	850.6
Transfers in (out)	(114.5)	(100.0)	(214.5)	(900.0)
Contribution revenue	-	299.6	299.6	-
Net change in fund balances	988.2	81.0	1,069.2	(49.4)
Net Assets at beginning of year	<u>3,748.1</u>	<u>4,477.1</u>	<u>8,225.2</u>	<u>8,274.6</u>
Net Assets at end of year	<u>\$ 4,736.3</u>	<u>\$ 4,558.1</u>	<u>\$ 9,294.4</u>	<u>\$ 8,225.2</u>

Source: Statement 8

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

- Water Fund: Transfer of water main improvements of \$685,441 from the VIP fund; and
- Parking Fund: Contribution revenue of \$299,655 for parking lot resurfacing.

Revenues in the Water and Parking Funds combined increased \$334,700, or 7.6 percent. Water rates were increased during FY11 to cover increased costs of water obtained from the City of Chicago. Expenditures, excluding transfers out, increased \$201,200, or 5.6 percent. Net assets of the proprietary funds increased 13.0 percent from FY10.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
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GENERAL FUND BUDGETARY HIGHLIGHTS

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

	2011			2010		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
Revenues:						
Taxes	\$ 10,145.0	\$ 9,871.1	\$ (273.9)	\$ 11,157.7	\$ 9,891.4	\$ (1,266.3)
Licenses and permits	942.6	889.7	(52.9)	968.9	983.8	14.9
Fees for services	2,305.8	2,312.9	7.1	2,310.8	2,268.3	(42.5)
Grant revenue	1,213.0	1,086.0	(127.0)	345.9	163.9	(182.0)
Fines	1,739.5	1,461.1	(278.4)	2,220.0	1,671.2	(548.8)
Other	70.3	89.0	18.7	179.1	128.6	(50.5)
Total revenues	16,416.2	15,709.8	(706.4)	17,182.4	15,107.2	(2,075.2)
Expenditures:						
General public affairs	810.5	692.5	118.0	929.1	802.2	126.9
Police department	4,170.6	4,001.1	169.5	4,212.2	3,950.6	261.6
Community services	640.8	625.3	15.5	660.5	615.7	44.8
Accounts and finance	4,697.7	4,390.0	307.7	5,082.3	4,632.7	449.6
Grants	1,286.5	1,176.9	109.6	432.1	311.0	121.1
Fire department	2,788.8	2,520.0	268.8	2,865.5	2,690.8	174.7
Public property	1,663.4	1,647.4	16.0	1,707.4	1,563.3	144.1
Streets and public improv.	1,452.5	1,434.8	17.7	1,479.1	1,532.0	(52.9)
Health and safety	323.2	314.3	8.9	472.8	509.3	(36.5)
Total expenditures	17,834.0	16,802.3	1,031.7	17,841.0	16,607.6	1,233.4
Excess (deficiency) of revenues over expenditures:	(1,417.8)	(1,092.5)	(325.30)	(658.6)	(1,500.4)	841.8
Debt service payments	(302.6)	(447.4)	144.80	(304.5)	(304.5)	-
Operating transfers in	1,700.0	1,778.5	(78.5)	1,600.0	1,592.6	7.4
Loan proceeds	-	-	-	-	141.5	(141.5)
Net change to fund balance	\$ (20.4)	\$ 238.6	\$ (259.0)	\$ 636.9	\$ (70.8)	\$ 707.7

Source: RSI-5

Overall, general fund revenues were \$602,600 higher than last year (4.0 percent) and \$706,400 less than budget (4.3 percent). Almost all of the variation in taxes is in lower than expected property tax revenues of \$273,900. Fine revenue was also less than expected by \$278,400, mostly due to road construction that disabled two out of three Redlight cameras. Excluding grants which fluctuate widely from year to year, general fund revenues were \$579,400 (3.8 percent) lower than expected.

Expenditures (excluding grants) overall were \$528,200, or 3.2 percent, lower than last year. Because of the shortfall in revenues, for the fourth consecutive year all departments curtailed expenditures in order to spend less than the amounts appropriated.

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011**

CAPITAL ASSET AND DEBT ADMINISTRATION

**Governmental Activities
Change in Capital Assets
(in thousands)**

	Balance as of May 1, 2010	Net Additions/ (Deletions)	Balance as of April 30, 2011
Non-Depreciable Assets			
Land	\$ 4,581.1	\$ 86.0	\$ 4,667.1
Other Capital Assets			
Infrastructure	36,153.1	1,661.2	37,814.3
Buildings and improvements	2,807.1	-	2,807.1
Vehicles/Furniture/Fixtures	4,317.5	96.8	4,414.3
Accum. depreciation	<u>(21,291.5)</u>	<u>(984.0)</u>	<u>(22,275.5)</u>
Net Capital Assets	<u>\$ 26,567.3</u>	<u>\$ 860.0</u>	<u>\$ 27,427.3</u>

Source: Note 4

Additional property was acquired at 512 Des Plaines Avenue by donation from Deutsche Bank. The net increase in depreciable infrastructure assets results from the streets reconstruction with TIF funds for Franklin Street and alleys under the CDBG grant program. Replacement equipment purchased this year includes three squad cars, a K-9 vehicle and a Chevy Tahoe for the police department and a Chevy Tahoe for the Fire Chief. The financing means for the equipment were insurance proceeds for totaled vehicles, restricted Police Department funds and federal grants.

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

	Balance as of May 1, 2010	Net Additions/ (Deletions)	Balance as of April 30, 2011
Non-Depreciable Assets			
Land	\$ 698.3	\$ -	\$ 698.3
Other Capital Assets			
Infrastructure	9,445.7	-	9,445.7
Buildings and improvements	2,034.9	286.3	2,321.2
Vehicles and equipment	314.8	13.3	328.1
Accum. depreciation	<u>(3,373.2)</u>	<u>(223.3)</u>	<u>(3,596.5)</u>
Net Capital Assets	<u>\$ 9,120.5</u>	<u>\$ 76.3</u>	<u>\$ 9,196.8</u>

Source: Note 4

Improvements during FY11 in the Parking Fund consist of resurfacing parking lots at Ferdinand and Beloit. These improvements were made through a grant from the Illinois Department of Commerce and Economic Opportunity. Two parking lot pay systems were also purchased through the parking facilities grant.

**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011**

Debt Administration

At April 30, 2011, the Village had outstanding debt as follow:

	<u>Principal Due</u>	<u>Principal & Interest Due Within One Year</u>
Governmental Activities		
General Obligation TIF Refunding Bonds, 2002	\$ 2,720,000	\$ 533,346
General Obligation TIF Refunding Bonds, 2003A	345,000	182,422
General Obligation Alternative Revenue Bonds, 2005	<u>7,865,000</u>	<u>714,988</u>
Total Bonds	10,930,000	1,430,756
General Obligation Debt Certificates	2,529,942	301,398
IDOT Loan Payable	154,046	154,046
Bank Loans Payable	180,124	75,398
Net Pension Obligation	395,728	-
Other Post Employment Benefits	147,831	-
Compensated Absences	<u>487,013</u>	<u>419,916</u>
Total Governmental Long-term Debt	<u>\$ 14,824,684</u>	<u>\$ 2,381,514</u>
Business-type Activities		
General Obligation Debt Certificates	\$ 659,563	\$ 78,579
Loan Payable (IEPA)	3,863,152	379,415
Compensated Absences	<u>14,387</u>	<u>11,652</u>
	<u>\$ 4,537,102</u>	<u>\$ 469,646</u>

The governmental general obligation bond payments of \$1,430,756 are due from the Debt Service funds, financed through TIF property tax deposits and the VIP Fund, financed through one-half percent sales tax. Interest rates on the bonds range from 1.40 to 7.50 percent. The General Obligation Debt Certificate ranges in interest rates from 4.15 to 7.50 percent. The General Fund, Water Fund and Parking Fund share the principle and interest payments for the general obligation debt certificate.

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

Under Illinois law, the Village's outstanding debt is limited to 8.625 percent of the assessed valuations in our jurisdiction. The Village's debt limit under this law is \$36.7 million compared to legal debt outstanding at April 30, 2011, of \$10.930 million (excludes premium on bonds).

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Revenues in the FY12 budget are expected to increase 1.6 percent in the General Fund, 3.6 percent in the Water Fund and 1.8 percent in the Parking Fund, an overall increase of 2.0 percent from FY11.

State-shared revenues have decreased the last three fiscal years from \$5,011,300 in FY08 to \$4,397,000 in FY11, or -12.3 percent. State-shared revenues represent approximately 25 percent of General Fund revenues. After decreases totaling \$836,500 for FY09 and FY10, FY11 increased \$222,200, or 5.3 percent over the previous year. For this reason we see a small positive trend during this period of slow economic recovery from the 2007-08 recessions. For the first five months of FY12, municipal sales taxes have increased 5.2 percent indicating local sales are up. The FY12 budget projects an overall increase in State-shared revenues of 1.2 percent.

VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

The largest component of the State-shared taxes is the local share of State income taxes. Though there was a 67 percent increase in the State income tax rate as of January 1, 2011, the amount shared with local governments will stay level. The local share is distributed in proportion to population. From the 2010 census results, the Village population decreased from 15,688 in 2000 to 14,167, while the State population went up slightly. Therefore the Village's share will decrease for the next ten years. In fact, for the first five months of FY12, the Village share of State income tax is down 4.0 percent from the comparable period in FY11. An additional factor to the decrease in income tax is the high unemployment rate in the State of Illinois.

The State is currently four months in arrears with payment of municipal share of state income taxes amounting to about \$342,000 for the Village. All State-owed revenue is recognized in the financial statements however, the shortage in cash flow makes a significant difference in our daily operations.

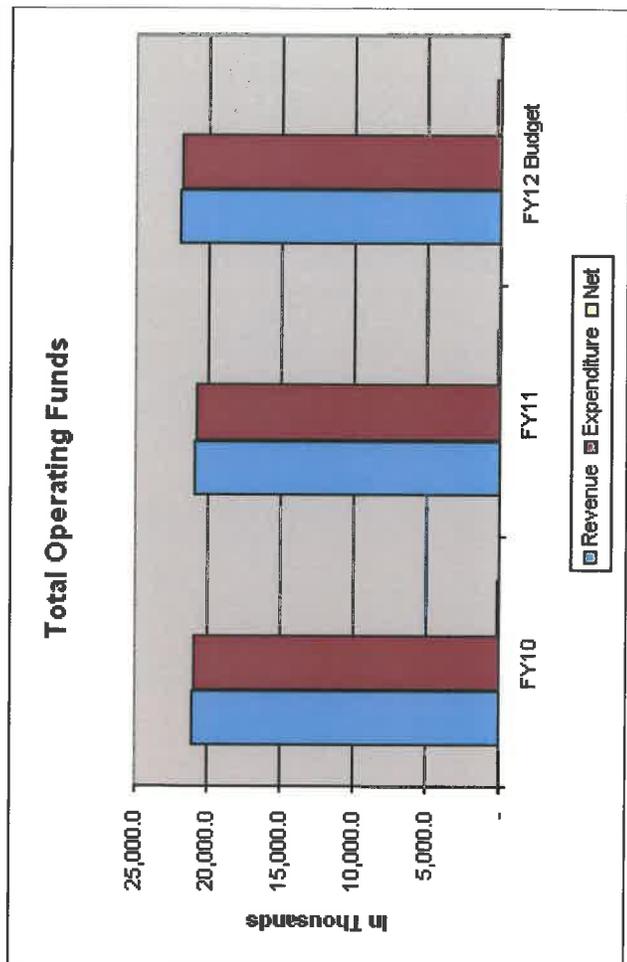
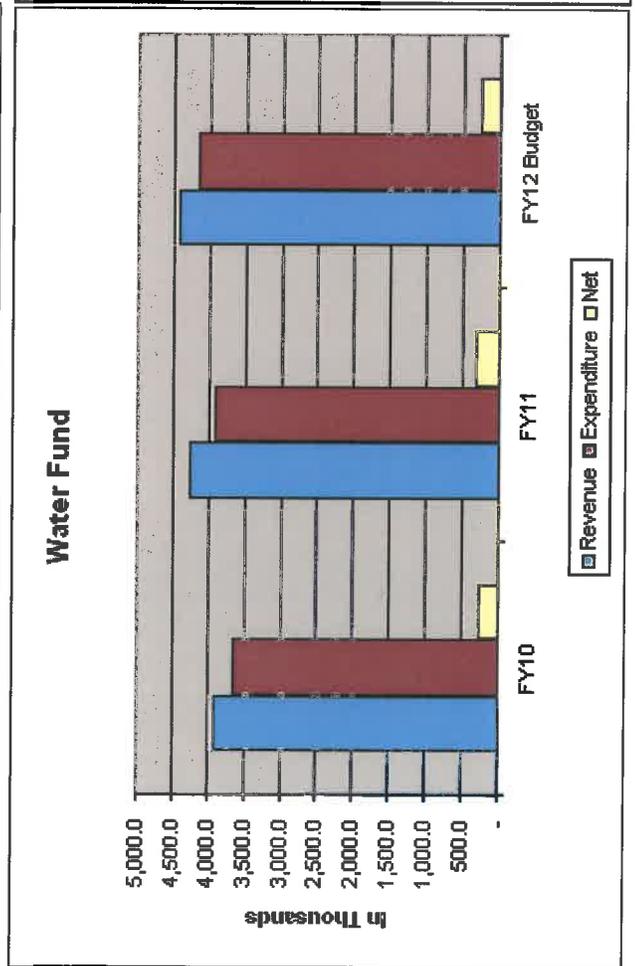
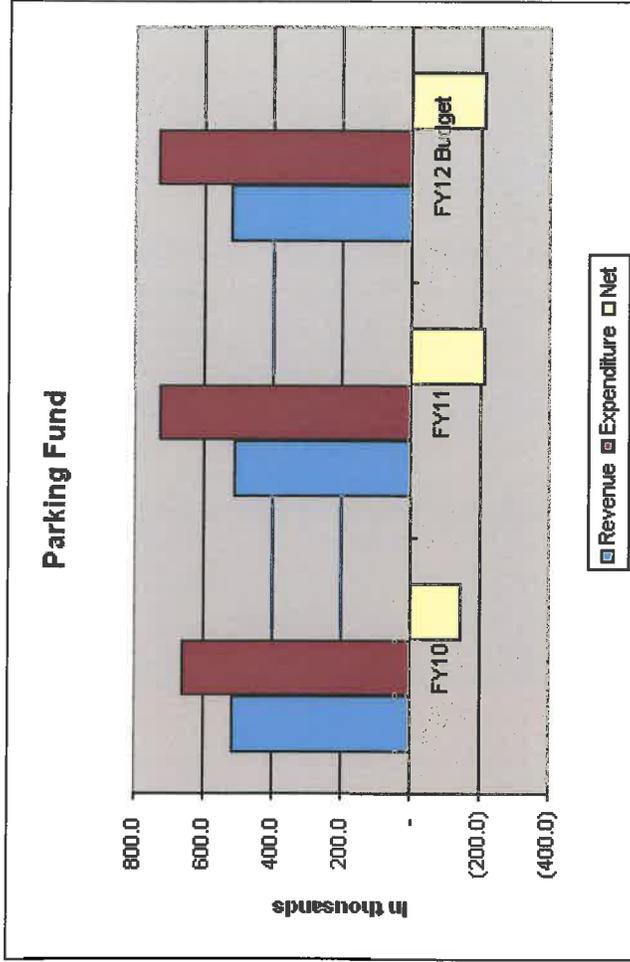
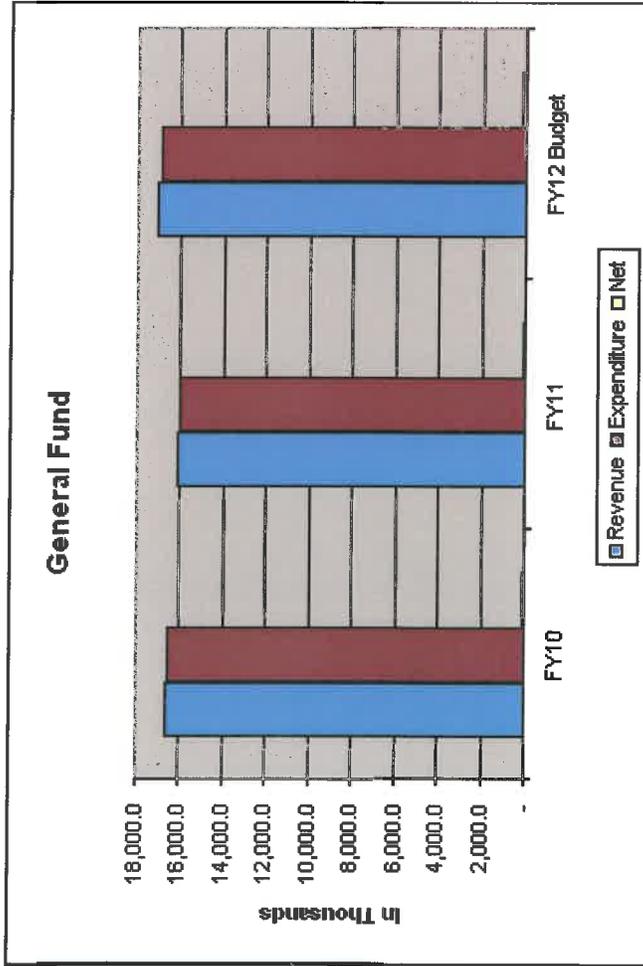
Utility and franchise taxes are approximately 10 percent of General Fund revenues. From FY08 to FY10, these taxes decreased a total of \$121,000. In FY11, there was a slight increase over FY10 of \$12,300, or 0.7 percent. For FY12 the budget forecasts a 6 percent increase. If we realize the budget amount, the revenues would still be \$9,300 lower than in FY08. The State-shared taxes and Utility-Franchise taxes combined are projected to be \$6,218,300, \$570,200 less than FY08.

The Village is planning several strategic planning meetings through the months of November and December and additional revenue sources are sure to be discussed. Items to be considered include a fee hike for vehicle stickers, a possible sewer tax, and increases in water rates to help replace the aging infrastructure. In addition the Village recently passed a parking meter rate increase for several areas in town. The economy is showing some signs of improvement and some early information looks positive but in order to meet all of the revenue projections a more robust recovery will be necessary.

Expenditures in the FY12 budget in the major operating funds (excluding grants) are projected to increase 5.3 percent over the FY11 results and 4.4 percent over FY10 results. The approved budget was pared back from department requests by \$442,000. Deferred vehicle and equipment purchases from prior years could no longer be postponed. With the knowledge that interest rates are at historic lows the Village was able to secure a line of credit for the purchase of new equipment and therefore spread the payments over the next five years. It is our intention to pay the loans off early as finances become available since the line of credit is structured with no prepayment penalty.

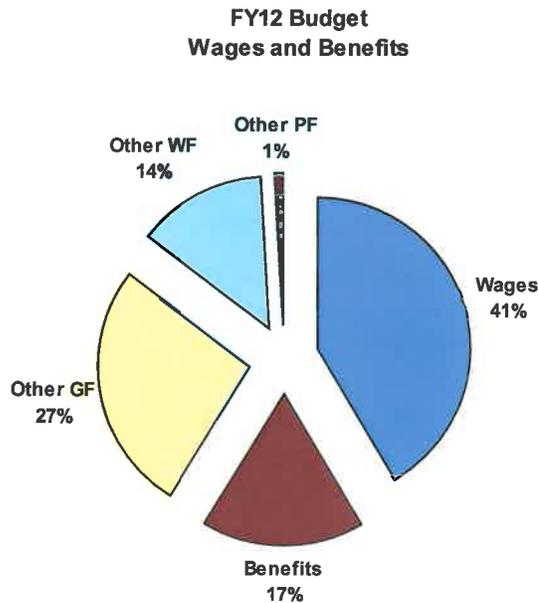
The charts on the next page show the three-year trend for revenues and expenditures from FY10 to next year's budget for the major operating funds.

VILLAGE OF FOREST PARK, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 April 30, 2011



**VILLAGE OF FOREST PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011**

Wages and benefits continue to be the major portion of the Village budget. The Village has been successful in labor negotiations with several labor groups in securing lower raises in the coming years. All of the groups are on notice that we will fight hard to keep any increases in wages to industry lows. Fifty-nine percent of total expenditures represent employment costs, including taxes, pension costs and health and life insurance. (See chart below.) This percentage has remained fairly level over the last five years. The actual increase in overall wages, allowances, incentives and overtime in FY12 is 5.4 percent compared to FY10.



Health and life insurance costs are projected to be higher than FY10 in FY12 by 8.1 percent. These costs are mitigated by reviewing benefit levels annually and going out for competitive pricing each year. The Village contributions to employee retirement plans, Social Security and Medicare in next year's budget total \$1,897,000, 9.5 percent greater than in FY10.

In the midst of economic uncertainty, the Village is reluctant to increase fees paid by residents who are also struggling, however we are cognizant of the need to continue to provide quality services that our residents expect. We are aggressively seeking to lower costs and have already renegotiated several contracts to lower expenses for the future.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances. Questions concerning this report or requests for additional financial information should be directed to the Village Clerk, Village of Forest Park, 517 Desplaines Avenue, Forest Park, Illinois, 60130.

VILLAGE OF FOREST PARK, ILLINOIS
Statement of Net Assets
April 30, 2011

STATEMENT 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 9,697,369	\$ 3,433,172	\$ 13,130,541	\$ 1,904,261
Receivables:				
Property tax receivable	2,361,644	-	2,361,644	1,026,457
Due from other governments	1,915,471	-	1,915,471	-
Interest receivable	738	-	738	-
Accounts receivable	370,802	551,315	922,117	23,095
Prepaid items	239,064	11,513	250,577	5,382
Internal balances	(828,940)	828,940	-	-
Total current assets	<u>13,756,148</u>	<u>4,824,940</u>	<u>18,581,088</u>	<u>2,959,195</u>
Noncurrent assets:				
Deferred charges	174,372	-	174,372	-
Capital assets not being depreciated	4,667,150	698,257	5,365,407	134
Capital assets being depreciated, net	22,760,203	8,498,532	31,258,735	1,257,449
Total noncurrent assets	<u>27,601,725</u>	<u>9,196,789</u>	<u>36,798,514</u>	<u>1,257,583</u>
Total assets	<u>\$ 41,357,873</u>	<u>\$ 14,021,729</u>	<u>\$ 55,379,602</u>	<u>\$ 4,216,778</u>
LIABILITIES AND NET ASSETS				
Liabilities				
Current liabilities:				
Accounts payable	\$ 296,047	\$ 163,272	\$ 459,319	\$ 94,292
Accrued payroll	33,293	-	33,293	18,511
Other liabilities	15,834	9,053	24,887	-
Unearned revenue	3,173,867	-	3,173,867	1,026,457
Interest payable	275,530	17,927	293,457	-
Long-term obligations, due within one year:				
Compensated absences	419,916	11,652	431,568	-
Bonds payable	965,000	-	965,000	-
Installment contracts payable	154,046	-	154,046	-
Debt certificates payable	182,600	47,400	230,000	-
Loans payable	68,685	277,667	346,352	-
Total current liabilities	<u>5,584,818</u>	<u>526,971</u>	<u>6,111,789</u>	<u>1,139,260</u>
Noncurrent liabilities:				
Long-term obligations, due in more than one year:				
Compensated absences	67,097	2,735	69,832	-
Bonds payable	10,075,241	-	10,075,241	-
Debt certificates payable	2,347,342	612,163	2,959,505	-
Loans payable	111,439	3,585,485	3,696,924	-
Net pension obligation	353,698	-	353,698	-
IMRF net pension obligation	42,030	-	42,030	-
Other post employment benefit obligation	147,831	-	147,831	-
Total noncurrent liabilities	<u>13,144,678</u>	<u>4,200,383</u>	<u>17,345,061</u>	<u>-</u>
Total liabilities	<u>18,729,496</u>	<u>4,727,354</u>	<u>23,456,850</u>	<u>1,139,260</u>
Net assets				
Invested in capital assets, net of related debt	13,523,000	4,674,074	18,197,074	1,257,583
Restricted for:				
Debt service	2,899,653	-	2,899,653	-
Capital projects	1,089,460	-	1,089,460	-
Other purposes	-	-	-	148,773
Unrestricted	5,116,264	4,620,301	9,736,565	1,671,162
Total net assets	<u>22,628,377</u>	<u>9,294,375</u>	<u>31,922,752</u>	<u>3,077,518</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 41,357,873</u>	<u>\$ 14,021,729</u>	<u>\$ 55,379,602</u>	<u>\$ 4,216,778</u>

VILLAGE OF FOREST PARK, ILLINOIS
Statement of Activities
Year ended April 30, 2011

STATEMENT 2

Functions/Programs Primary government:	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Component Unit	
	Expenses	Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Contributions	Governmental Activities		Business-type Activities
Governmental activities:							
General government	\$ 7,289,233	\$ 2,668,914	\$ -	\$ 86,000	\$ (4,534,319)	\$ -	\$ (4,534,319)
Police protection	4,735,423	534,999	780,108	-	(3,420,316)	-	(3,420,316)
Fire protection	2,746,486	24,771	15,252	702,899	(2,003,564)	-	(2,003,564)
Health and safety	327,174	-	-	-	(327,174)	-	(327,174)
Community outreach	626,411	479,997	-	-	(146,414)	-	(146,414)
Public works	3,798,917	788,796	537,659	462,466	(2,009,996)	-	(2,009,996)
Interest on debt	607,380	-	-	-	(607,380)	-	(607,380)
Total governmental activities	20,131,024	4,497,477	1,333,019	1,251,365	(13,049,163)	-	(13,049,163)
Business-type activities:							
Water operations	3,091,906	4,243,395	-	-	-	\$ 1,151,489	1,151,489
Sewer operations	50,720	-	-	-	-	(50,720)	(50,720)
Parking lot operations	632,304	513,670	-	299,655	-	181,021	181,021
Total business-type activities:	3,774,930	4,757,065	-	299,655	-	1,281,790	1,281,790
Total primary government	\$ 23,905,954	\$ 9,254,542	\$ 1,333,019	\$ 1,551,020	(13,049,163)	\$ -	(11,767,373)
Component unit							
Public library	\$ 1,308,199	\$ 33,531	\$ 16,054	\$ -	\$ -	\$ -	\$ (1,258,614)
General revenues:							
Taxes:							
Property taxes					6,163,369	-	6,163,369
Replacement tax					184,695	-	184,695
Income tax					1,214,049	-	1,214,049
Sales tax					4,005,902	-	4,005,902
Telecommunication tax					619,904	-	619,904
Utility tax					809,825	-	809,825
Other taxes					511,889	-	511,889
Investment earnings					52,112	1,919	54,031
Other general revenues					55,852	-	55,852
Transfers					214,559	(214,559)	-
Total general revenues and transfers					13,832,156	(212,640)	13,619,516
Change in net assets					782,993	1,069,150	1,852,143
Net assets, beginning of year					21,845,384	8,225,225	30,070,609
Net assets, end of year					\$ 22,628,377	\$ 9,294,375	\$ 31,922,752

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 GOVERNMENTAL FUNDS
 BALANCE SHEET
 April 30, 2011

	General Fund	Major Funds						Nonmajor Governmental Funds	Total Governmental Funds
		Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Tax Fund		
ASSETS									
Cash and cash equivalents	\$ -	\$ 2,482,478	\$ 5,983	\$ 1,953,272	\$ 2,629,861	\$ 143,688	\$ 2,176,866	\$ 9,697,369	
Receivables:									
Property tax receivable	2,074,050	-	-	-	-	-	287,594	2,361,644	
Due from other governments	1,610,359	-	-	-	-	-	305,112	1,915,471	
Accounts receivable	363,535	-	-	-	-	-	7,267	370,802	
Interest receivable	738	-	-	-	-	-	-	738	
Interfund receivable	716,190	45,741	804	44,517	-	89,106	93,650	990,008	
Prepaid items	239,064	-	-	-	-	-	-	239,064	
Total assets	\$ 5,003,936	\$ 2,528,219	\$ 5,983	\$ 1,954,076	\$ 2,674,378	\$ 305,221	\$ 2,870,489	\$ 15,575,096	
LIABILITIES AND FUND BALANCE									
Liabilities									
Accounts payable	\$ 229,435	\$ 21,292	\$ 322	\$ 41,830	\$ 516	\$ -	\$ 2,652	\$ 296,047	
Accrued payroll	33,293	-	-	-	-	-	-	33,293	
Other liabilities	15,834	-	-	-	-	-	-	15,834	
Deferred revenue	3,190,651	-	-	-	-	-	368,279	3,558,930	
Interfund payable	1,066,064	-	51,828	-	804	35,890	664,362	1,818,948	
Total liabilities	4,535,277	21,292	52,150	41,830	1,320	35,890	1,035,293	5,723,052	
Fund balance									
Reserved for:									
Prepaid items	239,064	-	-	-	-	-	-	239,064	
Separate tax levies	764,421	-	-	-	-	-	-	764,421	
Debt service	-	-	-	-	2,673,058	269,331	-	3,175,183	
Capital projects	-	-	-	-	-	-	1,089,460	1,089,460	
Unreserved, reported in:									
General fund	(534,826)	-	-	-	-	-	-	(534,826)	
Special revenue funds	-	2,506,927	(46,167)	1,912,246	-	-	745,736	5,118,742	
Total fund balance	468,659	2,506,927	(46,167)	1,912,246	2,673,058	269,331	1,835,196	9,852,044	
TOTAL LIABILITIES AND FUND BALANCE	\$ 5,003,936	\$ 2,528,219	\$ 5,983	\$ 1,954,076	\$ 2,674,378	\$ 305,221	\$ 2,870,489	\$ 15,575,096	

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
 TO STATEMENT OF NET ASSETS
 April 30, 2011

Total fund balances - governmental funds		\$ 9,852,044
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Capital assets	\$ 49,702,829	
Accumulated depreciation	<u>(22,275,476)</u>	
Net capital assets		27,427,353
<p>Other long-term assets are not available to pay for current period expenditures and therefore are deferred in the funds:</p>		
Sales taxes receivable	232,518	
Other taxes receivable	<u>152,545</u>	
Total deferred revenue		385,063
<p>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.</p>		
		174,372
<p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.</p>		
		(275,530)
<p>Some liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :</p>		
Bonds payable	(11,040,241)	
Installment contracts payable	(154,046)	
Debt certificates payable	(2,529,942)	
Loans payable	(180,124)	
Compensated absences	(487,013)	
Net pension obligation	(353,698)	
IMRF net pension obligation	(42,030)	
Other post employment benefit obligation	<u>(147,831)</u>	
Total long-term liabilities		<u>(14,934,925)</u>
Net assets of governmental activities		<u>\$ 22,628,377</u>

VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2011

	General Fund	Major Funds					Incremental Sales Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
		Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund			
Revenues									
Property tax revenue	\$ 4,079,044	\$ 481,066	\$ -	\$ 624,563	\$ -	\$ 438,164	\$ -	\$ 6,163,369	
Personal property replacement tax	164,188	-	-	-	-	-	-	184,895	
Sales tax	2,471,963	-	-	-	-	334,750	-	3,774,028	
Intergovernmental revenues	249,280	-	-	-	-	-	694,889	944,169	
Auto rental tax	18,503	-	-	-	-	-	-	18,503	
Income tax	1,214,049	-	-	-	-	-	-	1,214,049	
Utility taxes	1,674,055	-	-	-	-	-	-	1,674,055	
Licenses and permits	975,537	-	-	-	-	-	-	975,537	
Fees for services	2,226,810	-	-	-	-	-	-	2,226,810	
Grant revenue	1,085,970	-	-	-	-	-	-	1,085,970	
Fines	1,461,130	-	150	17,156	-	25	-	1,970,461	
Interest on investments	4,128	-	-	-	-	-	-	4,128	
Other revenue	85,201	-	-	-	-	-	15	100,201	
Total revenues	15,709,858	508,165	150	641,719	202	438,189	2,970,126	20,603,174	
Expenditures									
Current:									
Office of the mayor	5,318,957	-	-	-	-	-	-	5,318,957	
Office of accounts and finance	8,086,838	-	-	-	8,282	-	-	8,095,120	
Office of public property	1,647,443	-	-	-	-	-	-	1,647,443	
Office of streets and public improvement	1,434,783	1,500,742	2,478	317,873	-	-	-	3,261,876	
Office of health and safety	314,337	-	-	-	-	-	-	314,337	
Debt service:									
Principal retired	319,121	-	-	165,000	-	-	-	484,121	
Interest and charges	128,271	-	-	18,033	-	-	-	146,304	
Total expenditures	17,249,750	1,500,742	2,478	500,906	538,952	-	2,522,256	22,315,084	
Excess (deficiency) of revenues over expenditures	(1,539,892)	(992,577)	(2,328)	140,813	(538,750)	438,189	447,870	(1,711,910)	
Other financing sources (uses)									
Transfers in	1,778,518	-	-	-	554,911	-	-	2,333,429	
Transfers out	-	-	-	-	-	(554,911)	(1,224,652)	(2,118,870)	
Total other financing sources (uses)	1,778,518	-	-	-	554,911	(554,911)	(1,224,652)	214,559	
Net change in fund balances	238,626	(992,577)	(2,328)	140,813	16,161	(4,542)	(776,782)	(1,497,351)	
Fund balances at beginning of year	230,033	3,499,504	(43,839)	1,771,433	2,656,897	386,053	2,611,978	11,349,395	
Fund balances at end of year	468,659	2,506,927	(46,167)	1,912,246	2,673,058	289,331	1,835,196	9,852,044	

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
 BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
 Year Ended April 30, 2011

Net change in total fund balances \$ (1,497,351)

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

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

The change from fiscal year 2010 to 2011 consists of:

Sales taxes received from the state of Illinois	\$ 7,092	
Other taxes received	<u>3,192</u>	
Total change in deferred revenues		10,284

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

Increase in net pension liability	(307,850)	
Increase in other postemployment benefit liability	(72,061)	
Increase in IMRF net pension liability	(29,586)	
Increase in compensated absences	(487,013)	
Decrease in accrued interest on debt	20,422	
Amortization of deferred bond issuance costs	(14,796)	
Amortization of bond premium	<u>5,097</u>	
Total expenses of non-current resources		(885,787)

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

Capital expenditures	2,354,107	
Depreciation	<u>(1,386,100)</u>	
Capital expenditures in excess of depreciation		968,007

The original cost of assets disposed of had a net value greater than the disposal proceeds.

The difference has been recorded in the statement of activities.

(193,996)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Donated asset		86,000
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Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net assets.

General obligation bonds	925,000	
Debt certificates payable	174,349	
IDOT loan payable	864,615	
Loans payable	<u>331,872</u>	
Total retirement of debt		<u>2,295,836</u>

Change in net assets of governmental activities

\$ 782,993

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
 STATEMENT OF NET ASSETS
 April 30, 2011

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 737,361	\$ 2,695,811	\$ 3,433,172
Receivables:			
Accounts receivable	551,315	-	551,315
Interfund receivable	-	828,940	828,940
Prepays	-	11,513	11,513
Total current assets	<u>1,288,676</u>	<u>3,536,264</u>	<u>3,984,487</u>
Noncurrent assets:			
Capital assets not being depreciated	-	698,257	698,257
Capital assets being depreciated, net	8,015,242	483,290	8,498,532
Total noncurrent assets	<u>8,015,242</u>	<u>1,181,547</u>	<u>9,196,789</u>
Total assets	<u>\$ 9,303,918</u>	<u>\$ 4,717,811</u>	<u>\$ 14,021,729</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Current liabilities:			
Accounts payable	\$ 163,272	\$ -	\$ 163,272
Other liabilities	9,053	-	9,053
Compensated absences	6,685	4,967	11,652
Debt certificates	36,616	10,784	47,400
Loans payable	277,667	-	277,667
Interest payable	17,927	-	17,927
Total current liabilities	<u>511,220</u>	<u>15,751</u>	<u>526,971</u>
Noncurrent liabilities:			
Compensated absences	2,735	-	2,735
Debt certificates	468,211	143,952	612,163
Loans payable	3,585,485	-	3,585,485
Total noncurrent liabilities	<u>4,053,696</u>	<u>143,952</u>	<u>4,197,648</u>
Total liabilities	<u>4,567,651</u>	<u>159,703</u>	<u>4,727,354</u>
Net assets			
Invested in capital assets, net of related debt	3,647,263	1,026,811	4,674,074
Unrestricted	1,089,004	3,531,297	4,620,301
Total net assets	<u>4,736,267</u>	<u>4,558,108</u>	<u>9,294,375</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 9,303,918</u>	<u>\$ 4,717,811</u>	<u>\$ 14,021,729</u>

VILLAGE OF FOREST PARK, ILLINOIS
 PROPRIETARY FUNDS
 STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 Year Ended April 30, 2011

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
Operating revenues			
Charges for services	\$ 4,243,395	\$ 513,670	\$ 4,757,065
Total operating revenues	<u>4,243,395</u>	<u>513,670</u>	<u>4,757,065</u>
Operating expenses			
Operations	2,845,396	567,118	3,412,514
Depreciation	165,954	57,364	223,318
Total operating expenses	<u>3,011,350</u>	<u>624,482</u>	<u>3,635,832</u>
Operating income (loss)	<u>1,232,045</u>	<u>(110,812)</u>	<u>1,121,233</u>
Nonoperating revenues and (expenses)			
Interest revenue	1,919	-	1,919
Interest expense	(131,276)	(7,822)	(139,098)
Total nonoperating revenues and (expenses)	<u>(129,357)</u>	<u>(7,822)</u>	<u>(137,179)</u>
Income (loss) before contribution revenue and transfers	<u>1,102,688</u>	<u>(118,634)</u>	<u>984,054</u>
Contribution revenue	-	299,655	299,655
Transfers in	685,441	-	685,441
Transfers out	(800,000)	(100,000)	(900,000)
Change in net assets	<u>988,129</u>	<u>81,021</u>	<u>1,069,150</u>
Net assets at beginning of year	<u>3,748,138</u>	<u>4,477,087</u>	<u>8,225,225</u>
Net assets at end of year	<u>\$ 4,736,267</u>	<u>\$ 4,558,108</u>	<u>\$ 9,294,375</u>

VILLAGE OF FOREST PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED APRIL 30, 2011

	Major Funds		Total Proprietary Funds
	Water Fund	Vehicle Parking Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 4,225,699	\$ 513,670	\$ 4,739,369
Cash payments for goods and services	(2,583,043)	(99,015)	(2,682,058)
Cash payments to employees for services	(252,896)	(471,988)	(724,884)
Net cash provided by (used for) operating activities:	<u>1,389,760</u>	<u>(57,333)</u>	<u>1,332,427</u>
Cash flows from noncapital financing activities:			
Transfers out	(800,000)	(100,000)	(900,000)
Transfers in	685,441	-	685,441
Interfund lending	(685,441)	(177,476)	(862,917)
Net cash used for noncapital financing activities:	<u>(800,000)</u>	<u>(277,476)</u>	<u>(1,077,476)</u>
Cash flows from capital and related financing activities:			
Principal paid on debt	(305,405)	(10,632)	(316,037)
Interest paid on debt	(134,793)	(7,822)	(142,615)
Net cash used for capital and related financing activities:	<u>(440,198)</u>	<u>(18,454)</u>	<u>(458,652)</u>
Cash flows from investing activities:			
Interest received	1,919	-	1,919
Net cash provided by investing activities:	<u>1,919</u>	<u>-</u>	<u>1,919</u>
Net increase (decrease) in cash and cash equivalents	151,481	(353,263)	(201,782)
Cash and cash equivalents, beginning of year	585,880	3,049,074	3,634,954
Cash and cash equivalents, end of year	<u>\$ 737,361</u>	<u>\$ 2,695,811</u>	<u>\$ 3,433,172</u>
Reconciliation of operating income to			
Net cash provided by operating activities:			
Operating income (loss)	\$ 1,232,045	\$ (110,812)	\$ 1,121,233
Adjustments to reconcile operating income			
to net cash provided by (used for) operating activities:			
Depreciation	165,954	57,364	223,318
Decrease (increase) in accounts receivable	(17,696)	-	(17,696)
Decrease (increase) in prepaids	12,882	(1,471)	11,411
Increase (decrease) in accounts payable	(6,913)	(7,381)	(14,294)
Increase (decrease) in other liabilities	(5,932)	-	(5,932)
Increase (decrease) in compensated absences	9,420	4,967	14,387
Total adjustments	<u>157,715</u>	<u>53,479</u>	<u>211,194</u>
Net cash provided by (used for) operating activities:	<u>\$ 1,389,760</u>	<u>\$ (57,333)</u>	<u>\$ 1,332,427</u>

STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 April 30, 2011

ASSETS	
Cash and cash equivalents	\$ 1,765,987
Investments	
Certificates of deposits	4,128,891
Government securities	12,671,904
Mutual funds	5,759,606
Insurance contracts	<u>9,540,167</u>
Total investments	32,100,568
Interest receivable	40,215
Prepaid items	<u>7,550</u>
Total assets	<u>33,914,320</u>
 LIABILITIES	
Accounts payable	<u>3,241</u>
Total liabilities	<u>3,241</u>
 NET ASSETS	
Plan net assets held in trust for employees' pension benefits	<u>\$ 33,911,079</u>

See accompanying notes the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
 STATEMENT OF CHANGES IN FIDUCIARY
 NET ASSETS
 PENSION TRUST FUNDS
 Year ended April 30, 2011

ADDITIONS	
Contributions	
Employer	\$ 1,277,364
Plan members	452,344
Total contributions	<u>1,729,708</u>
Net investment income	<u>2,475,644</u>
Miscellaneous revenue	<u>203</u>
 Total additions	 <u>4,205,555</u>
DEDUCTIONS	
Benefits and refunds	2,812,284
Administrative expenses	<u>57,313</u>
 Total deductions	 <u>2,869,597</u>
 Increase in plan net assets	 1,335,958
 Plan net assets at beginning of year	 <u>32,575,121</u>
 Plan net assets at end of year	 <u>\$ 33,911,079</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

The Forest Park Public Library is included in the reporting entity because of its operational and financial relationship with the Village of Forest Park. The Forest Park Public Library meets the criteria for discrete presentation and is shown in the component unit column in the Village-wide financial statements. The Forest Park Public Library is reported in a separate column to emphasize that it is legally separate from the Village of Forest Park. The Forest Park Public Library has issued separate financial statements for the year ended April 30, 2011. Separate financial statements can be obtained by contacting its office at 7555 Jackson Boulevard, Forest Park, Illinois 60130.

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting:

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

In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the Village and its component units apply all GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989, unless they conflict with GASB pronouncements. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Village has elected not to follow subsequent private-sector guidance.

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

For the year ended April 30, 2011, a portion of the Village's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, or \$459,709, in order to properly present 12 months of revenue on the financial statements.

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

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

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

The Village reports the following major governmental funds:

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

The Village reports the following major proprietary funds:

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

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

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

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments

Description of Village Policy

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

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

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

The value of the Illinois Funds Money Market Fund and Illinois Metropolitan Investment Fund equates to the number of shares owned as of April 30, 2011. These deposits are regulated by the Comptroller of the State of Illinois.

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

Capital Assets: Capital assets, which include property, plant equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the applicable governmental or business-type activities columns in the Village-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$10,000 and a useful life of more than one year. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Vacation time must be taken within one year in which the time is earned.

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

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

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

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

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as debt service expenditures.

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

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Village

At year end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were \$13,127,398. In addition, the Village maintained two petty cash accounts with a carrying value of \$3,143. The balances in the bank were \$13,486,609.

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

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2011

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

The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. As of April 30, 2011 the Village bank balances were fully collateralized.

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

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

<u>Note 2</u>		<u>Financial Statements</u>	
Carrying value of cash and cash equivalents	\$ 13,127,398	Statement 1 (Primary Government)	
Petty cash	3,143	Cash and cash equivalents	<u>\$ 13,130,541</u>
Total note 2	<u>\$ 13,130,541</u>	Total financial statements	<u>\$ 13,130,541</u>

Police Pension Fund

At year end, the Police Pension Fund's carrying amount of cash was \$343,808 while the bank balances were \$344,141. As of April 30, 2011, \$344,141 of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund's name by a financial institution acting as the fund's agent.

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2011:

	<u>Investment Maturities</u>				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
U.S. Treasury securities	\$ 599,982	\$ 599,982	\$ -	\$ -	\$ -
GNMA	8,011,530	-	-	4,502	8,007,028
FHLMC	2,469,023	-	-	-	2,469,023
FNMA	1,591,369	-	-	-	1,591,369
Mutual funds	1,617,621	1,617,621	-	-	-
Insurance contracts	5,079,179	5,079,179	-	-	-
Total investments	<u>\$ 19,368,704</u>	<u>\$ 7,296,782</u>	<u>\$ -</u>	<u>\$ 4,502</u>	<u>\$ 12,067,420</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

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

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

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

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2011 (excluding investments in U.S. Treasuries, which are not considered to have credit risk) were as follows:

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

<u>Investment Type</u>	<u>AAA/Aaa</u>
Government National Mortgage Association	100%
Federal Home Loan Mortgage Corporation	100%
Federal National Mortgage Association	100%
Mutual Funds	100%
Insurance Contract	n/a

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Pension Fund's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund was fully collateralized as of April 30, 2011.

Concentration of Credit Risk – The Village places no limit on the amount the Police Pension Fund may invest in any one issuer. More than 5% of the Police Pension Fund's investments are invested in FHLMCs, FNMA's, Jackson National Life Insurance Contract, Lincoln Benefit life Insurance Contract, AIG Insurance Co. Insurance Contract, and the Hartford Insurance Contract. These investments are 12.7%, 8.2%, 5.81%, 5.62%, 5.68%, and 7.73%, respectively, of the Village's total Police Pension Fund investments.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

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

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits and certificates of deposit was \$1,422,179 and \$4,128,891, respectively, while the bank balances were \$1,427,607 and \$4,128,891, respectively. As of April 30, 2011, \$1,427,607 and \$4,128,891 of the bank balances were collateralized, although the Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments at April 30, 2011.

	Investment Maturities		
	Fair Value	Less than One Year	One to Five Years
Certificates of deposit	\$ 4,128,891	\$ 1,858,507	\$ 2,270,384
Insurance Contracts	4,460,988	4,460,988	-
Equity Mutual Funds	4,141,985	4,141,985	-
Total investments	\$ 12,731,864	\$ 10,461,480	\$ 2,270,384

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

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters' Pension Fund's investment policy establishes criteria for allowable investments; those criteria follow the requirements the Illinois Pension Code. The Firefighters' Pension Fund's investment policy also prescribes "that investments be made in a prudent manner. That is, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would use considering the primary objective of preserving one's capital."

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2011

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

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Firefighters’ Pension Fund’s investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. At April 30, 2011, the Firefighters’ Fund has over 5% of plan net assets invested in ING Smart Design Insurance Contract, \$1,831,656, two Sun Life Insurance Contracts, \$957,650 each, and Alliance Ovation Insurance Contract, \$741,032.

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

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

<u>Note 2</u>		<u>Financial Statements</u>	
Carrying value of cash and cash equivalents (police \$343,808 fire \$1,422,179)	\$ 1,765,987	Statement 10 Cash and cash equivalents	\$ 1,765,987
Carrying value of investments (police \$19,368,704, fire \$12,731,864)	<u>32,100,568</u>	Investments	<u>32,100,568</u>
Total note 2	<u>\$ 33,866,555</u>	Total financial statements	<u>\$ 33,866,555</u>

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2010 are attached as an enforceable lien on January 1, 2010 on property values assessed as of the same date. Taxes are levied by December of the subsequent year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments on or about March 1 and September 1. The County collects such taxes and remits them to the Village periodically. The Village receives the majority of its real estate taxes in March and October. The property tax revenue in the financial statements represents approximately one-half of the 2009 and one-half of the 2010 property tax levies.

Property taxes for the current 2010 tax levy are received in two installments in March 2011 and October 2011.

Property taxes receivable, constituting primarily the second installment due in October 2011, is recorded as deferred revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2012.

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period from May 1, 2010 through April 30, 2011 follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 4,581,150	\$ 86,000	\$ -	\$ 4,667,150
Capital assets being depreciated:				
Infrastructure	36,153,104	2,215,893	554,688	37,814,309
Building and improvements	2,807,121	-	-	2,807,121
Fixtures and equipment	4,317,488	138,214	41,453	4,414,249
Subtotal	<u>43,277,713</u>	<u>2,354,107</u>	<u>596,141</u>	<u>45,035,679</u>
Accumulated depreciation				
Infrastructure	(18,216,112)	(1,011,573)	(367,308)	(18,860,377)
Building and improvements	(610,429)	(25,505)	-	(635,934)
Fixtures and equipment	(2,464,980)	(349,022)	(34,837)	(2,779,165)
Total accumulated depreciation	<u>(21,291,521)</u>	<u>(1,386,100)</u>	<u>(402,145)</u>	<u>(22,275,476)</u>
Total capital assets being depreciated, net	<u>21,986,192</u>	<u>968,007</u>	<u>193,996</u>	<u>22,760,203</u>
Governmental activities, net	<u>\$ 26,567,342</u>	<u>\$ 1,054,007</u>	<u>\$ 193,996</u>	<u>\$ 27,427,353</u>
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ 698,257	\$ -	\$ -	\$ 698,257
Capital assets being depreciated:				
Infrastructure	9,445,715	-	-	9,445,715
Building and improvements	2,034,854	286,335	-	2,321,189
Fixtures and equipment	314,821	13,320	-	328,141
Subtotal	<u>11,795,390</u>	<u>299,655</u>	<u>-</u>	<u>12,095,045</u>
Accumulated depreciation				
Infrastructure	(1,764,806)	(131,037)	-	(1,895,843)
Building and improvements	(1,455,081)	(48,206)	-	(1,503,287)
Fixtures and equipment	(153,308)	(44,075)	-	(197,383)
Total accumulated depreciation	<u>(3,373,195)</u>	<u>(223,318)</u>	<u>-</u>	<u>(3,596,513)</u>
Total capital assets being depreciated, net	<u>8,422,195</u>	<u>76,337</u>	<u>-</u>	<u>8,498,532</u>
Business-type activities, net	<u>\$ 9,120,452</u>	<u>\$ 76,337</u>	<u>\$ -</u>	<u>\$ 9,196,789</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 - CAPITAL ASSETS (Continued)

Depreciation expense of \$1,386,100 and \$223,318 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

<u>Governmental Activities</u>	<u>Amount</u>	<u>Business-type Activities</u>	<u>Amount</u>
General government	\$ 124,864	Water	\$ 165,954
Health and public safety	7,488	Parking lots	<u>57,364</u>
Public works	1,078,949	Total depreciation expense	<u>\$ 223,318</u>
Police protection	<u>174,799</u>		
Total depreciation expense	<u>\$ 1,386,100</u>		

NOTE 5 - LONG-TERM DEBT

General Long-Term Debt

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

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Principal Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds:					
G.O. TIF Refunding Bonds, 2002	\$ 3,105,000	\$ -	\$ 385,000	\$ 2,720,000	\$ 405,000
G.O. TIF Alternative Revenue, 2003A	510,000	-	165,000	345,000	170,000
G.O. Alternative Revenue Series 2005	8,240,000	-	375,000	7,865,000	390,000
Premium on Bonds	115,338	-	5,097	110,241	-
Total Bonds	<u>11,970,338</u>	<u>-</u>	<u>930,097</u>	<u>11,040,241</u>	<u>965,000</u>
G.O. Debt Certificates	2,704,291	-	174,349	2,529,942	182,600
IDOT Loan Payable	1,018,661	-	864,615	154,046	154,046
Loans Payable	511,996	-	331,872	180,124	68,685
Net Pension Obligation - Police Pension	105,626	91,506	-	197,132	-
Net Pension Obligation - Fire Pension	(59,778)	216,344	-	156,566	-
Net Pension Obligation - IMRF	12,444	29,586	-	42,030	-
Other Post Employment Benefits	75,770	72,061	-	147,831	-
Compensated absences	-	487,013	-	487,013	419,916
Total Governmental Long-Term Debt	<u>\$ 16,339,348</u>	<u>\$ 896,510</u>	<u>\$ 2,300,933</u>	<u>\$ 14,934,925</u>	<u>\$ 1,790,247</u>
BUSINESS-TYPE ACTIVITIES					
G.O. Debt Certificates	\$ 705,214	\$ -	\$ 45,651	\$ 659,563	\$ 47,400
Loan Payable	4,133,538	-	270,386	3,863,152	277,667
Compensated absences	-	14,387	-	14,387	11,652
Total Business-type Long-Term Debt	<u>\$ 4,838,752</u>	<u>\$ 14,387</u>	<u>\$ 316,037</u>	<u>\$ 4,537,102</u>	<u>\$ 336,719</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 5 - LONG-TERM DEBT (Continued)

Components of Long-Term Obligations: Long-term obligations of the governmental long-term debt at April 30, 2011 consist of the following individual issues:

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

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

The Village has pledged a portion of future sales tax revenues to repay these bonds issued in October 2003 to finance certain eligible costs within the Roosevelt/Hannah Tax Increment Financing (TIF) District. The bonds are payable solely from the incremental property taxes generated by the refurbished district. Total principal and interest remaining on the 2003A bonds is \$363,809, payable through 2013. For the current year, principal and interest paid and total incremental property tax revenues were \$183,033 and \$624,563, respectively.

General Obligation Alternative Revenue Bonds \$9,600,000 Series 2005 issue dated June 14, 2005, interest payable each June 1 and December 1, matures serially starting December 1, 2005 through December 1, 2025, with interest ranging from 4.25% to 4.35%. The principal and interest are payable from the VIP Program Fund. The Village has pledged future VIP Program revenues, net of specified operating expenses, to repay these bonds issued in June 2005. The bonds are payable solely from VIP Program net revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 75 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$10,726,648. Principal and interest paid for the current year and total VIP Program net revenues were \$715,925 and \$967,315, respectively.

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

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

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

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

Loan payable of \$1,080,480 principal is for the reimbursement of infrastructure projects performed by Illinois Department of Transportation, due in installments of \$34,601 monthly, with no interest, with final maturity in September 2011. The payment is payable from the VIP Fund.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 5 - LONG-TERM DEBT (Continued)

Debt Service Requirements to Maturity

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

Year Ending	GO TIF Refunding Bonds 2002		GO TIF Alt Rev 2003A		GO Alt Rev 2005	
	<u>April 30,</u> Principal	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 405,000	\$ 128,346	\$ 170,000	\$ 12,422	\$ 390,000	\$ 324,988
2013	425,000	109,108	175,000	6,387	405,000	308,412
2014	445,000	88,920	-	-	425,000	291,200
2015	465,000	68,672	-	-	440,000	273,138
2016	480,000	47,050	-	-	460,000	254,438
2017-2021	500,000	24,250	-	-	2,585,000	991,750
2022-2026	-	-	-	-	3,160,000	417,722
Totals	<u>\$ 2,720,000</u>	<u>\$ 466,346</u>	<u>\$ 345,000</u>	<u>\$ 18,809</u>	<u>\$ 7,865,000</u>	<u>\$ 2,861,648</u>

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

Year Ending	Debt Certificates		IDOT Loan	
	<u>April 30,</u> Principal	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 230,000	\$ 149,977	\$ 154,046	\$ -
2013	240,000	137,558	-	-
2014	250,000	127,598	-	-
2015	260,000	116,848	-	-
2016	275,000	105,408	-	-
2017-2021	1,575,000	323,660	-	-
2022-2026	359,505	17,821	-	-
Totals	<u>\$ 3,189,505</u>	<u>\$ 978,870</u>	<u>\$ 154,046</u>	<u>\$ -</u>

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

Year Ending	2009 Fire Truck Loans Payable		2010 Street Sweeper Loans Payable	
	<u>April 30,</u> Principal	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 40,640	\$ 3,057	\$ 28,045	\$ 3,656
2013	42,508	1,190	29,342	2,358
2014	3,254	12	30,690	1,011
2015	-	-	5,645	22
Totals	<u>\$ 86,402</u>	<u>\$ 4,259</u>	<u>\$ 93,722</u>	<u>\$ 7,047</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 5 - LONG-TERM DEBT (Continued)

Legal Debt Margin: Villages under Illinois law are subject to a debt limit since they are not home-rule units. Currently, the total outstanding debt of non-referendum bonding of Illinois villages is 8.625% of their assessed valuations. The Village at April 30, 2011 satisfies this requirement as follows:

Assessed valuation for 2010		\$	426,046,739
At maximum outstanding debt rate			<u>8.625%</u>
Maximum debt			36,746,531
Legal debt outstanding at April 30, 2011			
Series 2002	\$		2,720,000
Series 2003A			345,000
Series 2005			<u>7,865,000</u>
Legal debt outstanding at April 30, 2011			<u>10,930,000</u>
Remaining Legal Debt Margin		\$	<u><u>25,816,531</u></u>

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

EPA Loan schedule		
Year Ending		
<u>April 30,</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 277,667	\$ 101,748
2013	285,144	94,270
2014	292,823	86,592
2015	300,708	78,706
2016	308,806	70,609
2017-2021	1,663,238	233,836
2022-2023	<u>734,766</u>	<u>24,710</u>
Totals	<u><u>\$ 3,863,152</u></u>	<u><u>\$ 690,471</u></u>

Defeasance of Debt: In May of 2002, the Village issued \$5,765,000 of General Obligation Tax Increment Financing Refunding Bonds Series 2002 payable in installments as described above. The bonds were issued to advance refund \$5,545,000 of 1994 G.O. TIF Bonds. The proceeds from the 2002 Bonds have been placed in an irrevocable trust with an escrow agent who purchased U.S. government securities to provide for all future debt service payments due in the years 2003-2014 on the 1994 G.O. Bonds. As of April 30, 2011, \$2,000,000 of the bonds remains outstanding; however, these bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 6 - INTERFUND ACTIVITY

The following interfund balances existed as of April 30, 2011:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Fund - General Fund	\$ 716,190	\$ 1,066,064
Major Governmental Fund - Brown Street Station TIF Fund	45,741	-
Major Governmental Fund - Harlem / Harrison TIF Fund	-	51,828
Major Governmental Fund - Roosevelt / Hannah TIF Fund	804	-
Major Governmental Fund - 2002 Bond Fund	44,517	804
Major Governmental Fund - Special Tax Allocation TIF Fund	-	35,890
Major Governmental Fund - Incremental Sales TIF Fund	89,106	-
Major Enterprise Fund - Vehicle Parking Fund	828,940	-
Nonmajor Governmental Funds	<u>93,650</u>	<u>664,362</u>
Total Interfunds	<u>\$ 1,818,948</u>	<u>\$ 1,818,948</u>

All interfund balances are temporary balances resulting mainly from funds being loaned by the General Fund for expenditures. The General fund owed \$828,940 to the Vehicle Parking fund for negative cash balances as of April 30, 2011.

The following transfers occurred during fiscal year 2011:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Fund - General Fund	\$ 1,778,518	\$ -
Major Governmental Fund - 2002 Bond Fund	554,911	-
Major Governmental Fund - Special Tax Allocation TIF Fund	-	554,911
Major Governmental Fund - Incremental Sales TIF Fund	-	339,307
Nonmajor Governmental Funds	-	1,224,652
Major Proprietary Funds - Water Fund	685,441	800,000
Major Proprietary Funds - Vehicle Parking Fund	-	<u>100,000</u>
Total Interfunds	<u>\$ 3,018,870</u>	<u>\$ 3,018,870</u>

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS

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

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

Funding Policy: As set by statute, The Village's Regular plan members are required to contribute 4.50% (7.50% for SLEP) of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village contribution rates for calendar years 2010 and 2011 were 9.41% (12.56% for SLEP) and 10.31% of annual covered payroll, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For the fiscal year April 30, 2011, the Village's actual contributions to the Regular plan were \$29,856 less than the annual pension cost of \$303,029.

Trend Information for the Plans

IMRF Regular:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
4/30/11	\$ 303,029	91%	\$ 42,030
4/30/10	108,427	89%	12,444
12/31/09	277,756	100%	0

For the fiscal year April 30, 2011, the Village's annual pension cost of \$15,953 for the SLEP plan was equal to the employer's required and actual contributions.

SLEP:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/10	\$ 15,953	100%	\$ 0
12/31/09	13,852	100%	0
12/31/08	13,466	100%	0

The required contribution was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.0% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The actuarial value of your employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village Regular plan's unfunded (overfunded for SLEP) actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2008, was 30 years.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 85.70% (114.05% for SLEP) funded. The actuarial accrued liability for benefits was \$10,031,601 (\$181,366 for SLEP) and the actuarial value of assets was \$8,596,861 (\$206,844 for SLEP), resulting in an underfunded (overfunded for SLEP) actuarial accrued liability (UAAL) of \$1,434,740 (\$25,478 for SLEP).

The covered payroll (annual payroll of active employees covered by the plan) was \$3,634,262 (\$127,016 for SLEP) and the ratio of the UAAL to the covered payroll was 39% (no ratio for SLEP since the plan is overfunded).

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

Due to the results of the 2008 actuarial valuation and estimated investment losses, the IMRF Board adopted a phase-in plan for employer contribution rates. Employers may contribute the full actuarial required contribution (ARC) rate, the phase-in rate, or some rate between the two. The ARC rates for the calendar year 2010 and 2011 for the Village are 10.63% and 10.68%, respectively. The Village elected to use the phase-in rates of 9.41% and 10.31%. As a result, the Village updated the APC and employer contributions made between January and April to be updated through April 30. The application of the phase-in rate resulted in the recognition of a net pension obligation for the year end April 30, 2011 of \$42,030 for the Regular plan.

Annual Required Contribution	\$ 332,349
Interest on NPO	933
Adjustment to annual required contribution	<u>(667)</u>
Annual Pension Cost	332,615
Actual Contribution	<u>303,029</u>
Increase in net pension obligation	29,856
Net pension obligation at May 1, 2010	<u>12,444</u>
 Net pension obligation at April 30, 2011	 <u>\$ 42,030</u>

POLICE PENSION

Plan Description: Police sworn personnel are covered by the Police Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate, audited GAAP-basis Police Pension Plan report available.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE FINANCIAL STATEMENTS
 April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

At April 30, 2010 (the most recent actuarial valuation date), the Police Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	34
Current employees	
Vested	24
Nonvested	<u>13</u>
Total	<u><u>71</u></u>

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

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

The monthly pension of a police officer who retires with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

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

Method Used to Value Investments

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee-contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for fiscal year 2011 were \$730,836. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

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

	April 30, <u>2011</u>	April 30, <u>2010</u>	April 30, <u>2009</u>
Annual required contribution	\$ 810,717	\$ 651,656	\$ 561,697
Interest on net pension obligation	8,638	7,922	2,997
Adjustment to annual required contribution	<u>(6,561)</u>	<u>(5,828)</u>	<u>(2,140)</u>
Annual pension cost (APC)	812,794	663,753	562,554
Contributions made	<u>730,836</u>	<u>654,205</u>	<u>496,890</u>
Increase (decrease) in net pension obligation	81,958	9,548	65,664
Net pension obligation (asset) beg of year	<u>115,174</u>	<u>105,626</u>	<u>39,962</u>
Net pension obligation (asset) end of year	<u>\$ 197,132</u>	<u>\$ 115,174</u>	<u>\$ 105,626</u>
Percentage of APC Contributed	89.9%	98.6%	88.3%

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

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

Jackson National Life	\$ 1,125,592
Lincoln Benefit Life	1,088,903
AIG Insurance Co.	1,099,503
The Hartford	1,496,618
FHLMC	2,469,023
FNMA	1,591,369

Funded Status and Funding Progress:

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2010	\$ 19,010,870	\$ 28,564,354	66.55%	\$ 9,553,484	\$ 2,698,737	354.0%

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

The April 30, 2010 actuarial assumptions for the Police Pension Fund are as follows:

Actuarial valuation date	April 30, 2010
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	30 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

Police pension financial statements for the fiscal year ended April 30, 2011 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	\$ 343,808
Investments	
Government securities	12,671,904
Mutual funds	1,617,621
Insurance contracts	5,079,179
Total Investments	19,368,704
Interest receivable	19,385
Prepaid items	2,212
Total assets	19,734,109
LIABILITIES	
Accounts payable	1,021
Total liabilities	1,021
NET ASSETS	
Plan net assets held in trust for	
employees' pension benefits	\$ 19,733,088

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	\$ 723,946
Plan members	277,740
Total contributions	1,001,686
Net investment income	1,190,001
Miscellaneous income	203
Total additions	2,191,890
DEDUCTIONS	
Benefits and refunds	1,437,507
Administrative expenses	32,165
Total deductions	1,469,672
Increase (decrease) in net assets	722,218
Plan net assets at beginning of year	19,010,870
Plan net assets at end of year	\$ 19,733,088

FIRE PENSION

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate, audited GAAP-basis Firefighters' Pension Plan report available. At April 30, 2010 (the most recent actuarial valuation date), the Firefighters' Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	33
Current employees	
Vested	8
Nonvested	14
Total	55

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

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

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

Summary of Significant Accounting Policies and Plan Asset Matters

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

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

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2011 were \$554,789. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

	April 30, <u>2011</u>	April 30, <u>2010</u>	April 30, <u>2009</u>
Annual required contribution	\$ 744,133	\$ 517,235	\$ 455,200
Interest on net pension obligation	(2,415)	(4,483)	1,115
Adjustment to annual required contribution	<u>1,834</u>	<u>3,299</u>	<u>(796)</u>
Annual pension cost (APC)	743,552	516,051	455,519
Contributions made	<u>554,789</u>	<u>488,470</u>	<u>530,165</u>
Increase (decrease) in net pension obligation	188,763	27,581	(74,646)
Net pension obligation (asset) beg of year	<u>(32,197)</u>	<u>(59,778)</u>	<u>14,868</u>
Net pension obligation (asset) end of year	<u>\$ 156,566</u>	<u>\$ (32,197)</u>	<u>\$ (59,778)</u>
Percentage of APC Contributed	74.6%	94.7%	116.4%

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

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

SunLife Insurance Contract	\$ 957,650
SunLife Insurance Contract	957,650
ING SmartDesign Insurance Contract	1,831,656
Allianz Small Cap Value Mutual Fund	714,032

Funded Status and Funding Progress:

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2010	\$ 13,564,251	\$ 21,672,072	62.59%	\$ 8,107,821	\$ 1,745,299	464.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

The April 30, 2010 actuarial assumptions for the Firefighters' Pension Fund are as follows:

Actuarial valuation date	April 30, 2010
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	30 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

Firefighters' pension financial statements for the fiscal year ended April 30, 2011 are as follows:

Statement of Net Assets	
ASSETS	
Cash and cash equivalents	\$ 1,422,179
Investments	
Certificates of deposits	4,128,891
Mutual funds	4,141,985
Insurance contracts	4,460,988
Total Investments	12,731,864
Interest receivable	20,830
Prepaid items	5,338
Total assets	14,180,211
LIABILITIES	
Accounts payable	2,220
Total liabilities	2,220
NET ASSETS	
Plan net assets held in trust for	
employees' pension benefits	\$ 14,177,991

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Statement of Changes in Plan Net Assets	
ADDITIONS	
Contributions	
Employer	\$ 553,418
Plan members	174,604
Total contributions	728,022
Net investment income	1,285,643
Miscellaneous income	-
Total additions	2,013,665
DEDUCTIONS	
Benefits and refunds	1,374,777
Administrative expenses	25,148
Total deductions	1,399,925
Increase (decrease) in net assets	613,740
Plan net assets at beginning of year	13,564,251
Plan net assets at end of year	\$ 14,177,991

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

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

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

Funding Policy. Funding is provided by the Village on a pay-as-you-go basis. Retirees and their dependants may continue coverage under The Village of Forest Park's group health program by contributing a monthly premium. They may participate in any of the plans available to active employees. The Village pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost. The Village's contribution on behalf of the employees to the insurance provider was \$55,099 for 2011.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for fiscal year 2011, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2011
Annual required contribution	\$ 125,897
Interest on net OPEB obligation	3,789
Adjustment to annual required contribution	(2,526)
Annual OPEB cost	127,160
Contributions made	55,099
Increase (decrease) in net OPEB obligation	72,061
Net OPEB obligation beginning of year	75,770
Net OPEB obligation end of year	\$ 147,831

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 was as follows:

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2009	\$ 68,195	61.4%	\$ 49,018
4/30/2010	68,634	61.0%	75,770
4/30/2011	127,160	43.3%	147,831

Funded Status and Funding Progress. As of April 30, 2010 (the most recent actuarial valuation date), the plan was unfunded. The actuarial accrued liability for benefits was approximately \$2 million.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2010	\$ -	\$ 2,035,510	\$ 2,035,510	0.00%	\$ 8,046,576	25.30%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

In accordance with GASB Statement No. 45, the Village will have an actuarial valuation done once every two years; above is the information from the most recent valuation as of April 30, 2010. The Net OPEB obligation has been updated through April 30, 2011.

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. Medical and liability risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

NOTE 10 - FUND BALANCES

Reserved for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of five separate tax levies. The Village considers these five tax levies as departments of the General Fund since none of these "funds" are self-sufficient. The changes in the fund balances of these tax levies for the fiscal year ended April 30, 2011 are as follows:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 10 - FUND BALANCES (Continued)

	Reserved	Revenue			Reserved
	Fund				Fund
	Balance	Specified	Subsidized	Expenditures	Balance
	4/30/10				4/30/11
Fire Protection	\$ -	\$ 607,700	\$ 2,030,249	\$ 2,637,949	\$ -
Trees and Forestry	-	109,913	51,733	161,646	-
Insurance	-	263,801	678,410	942,211	-
Playground/Recreation	805,706	-	-	41,285	764,421
Police Protection	-	607,700	3,393,397	4,001,097	-
Totals	\$ 805,706	\$ 1,589,114	\$ 6,153,789	\$ 7,784,188	\$ 764,421

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

Deficit Fund Equity: The following funds had deficit fund balances/net assets as of April 30, 2011. These balances are expected to be reduced through future revenues or transfers:

Harlem/Harris TIF Fund	\$ 46,167
Police Vehicle Fund	20,828
Social Security Fund	169,138

NOTE 11 - FRANCHISE FEES

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

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

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

NOTE 12 - TAX INCREMENT FINANCING

Forest Park Mall TIF

The Village issued \$6,200,000 of General Obligation Tax Increment Bonds Series 1994 to fund certain eligible costs within its Forest Park Mall Tax Increment Financing (TIF) District. The original Series 1994 was refunded in fiscal year 2003 with General Obligation Refunding Tax Increment Bonds Series 2002. The principal economic activity stimulated was the construction and subsequent opening of a Wal-Mart Store.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 12 - TAX INCREMENT FINANCING (Continued)

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

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

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

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

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

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 12 - TAX INCREMENT FINANCING (Continued)

Roosevelt-Hannah TIF

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

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

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

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

Brown Street Station TIF

In 2000, the Village formed the Brown Street Station TIF for the far northeast area of town to Harlem Avenue and south along Harlem to Dixon. No developer has come forward with plans for the area. Property tax increment has been accumulating and at the beginning of fiscal year 2011 totaled \$3.5 million.

During FY11, Franklin Street in the TIF area was resurfaced and enhanced at a cost of \$1.5 million. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT

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

After completion of twelve years, as of April 30, 2011, the Village made payments totaling \$141,458 to Famous Liquors.

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT (Continued)

As of April 30, 2011, the Village made payments totaling \$51,262 to Molly Malone's.

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

As of April 30, 2011, the Village paid \$173,082 to Bed Bath and Beyond of Forest Park, LLC.

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

As of April 30, 2011, the Village paid \$65,041 to Currie Motors Chevrolet.

NOTE 14 - FOREST PARK PUBLIC LIBRARY

Cash and Investments

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

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

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

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

Deposits – At year end, the carrying amount of the Library's deposits totaled \$25,004 and the bank balances totaled \$24,803. Additionally, at year end the Library has \$1,879,257 invested in the Illinois Funds.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy states that investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. The policy further states that the fund should maintain sufficient liquidity to meet current obligations and those reasonably to be anticipated.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Specifically, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs. The Library's investment in the Illinois Funds has a maturity of less than one year.

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

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

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

Property Taxes

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

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Capital Assets

	Balance at May 1, 2010	Additions	Deletions	Balance at April 30, 2011
Capital assets not being depreciated:				
Land	\$ 134	\$ -	\$ -	\$ 134
Capital assets being depreciated:				
Buildings	1,188,553	73,231	-	1,261,784
Furniture and equipment	116,885	68,438	-	185,323
Computer equipment	154,338	-	-	154,338
Collections	802,933	221,087	100,296	923,724
Subtotal	<u>2,262,709</u>	<u>362,756</u>	<u>100,296</u>	<u>2,525,169</u>
Accumulated depreciation				
Buildings	(558,520)	(45,429)	-	(603,949)
Furniture and equipment	(100,481)	(15,638)	-	(116,119)
Computer equipment	(134,980)	(5,531)	-	(140,511)
Collections	(334,772)	(172,665)	(100,296)	(407,141)
Subtotal	<u>(1,128,753)</u>	<u>(239,263)</u>	<u>(100,296)</u>	<u>(1,267,720)</u>
Total capital assets being depreciated, net	1,133,956	123,493	-	1,257,449
Capital assets, net	<u>\$ 1,134,090</u>	<u>\$ 123,493</u>	<u>\$ -</u>	<u>\$ 1,257,583</u>

Operating Lease

The Library rents telecommunication and copier equipment under an operating lease. Lease expense under these leases for the year was \$10,840. Future minimum lease payments are as follows:

Year Ended	Amount
April 30	
2012	\$ 10,868
2013	10,974
2014	2,550
2015	2,550
2016	1,912
	<u>\$ 28,854</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Net Asset Restrictions

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

	Beginning Balances	Increases	Decreases	Ending Balances
General Fund				
Unemployment Insurance	\$ 2,675	\$ 931	\$ 436	\$ 3,170
Workers Compensation	38,651	2,312	2,338	38,625
Special Revenue Funds				
Audit	3,671	7,037	6,900	3,808
Insurance	58,330	567	9,694	49,203
Social Security	48,929	108,399	103,361	53,967
Total	\$ 152,256	\$ 119,246	\$ 122,729	\$ 148,773

Risk Management

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

Employee Retirement System – Defined Benefit Pension Plan

Illinois Municipal Retirement System

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for 2,640 local governments and school districts in Illinois. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

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

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2010 was 8.48 percent.

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

The Library remits amounts withheld from employees for IMRF as well as the employer's share of IMRF to the Village of Forest Park. For the year ending April 30, 2011, the employer's share of IMRF amounts to \$54,818.

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS

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. This statement is effective for the Village's financial periods beginning after June 15, 2010.

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

In June 2010 the 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 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 31, 2011.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. This Statement is effective for fiscal years beginning after June 15, 2012, with earlier application encouraged.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for fiscal years beginning after December 15, 2011 with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- Collectibility of swap payments is considered to be probable;
- Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS
NOTES TO THE FINANCIAL STATEMENTS
April 30, 2011

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for periods beginning after June 15, 2011, with earlier application encouraged.

Management of the Village has not determined what impact, if any, these GASB statements may have on its financial statements.

NOTE 16 – SUBSEQUENT EVENT

On October 11, 2011, the Village Board of Commissioners approved an issuance of general obligation refunding debt certificates, in an amount not to exceed \$3,200,000.

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 APRIL 30, 2011

Regular

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 8,596,861	\$ 10,031,601	\$ 1,434,740	85.70%	\$ 3,634,262	39.48%
12/31/09	8,499,789	9,589,783	1,089,994	88.63%	3,602,540	30.26%
12/31/08	8,403,299	9,450,384	1,047,085	88.92%	3,638,369	28.78%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$9,214,134. On a market basis, the funded ratio would be 91.85%

SLEP

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/10	\$ 206,844	\$ 181,366	\$ (25,478)	114.05%	\$ 127,016	0.00%
12/31/09	175,306	142,106	(33,200)	123.36%	124,346	0.00%
12/31/08	149,863	106,482	(43,381)	140.74%	120,884	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2010 was \$215,378. On a market basis, the funded ratio would be 118.75%

VILLAGE OF FOREST PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS
APRIL 30, 2011

<u>POLICE PENSION FUND</u>						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/10	\$ 19,010,870	\$ 28,564,354	66.55%	\$ 9,553,484	\$ 2,698,737	354.0%
4/30/09	18,137,483	27,071,653	67.00%	8,934,170	2,687,010	332.5%
4/30/08	18,080,808	25,539,296	70.80%	7,458,488	2,342,675	318.4%
4/30/07	17,914,643	23,472,490	76.32%	5,557,847	2,385,947	232.9%
4/30/06	16,984,836	21,352,857	79.54%	4,368,021	2,191,554	199.3%
4/30/05	16,832,594	20,620,264	81.63%	3,787,670	2,150,281	176.1%

<u>FIREFIIGHTERS' PENSION FUND</u>						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/10	\$ 13,564,251	\$ 21,672,072	62.59%	\$ 8,107,821	\$ 1,745,299	464.6%
4/30/09	12,299,585	20,441,328	60.17%	8,141,743	1,768,587	460.4%
4/30/08	14,479,167	19,163,979	75.55%	4,684,812	1,691,221	277.0%
4/30/07	14,308,807	18,175,470	78.73%	3,866,663	1,607,852	240.5%
4/30/06	13,679,540	18,347,111	74.56%	4,667,571	1,513,245	308.4%
4/30/05	12,596,622	16,676,651	75.53%	4,080,029	1,477,442	276.2%

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

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION FUNDS
 APRIL 30, 2011

Fiscal Year Ended	POLICE PENSION			FIRE PENSION		
	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)
4/30/11	\$ 810,717	90.10%	\$ (197,132)	\$ 744,133	74.60%	\$ (156,566)
4/30/10	651,656	100.40%	(115,174)	517,235	94.40%	32,197
4/30/09	561,697	88.50%	(105,626)	455,200	116.50%	59,778
4/30/08	468,488	89.90%	(39,962)	47,764	96.40%	(14,868)
4/30/07	431,845	101.60%	6,980	435,481	100.50%	2,287
4/30/06	477,484	100.00%	-	485,999	100.00%	-

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

	<u>Police Pension</u> April 30, 2010	<u>Fire Pension</u> April 30, 2010
Actuarial valuation date	April 30, 2010	April 30, 2010
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level % payroll, closed	Level % payroll, closed
Remaining amortization period	30 years	30 years
Actuarial valuation method	Fair Value	Fair Value
Significant actuarial assumptions:		
a) Rate of return on investments of present and future assets	7.50%	7.50%
b) Projected salary increases-attributable to inflation	5.00% inc. inflation at 3.00%	5.00% inc. inflation at 3.00%

VILLAGE OF FOREST PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - OTHER POST EMPLOYMENT BENEFITS
 APRIL 30, 2011

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/10	\$ -	\$ 2,035,510	0.00%	\$ 2,035,510	\$ 8,046,576	25.3%
4/30/08*	-	1,307,299	0.00%	1,307,299	7,506,750	17.4%

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

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

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2011

	GENERAL FUND			SPECIAL REVENUE FUNDS			Variance from Final Budget Positive (Negative)
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	
Revenues							
Property tax revenue	\$ 4,349,835	\$ 4,079,044	\$ (270,791)	\$ 700,000	\$ 481,066	\$ (218,934)	
Personal property replacement tax	129,500	164,188	34,688	-	-	-	
Sales tax	2,481,059	2,471,963	(9,096)	-	-	-	
Intergovernmental revenues	195,625	249,280	53,655	-	-	-	
Auto rental tax	17,100	18,503	1,403	-	-	-	
Income tax	1,285,000	1,214,049	(70,951)	-	-	-	
Utility taxes	1,666,854	1,674,055	(12,799)	-	-	-	
Licenses and permits	1,035,622	975,537	(60,085)	-	-	-	
Fees for services	2,212,291	2,226,810	14,519	-	-	-	
Grant revenue	1,212,999	1,085,970	(127,029)	-	-	-	
Fines	1,739,500	1,461,130	(278,370)	-	-	-	
Interest on investments	4,217	4,128	(89)	40,000	27,099	(12,901)	
Other revenue	66,590	85,201	18,611	-	-	-	
Total revenues	16,416,192	15,709,858	(706,334)	740,000	508,165	(231,835)	
Expenditures							
Current:							
Office of the mayor	5,621,842	5,318,957	302,885	-	-	-	
Office of accounts and finance	8,772,944	8,066,838	686,106	-	-	-	
Office of public property	1,663,441	1,647,443	15,998	-	-	-	
Office of streets and public improvement	1,452,471	1,434,783	17,688	2,025,000	1,500,742	524,258	
Office of health and safety	323,239	314,337	8,902	-	-	-	
Debt service:							
Principal retired	174,349	319,121	(144,772)	-	-	-	
Interest and charges	128,271	128,271	-	-	-	-	
Total expenditures	18,136,557	17,249,750	886,807	2,025,000	1,500,742	524,258	
Excess (deficiency) of revenues over expenditures	(1,720,365)	(1,539,892)	180,473	(1,285,000)	(992,577)	292,423	
Other financing sources (uses)							
Transfers in	1,700,000	1,778,518	78,518	-	-	-	
Total other financing sources (uses)	1,700,000	1,778,518	78,518	-	-	-	
Net change in fund balances	(20,365)	238,626	258,991	(1,285,000)	(992,577)	292,423	
Fund balances at beginning of year		230,033			3,499,504		
Fund balances at end of year		\$ 468,659			\$ 2,506,927		

See accompanying notes to the budgetary comparison schedule.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

BUDGET (GAAP BASIS) AND ACTUAL

GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS

Year Ended April 30, 2011

	SPECIAL REVENUE FUNDS				Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
	HARLEM / HARRISON TIF FUND		ROOSEVELT / HANNAH TIF FUND					
	Original and Final Budget	Actual	Original and Final Budget	Actual				
Revenues								
Property tax revenue	\$ 30,000	\$ -	\$ 900,000	\$ 624,563	\$ (275,437)			
Personal property replacement tax	-	-	-	-	-			
Sales tax	-	-	-	-	-			
Intergovernmental revenues	-	-	-	-	-			
Auto rental tax	-	-	-	-	-			
Income tax	-	-	-	-	-			
Utility taxes	-	-	-	-	-			
Licenses and permits	-	-	-	-	-			
Fees for services	-	-	-	-	-			
Grant revenue	-	-	-	-	-			
Fines	-	-	-	-	-			
Interest on investments	200	150	1,500	17,156	15,656			
Other revenue	-	-	-	-	-			
Total revenues	30,200	150	901,500	641,719	(259,781)			
Expenditures								
Current:								
Office of the mayor	-	-	-	-	-			
Office of accounts and finance	-	-	-	-	-			
Office of public property	-	-	-	-	-			
Office of streets and public improvement	2,000	2,478	651,500	317,873	333,627			
Office of health and safety	-	-	-	-	-			
Debt service:								
Principal retired	-	-	165,000	165,000	-			
Interest and charges	-	-	18,033	18,033	-			
Total expenditures	2,000	2,478	834,533	500,906	333,627			
Excess (deficiency) of revenues over expenditures	28,200	(2,328)	66,967	140,813	73,846			
Other financing sources (uses)								
Transfers in	-	-	-	-	-			
Total other financing sources (uses)	-	-	-	-	-			
Net change in fund balances	\$ 28,200	(2,328)	\$ 66,967	140,813	73,846			
Fund balances at beginning of year		(43,839)		1,771,433				
Fund balances at end of year	\$ (46,167)		\$ 1,912,246					

See accompanying notes to the budgetary comparison schedule.

VILLAGE OF FOREST PARK, ILLINOIS
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE
 APRIL 30, 2011

Budgetary Data:

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

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

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

<u>Fund</u>	<u>Excess over Budget</u>
Harlem/Harrison TIF Fund	\$ 478
Emergency 911 Fund	66,868
U.S. Customs Fund	4,932
Police Vehicle Fund	71,643
IMRF Fund	35,119
VIP Program Fund	13,270
Vehicle Parking Fund	13,878
Water Fund	119,518

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	Final Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 4,349,835	\$ 4,079,044	\$ (270,791)
Personal property replacement tax	129,500	164,188	34,688
Sales tax	2,481,059	2,471,963	(9,096)
Intergovernmental revenues			
Use tax	173,000	221,590	48,590
Foreign fire insurance tax	21,000	24,771	3,771
Pull tabs/jar games	1,125	2,196	1,071
Charitable games	500	723	223
Total intergovernmental revenues	<u>195,625</u>	<u>249,280</u>	<u>53,655</u>
Auto rental tax	17,100	18,503	1,403
Local share-income tax	1,285,000	1,214,049	(70,951)
Utility taxes			
Telephone utility tax	691,130	619,904	(71,226)
Electric utility tax	565,854	595,862	30,008
Franchise tax - cable	195,805	244,326	48,521
Gas utility tax	234,065	213,963	(20,102)
Total utility taxes	<u>1,686,854</u>	<u>1,674,055</u>	<u>(12,799)</u>
Licenses and permits			
Liquor license	90,150	91,113	963
Liquor license application fee	3,775	4,332	557
Business license	47,266	51,180	3,914
Sidewalk use permit	2,500	1,900	(600)
Solicitor's license	500	395	(105)
Amusement devises	29,785	29,675	(110)
Amusement tax video rental	35,000	24,355	(10,645)
Vending machines	4,093	3,245	(848)
Tobacco license	4,600	-	(4,600)
Gasoline stations' license	14,368	12,450	(1,918)
Taxicabs' license	10,000	3,645	(6,355)
Scavenger services' license	17,500	17,500	-
Contractors' license	17,000	18,905	1,905
Vehicle license	235,000	243,660	8,660
Animal license	2,600	2,838	238
Building permits	125,000	104,873	(20,127)
Electric permits	14,000	16,794	2,794
Plumbing permits	20,000	21,114	1,114
HVAC permits	2,000	1,545	(455)
Water permit fees	1,000	1,000	-
Sign permits	30,000	28,253	(1,747)
Dumpster permits	4,000	3,800	(200)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	Final Budget	Actual	Variance from Budget Positive (Negative)
Parking permits	\$ 222,774	\$ 200,374	\$ (22,400)
Garage sale permits	1,200	1,125	(75)
Plats and sub-division fees	1,000	-	(1,000)
Plan review fees	1,000	548	(452)
Elevator inspection fees	18,000	15,460	(2,540)
Food service inspection fees	17,000	16,875	(125)
Certificate of compliance fees	54,000	50,550	(3,450)
Zoning application fees	2,500	2,700	200
Dog park permits	8,011	5,333	(2,678)
Total licenses and permits	<u>1,035,622</u>	<u>975,537</u>	<u>(60,085)</u>
Fees for services			
Ambulance charges	285,000	306,062	21,062
Emergency fire suppression services	396,837	396,837	-
Sidewalk replacement	6,000	4,675	(1,325)
Highway maintenance - IDOT	67,000	66,752	(248)
Police/fire testing fees	5,000	-	(5,000)
Refuse collection charges	665,600	639,093	(26,507)
Recycling fees	91,000	89,554	(1,446)
Yard waste fees	52,800	55,474	2,674
Accident reports	4,500	4,504	4
SORA registration fees	150	40	(110)
Water towers	147,404	146,062	(1,342)
Real estate	30,000	30,000	-
Picnic grove rental/fees	1,500	891	(609)
Groovin' in the grove	2,000	-	(2,000)
Community center	5,000	3,205	(1,795)
Day care-after school program	150,000	148,531	(1,469)
Day care-summer program	60,000	59,676	(324)
Youth activities	4,000	3,757	(243)
Classes	2,500	4,100	1,600
Trips - tours - excursions	140,000	130,946	(9,054)
Taxi - cab fares/fees	2,500	2,123	(377)
Donation	-	20,000	20,000
Farmer's market	1,500	3,485	1,985
Administration fees	-	325	325
Community Events	35,000	50,090	15,090
RTA - administration subsidy	43,000	45,094	2,094
RTA - PACE advertisement	8,000	6,544	(1,456)
RTA - dial-a-ride	5,500	8,857	3,357
RTA - PACE passes/fares	500	133	(367)
Total fees for services	<u>2,212,291</u>	<u>2,226,810</u>	<u>14,519</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	Final Budget	Actual	Variance from Budget Positive (Negative)
Grant revenue			
Cook county - PEER/PIPE	\$ 13,498	\$ 9,716	\$ (3,782)
Federal FF training grant	124,919	124,919	-
Parking facilities #06203643	296,594	292,434	(4,160)
U.S. DOJ police vests grant	7,692	3,320	(4,372)
ICJIA police grant JAG	40,000	40,000	-
DCCA - fire equipment	4,176	15,252	11,076
CDBG 2008 alley project	-	559	559
Wal-Mart grant	-	1,000	1,000
JAG Recover Act Grant	20,813	1,810	(19,003)
DOJ Grant	69,505	6,509	(62,996)
Model Community Grant	-	7,604	7,604
CDBG 2009 alley project	90,000	90,000	-
DCEO Clean Energy Grant	20,292	28,305	8,013
CDBG 2007 alley project	-	7,125	7,125
EEC Block Grant	95,000	100,000	5,000
Police & Fire Grant	-	2,046	2,046
Local Grant funds	-	1,000	1,000
Greenburg Reconstruction Grant	350,000	326,477	(23,523)
DECO Naval reserve grant 09-20	49,160	-	(49,160)
Tobacco control gr-liquor commission	1,600	750	(850)
Operating - non-categorical	29,750	27,144	(2,606)
Total grant revenue	<u>1,212,999</u>	<u>1,085,970</u>	<u>(127,029)</u>
Fines			
Traffic and parking fines	1,210,000	1,186,758	(23,242)
Towing revenue	-	64,645	64,645
Compliance tickets	500,000	160,360	(339,640)
Code violation fines	25,000	45,322	20,322
Other fines and penalties	4,500	4,045	(455)
Total fines	<u>1,739,500</u>	<u>1,461,130</u>	<u>(278,370)</u>
Interest on investments	<u>4,217</u>	<u>4,128</u>	<u>(89)</u>
Other revenue			
Miscellaneous revenue	39,550	17,165	(22,385)
NSF - agency collections	-	537	537
Centennial sales	1,540	-	(1,540)
Workmen's comp reimbursements	5,000	3,846	(1,154)
Health care reimbursements	10,000	-	(10,000)
Equipment sales	-	76	76
FOIA	500	334	(166)
Claims and damages	10,000	63,243	53,243
Total other revenue	<u>66,590</u>	<u>85,201</u>	<u>18,611</u>
Total revenues	<u>\$ 16,416,192</u>	<u>\$ 15,709,858</u>	<u>\$ (706,334)</u>

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP) BASIS AND ACTUAL
 Year Ended April 30, 2011

	Final Budget	Actual	Variance from Budget Positive (Negative)
Expenditures			
Office of the mayor			
General public affairs	\$ 810,537	\$ 692,499	\$ 118,038
Police	4,170,605	4,001,097	169,508
Community services	640,700	625,361	15,339
Total office of the mayor	<u>5,621,842</u>	<u>5,318,957</u>	<u>302,885</u>
Office of accounts and finance			
Village clerk	4,145,820	4,027,485	118,335
Grant expenditures	1,286,548	1,176,861	109,687
Finance	551,790	362,493	189,297
Fire	955,482	769,477	186,005
Fire protection	1,833,304	1,750,522	82,782
Total office of accounts and finance	<u>8,772,944</u>	<u>8,086,838</u>	<u>686,106</u>
Office of public property			
Public property	973,121	1,002,405	(29,284)
Public property/street lights	328,000	314,276	13,724
Forestry	197,020	161,646	35,374
Playground and recreation	50,300	41,288	9,012
Property maintenance	115,000	127,828	(12,828)
Total office of public property	<u>1,663,441</u>	<u>1,647,443</u>	<u>15,998</u>
Office of streets and public improvement			
Streets and public improvement	509,367	530,785	(21,418)
Garbage	943,104	903,998	39,106
Total office of streets and public improvement	<u>1,452,471</u>	<u>1,434,783</u>	<u>17,688</u>
Office of health and safety			
Public health and safety	323,239	314,337	8,902
Total office of health and safety	<u>323,239</u>	<u>314,337</u>	<u>8,902</u>
Debt Service			
Principal retired	174,349	319,121	(144,772)
Interest and charges	128,271	128,271	-
Total office of public property	<u>302,620</u>	<u>447,392</u>	<u>(144,772)</u>
Total expenditures	<u>\$ 18,136,557</u>	<u>\$ 17,249,750</u>	<u>\$ 886,807</u>

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 3

BROWN STREET STATION TIF FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 700,000	\$ 481,066	\$ (218,934)
Interest on investments	<u>40,000</u>	<u>27,099</u>	<u>(12,901)</u>
Total revenues	<u>740,000</u>	<u>508,165</u>	<u>(231,835)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>2,025,000</u>	<u>1,500,742</u>	<u>524,258</u>
Total expenditures	<u>2,025,000</u>	<u>1,500,742</u>	<u>524,258</u>
Net change in fund balance	<u>\$ (1,285,000)</u>	(992,577)	<u>\$ 292,423</u>
Fund balance at beginning of year		<u>3,499,504</u>	
Fund balance at end of year		<u>\$ 2,506,927</u>	

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 4

HARLEM / HARRISON TIF FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 30,000	\$ -	\$ (30,000)
Interest on investments	<u>200</u>	<u>150</u>	<u>(50)</u>
Total revenues	<u>30,200</u>	<u>150</u>	<u>(30,050)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>2,000</u>	<u>2,478</u>	<u>(478)</u>
Total expenditures	<u>2,000</u>	<u>2,478</u>	<u>(478)</u>
Net change in fund balance	<u>\$ 28,200</u>	(2,328)	<u>\$ (30,528)</u>
Fund balance at beginning of year		<u>(43,839)</u>	
Fund balance at end of year		<u>\$ (46,167)</u>	

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 5

Roosevelt / Hannah TIF Fund
 Schedule of Revenues, Expenditures and Changes
 in Fund Balance
 Budget (GAAP Basis) and Actual
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 900,000	\$ 624,563	\$ (275,437)
Interest on investments	<u>1,500</u>	<u>17,156</u>	<u>15,656</u>
Total revenues	<u>901,500</u>	<u>641,719</u>	<u>(259,781)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	651,500	317,873	333,627
Debt service			
Principal retired	165,000	165,000	-
Interest and charges	<u>18,033</u>	<u>18,033</u>	<u>-</u>
Total expenditures	<u>834,533</u>	<u>500,906</u>	<u>333,627</u>
Net change in fund balance	<u>\$ 66,967</u>	140,813	<u>\$ 73,846</u>
Fund balance at beginning of year		<u>1,771,433</u>	
Fund balance at end of year		<u>\$ 1,912,246</u>	

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 6

2002 BOND FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	\$ 400	\$ 202	\$ (198)
Total revenues	<u>400</u>	<u>202</u>	<u>(198)</u>
Expenditures			
Office of accounts and finance			
Bank fees	3,000	2,700	300
Other expenditures	10,000	5,582	4,418
Debt service			
Principal retired	385,000	385,000	-
Interest and charges	<u>145,670</u>	<u>145,670</u>	<u>-</u>
Total expenditures	<u>543,670</u>	<u>538,952</u>	<u>4,718</u>
Excess (deficiency) of revenues over expenditures	<u>(543,270)</u>	<u>(538,750)</u>	<u>4,520</u>
Other financing sources (uses)			
Transfers in	<u>800,000</u>	<u>554,911</u>	<u>(245,089)</u>
Total other financing sources (uses)	<u>800,000</u>	<u>554,911</u>	<u>(245,089)</u>
Net change in fund balance	<u>\$ 256,730</u>	16,161	<u>\$ (240,569)</u>
Fund balance at beginning of year		<u>2,656,897</u>	
Fund balance at end of year		<u>\$ 2,673,058</u>	

VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 7

SPECIAL TAX ALLOCATION FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Revenues			
Property tax revenue	\$ 800,000	\$ 438,164	\$ (361,836)
Interest on investments	<u>100</u>	<u>25</u>	<u>(75)</u>
Total revenues	<u>800,100</u>	<u>438,189</u>	<u>(361,911)</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>800,100</u>	<u>438,189</u>	<u>(361,911)</u>
Other financing sources (uses)			
Transfers out	<u>(800,000)</u>	<u>(554,911)</u>	<u>245,089</u>
Total other financing sources (uses)	<u>(800,000)</u>	<u>(554,911)</u>	<u>245,089</u>
Net change in fund balance	<u>\$ 100</u>	<u>(116,722)</u>	<u>\$ (116,822)</u>
Fund balance at beginning of year		<u>386,053</u>	
Fund balance at end of year		<u>\$ 269,331</u>	

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VILLAGE OF FOREST PARK, ILLINOIS

EXHIBIT 8

INCREMENTAL SALES FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax	\$ 326,000	\$ 334,750	\$ 8,750
Interest on investments	<u>100</u>	<u>15</u>	<u>(85)</u>
Total revenues	<u>326,100</u>	<u>334,765</u>	<u>8,665</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>326,100</u>	<u>334,765</u>	<u>8,665</u>
Other financing sources (uses)			
Transfers out	<u>(300,000)</u>	<u>(339,307)</u>	<u>(39,307)</u>
Total other financing sources (uses)	<u>(300,000)</u>	<u>(339,307)</u>	<u>(39,307)</u>
Net change in fund balance	<u>\$ 26,100</u>	(4,542)	<u>\$ (30,642)</u>
Fund balance at beginning of year		<u>237,336</u>	
Fund balance at end of year		<u>\$ 232,794</u>	

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

April 30, 2011

	Special Revenue Funds					
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Police Vehicle Fund	Foreign Fire Insurance Fund	Illinois Municipal Retirement Fund
ASSETS						
Cash and cash equivalents	\$ 226,269	\$ 57,301	\$ 555,074	\$ -	\$ 29,513	\$ -
Receivables:						
Property tax receivable	-	-	-	-	-	121,862
Due from other governments	-	-	-	-	-	-
Accounts receivable	7,267	-	-	-	-	-
Interfund receivable	-	-	-	-	-	67,114
TOTAL ASSETS	\$ 233,536	\$ 57,301	\$ 555,074	\$ -	\$ 29,513	\$ 188,976
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	121,862
Interfund payable	7,267	1,189	13,000	20,828	-	-
Total liabilities	7,267	1,189	13,000	20,828	-	121,862
FUND BALANCE						
Reserved for capital projects	-	-	-	-	-	-
Unreserved, special revenue funds	226,269	56,112	542,074	(20,828)	29,513	67,114
Total fund balance	226,269	56,112	542,074	(20,828)	29,513	67,114
TOTAL LIABILITIES AND FUND BALANCE	\$ 233,536	\$ 57,301	\$ 555,074	\$ -	\$ 29,513	\$ 188,976

Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
Social Security Fund	Motor Fuel Tax Fund	VIP Fund	Total Nonmajor Special Revenue Funds	Library Bond Fund	
\$ -	\$ 403,416	\$ 905,293	\$ 2,176,866	\$ -	\$ 2,176,866
165,732	-	-	287,594	-	287,594
-	64,144	240,968	305,112	-	305,112
-	-	-	7,267	-	7,267
-	-	26,536	93,650	-	93,650
<u>\$ 165,732</u>	<u>\$ 467,560</u>	<u>\$ 1,172,797</u>	<u>\$ 2,870,489</u>	<u>\$ -</u>	<u>\$ 2,870,489</u>
\$ -	\$ -	\$ 2,652	\$ 2,652	\$ -	\$ 2,652
165,732	-	80,685	368,279	-	368,279
<u>169,138</u>	<u>452,940</u>	<u>-</u>	<u>664,362</u>	<u>-</u>	<u>664,362</u>
<u>334,870</u>	<u>452,940</u>	<u>83,337</u>	<u>1,035,293</u>	<u>-</u>	<u>1,035,293</u>
-	-	1,089,460	1,089,460	-	1,089,460
(169,138)	14,620	-	745,736	-	745,736
<u>(169,138)</u>	<u>14,620</u>	<u>1,089,460</u>	<u>1,835,196</u>	<u>-</u>	<u>1,835,196</u>
<u>\$ 165,732</u>	<u>\$ 467,560</u>	<u>\$ 1,172,797</u>	<u>\$ 2,870,489</u>	<u>\$ -</u>	<u>\$ 2,870,489</u>

VILLAGE OF FOREST PARK, ILLINOIS
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2011

Special Revenue Funds						
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Police Vehicle Fund	Foreign Fire Insurance Fund	Illinois Municipal Retirement Fund
Revenues						
Property tax revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 246,885
Personal property replacement tax	-	-	-	-	-	10,785
Sales tax	-	-	-	-	-	-
Intergovernmental revenues	199,211	-	-	-	24,771	-
Grant revenue	-	-	200,000	-	-	-
Fines	-	22,224	453,379	33,728	-	-
Interest on investments	325	270	462	-	122	-
Other revenue	-	8,500	-	25,668	-	-
Total revenues	<u>199,536</u>	<u>30,994</u>	<u>653,841</u>	<u>59,396</u>	<u>24,893</u>	<u>257,670</u>
Expenditures						
Current:						
Office of the mayor	203,055	56,232	183,794	106,223	-	-
Office of accounts and finance	-	-	-	-	18,846	310,119
Office of streets and public improvement	-	-	-	-	-	-
Office of public property	-	-	34,338	-	-	-
Debt service:						
Principal retired	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total expenditures	<u>203,055</u>	<u>56,232</u>	<u>218,132</u>	<u>106,223</u>	<u>18,846</u>	<u>310,119</u>
Excess (deficiency) of revenues over expenditures	<u>(3,519)</u>	<u>(25,238)</u>	<u>435,709</u>	<u>(46,827)</u>	<u>6,047</u>	<u>(52,449)</u>
Other financing sources (uses)						
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(3,519)</u>	<u>(25,238)</u>	<u>435,709</u>	<u>(46,827)</u>	<u>6,047</u>	<u>(52,449)</u>
Fund balances at beginning of year	<u>229,788</u>	<u>81,350</u>	<u>106,365</u>	<u>25,999</u>	<u>23,466</u>	<u>119,563</u>
Fund balances at end of year	<u>\$ 226,269</u>	<u>\$ 56,112</u>	<u>\$ 542,074</u>	<u>\$ (20,828)</u>	<u>\$ 29,513</u>	<u>\$ 67,114</u>

Special Revenue Funds				Debt Service Fund	Total Nonmajor Governmental Funds
Social Security Fund	Motor Fuel Tax Fund	VIP Fund	Total Nonmajor Special Revenue Funds	Library Bond Fund	
\$ 293,647	\$ -	\$ -	\$ 540,532	\$ -	\$ 540,532
9,722	-	-	20,507	-	20,507
-	-	967,315	967,315	-	967,315
-	470,907	-	694,889	-	694,889
-	-	-	200,000	-	200,000
-	-	-	509,331	-	509,331
-	528	1,677	3,384	-	3,384
-	-	-	34,168	-	34,168
<u>303,369</u>	<u>471,435</u>	<u>968,992</u>	<u>2,970,126</u>	<u>-</u>	<u>2,970,126</u>
-	-	-	549,304	-	549,304
327,193	-	-	656,158	-	656,158
-	-	13,799	13,799	-	13,799
-	-	-	34,338	-	34,338
-	-	927,732	927,732	-	927,732
-	-	340,925	340,925	-	340,925
<u>327,193</u>	<u>-</u>	<u>1,282,456</u>	<u>2,522,256</u>	<u>-</u>	<u>2,522,256</u>
<u>(23,824)</u>	<u>471,435</u>	<u>(313,464)</u>	<u>447,870</u>	<u>-</u>	<u>447,870</u>
-	(460,000)	(685,441)	(1,145,441)	(79,211)	(1,224,652)
-	(460,000)	(685,441)	(1,145,441)	(79,211)	(1,224,652)
<u>(23,824)</u>	<u>11,435</u>	<u>(998,905)</u>	<u>(697,571)</u>	<u>(79,211)</u>	<u>(776,782)</u>
<u>(145,314)</u>	<u>3,185</u>	<u>2,088,365</u>	<u>2,532,767</u>	<u>79,211</u>	<u>2,611,978</u>
<u>\$ (169,138)</u>	<u>\$ 14,620</u>	<u>\$ 1,089,460</u>	<u>\$ 1,835,196</u>	<u>\$ -</u>	<u>\$ 1,835,196</u>

VILLAGE OF FOREST PARK, ILLINOIS

EMERGENCY 911 FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
911 emergency surcharge	\$ 223,000	\$ 199,211	\$ (23,789)
Interest on investments	500	325	(175)
Total revenues	<u>223,500</u>	<u>199,536</u>	<u>(23,964)</u>
Expenditures			
Office of the mayor			
Bank service fees	200	221	(21)
Regular	35,987	35,988	(1)
E-911 - expenditures/costs	100,000	166,846	(66,846)
Total expenditures	<u>136,187</u>	<u>203,055</u>	<u>(66,868)</u>
Net change in fund balance	<u>\$ 87,313</u>	(3,519)	<u>\$ (90,832)</u>
Fund balance at beginning of year		<u>229,788</u>	
Fund balance at end of year		<u>\$ 226,269</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 NARCOTICS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
Seizure fees	\$ 50,000	\$ 22,224	\$ (27,776)
Sales of seized vehicles	8,500	8,500	-
Interest on investments	<u>1,000</u>	<u>270</u>	<u>(730)</u>
Total revenues	<u>59,500</u>	<u>30,994</u>	<u>(28,506)</u>
Expenditures			
Office of the mayor			
Seizure expenditures	<u>82,123</u>	<u>56,232</u>	<u>25,891</u>
Total expenditures	<u>82,123</u>	<u>56,232</u>	<u>25,891</u>
Net change in fund balance	<u>\$ (22,623)</u>	(25,238)	<u>\$ (2,615)</u>
Fund balance at beginning of year		<u>81,350</u>	
Fund balance at end of year		<u>\$ 56,112</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 U.S. CUSTOMS FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
U.S. Customs deposits	\$ 250,000	\$ 453,379	\$ 203,379
Grant revenue	-	200,000	200,000
Interest on investments	<u>1,000</u>	<u>462</u>	<u>(538)</u>
Total revenues	<u>251,000</u>	<u>653,841</u>	<u>402,841</u>
Expenditures			
Office of the mayor			
Bank service fees	200	181	19
Overtime	13,000	13,000	-
U.S. Customs expenditures	200,000	170,613	29,387
Office of public property			
Capital outlay	<u>-</u>	<u>34,338</u>	<u>(34,338)</u>
Total expenditures	<u>213,200</u>	<u>218,132</u>	<u>(4,932)</u>
Net change in fund balance	<u>\$ 37,800</u>	435,709	<u>\$ 397,909</u>
Fund balance at beginning of year		<u>106,365</u>	
Fund balance at end of year		<u>\$ 542,074</u>	

VILLAGE OF FOREST PARK, ILLINOIS

POLICE VEHICLE FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
Supervision fees	\$ 7,000	\$ 7,978	\$ 978
Towing	20,000	25,750	5,750
Other revenue			
Insurance claims of police vehicles	<u>-</u>	<u>25,668</u>	<u>25,668</u>
Total revenues	<u>27,000</u>	<u>59,396</u>	<u>32,396</u>
Expenditures			
Office of the mayor			
Police Vehicle Expenditures	<u>34,580</u>	<u>106,223</u>	<u>(71,643)</u>
Total expenditures	<u>34,580</u>	<u>106,223</u>	<u>(71,643)</u>
Net change in fund balance	<u>\$ (7,580)</u>	(46,827)	<u>\$ (39,247)</u>
Fund balance at beginning of year		<u>25,999</u>	
Fund balance at end of year		<u>\$ (20,828)</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 ILLINOIS MUNICIPAL RETIREMENT FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	\$ 250,000	\$ 246,885	\$ (3,115)
Personal property replacement tax	<u>10,400</u>	<u>10,785</u>	<u>385</u>
Total revenues	<u>260,400</u>	<u>257,670</u>	<u>(2,730)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>275,000</u>	<u>310,119</u>	<u>(35,119)</u>
Total expenditures	<u>275,000</u>	<u>310,119</u>	<u>(35,119)</u>
Net change in fund balance	<u>\$ (14,600)</u>	(52,449)	<u>\$ (37,849)</u>
Fund balance at beginning of year		<u>119,563</u>	
Fund balance at end of year		<u>\$ 67,114</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 SOCIAL SECURITY FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Budget Positive (Negative)</u>
Revenues			
Intergovernmental			
Property tax revenue	\$ 340,000	\$ 293,647	\$ (46,353)
Personal property replacement tax	<u>9,400</u>	<u>9,722</u>	<u>322</u>
Total revenues	<u>349,400</u>	<u>303,369</u>	<u>(46,031)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>340,000</u>	<u>327,193</u>	<u>12,807</u>
Total expenditures	<u>340,000</u>	<u>327,193</u>	<u>12,807</u>
Net change in fund balance	<u>\$ 9,400</u>	(23,824)	<u>\$ (33,224)</u>
Fund balance at beginning of year		<u>(145,314)</u>	
Fund balance at end of year		<u>\$ (169,138)</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 MOTOR FUEL TAX FUND
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	<u>Variance from Budget Positive (Negative)</u>
Revenues			
Intergovernmental			
Motor fuel tax allotment	\$ 380,000	\$ 470,907	\$ 90,907
Interest on investments	<u>1,000</u>	<u>528</u>	<u>(472)</u>
Total revenues	<u>381,000</u>	<u>471,435</u>	<u>90,435</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>381,000</u>	<u>471,435</u>	<u>90,435</u>
Other financing (uses)			
Transfer out	<u>(380,000)</u>	<u>(460,000)</u>	<u>(80,000)</u>
Total other financing (uses)	<u>(380,000)</u>	<u>(460,000)</u>	<u>(80,000)</u>
Net change in fund balance	<u>\$ 1,000</u>	11,435	<u>\$ 10,435</u>
Fund balance at beginning of year		<u>3,185</u>	
Fund balance at end of year		<u>\$ 14,620</u>	

VILLAGE OF FOREST PARK, ILLINOIS
VIP PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax revenues	\$ 852,000	\$ 967,315	\$ 115,315
Interest on investments	<u>2,500</u>	<u>1,677</u>	<u>(823)</u>
Total revenues	<u>854,500</u>	<u>968,992</u>	<u>114,492</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	553,261	13,799	539,462
Debt service			
Principal retired	375,000	927,732	(552,732)
Interest and charges	<u>340,925</u>	<u>340,925</u>	<u>-</u>
Total expenditures	<u>1,269,186</u>	<u>1,282,456</u>	<u>(13,270)</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(685,441)</u>	<u>(685,441)</u>
Total other financing sources (uses)	<u>-</u>	<u>(685,441)</u>	<u>(685,441)</u>
Net change in fund balance	<u>\$ (414,686)</u>	(998,905)	<u>\$ (584,219)</u>
Fund balance at beginning of year		<u>2,088,365</u>	
Fund balance at end of year		<u>\$ 1,089,460</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 WATER FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 4,090,679	\$ 4,243,395	\$ 152,716
Operating expenses			
Operations	2,723,832	2,845,396	(121,564)
Depreciation	<u>168,000</u>	<u>165,954</u>	<u>2,046</u>
Total operating expenses	<u>2,891,832</u>	<u>3,011,350</u>	<u>(119,518)</u>
Operating income (loss)	<u>1,198,847</u>	<u>1,232,045</u>	<u>33,198</u>
Nonoperating revenues and (expenses)			
Interest revenue	1,000	1,919	919
Interest expense	<u>(134,793)</u>	<u>(131,276)</u>	<u>3,517</u>
Total nonoperating revenues and (expenses)	<u>(133,793)</u>	<u>(129,357)</u>	<u>4,436</u>
Income (loss) before transfers	<u>1,065,053</u>	<u>1,102,688</u>	<u>37,635</u>
Transfers			
Transfers in	-	685,441	685,441
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Total transfers	<u>(800,000)</u>	<u>(114,559)</u>	<u>685,441</u>
Change in net assets	<u>\$ 265,053</u>	988,129	<u>\$ 723,076</u>
Net assets at beginning of year		<u>3,748,138</u>	
Net assets at end of year		<u>\$ 4,736,267</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 VEHICLE PARKING FUND
 SCHEDULE OF REVENUES, EXPENSES
 AND CHANGES IN NET ASSETS
 BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended April 30, 2011

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 528,300	\$ 513,670	\$ (14,630)
Operating expenses			
Operations	560,604	567,118	(6,514)
Depreciation	50,000	57,364	(7,364)
Total operating expenses	<u>610,604</u>	<u>624,482</u>	<u>(13,878)</u>
Operating income (loss)	<u>(82,304)</u>	<u>(110,812)</u>	<u>(28,508)</u>
Nonoperating revenues and (expenses)			
Interest expense	<u>(7,822)</u>	<u>(7,822)</u>	<u>-</u>
Total nonoperating revenues and (expenses)	<u>(7,822)</u>	<u>(7,822)</u>	<u>-</u>
Income (loss) before contribution revenue and transfers	<u>(90,126)</u>	<u>(118,634)</u>	<u>(28,508)</u>
Contribution revenue	-	299,655	299,655
Transfers out	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Change in net assets	<u>\$ (190,126)</u>	81,021	<u>\$ 271,147</u>
Net assets at beginning of year		<u>4,477,087</u>	
Net assets at end of year		<u>\$ 4,558,108</u>	

VILLAGE OF FOREST PARK, ILLINOIS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 April 30, 2011

	<u>Police Pension Trust Fund</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 343,808	\$ 1,422,179	\$ 1,765,987
Investments			
Certificates of deposit	-	4,128,891	4,128,891
Government securities	12,671,904	-	12,671,904
Mutual Funds	1,617,621	4,141,985	5,759,606
Insurance contracts	5,079,179	4,460,988	9,540,167
Total investments	<u>19,368,704</u>	<u>12,731,864</u>	<u>32,100,568</u>
Interest receivable	19,385	20,830	40,215
Prepaid items	2,212	5,338	7,550
Total assets	<u>19,734,109</u>	<u>14,180,211</u>	<u>33,914,320</u>
LIABILITIES			
Accounts payable	<u>1,021</u>	<u>2,220</u>	<u>3,241</u>
Total liabilities	<u>1,021</u>	<u>2,220</u>	<u>3,241</u>
NET ASSETS			
Plan net assets held in trust for employees' pension benefits	<u>\$ 19,733,088</u>	<u>\$ 14,177,991</u>	<u>\$ 33,911,079</u>

VILLAGE OF FOREST PARK, ILLINOIS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 For the Year ended April 30, 2011

	<u>Police Pension Trust Fund</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Total</u>
ADDITIONS			
Contributions			
Employer	\$ 723,946	\$ 553,418	\$ 1,277,364
Plan members	277,740	174,604	452,344
Total contributions	<u>1,001,686</u>	<u>728,022</u>	<u>1,729,708</u>
Net investment income	1,190,001	1,285,643	2,475,644
Miscellaneous revenue	<u>203</u>	<u>-</u>	<u>203</u>
Total additions	<u>2,191,890</u>	<u>2,013,665</u>	<u>4,205,555</u>
DEDUCTIONS			
Benefits and refunds	1,437,507	1,374,777	2,812,284
Administrative expenses	<u>32,165</u>	<u>25,148</u>	<u>57,313</u>
Total deductions	<u>1,469,672</u>	<u>1,399,925</u>	<u>2,869,597</u>
Increase (decrease) in net assets	722,218	613,740	1,335,958
Plan net assets at beginning of year	<u>19,010,870</u>	<u>13,564,251</u>	<u>32,575,121</u>
Plan net assets at end of year	<u>\$ 19,733,088</u>	<u>\$ 14,177,991</u>	<u>\$ 33,911,079</u>

VILLAGE OF FOREST PARK
SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
FOR THE YEAR ENDED APRIL 30, 2011

Unemployment	\$ 23,504
Workman's comp insurance	<u>387,810</u>
Total tort immunity purposes expenditures	<u>\$ 411,314</u>

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

The Village's tax extension for liability insurance purposes for tax year 2009 as levied by Cook County was \$313,548. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

VILLAGE OF FOREST PARK, ILLINOIS
 SCHEDULE OF ASSESSED VALUATIONS, TAX RATES
 AND COMPARATIVE TAX STATISTICS
 YEAR ENDED APRIL 30, 2011
 (Unaudited)

SCHEDULE 1

Tax levy year:	Assessed Valuation	Extended Village Tax Rate		
2001	\$ 224,465,995	1.7177		
2002	287,578,558	1.3731		
2003	280,570,295	1.4487		
2004	283,806,070	1.4670		
2005	356,616,601	1.2210		
2006	354,116,468	1.2860		
2007	382,322,592	1.2630		
2008	432,613,550	1.0867		
2009	444,213,981	1.0611		
2010	426,046,739	1.1392		
	<u>2010 Levy</u>		<u>2009 Levy</u>	
	<u>Amount</u>	<u>Rate</u>	<u>Amount</u>	<u>Rate</u>
General fund:				
Corporate	\$ 1,442,863	0.3387	\$ 1,364,010	0.3071
Fire protection	607,700	0.1426	607,700	0.1368
Forestry	109,913	0.0258	103,906	0.0234
Insurance	263,801	0.0619	313,548	0.0706
Police protection	607,700	0.1426	607,700	0.1368
Police pension	681,509	0.1600	681,509	0.1534
Firefighters' pension	532,752	0.1250	532,752	0.1199
Total general fund	<u>4,246,238</u>	<u>0.9966</u>	<u>4,211,125</u>	<u>0.9480</u>
Special revenue funds:				
Illinois municipal retirement fund	257,500	0.0604	250,000	0.0563
Social security fund	350,200	0.0822	252,350	0.0568
Total special revenue funds	<u>607,700</u>	<u>0.1426</u>	<u>502,350</u>	<u>0.1131</u>
Debt service funds:	-	-	-	-
 Total tax levy:	 <u>\$ 4,853,938</u>	 <u>1.1392</u>	 <u>\$ 4,713,475</u>	 <u>1.0611</u>
 Collections as of April 30, 2011	 <u>\$ 2,372,002</u>	 <u>48.87%</u>	 <u>\$ 4,471,910</u>	 <u>94.88%</u>

See independent auditors' report.

VILLAGE OF FOREST PARK, ILLINOIS
 LONG-TERM DEBT OBLIGATION
 SCHEDULE OF BONDS OUTSTANDING
 APRIL 30, 2011
 (Unaudited)

General Obligation Tax Increment Financing Refunding Bonds:
 Series 2002
 Dated: April 8, 2002
 Interest Payable June 1 and December 1 of each year
 Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2012	4.75%	\$ 405,000	\$ 128,346	\$ 533,346
2013	4.75%	425,000	109,108	534,108
2014	4.55%	445,000	88,920	533,920
2015	4.65%	465,000	68,672	533,672
2016	4.75%	480,000	47,050	527,050
2017	4.85%	500,000	24,250	524,250
Totals		<u>\$ 2,720,000</u>	<u>\$ 466,346</u>	<u>\$ 3,186,346</u>

VILLAGE OF FOREST PARK, ILLINOIS
 LONG-TERM DEBT OBLIGATION
 SCHEDULE OF BONDS OUTSTANDING
 APRIL 30, 2011
 (Unaudited)

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

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2012	3.55%	\$ 170,000	\$ 12,422	\$ 182,422
2013	3.65%	175,000	6,387	181,387
Totals		<u>\$ 345,000</u>	<u>\$ 18,809</u>	<u>\$ 363,809</u>

VILLAGE OF FOREST PARK, ILLINOIS
LONG-TERM DEBT OBLIGATION
SCHEDULE OF BONDS OUTSTANDING
APRIL 30, 2011
(Unaudited)

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

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2012	4.25%	\$ 390,000	\$ 324,988	\$ 714,988
2013	4.25%	405,000	308,412	713,412
2014	4.25%	425,000	291,200	716,200
2015	4.25%	440,000	273,138	713,138
2016	3.75%	460,000	254,438	714,438
2017	3.85%	480,000	237,188	717,188
2018	3.90%	495,000	218,708	713,708
2019	3.95%	515,000	199,402	714,402
2020	4.05%	535,000	179,060	714,060
2021	4.10%	560,000	157,392	717,392
2022	4.15%	580,000	134,432	714,432
2023	4.20%	605,000	110,362	715,362
2024	4.25%	630,000	84,952	714,952
2025	4.30%	660,000	58,178	718,178
2026	4.35%	685,000	29,798	714,798
Totals		<u>\$ 7,865,000</u>	<u>\$ 2,861,648</u>	<u>\$ 10,726,648</u>

VILLAGE OF FOREST PARK, ILLINOIS
LONG-TERM DEBT OBLIGATION
SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
APRIL 30, 2011
(Unaudited)

General Obligation Debt Certificates:

Dated: November 1, 2001

Interest Payable May 1 and November 1 of each year

Paying Agent - Cole Taylor Bank

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2012	5.40%	\$ 230,000	\$ 149,977	\$ 379,977
2013	4.15%	240,000	137,558	377,558
2014	4.30%	250,000	127,598	377,598
2015	4.40%	260,000	116,848	376,848
2016	4.55%	275,000	105,408	380,408
2017	4.60%	285,000	92,896	377,896
2018	4.70%	300,000	79,786	379,786
2019	4.80%	315,000	65,686	380,686
2020	4.80%	330,000	50,566	380,566
2021	4.90%	345,000	34,726	379,726
2022	4.95%	359,505	17,821	377,326
Totals		<u>\$ 3,189,505</u>	<u>\$ 978,870</u>	<u>\$ 4,168,375</u>

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