VILLAGE OF FRANKLIN PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2010

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2010

CONTENTS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2010

CONTENTS

FINANCIAL SECTION (Continued):

Exhibits

VILLAGE OF FRANKLIN PARK, ILLINOIS

Year Ended April 30, 2010

CONTENTS

FINANCIAL SECTION (Continued):

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2010

CONTENTS

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2010 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Police Pension Fund and the Firefighters' Pension Fund is based solely on the reports of the other auditors.

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

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

We also audited the adjustments described in Note 14 that were applied to restate the net assets and fund balances recorded at beginning of the year. In our opinion, such adjustments are appropriate and have been properly applied.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information, including the combining and individual fund financial statements and schedules as of and for the year ended April 30, 2010, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied by us 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.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011

As management of the Village of Franklin Park ("Village"), we offer readers of the Village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2010. As the MD&A is designed to focus on that year's activities, resulting changes and currently known facts, it should be read in conjunction with the Village's financial statements. Comparative analysis with respect to the prior fiscal year is provided so that the reader may better discern the Village's financial dynamics.

FINANCIAL HIGHLIGHTS

The reader will notice that the accompanying audited financial statements for the fiscal year ending April 30, 2010 are dated some 14 months after the close of that year. Similarly, the village's FY 2009 statements were issued some 22 months after the end of that fiscal year. Thus, the village has issued two years' audited financial statements in a three month period, and is now and will remain current in its financial reporting.

The reason for these delays had to do with a combination of computer problems, poor record keeping and a general inattentiveness to the reporting function by prior village personnel. These latter two points are further evidenced by the fact that the last audit to be completed in a timely manner (i.e., within six months after the close of the fiscal year) was for FY 2003. This has changed.

Since assuming office in May of 2009, the new administration has been committed to (1) ascertaining the exact dimensions of the village's financial condition, (2) objectively reporting that condition to residents, vendors, investors and others with an interest in village finances and (3) remedying past practices and their deleterious effects on the village's financial health. The completion of the FY 2009 audit in March of this year enabled the achievement of the first two goals and constituted the initial step in achieving the third. The completion of the FY 2010 audit furthers these efforts.

Having taken office virtually at the close of FY 2009, the new administration had been operating under significant financial uncertainty until the completion of the FY 2009 audit, which afforded the first reliable insight into village finances. It also provided the information base necessary to begin rebuilding the village's financial health.

Aside from the lack of reliable financial data and all that that implies, two critical signs of financial distress were readily apparent and in need of immediate attention: a significantly negative general fund balance and a severe cash flow problem. The former was the result of a precipitous $21.7 million spend down of reserves that had stood at $16.3 million at the end of FY 1999. The latter was largely a result of this lack of reserves.

Among the more noteworthy changes to emerge from the FY 2010 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities declined from FY 2009 levels by $6.5 million while liabilities increased by $946 thousand, resulting in a decrease in net assets of $7.4 million. Revenues supporting governmental activities declined by $2.9 million from FY 2009, while expenditures declined by $7.8 million

- Assets employed in business-type activities increased by $791 thousand as liabilities increased $2.2 million. As a result, net business-type assets declined by $1.4 million. Business-type activity revenues declined by $1.3 million and expenditures declined by $1.1 million.

- Total Village assets decreased by $5.7 million from FY 2009, total liabilities increased by $3.3 million and resulting total net assets declined by $8.8 million. Total Village revenue decreased by $4.2 million and total Village expenditures declined by $8.8 million.

These changes are discussed further below. Meanwhile, at the fund level:

- Total governmental fund revenues slipped by $2.6 million from FY 2009 levels and governmental fund expenditures declined by $10.3 million.

- General fund revenues slipped by $1.5 million from FY 2009 levels while expenditures declined by $1.1 million. Largely as a result, general fund balance decreased by $84 thousand.

- Proprietary fund operating revenues slipped by $780 thousand from FY 2009 while operating expenses declined by $1.0 million. Village proprietary funds showed a net loss of $1.4 million, or slightly more than the $1.2 million of FY 2009.

These changes are described in more detail further below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements are comprised of 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 are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business. The statement of net assets presents information on all of the Village's 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 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.

Governmental Activities reflect the Village's basic services, including administration, public safety and highways and streets. Property taxes, shared state taxes and local utility taxes finance the majority of these services. Business-Type Activities reflect private sector type operations, where the fee for service typically covers all or most of the cost of operations.

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 23 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 the general fund and the working cash fund, both of which are considered to be major funds. Information from the Village's 21 other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The Village maintains three proprietary, or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water, sanitary sewer 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 sanitary sewer and parking lot funds, all of which are considered to be major funds of the Village, with the exception of the commuter parking lot fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds 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 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. Non-major fund information can be found immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

The following table presents the condensed Statement of Net Assets (in millions) at April 30, 2010, with comparisons to April 30, 2009. This table takes into the consideration the prior period adjustment described in detail on Note 14 in the Notes to Financial Statements:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	FY10	FY09	FY10	FY09	FY10	FY09
Assets:						
Current assets	$ 25.6	$ 27.1	$ 2.6	$ 3.5	$ 28.2	$ 30.6
Non-current, non-capital assets	1.5	1.5	0.2	0.2	1.7	1.7
Capital assets	43.5	48.5	38.6	36.9	82.1	85.4
Total assets	$ 70.6	$ 77.1	$ 41.4	$ 40.6	$ 112.0	$ 117.7
Liabilities:						
Current liabilities	$ 22.3	$ 23.3	$ 6.3	$ 2.9	$ 28.6	$ 26.2
Long-term liabilities	33.8	31.9	23.0	24.2	56.8	56.1
Total liabilities	$ 56.1	$ 55.2	$ 29.3	$ 27.1	$ 85.4	$ 82.1
Net assets:						
Invested in capital assets, net,	$ 15.1	$ 19.6	$ 15.2	$ 12.4	$ 30.3	$ 32.0
Restricted	7.8	7.7	0.0	0.0	7.8	7.7
Unrestricted	(8.4)	(5.4)	(3.1)	1.1	(11.5)	(4.3)
Total net assets	$ 14.5	$ 21.9	$ 12.1	$ 13.5	$ 26.6	$ 35.4

Assets employed in governmental activities declined by $6.5 million largely due to a combination of a decrease of $5.0 million in the value of capital assets (mostly in depreciation expense), and a $1.2 million decrease in property tax receivables attributable to higher collection rates. Liabilities increased by $946 thousand, largely on the retirement of $470 thousand of bonds and an increase for OPEB liabilities. As a result, net governmental activity assets declined by $7.4 million.

Assets deployed in the service of business-type activities increased by $791 thousand as a $2.3 million decrease in cash and investments was offset by a $1.7 million increase in capital assets and a $1.2 million increase in internal balances. Business-type liabilities increased $2.2 million, largely on the inclusion of a cash overdraft liability (essentially an internally-financed deficit) of $2.5 million. Additionally, accounts receivable increased $231 thousand. These increases were largely offset by a decrease in non-current liabilities of $1.3 million. Overall, net business-type assets decreased by $1.4 million.

The following table reflects the condensed Statement of Activities (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	Governmental Activities 2010	Governmental Activities 2009	Business-type Activities 2010	Business-type Activities 2009	Total Primary Government 2010	Total Primary Government 2009
Revenues						
Program revenues:						
Charges for services	$ 4.4	$ 4.0	$ 6.2	$ 7.0	$ 10.6	$ 11.0
Operating grants/contrib.	0.2	0.2	0.0	0.0	0.2	0.2
Capital grants/contributions	0.2	3.4	0.0	0.5	0.2	3.9
General revenues:						
Property taxes	14.9	12.8	0.0	0.0	14.9	12.8
Other taxes	8.4	9.9	0.0	0.0	8.4	9.9
Other	0.6	1.3	0.0	0.0	0.6	1.3
Total revenues	28.7	31.6	6.2	7.5	34.9	39.1
Expenses						
General government	6.9	6.5	0.0	0.0	6.9	6.5
Public safety	14.8	14.8	0.0	0.0	14.8	14.8
Highways and streets	7.8	17.3	0.0	0.0	7.8	17.3
Public health	1.8	1.7	0.0	0.0	1.8	1.7
Community development	2.3	1.8	0.0	0.0	2.3	1.8
Building department	1.0	1.0	0.0	0.0	1.0	1.0
Interest on long-term debt	1.5	0.7	0.0	0.0	1.5	0.7
Water	0.0	0.0	5.3	5.5	5.3	5.5
Sewer	0.0	0.0	2.4	3.2	2.4	3.2
Commuter parking lot	0.0	0.0	0.0	0.0	0.0	0.0
Total expenses	36.1	43.9	7.7	8.7	43.8	52.6
Change in net assets	$ (7.4)	$ (12.3)	$ (1.5)	$ (1.2)	$ (8.9)	$ (13.5)

During FY 2010, national economic conditions continued to impact Village finances. Specifically, revenues from governmental activities declined further from FY09 levels by $2.9 million, or 9.2%. The one bright spot was property tax revenue, which rose $2.1 million, or 16.0%, on a year-over-year basis. To a large extent this was attributable to additional revenues from the non-abatement of several property tax levies, which mitigated an 8.2% contraction in the Village's tax base, itself due to prevailing economic conditions.

Beyond the $3.2 million decrease in grant funding however, economically sensitive tax revenues, such as sales and income, slid by $1.5 million, or 15.2%, as discussed further in the immediately following section. Business-type activity revenue also declined, by $1.2 million, or 16.0% as water and sewer revenue decreased due to lower corporate demand and lower rates of collection. As a result, total Village revenues decreased by $4.2 million, or 10.7%.

Governmental activity expenses were cut by $7.8 million, or 17.8%, largely because of a $9.7 million reduction in highway and street expenditures due to the completion of the Grand Avenue underpass, and a $952 thousand decrease in public safety expenditures that was achieved primarily through attrition. Similarly, water and sewer expenses declined $1.2 million because of the previously-mentioned lower demand for water. Overall, expenses declined by $8.8 million, or 16.7%. As a result of these expenditure declines, the change in net Village assets was ($8.9) million.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance (in millions) at April 30, 2010, with comparisons to April 30, 2009:

	General Corporate Fund		Working Cash Fund		Other Governmental Funds		Total Governmental Funds	
	2010	2009	2010	2009	2010	2009	2010	2009
Revenues								
Property taxes	$ 9.3	$ 8.8	$ 0.1	$ 0.2	$ 5.5	$ 3.8	$ 14.9	$ 12.8
Other taxes.	7.9	8.9	-	-	0.5	0.6	8.4	9.5
Licenses, permits, fees	1.3	1.9	-	-	0.0	0.0	1.3	1.9
Grants	0.2	0.2	-	-	0.2	3.4	0.4	3.6
Other revenue	6.0	1.1	-	-	0.0	0.1	6.0	1.2
Fines & forfeitures	0.9	0.5	-	-	0.5	0.1	1.4	0.6
Investment income	0.0	0.0	-	0.1	0.0	0.0	0.0	0.1
Charges for services	0.9	1.2	-	-	0.8	0.4	1.7	1.6
Total revenues	21.1	22.6	0.1	0.3	7.5	8.4	28.7	31.3
Expenditures								
General government	4.9	5.5	-	-	1.4	0.2	6.3	5.7
Public safety	12.1	12.2	-	-	0.4	0.4	12.5	12.6
Highways and streets	1.9	1.7	-	-	0.3	9.1	2.2	10.8
Public health	0.3	0.2	-	-	1.5	1.5	1.8	1.7
Community development	0.5	0.6	-	-	2.4	1.2	2.9	1.8
Building department	0.9	0.9	-	-	0.0	0.0	0.9	0.9
Debt service	0.0	0.0	-	-	2.0	1.5	2.0	1.5
Capital outlay	0.8	1.3	-	-	0.3	3.6	1.1	4.9
Total expenditures	21.3	22.4	-	-	8.3	17.5	29.6	39.9
Excess (deficiency) of revenues over (under) expenditures	(0.2)	0.2	0.1	0.3	(0.8)	(7.1)	(0.9)	(8.6)
Other sources (uses)	0.1	(0.6)	-	-	0.4	(0.0)	0.5	(0.6)
Change in net assets	$ (0.1)	$ (0.4)	$ 0.1	$ 0.3	$ (0.4)	$ (7.1)	$ (0.4)	$ (9.2)

Both general and total governmental fund revenues declined from FY 2009 levels, largely for the reasons cited earlier with respect to the economy's ongoing effects. While property tax revenues came into the general fund some $2.1 million stronger than in the previous year, literally all other general fund tax revenues declined, as shown in the following table.

	FY 2009	FY 2010	$ Change	% Change
Tax				
Sales	$ 2.6	$ 2.4	$ (0.2)	(9.2)%
Income	1.7	1.5	(0.2)	(12.2)%
Utility	2.3	2.1	(0.2)	(10.5)%
Other	2.2	1.9	(0.3)	(13.3)%
Total	$ 8.8	$ 7.9	$ (0.9)	(10.2)%

Indeed, the only general fund revenue source to increase from FY 2009 levels, other than property taxes were fines and forfeitures, which increased by $409 thousand, or 77.0%. At the total governmental funds level, the overall revenue picture was similar, albeit with an increase of $221 thousand, or 14.5% in charges for services due to the Village commencing refuse collection services.

PROPRIETARY FUNDS

The following table presents the condensed Statement of Revenues, Expenditures and Changes in Fund Net Assets for the Village's proprietary funds (in millions) at April 30, 2010, with comparisons to April 30, 2009. Because of space considerations, results for the Commuter Parking Lot fund are not shown separately, but are included in the amounts shown in the Total column.

	Water Fund		Sewer Fund		Total Proprietary Funds	
	2010	2009	2010	2009	2010	2009
Operating revenues						
Charges for services	$ 4.0	$ 4.4	$ 2.1	$ 2.5	$ 6.2	$ 7.0
Other revenue.	0.0	0.0	0.0	0.0	0.0	0.0
Total operating revenues	4.0	4.4	2.1	2.5	6.2	7.0
Operating expenses						
Administration	1.3	1.8	0.4	1.4	1.7	3.1
Water purchases	2.7	2.2	0.0	0.0	2.7	2.2
Repairs & maintenance	0.3	0.4	0.3	0.3	0.6	0.7
Supplies & services	0.4	0.7	0.1	0.0	0.5	0.8
Depreciation	0.5	0.4	0.6	0.5	1.1	0.9
Total operating expenses	5.2	5.5	1.4	2.2	6.6	7.7
Operating income (loss)	(1.2)	(1.1)	0.7	0.3	(0.4)	(0.7)
Non-operating revenues (expenses)						
Interest expense	0.0	0.0	(0.9)	(1.0)	(0.9)	(1.0)
Other, net	0.0	0.0	0.0	0.5	0.0	0.5
Total non-operating revenues (expense)	0.0	0.0	(0.9)	(0.5)	(0.9)	(0.5)
Net income (loss)	$ (1.2)	$ (1.0)	$ (0.2)	$ (0.2)	$ (1.3)	$ (1.2)

Proprietary fund revenues fell by $800 thousand, as the Village experienced 14.4% lower demand for water (as mentioned above) due both to the economy and a change in the way it charges for water and sewer services, the latter of which resulted in a relatively high number of refunds for prior years' service.

Additionally, collection rates lagged as evidenced by an increase in receivables of $232 thousand on a decline in revenue of $782 thousand. These factors effectively netted to a 9.4% decrease in water sales. As water and sewer billing are related by formula (with a 65/35 split, respectively), sewer sales experienced essentially the same decline. All in all, proprietary fund revenues declined by $782 thousand, or 11.1%.

On the expense side, the purchase of water from the City of Chicago actually increased by $430 thousand, or 19.2%, largely because of a 14.2% increase in rates charged by the city. Nevertheless, overall proprietary fund operating expenses declined by $1.1 million (14.8%) led by administrative costs, which declined by $1.5 million, or 46.9%, largely on the reduction of $1.1 million in bad debt expense from FY 2009, which was the point at which accumulated receivables were finally written off.

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed General Fund Budgetary Comparison Schedule (in millions):

	Adopted Budget	Actual	Variance
Revenues			
Taxes	$ 19.4	$ 17.2	$ (2.2)
Licenses, permits, fees	2.4	1.3	(1.1)
Fines and forfeitures	0.8	0.9	0.1
Charges for services	1.2	0.9	(0.3)
Other	1.7	0.8	(0.9)
Total	25.5	21.1	(4.4)
Expenditures			
Current	22.3	20.5	1.8
Debt service	0.0	0.0	(0.0)
Capital outlay	1.3	0.8	0.4
Total	23.5	21.3	2.2
Change in fund balance	$ 2.0	$ (0.2)	$ (2.2)

Actual revenues fell short of budget by approximately $4.4 million while actual expenditures came in under budget by $2.2 million. Taken together, this resulted in an overall negative budget variance approximating $2.2 million.

On the revenue side, virtually all sources fell short of budget, which was directly related to macroeconomic trends well beyond the Village's control. Among these are sales, income and utility taxes as well as license, permit and fee revenues (collectively accounting for a negative variance of $2.2 million). Other, traditionally more stable sources missed budget as well, in part also because of macroeconomics, including property taxes (off by $703 thousand) grant revenue ($658 thousand) and other revenue and taxes ($562 thousand).

On the expenditure side, generally conservative spending policies resulted in a positive variance of $1.8 million, as all but public safety and community development expenditures came in under budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2010, the Village had capital asset investments as follows:

Capital Assets

Governmental Activities
Change in Capital Assets
(in millions)*

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 12.9	$ (2.6)	$ 10.3
Depreciable assets:			
Infrastructure	124.0	3.6	127.6
Buildings and improvements	5.6	0.1	5.7
Vehicles/furniture/fixtures	5.7	0.3	6.0
Accumulated depreciation	(99.7)	(6.4)	(106.2)
Totals	$ 48.5	$ (5.0)	$ 43.5

Assets deployed in the service of governmental activities decreased by $5.0 million. Significant additions included the purchase, for $1.1 million, of property in one of the Village's TIF's, infrastructure additions of $3.6 million (due to the completion of the Seymour Avenue reconstruction project) and the addition of $401 thousand of miscellaneous equipment and improvements. This was offset by $6.4 million in depreciation expense, the net completion of $2.9 million of construction in progress and the sale of land for $851 thousand.

See Note 3 in the Notes to Financial Statements for more details.

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

	Balance at May 1, 2009	Net Additions (Deletions)	Balance at April 30, 2010
Non-depreciable assets:			
Land/CIP	$ 0.6	$ (0.3)	$ 0.2
Depreciable assets:			
Water/sewer system	46.5	2.8	49.3
Storage reservoir/pump	5.0	0.2	5.1
Buildings and improvements	1.9	0.2	2.1
Vehicles and equipment	2.8	0.0	2.8
Accumulated. depreciation	(19.9)	(1.1)	(21.0)
Totals	$ 36.9	$ 1.7	$ 38.6

Business-type capital assets increased by $1.7 million, largely on the addition of $2.7 million in water system infrastructure improvements and an additional $404 thousand in miscellaneous equipment purchases and building improvements. This was offset by depreciation expense of $1.1 million and the net completion of $330 thousand of construction in progress.

DEBT ADMINISTRATION

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

G.O. Refunding Bonds of 2003	$ 235,000
G.O. Alternate Revenue Bonds of 2004A	6,215,000
G.O. Alternate Revenue Bonds of 2004B	16,385,000
G.O. Alternate Revenue Bonds of 2005A	3,965,000
G.O. Alternate Revenue Bonds of 2006	9,500,000
G.O. Alternate Revenue Bonds of 2007	7,860,000
Deferred Premium (Discount), Net	1,679,785
Loans Payable	6,483,112
Leases Payable	1,102,840
Compensated Absences	1,144,535
Net Pension Obligation	2,373,502
Post Employment Benefits	3,090,062
Total	$ 60,033,836

See Note 4 in the Notes to Financial Statements for more detail.

ECONOMIC FACTORS

With about two thirds of its tax base comprised of industrial property, the Village is the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes the Village highly susceptible to economic cyclicality. It is not surprising then to note that the current economic environment has had important effects on the Village. This is evident in the almost uniform declines in virtually all economically sensitive revenue sources as well as the aforementioned 8.2% contraction in the tax base and declines in water and sewer revenue. Village management has taken several difficult but necessary steps to weather the storm. These are detailed in Note 14.

At this writing, management anticipates that the current sluggish economic climate will persist over the coming year or more, though it is also anticipated that revenue declines are at or near bottom. At sharp variance with these guardedly optimistic expectations is the state's financial plight, which imparts a significant level of uncertainty to the Village's financial fortunes, and the effective "jobless" nature of the recovery, the latter of which will continue to affect our residents' financial stability.

All that having been said, the Village's manufacturing character is a strength as well as weakness. In addition, its location adjacent to O'Hare International Airport and proximity to one of the largest rail yards in the nation will allow it to recover more quickly once the economic recovery begins to gain steam. Further, ongoing development at O'Hare holds several benefits for the Village, including a new toll way interchange that could provide a significant boost to economic development activities.

FURTHER INFORMATION

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 Office of the Comptroller, Village of Franklin Park, 9500 Belmont Avenue, Franklin Park, IL 60131.

The Village of Franklin Parks' police and fire pension funds issue separate financial statements that can be obtained by contacting the Office of the Treasurer, at the above address.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
April 30, 2010

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Current			
Cash	$ 13,126,717	$ 125,841	$ 13,252,558
Investments	1,785,515	-	1,785,515
Property taxes receivable	8,394,361	-	8,394,361
Accrued Interest	330	-	330
Accounts receivable	2,763,886	954,938	3,718,824
Other assets	1,165,653	-	1,165,653
Internal balances	(1,600,000)	1,600,000	-
Non-current			
Assets held for resale	837,320	-	837,320
Unamortized bond costs	655,053	152,639	807,692
Capital assets not being depreciated	10,340,098	235,981	10,576,079
Capital assets being depreciated, net	33,115,581	38,320,765	71,436,346
Total assets	70,584,514	41,390,164	111,974,678
Liabilities			
Current			
Cash overdraft liability	5,798,633	2,535,080	8,333,713
Accounts payable	3,785,056	1,540,225	5,325,281
Accrued payroll	255,522	22,056	277,578
Accrued interest payable	423,551	321,659	745,210
Deferred property tax revenue	8,328,794	-	8,328,794
Other deferred revenue	229,525	-	229,525
Due to pension funds	114,288	-	114,288
Deposits payable	11,000	-	11,000
Short term loans payable	2,000,000	-	2,000,000
Compensated absences payable	701,055	61,946	763,001
Current portion - bonds payable	520,000	840,000	1,360,000
Current portion - leases payable	140,637	161,370	302,007
Current portion - loans payable	-	821,603	821,603
Non-current			
Compensated absences payable	381,534	-	381,534
Bonds payable	27,774,525	16,705,260	44,479,785
Leases payable	457,203	343,630	800,833
Loans payable	-	5,661,509	5,661,509
Net pension obligation	2,373,502	-	2,373,502
Net OPEB obligation	2,816,064	273,998	3,090,062
Total liabilities	56,110,889	29,288,336	85,399,225
Net assets			
Invested in capital assets, net of related debt	15,082,839	15,183,634	30,266,473
Restricted assets			
Highways and streets	3,556,754	-	3,556,754
Community development	2,728,045	-	2,728,045
Debt service	1,549,809	-	1,549,809
Unrestricted	(8,443,822)	(3,081,806)	(11,525,628)
Total net assets	$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2010

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-Type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Primary government							
Governmental activities							
General government	$ 6,860,507	$ 897,771	$ 11,613	$ -	$ (5,951,123)		$ (5,951,123)
Public safety	14,836,168	2,276,909	204,739	-	(12,354,520)		(12,354,520)
Highway and street	7,812,070	-	-	209,896	(7,602,174)		(7,602,174)
Public health	1,827,272	514,558	-	-	(1,312,714)		(1,312,714)
Community development	2,272,932	22,828	-	-	(2,250,104)		(2,250,104)
Building department	998,682	686,919	-	-	(311,763)		(311,763)
Interest on long-term debt	1,518,439	-	-	-	(1,518,439)		(1,518,439)
Total government activities	36,126,070	4,398,985	216,352	209,896	(31,300,837)		(31,300,837)
Business-type activities							
Water	5,294,989	4,028,559	-	-		$ (1,266,430)	(1,266,430)
Sewer	2,374,980	2,141,395	-	30,204		(203,381)	(203,381)
Commuter parking lot	8,986	53,717	-	-		44,731	44,731
Total business-type activities	7,678,955	6,223,671	-	30,204		(1,425,080)	(1,425,080)
Total primary government	$ 43,805,025	$ 10,622,656	$ 216,352	$ 240,100	(31,300,837)	(1,425,080)	(32,725,917)

	Governmental Activities	Business-Type Activities	Total
General revenues			
Taxes			
Property taxes, levied for general purposes	14,859,858	-	14,859,858
Public service taxes			
Sales tax	2,403,228	-	2,403,228
Income tax	1,474,908	-	1,474,908
Utility tax	2,073,897	-	2,073,897
Other taxes	2,458,094	-	2,458,094
Unrestricted investment earnings	8,996	8,255	17,251
Miscellaneous revenues	607,818	8,289	616,107
Total general revenues	23,886,799	16,544	23,903,343
Change in net assets	(7,414,038)	(1,408,536)	(8,822,574)
Net assets - beginning as restated	21,887,663	13,510,364	35,398,027
Net assets - ending	$ 14,473,625	$ 12,101,828	$ 26,575,453

See accompanying notes to financial statements.

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2010

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Assets				
Cash	$ -	$ 3,909,350	$ 9,217,367	$ 13,126,717
Investments	-	-	1,785,515	1,785,515
Property taxes receivable	6,332,675	-	2,061,686	8,394,361
Accrued interest	-	-	330	330
Accounts receivable	2,525,335	-	238,551	2,763,886
Other assets	1,165,653	-	-	1,165,653
Interfund receivables	680,205	685,000	1,121,383	2,486,588
Total assets	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,880,027	$ -	$ 2,918,606	$ 5,798,633
Accounts payable	1,362,394	-	2,422,662	3,785,056
Accrued payroll	251,330	-	4,192	255,522
Compensated absences payable	701,055	-	-	701,055
Deferred property tax revenue	6,283,584	-	2,045,210	8,328,794
Other deferred revenue	660,659	-	-	660,659
Deposits payable	11,000	-	-	11,000
Due to pension funds	114,288	-	-	114,288
Interfund payables	1,200,000	-	2,886,588	4,086,588
Short term loans payable	2,000,000	-	-	2,000,000
Total liabilities	15,464,337	-	10,277,258	25,741,595
Fund balances				
Reserved for interfunds	680,205	685,000	1,121,383	2,486,588
Reserved for public safety	-	-	742,781	742,781
Reserved for highway and streets	-	-	3,556,754	3,556,754
Reserved for community development	-	-	2,728,045	2,728,045
Reserved for debt service	-	-	1,549,809	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved	(5,440,674)	-	-	(5,440,674)
Unreserved - special revenue funds	-	3,909,350	(3,533,130)	376,220
Unreserved - debt service funds	-	-	(1,673,389)	(1,673,389)
Unreserved - capital project funds	-	-	(658,268)	(658,268)
Total fund balances	(4,760,469)	4,594,350	4,147,574	3,981,455
Total liabilities and fund balances	$ 10,703,868	$ 4,594,350	$ 14,424,832	$ 29,723,050

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2010

Total fund balances - governmental funds		$ 3,981,455
Amounts reported for governmental activities in the net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Capital assets	149,614,774	
Accumulated depreciation	(106,159,095)	
Net capital assets		43,455,679
Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:		
State and local taxes	431,134	
Assets held for resale	837,320	
		1,268,454
Interest on long-term debt is not accrued in the governmental funds but rather recognized when due:		(423,551)
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.		655,053
Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :		
Bonds payable	(28,294,525)	
Leases payable	(597,840)	
Compensated absences payable	(381,534)	
Net pension obligation	(2,373,502)	
Net OPEB obligation	(2,816,064)	
Total long-term liabilities		(34,463,465)
Net assets of governmental activities		$ 14,473,625

See accompanying notes to financial statements.

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

	Major Funds			
	General Corporate Fund	Working Cash Fund	Nonmajor Governmental Funds	Total
Revenues				
Property taxes	$ 9,324,407	$ 79,418	$ 5,456,033	$ 14,859,858
Sales taxes	2,403,228	-	-	2,403,228
Income taxes	1,474,908	-	-	1,474,908
Utility taxes	2,073,897	-	-	2,073,897
Other taxes	1,948,484	-	540,231	2,488,715
Licenses, permits and fees	1,255,180	-	-	1,255,180
Grant revenue	216,352	-	209,896	426,248
Other revenue	607,527	-	291	607,818
Fines and forfeitures	942,587	-	455,884	1,398,471
Investment income	2,804	2,063	4,129	8,996
Charges for services	897,672	-	847,662	1,745,334
Total revenues	21,147,046	81,481	7,514,126	28,742,653
Expenditures				
Current				
General government	4,871,201	-	1,418,620	6,289,821
Public safety	12,061,255	-	405,189	12,466,444
Highway and street	1,854,959	-	320,482	2,175,441
Public health	275,833	-	1,529,838	1,805,671
Community development	528,339	-	2,417,818	2,946,157
Building department	858,240	-	-	858,240
Debt service				
Principal	-	-	470,000	470,000
Interest and other charges	38,444	-	1,463,266	1,501,710
Capital outlay	834,276	-	259,072	1,093,348
Total expenditures	21,322,547	-	8,284,285	29,606,832
Excess (deficiency) of revenues over (under) expenditures	(175,501)	81,481	(770,159)	(864,179)
Other financing sources (uses)				
Transfers in	-	-	1,659,872	1,659,872
Transfers out	(1,468)	-	(1,658,404)	(1,659,872)
Proceeds from capital lease	92,889	-	-	92,889
Proceeds from the sale of fixed assets	-	-	415,408	415,408
Total other financing sources (uses)	91,421	-	416,876	508,297
Net changes in fund balances	(84,080)	81,481	(353,283)	(355,882)
Fund balances at beginning of year as restated	(4,676,389)	4,512,869	4,500,857	4,337,337
Fund balances at end of year	$ (4,760,469)	$ 4,594,350	$ 4,147,574	$ 3,981,455

See accompanying notes to financial statements.

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

Net change in fund balances - total governmental funds		$ (355,882)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
Capital outlay	2,248,169	
Depreciation	(6,423,607)	
Capital outlay in excess of depreciation		(4,175,438)
The proceeds from the sale of land and equipment are reported as revenues and the purchase of land and equipment are reported as expenditures in the governmental funds. However, the cost of the land and equipment is removed from the capital asset account in the statement of net assets and offset against sale proceeds resulting in gain or (loss) in the statement of activities.		
Net effect of sales, trade-ins and disposals of assets		(851,515)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.		
Principal retirement - bonds	470,000	
Principal retirement - leases	144,539	
Proceeds from capital leases	(92,889)	
		521,650
Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:		(30,621)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
Amortization of deferred bond issuance costs, premium and discount	(43,431)	
Change in compensated absences payable	(350,092)	
Change in net pension obligation	(741,506)	
Change in net OPEB obligation	(1,382,463)	
Change in accrued interest on debt	(4,740)	
Total expenses of non-current resources		(2,522,232)
Change in net assets of governmental activities		$ (7,414,038)

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Assets				
Current assets:				
Cash	$ -	$ -	$ 125,841	$ 125,841
Accounts receivable	534,849	420,089	-	954,938
Interfund receivable	1,180,000	420,000	-	1,600,000
Total current assets	1,714,849	840,089	125,841	2,680,779
Noncurrent assets:				
Unamortized bond costs	-	152,639	-	152,639
Capital assets, not being depreciated	150,000	85,981	-	235,981
Capital assets, net of accumulated depreciation	9,110,262	29,210,503	-	38,320,765
Total noncurrent assets	9,260,262	29,449,123	-	38,709,385
Total assets	10,975,111	30,289,212	125,841	41,390,164
Liabilities				
Current liabilities:				
Cash overdraft liability	2,437,998	97,082	-	2,535,080
Accounts payable	1,109,418	430,580	227	1,540,225
Accrued payroll	19,583	2,473	-	22,056
Compensated absences payable	30,973	30,973	-	61,946
Accrued interest payable	-	321,659	-	321,659
Current portion - bonds payable	-	840,000	-	840,000
Current portion - loans payable	-	821,603	-	821,603
Current portion - leases payable	-	161,370	-	161,370
Total current liabilities	3,597,972	2,705,740	227	6,303,939
Noncurrent liabilities:				
Noncurrent portion - bonds payable	-	16,705,260	-	16,705,260
Noncurrent portion - loans payable	-	5,661,509	-	5,661,509
Noncurrent portion - leases payable	-	343,630	-	343,630
Net OPEB obligation	136,999	136,999	-	273,998
Total noncurrent liabilities	136,999	22,847,398	-	22,984,397
Total liabilities	3,734,971	25,553,138	227	29,288,336
Net assets				
Invested in capital assets, Net of related debt	9,260,262	5,923,372	-	15,183,634
Unrestricted	(2,020,122)	(1,187,298)	125,614	(3,081,806)
Total net assets	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

VILLAGE OF FRANKLIN PARK, ILLINOIS

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

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total
Operating revenues				
Charges for services	$ 4,028,559	$ 2,141,395	$ 53,717	$ 6,223,671
Other revenue	5,790	-	2,499	8,289
Total operating revenues	4,034,349	2,141,395	56,216	6,231,960
Operating expenses				
Administration	1,326,332	453,061	8,700	1,788,093
Water purchases	2,670,579	-	-	2,670,579
Repairs & maintenance	337,491	299,871	286	637,648
Supplies & services	419,003	118,783	-	537,786
Depreciation	541,584	561,780	-	1,103,364
Total operating expenses	5,294,989	1,433,495	8,986	6,737,470
Operating income (loss)	(1,260,640)	707,900	47,230	(505,510)
Non-operating revenues (expenses)				
Investment income	6,412	1,782	61	8,255
Grant revenue	-	30,204	-	30,204
Interest expense	-	(941,485)	-	(941,485)
Total non-operating revenues (expenses)	6,412	(909,499)	61	(903,026)
Net income (loss)	(1,254,228)	(201,599)	47,291	(1,408,536)
Net assets at beginning of year	8,494,368	4,937,673	78,323	13,510,364
Net assets at end of year	$ 7,240,140	$ 4,736,074	$ 125,614	$ 12,101,828

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2010

	Major Funds		Nonmajor	
	Water Fund	Sewer Fund	Commuter Parking Lot Fund	Total Enterprise Funds
Cash flows provided (used) by operating activities				
Receipts from customers	$ 3,918,647	$ 2,025,542	$ 56,216	$ 6,000,405
Payments to suppliers	(1,012,032)	(411,113)	(8,759)	(1,431,904)
Payments to employees	(869,843)	(132,411)	-	(1,002,254)
Net cash provided (used) by operating activities	2,036,772	1,482,018	47,457	3,566,247
Cash flows provided (used) by non-capital and related financing activities				
Interfund borrowing	(1,285,000)	85,000	-	(1,200,000)
Receipts from grantors	-	30,204	-	30,204
Net cash provided (used) by non-capital and related financing activities	(1,285,000)	115,204	-	(1,169,796)
Cash flows used by capital and related financing activities				
Principal paid on capital asset acquisition debt	-	(1,607,809)	-	(1,607,809)
Interest paid on capital asset acquisition debt	-	(1,022,693)	-	(1,022,693)
Purchases of capital assets	(1,998,617)	(99,096)	-	(2,097,713)
Net cash used by capital and related financing activities	(1,998,617)	(2,729,598)	-	(4,728,215)
Cash flows provided by investing activities				
Sale of investments	1,012,158	-	-	1,012,158
Interest	6,412	1,782	61	8,255
Net cash provided by investing activities	1,018,570	1,782	61	1,020,413
Net increase (decrease) in cash and cash equivalents	(228,275)	(1,130,594)	47,518	(1,311,351)
Balances - beginning of the year	228,275	1,130,594	78,323	1,437,192
Balances - end of year	$ -	$ -	$ 125,841	$ 125,841
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (1,260,640)	$ 707,900	$ 47,230	$ (505,510)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	541,584	561,780	-	1,103,364
Change in assets and liabilities:				
Decrease (increase) receivables, net	(115,702)	(115,853)	-	(231,555)
(Decrease) increase accounts payable	2,833,673	265,099	227	3,098,999
(Decrease) increase accrued payroll	(27,401)	(2,166)	-	(29,567)
(Decrease) increase compensated absences	455	455	-	910
(Decrease) increase OPEB obligation	64,803	64,803	-	129,606
Net cash provided (used) by operating activities	$ 2,036,772	$ 1,482,018	$ 47,457	$ 3,566,247
Supplemental disclosures of non-cash transactions				
Purchases of capital assets	$ (1,786,059)	$ (81,307)	$ -	$ (1,867,366)
Change in net OPEB obligation	64,803	64,803	-	129,606

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds	Agency Funds
Assets		
Cash	$ 36,985	$ 351,450
Investments:		
Certificates of deposit	9,459,187	-
State and local obligations	918,081	-
US government and agency obligations	7,728,249	-
US government backed securities	1,929,136	-
Insurance contracts	11,428,967	-
Equity securities	1,691,770	-
Equity mutual funds	2,838,494	-
Money market mutual funds	1,993,402	-
Accrued interest receivable	114,479	-
Other receivable	-	419
Due from village	114,288	-
Prepaids	761	-
Total assets	38,253,799	$ 351,869
Liabilities		
Accounts payable	32,687	$ -
Deposits payable	-	351,869
Total liabilities	32,687	$ 351,869
Net assets		
Held in trust for pension benefits and other purposes	38,221,112	
Total net assets	$ 38,221,112	

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Pension Trust Funds
Additions	
Contributions	
Employer	$ 2,039,901
Plan members	655,084
Total contributions	2,694,985
Net investment earnings	5,132,010
Total additions	7,826,995
Deductions	
Benefits	3,517,734
Administrative expenses	91,669
Total deductions	3,609,403
Change in net assets	4,217,592
Net assets - beginning of year	34,003,520
Net assets - end of year	$ 38,221,112

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Measurement Focus and Basis of Accounting:

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Fund Financial Statements **–** Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2010, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. 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.

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Village reports the following major governmental funds:

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

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

Proprietary Funds

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

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

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

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

Fiduciary Funds

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

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

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

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds **–** Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Loans: Noncurrent portions of long-term interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute "available spendable resources" since they are not a component of net current assets. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "interfund receivables/payables" on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

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

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

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

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

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2010:

Fund	Amount
General Corporate Fund	$ 4,760,449
Garbage Fund	1,563,697
IMRF Fund	49,992
Downtown Franklin Avenue TIF Fund	2,064,075
Resurrection TIF Fund	1,673,389
Seymour Avenue Capital Projects Fund	658,268

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

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

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. “Measurable” means that amounts can be reasonably determined within the current period. “Available” means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the “available” criterion and are reported as deferred revenue in the fund financial statements.

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

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

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused sick and vacation time upon termination of employment or retirement per standing union contracts. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is $1,144,535.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2010 was $837,320.

NOTE 2 - CASH AND INVESTMENTS

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

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was $3,980,837 at April 30, 2010, while the bank balances were $4,866,539. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for $250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2010. All investments mature in less than one year:

Investment Types	Fair Value
Money market mutual fund	$ 1,785,515
Treasurer Illinois Funds	1,289,458
Total investments	$ 3,074,973

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2010.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 48%, 10% and 42%, respectively, of the Village's investments.

Cash – Police Pension Plan: At April 30, 2010, the Police Pension Plan's carrying amount of cash was $7,512 while the bank balances were $9,418. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to $9,459,187 at April 30, 2010. In accordance with Police Pension Plan policy, certificates of deposit of $9,410,059 were collateralized with securities of the U.S. Government. $49,128 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

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

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investment Type	Fair Value	Investment Maturities Greater than Ten Years
U.S. Agencies	$ 921,482	$ 921,482
Total	921,482	$ 921,482
Investments Not Sensitive to Interest Rate Risk:		
Mutual Funds	2,171,003	
Life Insurance Annuities	6,400,973	
Total Investments	$ 9,493,458	

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

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

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

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan's investments are in LPL Financial Money Market Mutual Fund, Commonwealth Annuity Insurance Contract and Sun Life Insurance Contract. These investments are 5%, 9%, and 5%, respectively, of the Police Pension Plan's total investments.

Cash – Firefighter's Pension Plan: At April 30, 2010, the Firefighter's Pension Plan's carrying amount of cash was $29,473 while the bank balances were $37,427. The FDIC insures bank balances up to $250,000. As of April 30, 2010, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter's Pension Plan's name by a financial institution acting as the Firefighter's Pension Plan's agent.

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

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

		Investment Maturities			
Investment Type	Fair Value	Less than One Year	One to Five Years	Six to Ten Years	Greater than Ten Years
State and Local Obligations	$ 918,081	$ -	$ 918,081	$ -	$ -
U.S. Treasury Notes	2,994,432	-	2,496,855	497,577	-
U.S. Agencies	5,741,471	-	4,961,655	641,914	137,902
Total	9,653,984	$ -	$ 8,376,591	$ 1,139,491	$ 137,902
Investments Not Sensitive to Interest Rate Risk:					
Equity Securities	1,691,770				
Mutual Funds	2,660,893				
Life Insurance Annuities	5,027,994				
Total Investments	$ 19,034,641				

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

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

Investment	Par Value	Interest Rate	Maturity Date
Federal Home Loan Mortgage Corporation	$ 3,445	7.0%	9/1/2015
Federal Home Loan Mortgage Corporation	1,980	7.0%	2/1/2032
Federal National Mortgage Association	11,973	7.5%	7/1/2029
Federal National Mortgage Association	6,769	7.0%	10/1/2029
Federal National Mortgage Association	10,067	7.0%	7/1/2032

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

Concentration of Credit Risk – The Firefighter's Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter's Pension Plan's investments are in Pridex Wishire Insurance Contract. This investment is 22% of the Firefighter's Pension Plan's total investments.

(Continued)

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:	
Statement of net assets	
Cash	$ 13,252,558
Investments	1,785,515
Cash overdraft liability	(8,333,713)
Statement of fiduciary net assets	
Pension trust funds	
Cash	36,985
Certificates of deposit	9,459,187
State and local obligations	918,081
US government and agency obligations	7,728,249
US government backed securities	1,929,136
Insurance contracts	11,428,967
Equity securities	1,691,770
Equity mutual funds	2,838,494
Money market mutual funds	1,993,402
Agency funds	
Cash	351,450
Total	$ 45,080,081

Cash and investments per footnote:	
Cash	$ 3,980,837
Investments	3,074,973
Cash – Police Pension Plan	7,512
Certificate of deposits – Police Pension Plan	9,459,187
Investments – Police Pension Plan	9,493,458
Cash – Firefighter’s Pension Plan	29,473
Investments – Firefighter’s Pension Plan	19,034,641
Total	$ 45,080,081

(Continued)

NOTE 3 - CAPITAL ASSETS

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

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 10,046,015	$ 1,145,598	$ (851,515)	$ 10,340,098
Construction in progress	2,889,825	797,440	(3,687,265)	-
Total capital assets being not depreciated	12,935,840	1,943,038	(4,538,780)	10,340,098
Capital assets being depreciated				
Infrastructure	123,967,455	3,591,305	-	127,558,760
Buildings and improvements	5,598,358	138,652	-	5,737,010
Vehicles and equipment	5,716,467	262,439	-	5,978,906
Subtotal	135,282,280	3,992,396	-	139,274,676
Less accumulated depreciation:				
Infrastructure	(92,504,337)	(5,849,124)	-	(98,353,461)
Buildings and improvements	(2,955,316)	(111,605)	-	(3,066,921)
Vehicles and equipment	(4,275,835)	(462,878)	-	(4,738,713)
Total accumulated depreciation	(99,735,488)	(6,423,607)	-	(106,159,095)
Total capital assets being depreciated, net	35,546,792	(2,431,211)	-	33,115,581
Governmental activities capital assets, net	$ 48,482,632	$ (488,173)	$(4,538,780)	$ 43,455,679

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

General government	$ 210,689
Public safety	159,327
Highway and street	6,053,591
Total	$ 6,423,607

(Continued)

NOTE 3 - CAPITAL ASSETS (Continued)

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

	Balance at May 1, 2009	Additions	Deletions	Balance at April 30, 2010
Business-Type activities:				
Capital assets not being depreciated:				
Land	$ 185,000	$ -	$ -	$ 185,000
Construction in progress	380,780	840,550	(1,170,349)	50,981
Total capital assets being not depreciated	565,780	840,550	(1,170,349)	235,981
Capital assets being depreciated:				
Water and sewer system	46,459,391	2,802,110	-	49,261,501
Storage reservoir/pump	4,981,883	158,295	-	5,140,178
Buildings and improvements	1,945,172	164,124	-	2,109,296
Vehicles and equipment	2,803,306	-	-	2,803,306
Subtotal	56,189,752	3,124,529	-	59,314,281
Less accumulated depreciation:				
Water and sewer system	(14,329,622)	(822,010)	-	(15,151,632)
Storage reservoir/pump	(2,351,022)	(130,052)	-	(2,481,074)
Buildings and improvements	(810,059)	(52,546)	-	(862,605)
Vehicles and equipment	(2,399,449)	(98,756)	-	(2,498,205)
Total accumulated depreciation	(19,890,152)	(1,103,364)	-	(20,993,516)
Total capital assets being depreciated, net	36,299,600	2,021,165	-	38,320,765
Business-Type activities capital assets, net	$ 36,865,380	$ 2,861,715	$(1,170,439)	$ 38,556,746

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

Water	$ 541,584
Sewer	561,780
Total	$ 1,103,364

(Continued)

NOTE 4 – LONG-TERM DEBT

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

Governmental Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Refunding – 2003	$ 310,000	$ -	$ 75,000	$ 235,000	$ 75,000
G.O. Alt. Rev. – 2004A	6,215,000	-	-	6,215,000	-
G.O. Alt. Rev. – 2005A	4,065,000	-	100,000	3,965,000	135,000
G.O. Alt. Rev. – 2006	9,500,000	-	-	9,500,000	-
G.O. Alt. Rev. – 2007	8,155,000	-	295,000	7,860,000	310,000
Plus deferred premium	790,140	-	23,981	766,159	-
Less deferred discount	(254,436)	-	(7,802)	(246,634)	-
Total G.O. Bonds	28,780,704	-	486,179	28,294,525	520,000
Leases payable	649,490	92,889	144,539	597,840	140,637
Compensated absences	732,497	1,311,094	961,002	1,082,589	701,055
Net pension obligation	1,631,996	741,506	-	2,373,502	-
Net OPEB obligation	1,433,601	1,382,463	-	2,816,064	-
Total	$ 33,228,288	$ 3,527,952	$ 1,591,720	$ 35,164,520	$ 1,361,692

Business-Type Activities:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Due Within One Year
G.O. Alt. Rev. – 2004B	$ 17,195,000	$ -	$ 810,000	$ 16,385,000	$ 840,000
Plus deferred premium	1,227,887	-	67,627	1,160,260	-
Total G.O. Bonds	18,422,887	-	877,627	17,545,260	840,000
Leases payable	-	505,000	-	505,000	161,370
Loans payable	7,280,921	-	797,809	6,483,112	821,603
Compensated absences	61,036	71,055	70,145	61,946	61,946
Net OPEB obligation	144,392	129,606	-	273,998	-
Total	$ 25,909,236	$ 705,661	$ 1,745,581	$ 24,869,316	$ 1,884,919

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

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 75,000	$ 9,760	$ 84,760	4.00%
2012	80,000	6,760	86,760	4.15%
2013	80,000	3,440	83,440	4.30%
Total	$ 235,000	$ 19,960	$ 254,960	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 310,750	$ 310,750	5.00%
2012	-	310,750	310,750	5.00%
2013	-	310,750	310,750	5.00%
2014	-	310,750	310,750	5.00%
2015	-	310,750	310,750	5.00%
2016	-	310,750	310,750	5.00%
2017	-	310,750	310,750	5.00%
2018	-	310,750	310,750	5.00%
2019	-	310,750	310,750	5.00%
2020	-	310,750	310,750	5.00%
2021	-	310,750	310,750	5.00%
2022	-	310,750	310,750	5.00%
2023	-	310,750	310,750	5.00%
2024	-	310,750	310,750	5.00%
2025	-	310,750	310,750	5.00%
2026	-	310,750	310,750	5.00%
2027	-	310,750	310,750	5.00%
2028	-	310,750	310,750	5.00%
2029	-	310,750	310,750	5.00%
2030	-	310,750	310,750	5.00%
2031	240,000	304,750	544,750	5.00%
2032	1,385,000	264,125	1,649,125	5.00%
2033	1,455,000	193,125	1,648,125	5.00%
2034	1,530,000	118,500	1,648,500	5.00%
2035	1,605,000	40,125	1,645,125	5.00%
Total	$ 6,215,000	$ 7,135,625	$ 13,350,625	

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

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 135,000	$ 197,748	$ 332,748	5.00%
2012	140,000	190,998	330,998	5.00%
2013	145,000	183,998	328,998	5.00%
2014	180,000	177,328	357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	440,000	12,100	452,100	4.30%
Total	$ 3,965,000	$ 1,969,073	$ 5,934,073	

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

Fiscal Year	Principal	Interest	Total	Rate
2011	$ -	$ 380,000	$ 380,000	4.00%
2012	40,000	379,200	419,200	4.00%
2013	40,000	377,600	417,600	4.00%
2014	45,000	375,900	420,900	4.00%
2015	45,000	374,100	419,100	4.00%
2016	50,000	372,200	422,200	4.00%
2017	50,000	370,200	420,200	4.00%
2018	50,000	368,200	418,200	4.00%
2019	55,000	366,100	421,100	4.00%
2020	55,000	363,900	418,900	4.00%
2021	60,000	361,600	421,600	4.00%
2022	60,000	359,200	419,200	4.00%
2023	65,000	356,700	421,700	4.00%
2024	985,000	335,700	1,320,700	4.00%
2025	1,030,000	295,400	1,325,400	4.00%
2026	1,070,000	253,400	1,323,400	4.00%
2027	1,110,000	209,800	1,319,800	4.00%
2028	1,160,000	164,400	1,324,400	4.00%
2029	1,205,000	117,100	1,322,100	4.00%
2030	1,255,000	67,900	1,322,900	4.00%
2031	1,070,000	21,400	1,091,400	4.00%
Total	$ 9,500,000	$ 6,270,000	$ 15,770,000	

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 310,000	$ 357,060	$ 667,060	3.90%
2012	320,000	344,970	664,970	4.00%
2013	415,000	332,170	747,170	4.05%
2014	435,000	315,363	750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	975,000	46,313	1,021,313	4.75%
Total	$ 7,860,000	$ 3,019,304	$ 10,879,304	

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of $1,706,219 less accumulated depreciation of $606,525 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2010 was $284,995. Remaining principal and interest payments are as follows:

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 302,007	$ 46,891	$ 348,898
2012	263,764	34,304	298,068
2013	263,985	22,558	286,563
2014	88,594	13,578	102,172
2015	92,760	9,410	102,170
2016	28,955	5,045	34,000
2017	30,547	3,453	34,000
2018	32,228	1,772	34,000
	$ 1,102,840	$ 137,031	$ 1,239,871

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

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

Fiscal Year	Principal	Interest	Total	Rate
2011	$ 840,000	$ 783,750	$ 1,623,750	4.00%
2012	1,030,000	746,350	1,776,350	5.00%
2013	1,085,000	698,625	1,783,625	5.00%
2014	1,135,000	643,125	1,778,125	5.00%
2015	1,190,000	585,000	1,775,000	5.00%
2016	1,250,000	524,000	1,774,000	5.00%
2017	1,315,000	459,875	1,774,875	5.00%
2018	1,380,000	392,500	1,772,500	5.00%
2019	1,450,000	321,750	1,771,750	5.00%
2020	1,520,000	247,500	1,767,500	5.00%
2021	1,590,000	169,750	1,759,750	5.00%
2022	1,675,000	88,125	1,763,125	5.00%
2023	925,000	23,125	948,125	5.00%
Total	$ 16,385,000	$ 5,683,475	$ 22,068,475	

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

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 165,926	$ 25,236	$ 191,162
2012	171,547	19,614	191,161
2013	177,360	13,802	191,162
2014	183,369	7,792	191,161
2015	94,001	1,579	95,580
	$ 792,203	$ 68,023	$ 860,226

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

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 262,786	$ 50,158	$ 312,944
2012	270,235	42,709	312,944
2013	277,896	35,048	312,944
2014	285,774	27,170	312,944
2015	293,875	19,069	312,944
2016	302,205	10,739	312,944
2017	154,300	2,173	156,473
	$ 1,847,071	$ 187,066	$ 2,034,137

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

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 198,467	$ 50,467	$ 248,934
2012	204,768	44,166	248,934
2013	211,269	37,665	248,934
2014	217,977	30,958	248,935
2015	224,897	24,037	248,934
2016	232,037	16,897	248,934
2017	239,406	9,531	248,937
2018	122,537	1,930	124,467
	$ 1,651,358	$ 215,651	$ 1,867,009

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

Fiscal Year	Principal	Interest	Total Debt Service
2011	$ 194,424	$ 56,286	$ 250,710
2012	199,562	51,148	250,710
2013	204,835	45,875	250,710
2014	210,247	40,463	250,710
2015	215,801	34,909	250,710
2016	221,504	29,206	250,710
2017	227,356	23,354	250,710
2018	233,364	17,346	250,710
2019	239,529	11,181	250,710
2020	245,858	4,852	250,710
	$ 2,192,480	$ 314,620	$ 2,507,100

(Continued)

NOTE 4 – LONG-TERM DEBT (Continued)

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2010, the equalized assessed valuation of the Village is $998,467,011 and the legal debt margin is $82,373,529. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/10, the Village did not complete its 2009 filing. The Village completed the 2009 filing in March 2011. However, no action has been taken against the Village compelling compliance with the debt covenants as of the date of this audit report.

NOTE 5 – SHORT-TERM DEBT

The Village took out a line of credit on October 4, 2009 for $2,000,000 at an interest rate of 4.00%. The Village drew down $2,000,000 on this line of credit on October 31, 2009. The Line of Credit is scheduled to be repaid on October 13, 2010. A total of $38,444 of interest was paid through April 30, 2010. A summary of the short-term debt activity is as follows:

Balance 5/1/2009	Additions	Deductions	Balance 4/30/2010
$ -	$ 2,000,000	$ -	$ 2,000,000

See Note 13 for additional information regarding the extension of the Line of Credit by the Village subsequent to year end.

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2010 total $15,449,071. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project
$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2010 is $1,925,763 plus unpaid accrued interest of $173,319 for a total amount due of $2,099,082. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of $2,400,000 replaced the original note in the amount of $1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project
$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2010 is $8,200,000 plus accrued interest of $5,149,989 for a total amount due of $13,349,989. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

(Continued)

NOTE 7 – INTERFUNDS AND TRANSFERS

The interfunds are a result of the cash loans between the funds. The transfer is the result of the closing of the South Industrial TIF Fund.

	Due from other funds	Due to other funds
General Corporate		
Nonmajor Governmental	$ 680,205	$ -
Water	-	780,000
Sewer	-	420,000
Total General Corporate	680,205	1,200,000
Working Cash		
Nonmajor Governmental	685,000	-
Total Working Cash	685,000	-
Nonmajor Governmental		
General Corporate	-	680,205
Working Cash	-	685,000
Nonmajor Governmental	1,121,383	1,121,383
Water	-	400,000
Total Nonmajor Governmental	1,121,383	2,886,588
Water		
General Corporate	780,000	
Nonmajor Governmental	400,000	-
Total Water	1,180,000	-
Sewer		
General Corporate	420,000	-
Total Sewer	420,000	-
Total	$ 4,086,588	$ 4,086,588

	Transfers in	Transfers out
General Corporate		
Nonmajor Governmental	$ -	$ 1,468
Total General Corporate	-	1,468
Nonmajor Governmental		
General Corporate	1,468	-
Nonmajor Governmental	1,658,404	1,658,404
Total Nonmajor Governmental	1,659,872	1,658,404
Total	$ 1,659,872	$ 1,659,872

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN

Illinois Municipal Retirement Fund – Regular Plan

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

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 5.25% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $169,047 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 169,047	100%	$ -
December 31, 2008	212,080	100%	-
December 31, 2007	232,278	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 23 years.

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Regular plan was 82.17 percent funded. The actuarial accrued liability for benefits was $9,345,809 and the actuarial value of assets was $7,679,559, resulting in an under funded actuarial accrued liability (UAAL) of $1,666,250. The covered payroll (annual payroll of active employees covered by the plan) was $3,219,952 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Illinois Municipal Retirement Fund – Sheriff's Law Enforcement Personnel

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

Funding Policy: As set by statute, the Village's Sheriff's Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2009 was 14.03% of payroll. The Village also contributes for disability benefits, death benefits and supplemental retirement benefits all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2009, the Village's annual pension cost of $6,048 was equal to the Village's required and actual contributions. Trend Information is listed below:

Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
December 31, 2009	$ 6,048	100%	$ -
December 31, 2008	13,072	100%	-
December 31, 2007	11,978	100%	-

The required contribution for 2009 was determined as part of the December 31, 2007 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor between the actuarial and market value of assets. The Village's plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at the December 31, 2007 valuation was 27 years.

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Funded Status and Funding Progress: As of December 31, 2009, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 246.44 percent funded. The actuarial accrued liability for benefits was $24,797 and the actuarial value of assets was $61,109, resulting in an over funded actuarial accrued liability (UAAL) of $36,312. The covered payroll (annual payroll of active employees covered by the plan) was $43,111 and the ratio of the UAAL to the covered payroll was 52 percent. In conjunction with the December 2009 actuarial valuation the market value of the investments was determined using techniques that spread the effect of short-term volatility in the market value of the investments over a five-year period with a 20% corridor between the actuarial and market value of the assets. In 2010, the unfunded actuarial accrued liability is being amortized on a level percentage of projected payroll on an open 30 year basis.

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

Police Pension Plan

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

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

At April 30, 2010, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits	44
Current Employees Vested and Nonvested	33
	87

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Summary of Significant Accounting Policies and Plan Asset Matters:

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

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

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

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

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

Contribution rates:	
Village, Plan Members	30.92%, 9.91%
Annual Pension Cost	$1,390,042
Contributions Made	$964,382
Actuarial Valuation Date	April 30, 2010
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	23 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$ 1,372,467
Interest on Net Pension Obligation	59,929
Adjustment to Annual Required Contribution	(42,354)
Annual Pension Cost	1,390,042
Actual Contributions	964,382
Increase in Net Pension Obligation	425,660
Net Pension Obligation as of April 30, 2009	856,130
Net Pension Obligation as of April 30, 2010	$ 1,281,790

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

Fiscal Year Ending	Annual Pension Cost	Percent Contributed	Net Pension Obligation
April 30, 2010	$ 1,390,042	69.4%	$ 1,281,790
April 30, 2009	1,381,867	68.7%	856,130
April 30, 2008	1,303,427	67.5%	423,632

Firefighter's Pension Plan

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

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

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

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

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

Summary of Significant Accounting Policies and Plan Asset Matters:

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

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

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

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

Contribution rates:	
Village, Plan Members	31.495%, 9.91%
Annual Pension Cost	$1,349,011
Contributions Made	$1,033,165
Actuarial Valuation Date	April 30, 2009
Actuarial Cost Method	Entry Age
Amortization Period	Level Percentage of Pay, Closed
Remaining Amortization Period	24 Years
Asset Valuation Method	Market
Actuarial Assumptions	
Investment Rate of Return	7.00%
Projected Salary Increases	5.50%
Inflation	3.00%
Cost of Living Adjustments	3.00%

(Continued)

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

Annual Required Contribution	$	1,340,658
Interest on Net Pension Obligation		26,352
Adjustment to Annual Required Contribution		(17,999)
Annual Pension Cost		1,349,011
Actual Contributions		1,033,165
Increase in Net Pension Obligation		315,846
Net Pension Obligation as of April 30, 2009		775,866
Net Pension Obligation as of April 30, 2010	$	1,091,712

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

Fiscal Year Ending		Annual Pension Cost	Percent Contributed		Net Pension Obligation
April 30, 2010	$	1,349,011	76.6%	$	1,091,712
April 30, 2009		1,349,011	70.4%		775,866
April 30, 2008		1,297,715	73.8%		376,462

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were $1,665,101 and $3,275,488, respectively.

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

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

Funding Policy*:* Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was $413,082 for 2010.

At April 30, 2009 (the latest information available), the membership consisted of:

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

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

Annual Required Contribution	$ 1,925,151
Interest on OPEB	-
Annual OPEB Cost	1,925,151
Contributions	413,082
Increase (Decrease) in OPEB	1,512,069
OPEB at April 30, 2009	1,577,993
OPEB at April 30, 2010	$ 3,090,062

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

Year Ending	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
4/30/2010	$ 1,925,151	21.5%	$ 3,090,062
4/30/2009	1,925,151	18.0%	1,577,933
4/30/2008	n/a	n/a	n/a

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

(Continued)

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Funded Status and Funding Progress*:* As of April 30, 2009, the plan was unfunded. The actuarial accrued liability for benefits was $18,816,415. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

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

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

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

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

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In November 2010 the Governmental Accounting Standards Board (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 (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The Statement provides guidance regarding recognition by the Transferor of the appropriate assets and liabilities and revenue recognition. This Statement also provides guidance for governments that are operators in an SCA. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 with early application encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity by amending 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, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by adding additional criteria that must be met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, with earlier application encouraged.

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

NOTE 13 - SUBSEQUENT EVENTS

On October 14, 2010, the line of credit the Village obtained during the fiscal year was increased by $500,000 which the Village drew down. The line of credit is due to be repaid on October 13, 2011.

On August 25, 2010, the Village obtained a general obligation note from a separate lending institution for $3,000,000. The note has an interest rate of 70% times the aggregate of One-Month LIBOR plus 2.5% and is due on March 1, 2011 or 6 months after the final closing. The Village has not closed this note to date. As such, the final maturity date for the note has not yet been determined.

(Continued)

NOTE 14 - PRIOR PERIOD RESTATEMENTS

During 2010, management identified certain insurance funds still titled in the Village's name that were expensed in prior years. These funds ($716,987) have been recorded as an asset and an increase in fund balance as of the beginning of the year as noted below:

General Corporate Fund	
Fund balance as previously reported as of May 1, 2009	$ (5,393,376)
To record other assets not previously reported	(716,987)
Restated fund balance as of May 1, 2009	$ (4,676,389)
Governmental Activities	
Net assets as previously reported as of May 1, 2009	$ 21,170,676
To record other assets not previously reported	716,987
Restated net assets as of May 1, 2009	$ 21,887,663

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION

As discussed in detail in the Management's Discussion & Analysis, the Village has suffered severe financial distress that is being addressed by the new administration. A new financial management team was charged with clarifying the village's financial position, assuring its continued liquidity, developing a budget based on realistic cash flow projections and ultimately achieving financial stability. Though still challenging, the Village's financial picture has gradually improved over the past two years. In the fiscal year just completed, FY 2011, it appears that the 11 year trend of declining general fund balance has been reversed. Though the precise amount of progress made in this area awaits the outcome of the FY 2011 audit, the village's negative fund balance position appears to have been cut by upwards of one million dollars. Related to this, the village showed an increase in yearend cash balances approximating two million dollars. This will allow the village to meet its ongoing obligations to vendors and others in a more timely manner than last year. These gains are attributable to a number of actions taken by the new administration since assuming office. On the revenue side, those several revenue sources that could be enhanced were (i.e.,, refuse collection, vehicle registration, non-abatement of three property tax levies and TIF management fees), and expenditure reductions (mostly in payroll and benefits) were instituted as well.

The specific revenue enhancements were:

- A refuse collection fee, which generates about $1.2 million annually was imposed,
- Increased vehicle registration fees added $63 thousand.
- Several property tax levies that had previously been abated were not, generating an additional $3.5 million in cash flow. It is anticipated that these levies will continue unabated for the next several years.
- A long-dormant receivables collection process is being revived and is expected to generate about $500 thousand in aged receivables.

Expenditure reductions were also undertaken.

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

(Continued)

NOTE 15 - MANAGEMENT PLAN TO REDUCE DEFICIT POSITION (Continued)

Overall, it is expected that the village's financial health will continue to improve over the next several years despite some serious headwinds. Chief among these is the national economy and its impact on economically sensitive revenues, such as income and sales taxes as well as building permit revenues. It is not clear when the economy will fully recover, and the village will continue to meet the challenges posed by depressed revenues in these and related areas.

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL CORPORATE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 10,026,966	$ 9,324,407	$ (702,559)
Sales taxes	2,800,000	2,403,228	(396,772)
Income taxes	1,800,000	1,474,908	(325,092)
Utility taxes	2,428,000	2,073,897	(354,103)
Other taxes	2,300,415	1,948,484	(351,931)
Licenses, permits and fees	2,423,800	1,255,180	(1,168,620)
Grant revenue	874,500	216,352	(658,148)
Other revenue	817,110	607,527	(209,583)
Fines and forfeitures	805,500	942,587	137,087
Investment income	30,000	2,804	(27,196)
Charges for services	1,217,020	897,672	(319,348)
Total revenues	25,523,311	21,147,046	(4,376,265)
Expenditures			
Current			
General government	6,190,751	4,871,201	(1,319,550)
Public safety	11,045,858	12,061,255	1,015,397
Highway and street	2,655,855	1,854,959	(800,896)
Public health	327,440	275,833	(51,607)
Community development	572,110	528,339	(43,771)
Building department	1,458,750	858,240	(600,510)
Debt service			
Interest and other charges	-	38,444	38,444
Capital outlay	1,295,896	834,276	(461,620)
Total expenditures	23,546,660	21,322,547	(2,224,113)
Excess (deficiency) of revenues over (under) expenditures	1,976,651	(175,501)	(2,152,152)
Other financing sources (uses)			
Transfers out	-	(1,468)	(1,468)
Proceeds from capital lease	-	92,889	92,889
Proceeds from the sale of fixed assets	500	-	(500)
Total other financing sources (uses)	500	91,421	90,921
Net changes in fund balances	$ 1,977,151	(84,080)	$ (2,061,231)
Fund balances at beginning of year as restated		(4,676,389)	
Fund balances at end of year		$ (4,760,469)	

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

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

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

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

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2010:

Fund	Amount
911 Emergency Surcharge Tax Fund	$ 316,869

VILLAGE OF FRANKLIN PARK, ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS
April 30, 2010

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL) - Entry Age	(3) Unfunded (Overfunded) AAL (2) - (1)	(4) Funded Ratio (1) / (2)	(5) Annual Covered Payroll	(6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5)
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR						
12/31/2009	$ 7,679,559	$ 9,345,809	$ 1,666,250	82.2%	$ 3,219,952	51.7%
12/31/2008	7,583,533	9,303,361	1,719,828	81.5%	3,267,804	52.6%
12/31/2007	9,829,165	8,307,462	(1,521,703)	118.3%	2,910,755	-52.3%
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL						
12/31/2009	$ 61,109	$ 24,797	$ (36,312)	246.4%	$ 43,111	-84.2%
12/31/2008	52,363	29,353	(23,010)	178.4%	94,454	-24.4%
12/31/2007	32,265	10,726	(21,539)	300.8%	81,872	-26.3%
POLICE PENSION FUND						
4/30/2010	$ 19,004,820	$ 40,191,355	$ 21,186,535	47.3%	$ 3,119,156	679.2%
4/30/2008	19,370,974	37,894,385	18,523,411	51.1%	3,280,940	564.6%
4/30/2007	19,330,483	36,849,658	17,519,175	52.5%	3,350,352	522.9%

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

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
FIREFIGHTER'S PENSION FUND						
4/30/2009	$ 17,458,475	$ 38,257,435	$ 20,798,960	45.6%	$ 3,015,057	689.8%
4/30/2008	20,222,441	37,079,485	16,857,044	54.5%	2,998,553	562.2%
4/30/2007	20,164,957	35,255,525	15,090,568	57.2%	3,106,223	485.8%

Note: Information as of 4/30/10 for the Fire Pension Fund not available.

Actuarial Valuation Date	(1)	(2)	(3)	(4)	(5)	(6)
OTHER POST EMPLOYMENT BENEFITS						
4/30/2009	$ -	$ 18,816,415	$ 18,816,415	0.0%	Not available	Not available

Note: 2009 was the first actuarial valuation for other post employment benefits and is the latest information available.

VILLAGE OF FRANKLIN PARK ILLINOIS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS
April 30, 2010

Actuarial Valuation Date	Employer Contributions	Annual Required Contribution	Percent Contributed	Net Pension Obligation
ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR				
12/31/2009	$ 169,047	$ 169,047	100%	$ -
12/31/2008	212,080	212,080	100%	-
12/31/2007	232,278	232,278	100%	-
ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL				
12/31/2009	$ 6,048	$ 6,048	100%	$ -
12/31/2008	13,072	13,072	100%	-
12/31/2007	11,978	11,978	100%	-
POLICE PENSION FUND				
4/30/2010	$ 964,382	$ 1,390,042	69.38%	$ 1,281,790
4/30/2009	949,369	1,381,867	68.70%	856,130
4/30/2008	879,795	1,303,427	67.50%	423,632
FIREFIGHTER'S PENSION FUND				
4/30/2010	$ 1,033,165	$ 1,349,011	76.59%	$ 1,091,712
4/30/2009	949,607	1,349,011	70.39%	775,866
4/30/2008	957,265	1,297,715	73.77%	376,462
OTHER POST EMPLOYMENT BENEFITS				
4/30/2010	$ 413,082	$ 1,925,151	21.46%	$ 3,090,062
4/30/2009	347,158	1,925,151	18.03%	1,577,993

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

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2010

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Assets				
Cash	$ 6,030,675	$ 2,392,872	$ 793,820	$ 9,217,367
Investments	1,298,484	487,031	-	1,785,515
Property taxes receivable	-	2,061,686	-	2,061,686
Accrued interest	330	-	-	330
Accounts receivable	238,551	-	-	238,551
Interfund receivable	1,121,383	-	-	1,121,383
Total assets	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832
Liabilities and fund balances				
Liabilities				
Cash overdraft liability	$ 2,080,786	$ 837,820	$ -	$ 2,918,606
Accounts payable	223,407	1,060,756	1,138,499	2,422,662
Accrued payroll	4,192	-	-	4,192
Deferred property tax revenue	-	2,045,210	-	2,045,210
Interfund payables	1,765,205	1,121,383	-	2,886,588
Total liabilities	4,073,590	5,065,169	1,138,499	10,277,258
Fund balances				
Reserved for interfunds	1,121,383	-	-	1,121,383
Reserved for public safety	742,781	-	-	742,781
Reserved for highway and streets	3,556,754	-	-	3,556,754
Reserved for community development	2,728,045	-	-	2,728,045
Reserved for debt service	-	1,549,809	-	1,549,809
Reserved for capital projects	-	-	313,589	313,589
Unreserved - special revenue funds	(3,533,130)	-	-	(3,533,130)
Unreserved - debt service funds	-	(1,673,389)	-	(1,673,389)
Unreserved - capital projects funds	-	-	(658,268)	(658,268)
Total fund balances	4,615,833	(123,580)	(344,679)	4,147,574
Total liabilities and fund balances	$ 8,689,423	$ 4,941,589	$ 793,820	$ 14,424,832

VILLAGE OF FRANKLIN PARK, ILLINOIS

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

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total
Revenues				
Property taxes	$ 2,430,390	$ 3,025,643	$ -	$ 5,456,033
Other taxes	540,231	-	-	540,231
Grant revenue	8,742	-	201,154	209,896
Other revenue	291	-	-	291
Fines and forfeitures	455,884	-	-	455,884
Investment income	3,891	238	-	4,129
Charges for services	847,662	-	-	847,662
Total revenues	4,287,091	3,025,881	201,154	7,514,126
Expenditures				
Current				
General government	303,620	456,732	658,268	1,418,620
Public safety	405,189	-	-	405,189
Highway and street	320,482	-	-	320,482
Public health	1,529,838	-	-	1,529,838
Community development	323,907	2,093,911	-	2,417,818
Debt service				
Principal	-	470,000	-	470,000
Interest and other charges	-	1,463,266	-	1,463,266
Capital outlay	57,918	-	201,154	259,072
Total expenditures	2,940,954	4,483,909	859,422	8,284,285
Excess (deficiency) of revenues over (under) expenditures	1,346,137	(1,458,028)	(658,268)	(770,159)
Other financing sources				
Transfers in	-	1,659,872	-	1,659,872
Transfers out	(1,658,404)	-	-	(1,658,404)
Proceeds from the sale of fixed assets	415,408	-	-	415,408
Total other financing sources	(1,242,996)	1,659,872	-	416,876
Net changes in fund balances	103,141	201,844	(658,268)	(353,283)
Fund balances at beginning of year	4,512,692	(325,424)	313,589	4,500,857
Fund balances at end of year	$ 4,615,833	$ (123,580)	$ (344,679)	$ 4,147,574

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2010

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Assets						
Cash	$ 60,146	$ 425,501	$ 249,100	$ -	$ -	$ 1,372,107
Investments	-	-	-	-	-	-
Accrued interest	330	-	-	-	-	-
Accounts receivable	-	-	-	196,396	-	42,155
Interfund receivables	-	-	-	-	-	-
Total assets	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262
Liabilities and fund balances						
Liabilities						
Cash overdraft liability	$ -	$ -	$ -	$ 1,637,083	$ 49,992	$ -
Accounts payable	-	-	-	118,913	-	51,747
Accrued payroll	-	-	95	4,097	-	-
Interfund payables	-	-	-	-	-	-
Total liabilities	-	-	95	1,760,093	49,992	51,747
Fund balances						
Reserved for interfunds	-	-	-	-	-	-
Reserved for public safety	60,476	425,501	249,005	-	-	-
Reserved for highway and streets	-	-	-	-	-	1,362,515
Reserved for community development	-	-	-	-	-	-
Unreserved	-	-	-	(1,563,697)	(49,992)	-
Total fund balances	60,476	425,501	249,005	(1,563,697)	(49,992)	1,362,515
Total liabilities and fund balances	$ 60,476	$ 425,501	$ 249,100	$ 196,396	$ -	$ 1,414,262

	Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
	$ 144,634	$ 7,799	$ 2,222,255	$ 104,327	$ 261,259	$ 1,183,547	$ -	$ 6,030,675
	-	-	-	837,116	-	461,368	-	1,298,484
	-	-	-	-	-	-	-	330
	-	-	-	-	-	-	-	238,551
	-	-	-	-	-	1,121,383	-	1,121,383
	$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423
	$ -	$ -	$ -	$ -	$ -	$ -	$ 393,711	$ 2,080,786
	-	-	28,016	5,276	1,959	632	16,864	223,407
	-	-	-	-	-	-	-	4,192
	-	-	-	-	-	111,705	1,653,500	1,765,205
	-	-	28,016	5,276	1,959	112,337	2,064,075	4,073,590
	-	-	-	-	-	1,121,383	-	1,121,383
	-	7,799	-	-	-	-	-	742,781
	-	-	2,194,239	-	-	-	-	3,556,754
	-	-	-	936,167	259,300	1,532,578	-	2,728,045
	144,634	-	-	-	-	-	(2,064,075)	(3,533,130)
	144,634	7,799	2,194,239	936,167	259,300	2,653,961	(2,064,075)	4,615,833
	$ 144,634	$ 7,799	$ 2,222,255	$ 941,443	$ 261,259	$ 2,766,298	$ -	$ 8,689,423

VILLAGE OF FRANKLIN PARK, ILLINOIS

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

	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Garbage Fund	IMRF Fund	MFT Fund
Revenues						
Property taxes	$ -	$ -	$ -	$ 591,006	$ 86,163	$ -
Other taxes	49,227	-	-	-	-	491,004
Grant revenue	-	-	-	-	-	8,742
Other revenue	100	-	-	-	-	191
Fines and forfeitures	-	455,884	-	-	-	-
Investment income	528	75	2,751	183	25	-
Charges for services	-	-	323,104	514,558	-	-
Total revenues	49,855	455,959	325,855	1,105,747	86,188	499,937
Expenditures						
Current						
General government	-	-	-	-	211,805	-
Public safety	21,349	65,071	318,769	-	-	-
Highway and street	-	-	-	-	-	296,955
Public health	-	-	-	1,529,838	-	-
Community development	-	-	-	-	-	-
Capital outlay	28,103	29,815	-	-	-	-
Total expenditures	49,452	94,886	318,769	1,529,838	211,805	296,955
Excess (deficiency) of revenues over (under) expenditures	403	361,073	7,086	(424,091)	(125,617)	202,982
Other financing sources (uses)						
Transfers out	-	-	-	-	-	-
Proceeds from the sale of fixed assets	-	-	-	-	-	-
Total other financing sources	-	-	-	-	-	-
Net changes in fund balances	403	361,073	7,086	(424,091)	(125,617)	202,982
Fund balances at beginning of year	60,073	64,428	241,919	(1,139,606)	75,625	1,159,533
Fund balances at end of year	$ 60,476	$ 425,501	$ 249,005	$ (1,563,697)	$ (49,992)	$ 1,362,515

Unclaimed Rebates Fund	Emergency Services and Disaster Agency Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Total
$ -	$ 2,434	$ -	$ 1,260,819	$ 113,234	$ -	$ 376,734	$ 2,430,390
-	-	-	-	-	-	-	540,231
-	-	-	-	-	-	-	8,742
-	-	-	-	-	-	-	291
-	-	-	-	-	-	-	455,884
-	1	72	26	4	144	82	3,891
-	-	-	-	-	10,000	-	847,662
-	2,435	72	1,260,845	113,238	10,144	376,816	4,287,091
-	-	-	750	770	68,623	21,672	303,620
-	-	-	-	-	-	-	405,189
-	-	23,527	-	-	-	-	320,482
-	-	-	-	-	-	-	1,529,838
-	-	-	57,564	2,372	255,403	8,568	323,907
-	-	-	-	-	-	-	57,918
-	-	23,527	58,314	3,142	324,026	30,240	2,940,954
-	2,435	(23,455)	1,202,531	110,096	(313,882)	346,576	1,346,137
-	-	-	(1,047,908)	-	-	(610,496)	(1,658,404)
-	-	-	-	-	415,408	-	415,408
-	-	-	(1,047,908)	-	415,408	(610,496)	(1,242,996)
-	2,435	(23,455)	154,623	110,096	101,526	(263,920)	103,141
144,634	5,364	2,217,694	781,544	149,204	2,552,435	(1,800,155)	4,512,692
$ 144,634	$ 7,799	$ 2,194,239	$ 936,167	$ 259,300	$ 2,653,961	$ (2,064,075)	$ 4,615,833

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
911 EMERGENCY SURCHARGE TAX FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 2,751	$ 2,751
Charges for services	-	323,104	323,104
Total revenues	-	325,855	325,855
Expenditures			
Current			
Public safety	1,900	318,769	316,869
Total expenditures	1,900	318,769	316,869
Net changes in fund balances	$ (1,900)	7,086	$ 8,986
Fund balances at beginning of year		241,919	
Fund balances at end of year		$ 249,005	

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARBAGE FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 1,024,000	$ 591,006	$ (432,994)
Investment income	-	183	183
Charges for services	800	514,558	513,758
Total revenues	1,024,800	1,105,747	80,947
Expenditures			
Current			
Public health	1,546,665	1,529,838	(16,827)
Total expenditures	1,546,665	1,529,838	(16,827)
Net changes in fund balances	$ (521,865)	(424,091)	$ 97,774
Fund balances at beginning of year		(1,139,606)	
Fund balances at end of year		$ (1,563,697)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
IMRF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 175,000	$ 86,163	$ (88,837)
Investment income	-	25	25
Total revenues	175,000	86,188	(88,812)
Expenditures			
Current			
General government	275,000	211,805	(63,195)
Total expenditures	275,000	211,805	(63,195)
Net changes in fund balances	$ (100,000)	(125,617)	$ (25,617)
Fund balances at beginning of year		75,625	
Fund balances at end of year		$ (49,992)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MFT FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other taxes	$ 510,000	$ 491,004	$ (18,996)
Grant revenue	-	8,742	8,742
Other revenue	-	191	191
Total revenues	510,000	499,937	(10,063)
Expenditures			
Current			
Highway and street	940,000	296,955	(643,045)
Total expenditures	940,000	296,955	(643,045)
Net changes in fund balances	$ (430,000)	202,982	$ 632,982
Fund balances at beginning of year		1,159,533	
Fund balances at end of year		$ 1,362,515	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
EMERGENCY SERVICES AND DISASTER AGENCY FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 4,600	$ 2,434	$ (2,166)
Investment income	-	1	1
Total revenues	4,600	2,435	(2,165)
Expenditures	-	-	-
Net changes in fund balances	$ 4,600	2,435	$ (2,165)
Fund balances at beginning of year		5,364	
Fund balances at end of year		$ 7,799	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
GARRA ALTERNATE SOURCE REFUNDING BONDS SERIES 2004A FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Other revenue	$ 100,000	$ -	$ (100,000)
Investment income	100	72	(28)
Total revenues	100,100	72	(100,028)
Expenditures			
Current			
Highway and street	200,000	23,527	(176,473)
Total expenditures	200,000	23,527	(176,473)
Net changes in fund balances	$ (99,900)	(23,455)	$ 76,445
Fund balances at beginning of year		2,217,694	
Fund balances at end of year		$ 2,194,239	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
WEST MANNHEIM REDEVELOPING AREA TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 610,000	$ 1,260,819	$ 650,819
Investment income	-	26	26
Total revenues	610,000	1,260,845	650,845
Expenditures			
Current			
General government	30,000	750	(29,250)
Community development	36,000	57,564	21,564
Total expenditures	66,000	58,314	(7,686)
Excess (deficiency) of revenues over (under) expenditures	544,000	1,202,531	658,531
Other financing sources (uses)			
Transfers out	-	(1,047,908)	(1,047,908)
Total other financing sources (uses)	-	(1,047,908)	(1,047,908)
Net changes in fund balances	$ 544,000	154,623	$ (389,377)
Fund balances at beginning of year		781,544	
Fund balances at end of year		$ 936,167	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
BELMONT/RIVER TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 95,000	$ 113,234	$ 18,234
Investment income	-	4	4
Total revenues	95,000	113,238	18,238
Expenditures			
Current			
General government	12,000	770	(11,230)
Community development	10,000	2,372	(7,628)
Total expenditures	22,000	3,142	(18,858)
Net changes in fund balances	$ 73,000	110,096	$ 37,096
Fund balances at beginning of year		149,204	
Fund balances at end of year		$ 259,300	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
MANNHEIM/GRAND TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Investment income	$ -	$ 144	$ 144
Charges for services	29,500	10,000	(19,500)
Total revenues	29,500	10,144	(19,356)
Expenditures			
Current			
General government	35,000	68,623	33,623
Community development	503,000	255,403	(247,597)
Total expenditures	538,000	324,026	(213,974)
Excess (deficiency) of revenues over (under) expenditures	(508,500)	(313,882)	194,618
Other financing sources (uses)			
Proceeds from the sale of fixed assets	-	415,408	415,408
Total other financing sources (uses)	-	415,408	415,408
Net changes in fund balances	$ (508,500)	101,526	$ 610,026
Fund balances at beginning of year		2,552,435	
Fund balances at end of year		$ 2,653,961	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
DOWNTOWN FRANKLIN AVENUE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 340,000	$ 376,734	$ 36,734
Investment income	2,500	82	(2,418)
Total revenues	342,500	376,816	34,316
Expenditures			
Current			
General government	2,500	21,672	19,172
Community development	319,500	8,568	(310,932)
Total expenditures	322,000	30,240	(291,760)
Excess (deficiency) of revenues over (under) expenditures	20,500	346,576	326,076
Other financing sources (uses)			
Transfers out	-	(610,496)	(610,496)
Total other financing sources (uses)	-	(610,496)	(610,496)
Net changes in fund balances	$ 20,500	(263,920)	$ (284,420)
Fund balances at beginning of year		(1,800,155)	
Fund balances at end of year		$ (2,064,075)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2010

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Assets							
Cash	$ -	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ -	$ 2,392,872
Investments	297,552	-	-	-	-	189,479	487,031
Property taxes receivable	2,061,686	-	-	-	-	-	2,061,686
Total assets	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589
Liabilities and fund balances							
Liabilities							
Cash overdraft liability	$ 212,932	$ -	$ -	$ -	$ -	$ 624,888	$ 837,820
Accounts payable	4,880	-	300	938,384	595	116,597	1,060,756
Deferred property tax revenue	2,045,210	-	-	-	-	-	2,045,210
Interfund payables	-	-	-	-	-	1,121,383	1,121,383
Total liabilities	2,263,022	-	300	938,384	595	1,862,868	5,065,169
Fund balances							
Reserved for debt service	96,216	-	1,103,585	-	350,008	-	1,549,809
Unreserved	-	-	-	-	-	(1,673,389)	(1,673,389)
Total fund balances	96,216	-	1,103,585	-	350,008	(1,673,389)	(123,580)
Total liabilities and fund balances	$ 2,359,238	$ -	$ 1,103,885	$ 938,384	$ 350,603	$ 189,479	$ 4,941,589

VILLAGE OF FRANKLIN PARK, ILLINOIS

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

	Corporate Bond and Interest Fund	South Industrial TIF Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
Revenues							
Property taxes	$ 1,500,942	$ -	$ 741,817	$ -	$ 589,617	$ 193,267	$ 3,025,643
Investment income	220	-	-	-	16	2	238
Total revenues	1,501,162	-	741,817	-	589,633	193,269	3,025,881
Expenditures							
Current							
General government	9,294	-	-	-	-	447,438	456,732
Community development	-	-	289,446	-	412,462	1,392,003	2,093,911
Debt service							
Principal	470,000	-	-	-	-	-	470,000
Interest and other charges	1,463,266	-	-	-	-	-	1,463,266
Total expenditures	1,942,560	-	289,446	-	412,462	1,839,441	4,483,909
Excess (deficiency) of revenues over (under) expenditures	(441,398)	-	452,371	-	177,171	(1,646,172)	(1,458,028)
Other financing sources							
Transfers in	1,658,404	1,468	-	-	-	-	1,659,872
Total other financing sources	1,658,404	1,468	-	-	-	-	1,659,872
Net changes in fund balances	1,217,006	1,468	452,371	-	177,171	(1,646,172)	201,844
Fund balances at beginning of year	(1,120,790)	(1,468)	651,214	-	172,837	(27,217)	(325,424)
Fund balances at end of year	$ 96,216	$ -	$ 1,103,585	$ -	$ 350,008	$ (1,673,389)	$ (123,580)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
CORPORATE BOND AND INTEREST FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 83,000	$ 1,500,942	$ 1,417,942
Investment income	-	220	220
Total revenues	83,000	1,501,162	1,418,162
Expenditures			
Current			
General government	5,000	9,294	4,294
Principal	3,407,405	470,000	(2,937,405)
Interest and other charges	-	1,463,266	1,463,266
Total expenditures	3,412,405	1,942,560	(1,469,845)
Excess (deficiency) of revenues over (under) expenditures	(3,329,405)	(441,398)	2,888,007
Other financing sources (uses)			
Transfers in	-	1,658,404	1,658,404
Total other financing sources (uses)	-	1,658,404	1,658,404
Net changes in fund balances	$ (3,329,405)	1,217,006	$ 4,546,411
Fund balances at beginning of year		(1,120,790)	
Fund balances at end of year		$ 96,216	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
LIFE/FITNESS REEBIE STORAGE TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 685,000	$ 741,817	$ 56,817
Total revenues	685,000	741,817	56,817
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	483,000	289,446	(193,554)
Total expenditures	488,000	289,446	(198,554)
Excess (deficiency) of revenues over (under) expenditures	197,000	452,371	255,371
Net changes in fund balances	$ 197,000	452,371	$ 255,371
Fund balances at beginning of year		651,214	
Fund balances at end of year		$ 1,103,585	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
O'HARE EAST INDUSTRIAL TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 385,000	$ 589,617	$ 204,617
Investment income	-	16	16
Total revenues	385,000	589,633	204,633
Expenditures			
Current			
General government	5,000	-	(5,000)
Community development	443,500	412,462	(31,038)
Total expenditures	448,500	412,462	(36,038)
Net changes in fund balances	$ (63,500)	177,171	$ 240,671
Fund balances at beginning of year		172,837	
Fund balances at end of year		$ 350,008	

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
RESURRECTION TIF FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Property taxes	$ 48,000	$ 193,267	$ 145,267
Investment income	-	2	2
Total revenues	48,000	193,269	145,269
Expenditures			
Current			
General government	10,000	447,438	437,438
Community development	1,645,000	1,392,003	(252,997)
Total expenditures	1,655,000	1,839,441	184,441
Net changes in fund balances	$ (1,607,000)	(1,646,172)	$ (39,172)
Fund balances at beginning of year		(27,217)	
Fund balances at end of year		$ (1,673,389)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUNDS
April 30, 2010

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Assets			
Cash	$ 480,231	$ 313,589	$ 793,820
Total assets	$ 480,231	$ 313,589	$ 793,820
Liabilities and fund balances			
Liabilities			
Accounts payable	$ 1,138,499	$ -	$ 1,138,499
Total liabilities	1,138,499	-	1,138,499
Fund balances			
Reserved for capital projects		313,589	313,589
Unreserved	(658,268)	-	(658,268)
Total fund balances	(658,268)	313,589	(344,679)
Total liabilities and fund balances	$ 480,231	$ 313,589	$ 793,820

VILLAGE OF FRANKLIN PARK, ILLINOIS

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

	Seymour Avenue Capital Projects Fund	Special Service Area #4 Fund	Total
Revenues			
Grant revenue	$ 201,154	$ -	$ 201,154
Total revenues	201,154	-	201,154
Expenditures			
Current			
General government	658,268	-	658,268
Capital outlay	201,154	-	201,154
Total expenditures	859,422	-	859,422
Net changes in fund balances	(658,268)	-	(658,268)
Fund balances at beginning of year	-	313,589	313,589
Fund balances at end of year	$ (658,268)	$ 313,589	$ (344,679)

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
SEYMOUR AVENUE CAPITAL PROJECTS FUND
Year Ended April 30, 2010

	Original & Final Budget	Actual	Variance Over (Under)
Revenues			
Grant revenue	$ -	$ 201,154	$ 201,154
Other revenue	500	-	(500)
Total revenues	500	201,154	200,654
Expenditures			
Current			
General government	5,000	658,268	653,268
Capital outlay	870,154	201,154	(669,000)
Total expenditures	875,154	859,422	(15,732)
Net changes in fund balances	$ (874,654)	(658,268)	$ 216,386
Fund balances at beginning of year		-	
Fund balances at end of year		$ (658,268)	

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
April 30, 2010

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighter's Pension Fund	Total	Village Escrow Fund	Special Assessment Fund	Total
Assets						
Cash	$ 7,512	$ 29,473	$ 36,985	$ 19,961	$ 331,489	$ 351,450
Investments:						
Certificates of deposit	9,459,187	-	9,459,187	-	-	-
State and local obligations	-	918,081	918,081	-	-	-
US government and agency obligations	921,482	6,806,767	7,728,249	-	-	-
US government backed securities	-	1,929,136	1,929,136	-	-	-
Insurance contracts	6,400,973	5,027,994	11,428,967	-	-	-
Equity securities	-	1,691,770	1,691,770	-	-	-
Equity mutual funds	1,176,004	1,662,490	2,838,494	-	-	-
Money market mutual funds	994,999	998,403	1,993,402	-	-	-
Accrued interest receivable	46,268	68,211	114,479	-	-	-
Other receivable	-	-	-	-	419	419
Due from village	65,341	48,947	114,288	-	-	-
Prepaids	500	261	761	-	-	-
Total assets	19,072,266	19,181,533	38,253,799	$ 19,961	$ 331,908	$ 351,869
Liabilities						
Accounts payable	10,105	22,582	32,687	$ -	$ -	$ -
Deposits payable	-	-	-	19,961	331,908	351,869
Total liabilities	10,105	22,582	32,687	$ 19,961	$ 331,908	$ 351,869
Net assets						
Held in trust for pension benefits and other purposes	19,062,161	19,158,951	38,221,112			
Total net assets	$ 19,062,161	$ 19,158,951	$ 38,221,112			

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
Year Ended April 30, 2010

	Police Pension Fund	Firefighter's Pension Fund	Total
Additions			
Contributions			
Employer	$ 1,007,098	$ 1,032,803	$ 2,039,901
Plan members	343,786	311,298	655,084
Total contributions	1,350,884	1,344,101	2,694,985
Net investment earnings	2,958,477	2,173,533	5,132,010
Total additions	4,309,361	3,517,634	7,826,995
Deductions			
Benefits	1,716,486	1,801,248	3,517,734
Administrative expenses	37,344	54,325	91,669
Total deductions	1,753,830	1,855,573	3,609,403
Change in net assets	2,555,531	1,662,061	4,217,592
Net assets - beginning of year	16,506,630	17,496,890	34,003,520
Net assets - end of year	$ 19,062,161	$ 19,158,951	$ 38,221,112

VILLAGE OF FRANKLIN PARK, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
Year Ended April 30, 2010

	Balance May 1, 2009	Additions	Deletions	Balance April 30, 2010
Village Escrow Fund				
Assets				
Cash	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Total assets	$ 20,844	$ 12,150	$ (13,033)	$ 19,961
Liabilities				
Accounts payable	$ 883	$ 2,105	$ (2,988)	$ -
Deposits payable	19,961	14,255	(14,255)	19,961
Total liabilities	$ 20,844	$ 16,360	$ (17,243)	$ 19,961
Special Assessment Fund				
Assets				
Cash	$ 331,489	$ -	$ -	$ 331,489
Other receivable	419	-	-	419
Total assets	$ 331,489	$ -	$ -	$ 331,489
Liabilities				
Deposits payable	$ 331,908	$ -	$ -	$ 331,908
Total liabilities	$ 331,908	$ -	$ -	$ 331,908

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

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

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2010. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

Our examination disclosed the following noncompliances with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2010. The Village did not hold a Joint Review Meeting, as required, during the fiscal year.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2010.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
June 30, 2011