

Final Official Statement Dated November 19, 2009

Subject to compliance by the Village with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.



\$5,735,000
VILLAGE OF FLOSSMOOR
Cook County, Illinois
General Obligation Refunding Bonds, Series 2009

Dated Date of Delivery **Book-Entry** **Bank Qualified** **Due Serially December 1, 2010-2021**

The \$5,735,000 General Obligation Refunding Bonds, Series 2009 (the "Bonds") are being issued by the Village of Flossmoor, Cook County, Illinois (the "Village"). Interest is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2010. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 1 in the following years and amounts.

AMOUNTS, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number	Principal Amount	Due Dec. 1	Interest Rate	Yield or Price	CUSIP Number
\$ 65,000	. 2010	2.000%	0.750%	343334EG9	\$510,000	... 2016	3.250%	2.750%	343334EN4
430,000	. 2011	2.000%	1.150%	343334EH7	530,000	... 2017	4.000%	3.050%	343334EP9
445,000	. 2012	2.500%	1.450%	343334EJ3	550,000	... 2018	4.000%	3.250%*	343334EQ7
455,000	. 2013	3.000%	1.800%	343334EK0	575,000	... 2019	4.000%	3.400%*	343334ER5
470,000	. 2014	3.000%	2.200%	343334EL8	595,000	... 2020	4.000%	3.550%*	343334ES3
490,000	. 2015	3.000%	2.500%	343334EM6	620,000	... 2021	4.000%	3.750%*	343334ET1

*These maturities are priced to call.

OPTIONAL REDEMPTION

Bonds due December 1, 2010-2017, inclusive, are non-callable. Bonds due December 1, 2018-2021, inclusive, are callable in whole or in part on any date on or after December 1, 2017, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to advance refund the Village's outstanding General Obligation Bonds, Series 2002, due December 1, 2011-2021, and to pay the costs of issuing the Bonds. See "PLAN OF FINANCING" herein.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds will constitute valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Village intends to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. It is expected that the Bonds will be made available for delivery on or about December 18, 2009.

Robert W. Baird & Co.

No dealer, broker, salesman or other person has been authorized by the Village to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Village. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Village and, while believed to be reliable, is not guaranteed as to completeness. **THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE VILLAGE SINCE THE RESPECTIVE DATES THEREOF.**

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Final Official Statement, which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors.

Issuer:	Village of Flossmoor, Cook County, Illinois.
Issue:	\$5,735,000 General Obligation Refunding Bonds, Series 2009.
Dated Date:	Date of delivery, expected to be on or about December 18, 2009.
Interest Due:	Each June 1 and December 1, commencing June 1, 2010.
Principal Due:	Serially each December 1, commencing December 1, 2010 through December 1, 2021, as detailed on the front page of this Final Official Statement.
Optional Redemption:	Bonds maturing on or after December 1, 2018, are callable at the option of the Village on any date on or after December 1, 2017, at a price of par plus accrued interest. See “OPTIONAL REDEMPTION” herein.
Authorization:	By vote of the Village Board.
Security:	The Bonds are valid and legally binding obligations of the Village payable both as to principal and interest from ad valorem taxes levied against all taxable property therein without limitation as to rate or amount.
Credit Rating:	The Village received a rating of “AA+” on the Bonds from Standard & Poor’s, a Division of the McGraw-Hill Companies.
Purpose:	Bond proceeds will be used to advance refund the Village’s outstanding General Obligation Bonds, Series 2002, due December 1, 2011-2021, and to pay the costs of issuing the Bonds. See “PLAN OF FINANCING” herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the tax exemption of the Bonds as discussed under “TAX EXEMPTION” in this Final Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See “QUALIFIED TAX-EXEMPT OBLIGATIONS” herein.
Bond Registrar/Paying Agent/ Escrow Agent:	US Bank National Association, Chicago, Illinois.
Verification Agent:	Sikich, LLP, Independent Certified Public Accountants, Aurora, Illinois.
Delivery:	The Bonds are expected to be delivered on or about December 18, 2009.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Registration:	The Bonds will be registered in the name of said purchaser of the Bonds.
Denomination:	\$5,000 or integral multiples thereof.
Underwriter:	Robert W. Baird & Co., Naperville, Illinois.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

**VILLAGE OF FLOSSMOOR
COOK COUNTY, ILLINOIS**

Paul Braun
Mayor

Board Members

James Crum
Village Trustee

James Mitros
Village Trustee

James Wilder
Village Trustee

Perry Hoag
Village Trustee

Philip Minga
Village Trustee

Diane Williams
Village Trustee

Officials

Bridget Wachtel
Village Manager

Scott Bordui
Finance Director

Pamela Nixon
Village Clerk

Edward R. McCormick Jr., Esq.
Village Attorney

THE VILLAGE

The Village of Flossmoor (the “Village”), incorporated on April 1, 1924, encompasses an area of approximately 3.5 square miles and is located in south Cook County approximately 26 miles from downtown Chicago. Nearby communities include Homewood to the north, Olympia Fields to the south, and Chicago Heights to the southeast. The population of the Village, according to the 2000 Census, is 9,301.

The 3.5 square mile area is substantially developed with the exception of the redevelopment of an approximately 91 acre area in southwest Flossmoor which was established as a TIF district in 1991. The redevelopment plan for the TIF district identifies commercial uses, primarily retail and office as the preferred redevelopment use. Despite the downturn in the national economy, the Village is experiencing significant commercial development activity and in 2008 approved 38,000 square feet of new commercial space to the Village’s property tax base. All three developments – Children of America, Alliance Orthopedic and CVS Pharmacy, are either built or being constructed.

The Village operates under the managerial form of government. A Mayor and a six member Board of Trustees are elected for overlapping terms of government. The Mayor and Board of Trustees appoint a Village Manager who is responsible for supervising the day-to-day operations. The Department Directors within the Village report to the Village Manager.

Village services include fire protection, police protection, water and sewer service, maintenance of streets and public ways, public improvements, commuter parking, financial management, economic development, planning and zoning, general administrative services, and cultural activities. The Village employs approximately 151 employees. The Public Works Department employs 14 full-time staff, the Police Department employs 24 full-time police staff and the Fire Department employs four full-time personnel and 30 volunteer firefighters.

In 2008, the Fire Department responded to 757 paramedic calls and 445 fire calls. The Flossmoor Volunteer Fire Department provides service with a combination of full-time, part-time, contract, and volunteer staffing. Our Fire Department is one of the few remaining thriving volunteer fire departments in the metropolitan area. In 2006, the Village successfully passed a referendum to, in part, increase property taxes in support of fire protection and EMS services.

In addition to routine patrol, the Village's Police Department has an active bicycle patrol program. Crime prevention programs include DARE, Neighborhood Watch, Child Safety Seat Inspections, Seat Belt Safety Checks, Home and Business Security Inspections, Vacation House Watch Service and, in recent years, the introduction of E-Cop, an electronic list serve program which has been a very effective means by which to communicate to the community about police-related incidents and crime prevention matters. E-Cop has approximately 600 subscribers. In 2005, the Village partnered with five other communities and established a joint dispatch center, E-Com.

The Flossmoor Public Works Department is a full service department and is responsible for the operation and maintenance of most of the Village's public facilities and infrastructure including water, sanitary sewers, storm drainage, and street systems. All of these systems must be operated and maintained in compliance with federal and state agency guidelines. Other department responsibilities include parking lots, public buildings, parkway trees, snow and ice control, storm drainage cleanup, and grounds restoration.

The Public Works Department is leading the Village through a multi-year capital improvement programs to rehabilitate the Village's infrastructure. Over the last ten years, the Village has spent approximately \$5.8 million to rehabilitate the Village's sanitary sewers. Currently, the Village is in the process of completing the engineering work on the Phase 4 Sanitary Sewer Rehabilitation Project in the Flossmoor Hills/Highlands neighborhood which is estimated to cost \$1.3 million. For all this work, the Village has been able to secure low-interest loans through the IEPA and is seeking funding for the same loan program for the Phase 4 project. In addition, the Village has completed two phases in a storm sewer rehabilitation project. To date, the Village has spent over \$2 million to restore the storm sewer system throughout the eastern area of the Village, and plans have been made to rehabilitate the storm sewer system throughout the rest of the community. Funding for these projects has come from savings set aside for capital improvements in the General Fund.

Redevelopment in the southwest Flossmoor TIF district is also underway. In 2009, the Village completed a comprehensive retail market assessment utilizing the services of the Buxton Company. Efforts are now underway to make outreach with retailers who were identified as having a customer profile similar to the profile of customers within the Flossmoor district trade area. The Village has also designed several infrastructure improvements within the TIF district to establish and/or upgrade water main, sanitary and storm sewers and roadways.

The Flossmoor Library is a component unit of government. The Library's collection includes approximately 74,000 titles. Of the 9,301 residents in the Village, 8,230 residents are borrowers at the Library. The Library employs seven full-time staff members. The Library's circulating collection includes over 56,000 books, magazines, books on tape, and music on CD and cassette. The Library's membership in the Metropolitan Library System and its participation in SWAN (System Wide Area Network) allows it to provide access to an extensive range of materials and services.

Community

The Homewood-Flossmoor Park District serves an approximately nine square mile area with a service population of approximately 30,000. The District's boundaries are generally coterminous with the Villages of Homewood and Flossmoor. Approximately 98% of the 2007 Equalized Assessed Valuations (EAV) of Flossmoor is located in the Park District.

The Homewood-Flossmoor Park District owns and operates 32 park sites, which cover 365 acres. Eight separate facilities include the central administration building, Flossmoor Park Field House, Dolphin Lake Field House, Lions Club Swimming Pool, Racquet and Fitness Club, Service Center, Ice Arena, and Irwin Community Center. These facilities and properties provide an indoor ice skating arena, outdoor ice skating, indoor and outdoor tennis courts, racquetball courts, a fitness center, sledding hills, two swimming pools and a lap pool, the Irons Oaks Environmental Learning Center, playgrounds, ball fields, picnic areas, fishing and boating facilities, and a preschool and senior center. In 2005, the District purchased the Cherry Hill Golf Course and redeveloped and renamed it the Coyote Run Golf Course, an 18-hole, 140 acre public golf course.

Transportation

The Village has excellent access to major roads and highways. U.S. Route 30 is located one and a half miles south of the Village and Interstate 57 is located one and a half miles west of the Village. Access to Interstate 294 and Interstates 80 and 80/94 is also conveniently located. Travel time to Chicago by automobile is approximately 35 minutes. Air transportation is available at O'Hare International Airport (40 miles away) and Midway Airport (20 miles away). Metra trains traveling express to the Loop take 45 minutes, while trains making local stops take 55 minutes. The Village owns and operates two commuter parking lots serving Metra passengers. Bus service throughout the immediate area is also available.

Education

The Village is served by School District 161 (enrollment is approximately 2,600 students) and High School District 233, Homewood-Flossmoor Community High School (enrollment is approximately 2,900 students). Higher education is provided by Community College District 515 (Prairie State College) and Governors State University as well as numerous colleges and universities throughout the region.

SOCIOECONOMIC INFORMATION

Employment

Following are lists of large employers located in the Village and in the surrounding area.

Major Village Employers(I)

<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Homewood Flossmoor Park District(2)	Park District	354
Flossmoor School District 161(3)	Elementary School District	342
Homewood-Flossmoor High School	High School	320
Village of Flossmoor	Municipality	151
Prudential Partners Real Estate	Real Estate Management	100
The First Mortgage Corporation	Mortgage Banking	80
Ingalls Family Care Center	Hospital and Medical Clinic	80
Sunrise of Flossmoor	Senior Living	65
Coldwell Banker Residential Brokerage	Residential Real Estate Brokerage	60
Flossmoor Station Restaurant and Brewery	Restaurant and Brewery	60

- Notes: (1) Source: 2009 Illinois Services Directory and a selective telephone survey.
 (2) Includes all employees in the Homewood Flossmoor Park District and employees of the Coyote Run Golf Course.
 (3) Includes Western Avenue Elementary, Heather Hills Elementary, Flossmoor Hills Elementary, Serena Hills Elementary School, Parker Junior High School and Administration Building Staff.

Major Area Employers(I)

<u>Location</u>	<u>Name</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
Harvey	Ingalls Memorial Hospital-Care	General Hospital	2,000
Hazel Crest	Advocate South Suburban Hospital	General Hospital	1,400
Chicago Heights	Roadway Express, Inc.	Local and Long-distance Trucking Services	1,300
Chicago Heights	St. James Hospital & Health Centers	General Hospital	1,300
Oak Forest	Oak Forest Hospital of Cook County	Long-term Rehabilitation Hospital	1,150
Harvey	Allied Tube & Conduit Corp.	Corporate Headquarters and Steel Pipe and Tubes	900
South Holland	South Suburban Community College	Community College	900(2)
South Holland	Carl Buddig & Co.	Processed Meat and Sausage	850
Chicago Heights	Ford Motor Co., Chicago Stamping Plant	Automobile Body Stamping	800
Chicago Heights	UGN, Inc.	Automotive Sound Deadening Equipment	550
Hazel Crest	Mi-Jack Products, Inc.	Corporate Headquarters and Materials Handling	500
Chicago Heights	Prairie State College	Community College	500(2)
Homewood	Ed Miniat, Inc.	Meat Processing and Shortening	400
Hazel Crest	In-Terminal Services Corp.	Railroad Intermodal Services	350
Hazel Crest	Lanco International	Company Headquarters and Railroad International Services	350
Homewood	Graycor	Company Headquarters and Commercial Construction	350
Tinley Park	Midwest Suburban Publishing, Inc.	Newspaper Publishing	300
Tinley Park	Panduit Corp.	Corporate Headquarters and Rubber Tire Gantry and Mobile and Straddle Cranes	300
South Holland	The Sherwin-Williams Co.	Color Pigment and Dispersions	300
Chicago Heights	BEHR Process Corp.	House Paint	275
Chicago Heights	Chicago Heights Steel	Steel Bars and Fence Posts	250
South Holland	Rupari Food Services, Inc.	Meat Processing	250

- Notes: (1) Source: 2009 Illinois Manufacturers Directory, 2009 Illinois Services Directory and a selective telephone survey.
 (2) Includes full-time, part-time and seasonal employees.

The following tables show employment by industry and by occupation for the Village, Cook County (the “County”) and the State of Illinois (the “State”) as reported by the 2000 Census.

Employment By Industry(I)

Classification	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting, and Mining.....	0	0	2,356	0.10%	66,481	1.14%
Construction.....	184	4.22%	119,355	4.93%	334,176	5.73%
Manufacturing.....	346	7.94%	342,422	14.14%	931,162	15.96%
Wholesale Trade.....	153	3.51%	92,706	3.83%	222,990	3.82%
Retail Trade.....	313	7.18%	244,344	10.09%	643,472	11.03%
Transportation and Warehousing, and Utilities.....	164	3.76%	162,465	6.71%	352,193	6.04%
Information.....	207	4.75%	82,835	3.42%	172,629	2.96%
Finance, Insurance, Real Estate, Rental and Leasing.....	525	12.05%	219,831	9.08%	462,169	7.92%
Professional, Scientific, Management, Administrative, and Waste Management Services.....	677	15.54%	306,482	12.66%	590,913	10.13%
Educational, Health and Social Services.....	1,260	28.92%	454,951	18.79%	1,131,987	19.41%
Arts, Entertainment, Recreation, Accommodation and Food Services.....	198	4.54%	179,592	7.42%	417,406	7.16%
Other Services (Except Public Administration).....	182	4.18%	120,337	4.97%	275,901	4.73%
Public Administration.....	148	3.40%	93,611	3.87%	231,706	3.97%
Total.....	4,357	100.00%	2,421,287	100.00%	5,833,185	100.00%

Note: (1) Source: U. S. Bureau of the Census.

Employment By Occupation(I)

Classification	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Management, Professional and Related Occupation.....	2699	61.95%	852,442	35.21%	1,993,671	34.18%
Service Occupations.....	225	5.16%	339,554	14.02%	813,479	13.95%
Sales and Office.....	1032	23.69%	690,023	28.50%	1,609,939	27.60%
Farming, Fishing and Forestry.....	0	0.00%	1,942	0.08%	17,862	0.31%
Construction, Extraction, and Maintenance.....	201	4.61%	171,534	7.08%	480,418	8.24%
Production, Transportation, and Material Moving.....	200	4.59%	365,792	15.11%	917,816	15.73%
Total.....	4357	100.00%	2,421,287	100.00%	5,833,185	100.00%

Note: (1) Source: U.S. Bureau of the Census.

Annual Average Unemployment Rates(I)

Calendar Year	The Village	Cook County	State of Illinois
1999.....	2.7%	5.0%	4.5%
2000.....	3.2%	4.8%	4.5%
2001.....	3.9%	6.1%	5.4%
2002.....	4.9%	7.4%	6.5%
2003.....	5.0%	7.4%	6.7%
2004.....	4.9%	6.8%	6.2%
2005.....	4.5%	6.5%	5.7%
2006.....	3.3%	4.6%	4.6%
2007.....	3.7%	5.1%	5.0%
2008.....	4.8%	6.5%	6.5%
2009(2)....	NA	10.0%	9.9%

Notes: (1) Source: Illinois Department of Employment Security.
 (2) Preliminary rates for the month of August 2009.

Building Permits

Residential building permits have averaged approximately \$424,000 over the last five years in the Village, excluding the value of land.

Village Building Permits(1) (Excludes the Value of Land)

Calendar Year	Single-Family		Miscellaneous Value	Total Value
	Units	Value		
2002	41	\$ 7,572,830	\$2,547,175	\$10,120,005
2003	36	9,467,900	2,818,894	12,286,794
2004	44	16,447,910	3,879,988	20,327,898
2005	37	14,923,880	3,301,863	18,225,743
2006	20	9,433,142	2,369,975	11,803,117
2007	11	6,082,000	2,831,161	8,913,161
2008	4	2,400,000	1,581,378	3,981,378
2009(2)	0	0	1,838,529	1,838,529

Notes: (1) Source: the Village Building Department.
 (2) Year-to-date through October 20, 2009.

Housing

The 2000 Census reported that the median value of the Village's owner-occupied homes was \$216,200, which compares with \$157,700 for the County and \$130,800 for the State. Over 87% of homes were valued over \$150,000 at the 2000 Census. The 2000 value of specified owner-occupied units for the Village, Cook County and the State were as follows:

Specified Owner-Occupied Units(1)

Value	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	9	0.33%	15,576	1.91%	230,049	9.31%
\$50,000 to \$99,999	50	1.86%	141,600	17.34%	651,605	26.38%
\$100,000 to \$149,999	273	10.13%	218,621	26.77%	583,409	23.62%
\$150,000 to \$199,999	807	29.94%	184,050	22.54%	429,311	17.38%
\$200,000 to \$299,999	964	35.77%	147,478	18.06%	344,651	13.95%
\$300,000 to \$499,000	375	13.91%	74,446	9.12%	163,254	6.61%
\$500,000 to \$999,000	200	7.42%	28,249	3.46%	55,673	2.25%
\$1,000,000 and over	17	0.63%	6,512	0.80%	12,386	0.50%
Total	2,695	100.00%	816,532	100.00%	2,470,338	100.00%

Note: (1) Source: U.S. Bureau of the Census.

Income

Per Capita Personal Income for the Ten Highest Income Counties in the State(1)

Rank		2000
1	Lake County	\$32,102
2	DuPage County	31,315
3	McHenry County	26,476
4	Kendall County	25,188
5	Will County	24,613
6	Kane County	24,315
7	Cook County	23,227
8	Sangamon County	23,173
9	Monroe County	22,954
10	Grundy County	22,591

Note: (1) Source: U.S. Bureau of the Census.

The following shows a ranking of median family income for the Chicago metropolitan area among 102 counties from the 2000 Census.

Ranking of Median Family Income(I)

Ill. County	Family Income	Ill. Rank
DuPage County	\$79,314	1
Lake County	76,424	2
McHenry County	71,553	3
Will County	69,608	4
Kendall County	69,383	5
Kane County	66,558	6
Cook County	53,784	14

Note: (1) Source: U.S. Bureau of the Census.

According to the 2000 Census, the Village had a median family income of \$103,539. This compares to \$53,784 for the County and \$55,545 for the State. Over 68% of the Village's family incomes were over \$75,000. The Village has the twelfth highest median family income out of Illinois' 218 municipalities with populations of 9,000 or more. The following table represents the distribution of family incomes for the Village, the County and the State at the time of the 2000 Census.

Median Family Income(I)

Income	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	34	1.27%	86,610	6.77%	156,205	5.30%
\$10,000 - \$14,999	58	2.17%	50,237	3.93%	105,747	3.59%
\$15,000 - \$24,999	61	2.29%	117,530	9.19%	273,712	9.30%
\$25,000 - \$34,999	67	2.51%	134,606	10.53%	331,907	11.27%
\$35,000 - \$49,999	115	4.31%	198,780	15.54%	506,429	17.20%
\$50,000 - \$74,999	498	18.66%	277,726	21.72%	736,897	25.03%
\$75,000 - \$99,999	420	15.74%	174,228	13.62%	445,390	15.13%
\$100,000 - \$149,999	765	28.66%	145,531	11.38%	356,068	12.09%
\$150,000 - \$199,999	281	10.53%	42,759	3.34%	101,955	3.46%
\$200,000 or more	370	13.86%	50,738	3.97%	111,008	3.77%
Total	2,669	100.00%	1,278,745	100.00%	3,125,318	106.14%

Note: (1) Source: U.S. Bureau of the Census.

According to the 2000 Census, the Village had a median household income of \$94,222. This compares to \$45,922 for the County and \$46,590 for the State. Over 61% of the Village's median household incomes were over \$75,000. The following table represents the distribution of household incomes for the Village, the County and the State at the time of the 2000 Census.

Median Household Income(I)

Income	The Village		Cook County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	71	2.15%	192,689	9.76%	383,299	9.13%
\$10,000 - \$14,999	98	2.97%	107,043	5.42%	252,485	6.01%
\$15,000 - \$24,999	138	4.18%	215,908	10.94%	517,812	12.34%
\$25,000 - \$34,999	158	4.78%	230,787	11.69%	545,962	13.01%
\$35,000 - \$49,999	233	7.05%	316,575	16.03%	745,180	17.75%
\$50,000 - \$74,999	559	16.92%	390,779	19.79%	952,940	22.70%
\$75,000 - \$99,999	484	14.65%	222,453	11.27%	531,760	12.67%
\$100,000 - \$149,999	846	25.61%	181,938	9.21%	415,348	9.89%
\$150,000 - \$199,999	317	9.59%	53,986	2.73%	119,056	2.84%
\$200,000 or more	400	12.11%	62,250	3.15%	128,898	3.07%
Total	3,304	100.00%	1,974,408	100.00%	4,592,740	109.41%

Note: (1) Source: U.S. Bureau of the Census.

**Illinois Fifteen Wealthiest Communities of 9,000 or Greater Population
 (2000 Median Family Income)**

Entities	Rank	2000 Population	Median Family Income(1)	Percent of State
Winnetka	1	12,419	\$200,000	360.1%
Lake Forest	2	20,059	165,512	298.0%
Burr Ridge	3	10,408	151,126	272.1%
Hinsdale	4	17,349	132,993	239.4%
Wilmette	5	27,651	122,515	220.6%
River Forest	6	11,635	122,155	219.9%
Deerfield	7	18,420	118,683	213.7%
Highland Park	8	31,365	117,235	211.1%
Northbrook	9	33,435	110,778	199.4%
Western Springs	10	12,493	108,870	196.0%
Libertyville	11	20,742	103,573	186.5%
Flossmoor	12	9,301	103,539	186.4%
Barrington	13	10,168	102,120	183.9%
Naperville	14	128,358	101,590	182.9%
LaGrange	15	15,608	96,554	173.8%
State of Illinois		12,419,293	55,545	100.0%

Note: (1) Source: U.S. Census Bureau, 2000. Income data reflects 1999 income.

PLAN OF FINANCING

Bond proceeds will be used to fund an escrow to advance refund the Village's outstanding General Obligation Bonds, Series 2002, due December 1, 2011-2021, as listed below (the "Refunded Bonds"):

The Refunded Bonds

<u>Refunded Maturities</u>	<u>Outstanding Amount</u>	<u>Amount Refunded</u>	<u>Redemption Price(s)</u>	<u>Maturity/ Redemption Date(s)</u>
12/01/2009	\$360,000	\$ 0	NA	12/01/2009
12/01/2010	375,000	0	NA	12/01/2010
12/01/2011	395,000	395,000	100%	12/01/2010
12/01/2012	415,000	415,000	100%	12/01/2010
12/01/2013	435,000	435,000	100%	12/01/2010
12/01/2014	455,000	455,000	100%	12/01/2010
12/01/2015	480,000	480,000	100%	12/01/2010
12/01/2016	505,000	505,000	100%	12/01/2010
12/01/2017	530,000	530,000	100%	12/01/2010
12/01/2018	555,000	555,000	100%	12/01/2010
12/01/2019	585,000	585,000	100%	12/01/2010
12/01/2020	610,000	610,000	100%	12/01/2010
12/01/2021	640,000	640,000	100%	12/01/2010

Bond proceeds will be used to purchase direct full faith and credit obligations of the United States of America (the "Government Securities"), the principal of which together with interest to be earned thereon will be sufficient (i) to pay when due the interest on the Refunded Bonds as stated above, and (ii) to pay principal of and call premium, if any, on the Refunded Bonds on their respective redemption dates. The remaining bond proceeds will be used to pay the costs of issuing the Bonds.

The Government Securities will be held in an escrow account created pursuant to an escrow agreement (the "Escrow Agreement") dated as of the date of delivery, expected to be on or about December 18, 2009, between the Village and US Bank National Association, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

The mathematical calculations: (a) of the adequacy of the deposit made pursuant to the Escrow Agreement to provide for the payment of certain interest, principal and call premiums on the Refunded Bonds, and (b) supporting the opinion of Bond Counsel that the interest of the Bonds is excludable from gross income of the owners thereof for federal income tax purposes will be verified by Sikich, LLP, Independent Certified Public Accountant, 998 Commerce Blvd., Aurora, Illinois, at the time of delivery of the Bonds. All moneys and Government Securities deposited for the payment of Refunded Bonds, including interest thereon, are required to be applied solely and irrevocably to the payment of the Refunded Bonds.

DEBT INFORMATION

After issuance of the Bonds, the Village will have outstanding \$6,470,000 principal amount of general obligation debt. The Village also has outstanding \$4,284,040 of an IEPA loan.

The Village does not intend to issue additional debt within the next six months.

General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Series 2002	The Bonds	Less: The Refunded Bonds	Total Debt	Cumulative Principal Retired	
					Amount	Percent
2009.....	\$ 360,000(2)	\$ 0	\$ 0	\$ 360,000	\$ 360,000	5.56%
2010.....	375,000	65,000	0	440,000	800,000	12.36%
2011.....	395,000	430,000	(395,000)	430,000	1,230,000	19.01%
2012.....	415,000	445,000	(415,000)	445,000	1,675,000	25.89%
2013.....	435,000	455,000	(435,000)	455,000	2,130,000	32.92%
2014.....	455,000	470,000	(455,000)	470,000	2,600,000	40.19%
2015.....	480,000	490,000	(480,000)	490,000	3,090,000	47.76%
2016.....	505,000	510,000	(505,000)	510,000	3,600,000	55.64%
2017.....	530,000	530,000	(530,000)	530,000	4,130,000	63.83%
2018.....	555,000	550,000	(555,000)	550,000	4,680,000	72.33%
2019.....	585,000	575,000	(585,000)	575,000	5,255,000	81.22%
2020.....	610,000	595,000	(610,000)	595,000	5,850,000	90.42%
2021.....	640,000	620,000	(640,000)	620,000	6,470,000	100.00%
Total....	\$6,340,000	\$5,735,000	\$(5,605,000)	\$6,470,000		

- Notes: (1) Source: the Village.
 (2) The Village will make the debt service payment on or before the due date of December 1, 2009.

Detailed Overlapping Bonded Debt(1)
 (As of May 15, 2009)

	Outstanding Debt	Applicable to Village	
		Percent(2)	Amount
Schools:			
School District Number 161.....	\$ 2,373,121	53.13%	\$ 1,260,839
High School District Number 233.....	17,590,000	33.75%	5,936,625
Prairie State Community College Number 515.....	12,257,040	6.79%	832,253
Total Schools.....			<u>\$ 8,029,717</u>
Others:			
Cook County.....	\$2,960,875,000	0.17%	\$ 5,033,488
Cook County Forest Preserve District.....	121,270,000	0.17%	206,159
Metropolitan Water Reclamation District.....	1,392,699,076	0.18%	2,506,858
Homewood Flossmoor Park District(3).....	18,665,164	39.81%	7,430,602
Olympia Fields Park District.....	415,000	0.03%	125
Total Others.....			<u>\$15,177,231</u>
Total Schools and Others Overlapping Bonded Debt.....			<u>\$23,206,948</u>

- Notes: (1) Source: Cook County Clerk.
 (2) Overlapping debt percentages based on 2007 EAV.
 (3) Includes \$208,214 of installment contract debt.

Statement of Bonded Indebtedness
 (As of May 15, 2009)(Includes the Bonds)

	Amount Applicable	Ratio To		Per Capita (2000 Census 9301)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2007.....	\$274,805,644	100.00%	33.33%	\$29,545.82
Estimated Actual Value, 2007.....	\$824,416,932	300.00%	100.00%	\$88,637.45
Village Direct Debt:				
Series 2002.....	\$ 6,340,000	2.31%	0.77%	\$ 681.65
The Bonds.....	5,735,000	2.09%	0.70%	616.60
Less: The Refunded Bonds.....	<u>(5,605,000)</u>	<u>(2.04%)</u>	<u>(0.68%)</u>	<u>(602.62)</u>
Total Net Direct Debt.....	\$ 6,470,000	2.35%	0.78%	\$ 695.62
Overlapping Bonded Debt:				
Schools.....	\$ 8,029,717	2.92%	0.97%	\$ 863.32
All Others.....	<u>15,177,231</u>	<u>5.52%</u>	<u>1.84%</u>	<u>1,631.78</u>
Total Overlapping Bonded Debt.....	<u>\$ 23,206,948</u>	<u>8.44%</u>	<u>2.81%</u>	<u>\$ 2,495.10</u>
Total Direct and Overlapping Bonded Debt..	\$ 29,676,948	10.80%	3.60%	\$ 3,190.73

Legal Debt Margin(1)
 (As of May 15, 2009)

2007 Village Equalized Assessed Valuation.....		\$274,805,644
Statutory Debt Limitation (8.625% of EAV).....		23,701,987
General Obligation Debt:		
Series 2002.....	\$6,340,000	
The Bonds	5,735,000	
Less: the Refunded Bonds.....	<u>(5,605,000)</u>	
Total Applicable Debt.....	\$6,470,000	
Legal Debt Margin.....		\$ 17,231,987

Note: (1) Source: the Village.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2007 levy year, the Village's EAV was comprised of 89.7% residential, 3.4% industrial, 6.8% commercial, and 0.1% railroad property valuations.

Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2003	2004	2005	2006	2007
Residential.....	\$185,061,143	\$194,130,002	\$221,063,510	\$231,150,331	\$246,457,609
Farm.....	1,519	1,519	0	0	0
Commercial.....	14,135,123	13,050,455	14,324,832	13,957,553	18,780,135
Industrial.....	7,438,648	7,789,140	9,430,673	9,294,584	9,373,993
Railroad.....	<u>274,340</u>	<u>231,473</u>	<u>198,477</u>	<u>193,399</u>	<u>193,907</u>
Total.....	\$206,910,773	\$215,202,589	\$245,017,492	\$254,595,867	\$274,805,644
Percent Change + (-).....	(1.72%)(2)	4.01%	13.85%	3.91%	7.94%

Notes: (1) Source: Cook County Clerk.
 (2) Percentage change based on 2002 EAV of \$210,522,077.

**Representative Tax Rates(I)
 (Per \$100 EAV)**

	Levy Years				
	2003	2004	2005	2006	2007
Village Rates:					
Corporate.....	\$0.4126	\$0.3906	\$0.3523	\$0.3634	\$0.3645
Bonds & Interest.....	0.3181	0.3077	0.2717	0.2624	0.2437
Police Pension.....	0.0773	0.0904	0.0968	0.0972	0.0946
Fire Pension.....	0.0218	0.0233	0.0228	0.0246	0.0254
I.M.R.F.....	0.0556	0.0593	0.0574	0.0663	0.0589
Fire Protection.....	0.1416	0.1340	0.1209	0.2938	0.2916
Police Protection.....	0.3764	0.3563	0.3212	0.3842	0.3853
Social Security.....	0.0724	0.0770	0.0704	0.0745	0.0688
Auditing.....	0.0108	0.0108	0.0095	0.0098	0.0087
Liability Insurance.....	0.0291	0.0389	0.0366	0.0277	0.0394
Workmen's Compensation.....	0.0291	0.0389	0.0366	0.0277	0.0394
Fire Pension - P.A. 93-0689 Contrib..	<u>0.0000</u>	<u>0.0007</u>	<u>0.0007</u>	<u>0.0000</u>	<u>0.0000</u>
Total Village Rates(2).....	\$ 1.545	\$ 1.528	\$ 1.397	\$ 1.633	\$ 1.622
Cook County.....	0.6300	0.5930	0.5330	0.5000	0.4460
Cook County Forest Preserve District.	0.0590	0.0600	0.0600	0.0570	0.0530
Suburban T B Sanitarium.....	0.0040	0.0010	0.0050	0.0050	0.0000
Consolidated Elections.....	0.0290	0.0000	0.0140	0.0000	0.0120
Rich Township(2).....	0.2980	0.2980	0.2730	0.2780	0.2740
Metro Water Reclamation District.....	0.3610	0.3470	0.3150	0.2840	0.2630
South Cook County Mosquito Abatement.	0.0130	0.0120	0.0100	0.0070	0.0060
Homewood Flossmoor Park District.....	0.8370	0.8690	0.7970	0.8000	0.7750
Village of Flossmoor Library Fund....	0.4760	0.4900	0.4630	0.4720	0.4540
School District 161.....	4.2620	4.2380	3.8820	3.9450	3.8060
High School District 233.....	4.3480	4.3450	4.0730	4.1030	3.9660
Community College District 515.....	<u>0.3460</u>	<u>0.3410</u>	<u>0.2920</u>	<u>0.2920</u>	<u>0.2940</u>
Total Rates(3).....	\$13.2078	\$13.1219	\$12.1139	\$12.3760	\$11.9710

- Notes: (1) Source: Cook County Clerk.
 (2) Statutory tax rate limits for the Village are as follows: Corporate (\$0.4375); Fire Protection (\$0.6000); and Police Protection (\$0.6000).
 (3) Representative tax rates for other government units are from Rich Township tax code 32012, which represents 49.35% of the Village's 2007 EAV.

**Tax Extensions and Collections(I)
 (Includes Library Fund Levy)**

Levy Year	Coll. Year	Taxes Extended(2)	Total Collections	
			Amount(3)	Percent
2002	2003	\$3,877,722	\$3,675,214	94.78%
2003	2004	4,181,416	4,136,828	98.93%
2004	2005	4,342,887	4,291,188	98.81%
2005	2006	4,557,461	4,437,602	97.37%
2006	2007	5,324,345	5,162,403	96.96%
2007	2008	5,725,037	5,681,508	99.24%
2008	2009(4)	6,085,433	2,530,091	41.58%

- Notes: (1) Source: the Village's 2009 CAFR.
 (2) Tax extensions have been adjusted for abatements.
 (3) Total collections include back taxes, taxpayer refunds, interest, etc.
 (4) In collection as of September 10, 2009.

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2007 EAV(2)</u>
Ingalls Family Care Center	Hospital	\$ 4,296,962
Sunrise Assisted Living	Long Term Care Provider	3,918,550
Dan Development	Real Property	3,770,056
Mercury Partners 75	Real Property	2,561,196
Idlewild Country Club	Golf Club and Banquet Facilities	1,272,893
Individual	Real Property	1,193,403
Montesano Capital Management	Real Property	1,144,107
Flossmoor Professional Building.....	General Office Facilities	1,094,973
BP America Inc.	Real Property	1,051,788
Flossmoor Investments	Real Property	<u>1,043,168</u>
Total		\$17,050,133
Ten Largest Taxpayers as Percent of Village's 2007 EAV (\$274,805,644).....		6.70%

- Notes: (1) Source: Cook County Clerk.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2007 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Real Property Assessment

The County Assessor (the “Assessor”) is responsible for the assessment of all taxable real property within Cook County (the “County”), including that in the Village, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the “Department of Revenue”). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the “South Tri”), north and northwest suburbs (the “North Tri”), and the City of Chicago (the “City Tri”). The Village is located in the South Tri and was reassessed for the 2005 tax levy year.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the “Assessed Valuation”) for the parcel. The classification percentages range from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property. On September 17, 2008, the Cook County Board of Commissioners approved changes to the property classification ordinance. The changes reduce the percentages used to calculate the assessed value of real property in the County for real estate tax purposes. These reductions will take effect for 2009 tax levy year. Such new classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (for the 2009 tax levy year) at various percentages of fair market value as follows: Class 1) unimproved real estate - 10%; Class 2) residential - 10%; Class 3) rental-residential - 16%, in tax year 2009, 13% in assessment year 2010, and 10% in assessment year 2011 and subsequent years; Class 4) not-for-profit - 25%; Class 5a) commercial - 25%; Class 5b) industrial - 25%. There are also seven additional categories. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 10% for the first 10 years and for any subsequent 10-year renewal periods. However, if the incentive is not renewed, the 6b assessment level is 15% in year 11 and 20% in year 12, hereafter reverting to Class 5b. Real estate, which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation, may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones may be eligible for Class 9 categorization. The Class 9 assessment level is 10% for an initial 10-year period, renewable upon application for additional 10-year periods. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level. The Class S assessment level is 10% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4 or 5b properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 15% in year 11 and 20% in year 12, thereafter reverting to Class 3, 4 or 5b. Class L commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review, which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of both residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the County Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Illinois Department of Revenue is required by statute to review the Assessed Valuations. The Illinois Department of Revenue establishes an equalization factor (the “Equalization Factor”), commonly called the “multiplier,” for each county to make all valuations uniform among the 102 counties in the State. Under State law, the aggregate of the assessments within each county is to be equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in Cook County, regardless of its assessment category, except for some farmland property which is not subject to equalization.

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the “EAV”) of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the “Assessment Base”). The following table sets forth the Equalization Factor for Cook County for the last 10 tax levy years.

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
1999	2.2505
2000	2.2235
2001	2.3098
2002	2.4689
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786

Exemptions

Public Act 95-644, effective October 17, 2007, made changes to and added a number of property tax exemptions taken by residential property owners. These changes are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by \$5,000 for assessment years 2004 through assessment year 2007. Additionally, the reduction may be \$5,500 for assessment year 2008, and \$6,000 for assessment years 2009 and forward (the “General Homestead Exemption”).

The Alternative General Homestead Exemption (the “Alternative General Homestead Exemption”) caps EAV increases for homeowners (who also reside on the property as their principal place of residence) at 7% a year, up to a certain maximum each year as defined by the statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property’s taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above.

The Base Year for purposes of calculation of the Alternative General Homestead Exemption is 2002 for properties located in the City Tri, 2003 for properties located in the North Tri and 2004 for properties located in the South Tri. The Base Homestead Value is the EAV of the homestead property minus the General Homestead Exemption for that year: \$4,500 for years prior to 2004; \$5,000 for 2004 through 2007; \$5,500 for 2008 and \$6,000 for the year 2009 and thereafter.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed \$33,000 for assessment year 2006 (except as noted below), \$26,000 for assessment year 2007, \$20,000 for assessment year 2008 and \$6,000 thereafter. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment year 2006, \$33,000 for assessment year 2007, \$26,000 for assessment year 2008, \$20,000 for assessment year 2009 and \$6,000 thereafter. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed \$20,000 for assessment years 2006 and 2007, \$33,000 for assessment year 2008, \$26,000 for assessment year 2009, \$20,000 for assessment year 2010 and \$6,000 thereafter.

Furthermore, only in the City Tri and only for assessment year 2006, the maximum exemption amount may be increased to: (i) \$40,000, provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount equal to or greater than 100%, or (ii) \$35,000 provided that the EAV of the property for assessment year 2006 exceeds the EAV of that property for assessment year 2002 by an amount greater than 80% but not more than 100%.

Finally, the Long-Time Occupant Homestead Exemption applies to those counties subject to the Alternative General Homestead Exemption, including Cook County. Beginning with assessment year 2007 and thereafter, the EAV of homestead property of a taxpayer who has owned the property for at least 10 years (or 5 years if purchased with certain government assistance) and who has a household income of \$100,000 or less (“Qualified Homestead Property”) may increase by no more than 10% per year. If the taxpayer’s annual income is \$75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property as their principal place of residence for 5 years, as of January 1st of the assessment year, provided that the property was purchased with certain government assistance.

In addition, the Homestead Improvement Exemption (“Homestead Improvement Exemption”) applies to residential properties that have been improved and to properties that have been rebuilt in the two years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004, and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption (“Senior Citizens Homestead Exemption”) operates annually to reduce the EAV on a senior citizen’s home by \$3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is \$4,000 for all counties. Furthermore, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a prorata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption (“Senior Citizens Assessment Freeze Homestead Exemption”) freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$50,000 for assessment years 2006 and 2007; for assessment years 2008 and after, the maximum income limitation is \$55,000. In general, the exemption grants qualifying senior citizens an exemption based upon a “freeze” of their home’s Assessed Valuation.

Another exemption, available to disabled veterans, may be applied annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. However, individuals claiming exemption under the Disabled Persons’ Homestead Exemption (“Disabled Persons’ Homestead Exemption”) or the hereinafter defined Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals.

Furthermore, beginning with assessment year 2007, the Disabled Persons’ Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the Disabled Persons’ Homestead Exemption.

In addition, the Disabled Veterans Standard Homestead Exemption (“Disabled Veterans Standard Homestead Exemption”) provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50%, are granted an exemption of \$2,500. Furthermore, the veteran’s surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse’s new residence, provided that it is the spouse’s primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming an exemption under the Disabled Persons’ Homestead Exemption cannot claim the aforementioned exemption.

Also, beginning with assessment year 2007, the Returning Veterans' Homestead Exemption ("Returning Veterans' Homestead Exemption") is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, subject to some limitations. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The Cook County Clerk uses the prior year's EAV to compute the taxing district's maximum allowable levy. The maximum levy that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year, EAV for all property currently in the district. The prior year's EAV includes the prior year's EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law ("Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the Village. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The Village has the authority to levy taxes for many different purposes. The ceiling at any particular time on the rate at which these taxes may be extended for the Village is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Village) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Village's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the Village, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior years' tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in Cook County; the first installment penalty date has been March 1 for all such years.

<u>TAX LEVY YEAR</u>	<u>SECOND INSTALLMENT PENALTY DATE</u>
1998	November 1, 1999
1999	October 2, 2000
2000	November 2, 2001
2001	November 1, 2002
2002	October 1, 2003
2003	November 15, 2004
2004	November 2, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the Village promptly credits the taxes received to the funds for which they were levied.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the “Annual Tax Sale”) of unpaid taxes shown on that year’s Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any “automated means.” Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and the property becomes eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest accrued to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

The Scavenger Sale (the “Scavenger Sale”), like the Annual Tax Sale, is a sale of unpaid taxes. The Scavenger Sale is held every two years on all property on which two or more years’ taxes are delinquent. The sale price of the unpaid taxes is the amount bid at such sale, which may be less than the amount of delinquent taxes. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the “Law”) limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

FINANCIAL INFORMATION

Budgeting

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

- A. Prior to March 1, the Village Manager submits to the Village Board a proposed operating budget for the fiscal year commencing the following May 1. The operating budget includes proposed expenditures and the means of financing them.
- B. Public hearings are conducted to obtain taxpayer comments.
- C. Prior to May 1, the budget is legally enacted by Village Board action.
- D. The Village Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be communicated to the Village Board.
- E. Budgets are adopted and formal budgetary integration is employed as a management control device during the year for general, special revenue, debt service and capital projects funds.
- F. All budgets for these funds are adopted on a basis consistent with generally accepted accounting principles.
- G. Budgetary authority lapses at year-end.
- H. State law requires that “expenditures be made in conformity with appropriations/budget.” As under the budget act, transfers between line items, departments and funds may be made by administrative action. The level of legal control is at the fund level.

Investment Policy

The following is a summary of certain provisions of the Village’s investment policy:

- To invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all statutes governing the investment of public funds.
- The scope of the policy applies to the investment activities and financial assets of all funds of the Village except for the Police Pension Funds, Fire Pension Fund, and the Library Fund, which are subject to the order of their own Board of Trustees.
- Prudent Persons Standard shall be used in the management of all Village funds.
- The Objectives of the investment policy are legality, safety, liquidity, and yield on investment.
- The Village may invest in any type of security allowed by Illinois law, notably the Public Funds Investment Act, 30 ILCS 235/0.01 et.seq.
- The Village policy is to diversify its investment portfolio and to require that deposits in excess of Federal Deposit Insurance Corporation limits must be collateralized.
- The Village will attempt to match investment maturities with anticipated cash flow requirements so that sufficient cash is on hand to meet operating purposes.
- The Village shall report investments at market value in accordance with GASB 31.

Financial Reports

The Village's financial statements are audited annually by certified public accountants. For the fiscal years from 1978 through 2008, a period of 31 years, the Village has received the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting. The Village's entity wide financial statements are completed on a full accrual basis of accounting and the fund financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section and in **APPENDIX A** are from the audited financial statements of the Village, including the audited financial statements for the fiscal year ended April 30, 2009 (the "2009 Audit"). The 2009 Audit has been prepared by Sikich, LLP, Independent Certified Public Accountant, Aurora, Illinois, (the "Auditor"), and approved by formal action of the Village Board. The Village has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the Village requested that the Auditor consent to the use of the Excerpted Financial Information in this Final Official Statement. Other than as expressly set forth in this Final Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2009 Audit. The inclusion of the Excerpted Financial Information in this Final Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Village since the date of the 2009 Audit. Questions or inquiries relating to financial information of the Village since the date of the 2009 Audit should be directed to the Village.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for excerpts of the Village's 2009 fiscal year audit.

**Statement of Net Assets
 Governmental Activities
 Statement of Net Assets**

	Audited As of April 30				
	2005	2006	2007	2008	2009
ASSETS:					
Cash and Cash Equivalents.....	\$ 5,860,114	\$ 5,519,104	\$ 7,714,047	\$ 8,761,598	\$ 9,388,368
Investments.....	1,997,275	1,991,859	2,000,000	2,249,325	2,250,000
Receivables:					
Property Taxes.....	1,909,270	1,960,708	2,603,972	2,620,347	2,788,305
Utility Taxes.....	208,586	178,424	168,916	186,751	163,735
Court Fines.....	3,074	4,125	11,935	9,547	5,177
Franchise Fees.....	24,057	26,337	0	31,226	34,062
Accounts.....	32,499	37,123	32,934	31,808	80,442
Insurance Surplus Credit.....	0	25,489	20,232	24,203	0
Loans.....	0	2,298	199	0	0
Accrued Interest.....	23,467	37,205	51,108	48,476	32,134
Deposits.....	74,019	74,019	74,019	74,019	74,019
Due from Other Governments.....	118,165	134,839	67,585	154,479	288,659
Advances to (from) Other Funds.....	(129,700)	(115,000)	(100,300)	(85,600)	(70,900)
Bond Issuance Costs.....	115,192	108,416	101,640	94,864	88,088
Restricted Cash and Cash Equivalents.....	556,590	95,338	0	0	0
Restricted Investments.....	0	0	0	0	0
Net Pension Assets.....	290,263	309,101	285,459	316,158	335,136
Capital Assets:					
Non-Depreciable.....	17,732,877	17,905,548	10,458,970	10,522,058	11,171,515
Depreciable, Net of Accumulated Depreciation....	6,981,085	6,837,564	14,635,606	14,431,732	13,837,231
Total Assets.....	<u>\$35,796,833</u>	<u>\$36,132,497</u>	<u>\$38,126,322</u>	<u>\$39,470,991</u>	<u>\$40,465,971</u>
LIABILITIES:					
Liabilities:					
Accounts Payable.....	\$ 142,723	\$ 138,319	\$ 137,620	\$ 236,311	\$ 584,504
Accrued Payroll.....	265,669	282,965	357,932	359,882	424,412
Retainage Payable.....	346,947	42,152	0	0	0
Accrued Interest Payable.....	139,890	134,973	129,677	124,125	118,317
Due to Other Governments.....	0	0	0	83,949	83,949
Due To Component Unit.....	2,765	3,141	2,677	2,284	2,252
Due to Fiduciary Funds.....	11,254	15,474	12,004	2,585	915
Unearned Revenue.....	1,912,513	1,996,810	2,634,681	2,652,458	2,810,318
Noncurrent Liabilities:					
Due Within One Year.....	295,000	310,000	325,000	340,000	360,000
Due in More than One Year.....	7,315,000	7,005,000	6,680,000	6,356,402	6,016,207
Total Liabilities.....	<u>\$10,431,761</u>	<u>\$ 9,928,834</u>	<u>\$10,279,591</u>	<u>\$10,157,996</u>	<u>\$10,400,874</u>
NET ASSETS:					
Invested in Capital Assets, Net of Related Debt..	\$17,103,962	\$17,428,112	\$18,089,576	\$18,273,790	\$18,668,746
Restricted for:					
Debt Service.....	225,858	266,832	227,632	252,157	279,772
Working Cash.....	400,000	400,000	400,000	400,000	400,000
Maintenance of Roadways.....	591,044	657,348	650,307	532,398	331,308
Public Safety.....	722,816	177,850	49,338	61,220	66,097
Culture and Recreation.....	76,064	68,708	58,980	60,203	64,124
Economic Development.....	592,290	875,760	1,274,709	1,633,473	1,859,973
Audit.....	0	0	0	0	3,784
Capital Improvements.....	172,926	43,436	0	0	0
Unrestricted.....	5,485,133	6,285,617	7,096,189	8,099,754	8,391,293
Total Net Assets.....	<u>\$25,370,093</u>	<u>\$26,203,663</u>	<u>\$27,846,731</u>	<u>\$29,312,995</u>	<u>\$30,065,097</u>

Statement of Activities
Governmental Activities
Net (Expense) Revenue and Changes in Net Assets

	Audited For the Fiscal Year Ended April 30				
	2005	2006	2007	2008	2009
PRIMARY GOVERNMENT(1):					
Government Activities:					
General Government.....	\$ (690,589)	\$ (736,186)	\$ (755,067)	\$ (949,698)	\$ (926,477)
Public Safety.....	(3,323,431)	(3,759,084)	(3,527,078)	(3,781,394)	(4,043,942)
Public Works.....	(1,282,812)	(975,210)	(1,112,617)	(1,254,098)	(1,291,832)
Highways and Streets.....	(265,184)	3,298	593,739	(36,937)	(476,802)
Culture and Recreation.....	(304,654)	(5,654)	(111,738)	(232,780)	(201,922)
Interest.....	(349,395)	(337,944)	(325,765)	(312,799)	(299,218)
Total Governmental Activities.....	<u>\$ (6,216,065)</u>	<u>\$ (5,810,780)</u>	<u>\$ (5,238,526)</u>	<u>\$ (6,567,706)</u>	<u>\$ (7,240,193)</u>
General Revenues:					
Taxes:					
Property and Replacement.....	\$ 3,408,913	\$ 3,684,183	\$ 3,872,598	\$ 4,863,097	\$ 5,017,355
Sales.....	242,280	193,043	197,922	227,698	174,205
Utility.....	550,916	655,567	586,375	625,308	597,487
Telecommunications.....	494,264	534,824	452,456	501,890	475,685
Income.....	629,674	815,156	905,775	856,374	847,459
Local Use.....	0	0	0	0	134,880
Other.....	0	0	0	0	2,191
Investment Income.....	164,161	265,792	436,304	449,510	240,319
Miscellaneous.....	394,330	379,618	355,734	411,080	378,202
Gain (Loss) on Sale of Capital Assets.....	0	0	0	0	33,244
Contributions.....	30,945	16,055	1,165	10,325	1,070
Transfers.....	<u>119,607</u>	<u>103,113</u>	<u>93,559</u>	<u>88,688</u>	<u>90,198</u>
Total Revenues.....	<u>\$ 6,035,090</u>	<u>\$ 6,647,351</u>	<u>\$ 6,901,888</u>	<u>\$ 8,033,970</u>	<u>\$ 7,992,295</u>
CHANGE IN NET ASSETS.....	\$ (180,975)	\$ 836,571	\$ 1,663,362	\$ 1,466,264	\$ 752,102
NET ASSETS, MAY 1.....	\$25,594,188	\$25,370,093	\$26,203,663	\$27,846,731	\$29,312,995
Prior Period Adjustment.....	<u>(43,120)</u>	<u>(3,001)</u>	<u>(20,294)</u>	<u>0</u>	<u>0</u>
NET ASSETS, MAY 1, RESTATED.....	<u>\$25,551,068</u>	<u>\$25,367,092</u>	<u>\$26,183,369</u>	<u>\$27,846,731</u>	<u>\$29,312,995</u>
NET ASSETS, APRIL 30.....	\$25,370,093	\$26,203,663	\$27,846,731	\$29,312,995	\$30,065,097

General Fund Balance Sheet

Audited as of April 30

	2005	2006	2007	2008	2009
ASSETS:					
Current Assets:					
Cash and Cash Equivalents	\$2,179,882	\$2,748,552	\$3,510,845	\$4,114,907	\$4,490,227
Investments	1,997,275	1,991,859	2,000,000	2,249,325	2,250,000
Receivables:					
Property Taxes	1,548,377	1,602,099	2,206,656	2,249,682	2,421,418
Utility and Telecommunications Taxes	208,586	178,424	168,916	186,751	163,735
Insurance Surplus Credit	0	25,489	20,232	24,203	0
Loans	5,021	2,298	199	0	0
Accounts	3,243	10,613	10,477	9,046	56,359
Franchise Fees	24,057	26,337	0	31,226	34,062
Court Fines	3,074	4,125	11,935	9,547	5,177
Accrued Interest	23,467	37,205	51,108	48,476	32,134
Deposits	74,019	74,019	74,019	74,019	74,019
Due From Other Governments	96,083	113,526	45,485	133,658	270,086
Due From Other Funds	2,350	4,829	5,080	2,198	367
Restricted Cash and Cash Equivalents	34,817	0	0	0	0
Total Assets	<u>\$6,200,251</u>	<u>\$6,819,375</u>	<u>\$8,104,952</u>	<u>\$9,133,038</u>	<u>\$9,797,584</u>
LIABILITIES AND FUND EQUITY:					
Liabilities:					
Accounts Payable	\$ 76,056	\$ 114,025	\$ 102,218	\$ 108,847	\$ 517,222
Accrued Payroll	265,669	282,965	357,932	359,882	424,412
Due to Fiduciary Funds	11,254	15,474	12,004	2,585	915
Due to Other Funds	23,384	2,138	2,077	0	949
Due to Other Governments	0	0	0	83,949	83,949
Deferred Revenue	1,551,620	1,638,201	2,237,365	2,281,793	2,443,431
Due To Component Unit	2,765	3,141	2,677	2,284	2,252
Total Liabilities	<u>\$1,930,748</u>	<u>\$2,055,944</u>	<u>\$2,714,273</u>	<u>\$2,839,340</u>	<u>\$3,473,130</u>
Fund Balance:					
Reserved	\$ 113,857	\$ 76,317	\$ 91,244	\$ 80,458	\$ 77,803
Unreserved:					
Designated for Construction Expenditures	2,430,125	2,750,593	3,413,078	4,311,719	4,091,130
Designated for IEPA Loan	113,521	113,521	113,521	113,521	113,521
Designated for Library	0	0	42,836	0	0
Undesignated	<u>1,612,000</u>	<u>1,823,000</u>	<u>1,730,000</u>	<u>1,788,000</u>	<u>2,042,000</u>
Total Fund Balance	<u>\$4,269,503</u>	<u>\$4,763,431</u>	<u>\$5,390,679</u>	<u>\$6,293,698</u>	<u>\$6,324,454</u>
Total Liabilities and Fund Balance	<u>\$6,200,251</u>	<u>\$6,819,375</u>	<u>\$8,104,952</u>	<u>\$9,133,038</u>	<u>\$9,797,584</u>

**General Fund
 Revenues and Expenditures**

	Audited for the Fiscal Year Ended April 30				
	2005	2006	2007	2008	2009
REVENUES:					
Taxes.....	\$3,790,115	\$4,125,376	\$4,102,634	\$5,071,389	\$5,253,205
Licenses and Permits.....	559,083	486,501	412,854	371,139	340,980
Intergovernmental.....	768,679	878,216	1,065,015	1,297,651	1,087,430
Charges for Services.....	322,845	274,299	313,721	333,263	413,358
Fines and Forfeits.....	89,817	104,921	139,795	83,385	82,028
Investment Income.....	79,837	152,856	265,679	272,345	168,963
Other.....	<u>230,503</u>	<u>238,224</u>	<u>243,186</u>	<u>263,965</u>	<u>265,301</u>
Total Revenues.....	\$5,840,879	\$6,260,393	\$6,542,884	\$7,693,137	\$7,611,265
EXPENDITURES:					
Current:					
General Government.....	\$ 920,222	\$ 964,343	\$ 918,245	\$1,000,473	\$1,042,266
Public Safety.....	3,533,452	3,684,402	3,727,591	4,209,048	4,391,379
Public Works.....	1,270,948	783,870	990,126	1,247,791	1,826,335
Culture and Recreation.....	<u>42,919</u>	<u>42,715</u>	<u>1,500</u>	<u>30,022</u>	<u>3,864</u>
Total Expenditures.....	\$5,767,541	\$5,475,330	\$5,637,462	\$6,487,334	\$7,263,844
Excess of Revenues Over (Under) Expenditures	\$ 73,338	\$ 785,063	\$ 905,422	\$1,205,803	\$ 347,421
Other Financing Sources:					
Operating Transfers In (Out).....	<u>(308,371)</u>	<u>(291,135)</u>	<u>(278,174)</u>	<u>(302,784)</u>	<u>(316,665)</u>
Excess of Revenues and Other Sources Over (Under) Expenditures.....	\$ (235,033)	\$ 493,928	\$ 627,248	\$ 903,019	\$ 30,756
Beginning Fund Balance.....	<u>\$4,504,536(1)</u>	<u>\$4,269,503</u>	<u>\$4,763,431</u>	<u>\$5,390,679</u>	<u>\$6,293,698</u>
Ending Fund Balance.....	\$4,269,503	\$4,763,431	\$5,390,679	\$6,293,698	\$6,324,454

Note: (1) As restated.

Budget General Fund Information

	Fiscal Year Ending <u>4/30/2010</u>
REVENUES:	
Taxes	\$6,454,057
Licenses & Permits	360,530
Intergovernmental	71,832
Services	361,480
Fines	104,200
Miscellaneous	379,278
Transfers	<u>3,000</u>
Total Revenues	\$7,734,377
EXPENDITURES:	
Legislative	\$ 128,545
Executive	732,551
Finance	428,984
Legal Services	143,361
Planning & Zoning	142,657
Police	2,552,061
Public Safety Commission	425,011
Fire	1,682,164
Inspection Services	187,265
Public Works Administration	927,938
Building Maintenance	97,459
Streets & Grounds	<u>953,642</u>
Total Expenditures	\$8,401,638
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (667,261)

The Village estimates it is currently on track to meet its total budgeted revenues and spend within total budgeted expenditures for fiscal year 2010. The 2010 budget reflects an operating surplus over \$142,000 while the overall budget deficit reflects a planned drawdown of fund balance for capital projects in connection with the Village’s capital program, including Phase 2 of a storm sewer construction project.

PENSION AND RETIREMENT OBLIGATIONS

See **APPENDIX A** herein.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Village shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. The Village will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Village for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Village shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Village of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the 15th day of the month next preceding any interest payment date on such Bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Village or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Village has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Village's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds (i) is excludable from the gross income of the owners thereof for federal income tax purposes, and (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. The Internal Revenue Code of 1986, as amended (the "Code") includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts within the Village's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Village complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Village as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Bonds, are in certain cases required to be reported to the IRS. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the IRS of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the Village’s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LIMITED CONTINUING DISCLOSURE

Because at the time of the delivery of the Bonds the Village will be an “obligated person” (as such term is defined in Rule 15c2-12 (the “Rule”)) with respect to less than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds, the Village is required to provide to the Municipal Securities Rulemaking Board (the “MSRB”), as specified in the Rule, annual financial information or operating data regarding the Village which annual financial information and operating data shall include, at a minimum, that annual financial information and operating data which is customarily prepared by the Village and is publicly available. Consequently, pursuant to the Rule, the Village will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain annual financial information and operating data to the MSRB for purposes of the Rule and to provide notice of certain material events to the MSRB pursuant to the requirements of Section (b)(5) of the Rule adopted by the Securities Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934 (the “1934 Act”).

The information to be provided, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under “**THE UNDERTAKING.**”

The Village is in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the Village to comply with the Undertaking will not constitute a default under the Ordinance and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See “**THE UNDERTAKING - Consequences of Failure of the Village to Provide Information.**”

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

The following is a brief summary of certain provisions of the Undertaking of the Village and does not purport to be complete. The statements made under this caption are subject to the detailed provisions of the Undertaking, a copy of which is available upon request from the Village.

Financial Information Disclosure

The Village covenants that it will disseminate its Financial Information (as described below) annually to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information.

“Financial Information” means financial statements of the Village as audited annually by independent certified public accountants. The Village’s audited financial statements are prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Material Events Disclosure

The Village covenants that it will disseminate to the MSRB the disclosure of the occurrence of an Event (as described below) with respect to the Bonds that is material, as materiality is interpreted under the 1934 Act. The “Events” are:

- Principal and interest payment delinquencies
- Non-payment related defaults
- Unscheduled draws on debt service reserves reflecting financial difficulties
- Unscheduled draws on credit enhancements reflecting financial difficulties
- Substitution of credit or liquidity providers, or their failure to perform
- Adverse tax opinions or events affecting the tax-exempt status of the security
- Modifications to the rights of security holders
- Bond calls
- Defeasances
- Release, substitution or sale of property securing repayment of the securities
- Rating changes

Consequences of Failure of the Village to Provide Information

In the event of a failure of the Village to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Village to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Village to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the Village by resolution or ordinance authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Village, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Village (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Financial Information or notices of a material Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Village shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

The Undertaking shall be terminated if the Village shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Ordinance. The Village shall give notice to the MSRB in a timely manner if this paragraph is applicable.

Additional Information

Nothing in the Undertaking shall be deemed to prevent the Village from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Financial Information or notice of occurrence of a material Event, in addition to that which is required by the Undertaking. If the Village chooses to include any information from any document or notice of occurrence of a material Event in addition to that which is specifically required by the Undertaking, the Village shall have no obligation under the Undertaking to update such information or include it in any future disclosure or notice of occurrence of a material Event.

Dissemination of Information; Dissemination Agent

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its Electronic Municipal Market Access (“EMMA”) system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

The Village may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

OPTIONAL REDEMPTION

Bonds due December 1, 2011-2017, inclusive, are non-callable. Bonds due December 1, 2018-2021, inclusive, are callable in whole or in part on any date on or after December 1, 2017, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the Village and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Village, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Village will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the Village will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Ordinance, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Village shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Bond Registrar at the redemption price.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Village taken with respect to the issuance or sale thereof.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Village. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Village, reviewed only those portions of this Final Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith), the description of the federal tax exemption of interest on the Bonds and the "bank-qualified" status of the Bonds, if any. This review was undertaken solely at the request and for the benefit of the Village and did not include any obligation to establish or confirm factual matters set forth herein.

FINAL OFFICIAL STATEMENT AUTHORIZATION

This Final Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Village, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Village's general obligation rating is "AA+" from Standard & Poor's, a division of the McGraw-Hill Companies. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: Standard & Poor's Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The Village will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

DEFEASANCE

The Bonds are subject to legal defeasance by the irrevocable deposit of full faith and credit obligations of the United States of America, obligations the timely payment of which are guaranteed by the United States Treasury, or certificates of participation in a trust comprised solely of full faith and credit obligations of the United States of America (collectively, the "Government Obligations") with a bank or trust company acting as escrow agent. Any such deposit must be of sufficient amount that the receipts from the Government Obligations plus any cash on deposit will be sufficient to pay debt service on the Bonds when due or as called for redemption.

UNDERWRITING

Robert W. Baird & Co., Naperville, Illinois (the "Underwriter") has agreed to purchase all but not less than all of the Bonds at a price of \$5,897,773.23. It is anticipated that delivery of the Bonds will occur on the date shown on the cover page hereof. The Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown on the addendum to this Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriters.

FINANCIAL ADVISOR

The Village has engaged Speer Financial, Inc. as financial advisor (the "Financial Advisor") in connection with the issuance and sale of the Bonds. The Financial Advisor will not participate in the underwriting of the Bonds. The financial information included in the Final Official Statement has been compiled by the Financial Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Financial Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Financial Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Final Official Statement, nor is the Financial Advisor obligated by the Village's continuing disclosure undertaking.

CERTIFICATION

We have examined this Final Official Statement dated November 19, 2009, for the \$5,735,000 General Obligation Refunding Bonds, Series 2009, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in the Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

/s/ **SCOTT BORDUI**
Finance Director
VILLAGE OF FLOSSMOOR
Cook County, Illinois

/s/ **PAUL BRAUN**
Mayor
VILLAGE OF FLOSSMOOR
Cook County, Illinois

APPENDIX A

**VILLAGE OF FLOSSMOOR
Cook County, Illinois**

EXCERPTS OF FISCAL YEAR 2009 AUDITED FINANCIAL STATEMENTS

VILLAGE OF FLOSSMOOR, ILLINOIS
STATEMENT OF NET ASSETS

April 30, 2009

	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	
ASSETS			
Cash and Cash Equivalents	\$ 9,388,368	\$ 1,965,164	\$ 11,353,532
Investments	2,250,000	1,000,000	3,250,000
Receivables (Net, Where Applicable, of Allowances for Uncollectibility)			
Property Taxes	2,788,305	-	2,788,305
Utility Taxes	163,735	-	163,735
Court Fines	5,177	-	5,177
Franchise Fees	34,062	-	34,062
Accounts	80,442	548,890	629,332
Accrued Interest	32,134	12,689	44,823
Deposits	74,019	-	74,019
Due from Other Governments	288,659	-	288,659
Due from Primary Government	(70,900)	70,900	-
Advances to (from) Other Funds	88,088	-	88,088
Bond Insurance Costs	335,136	-	335,136
Net Pension Assets			
Capital Assets			
Non-depreciable	11,171,515	762,232	11,933,747
Depreciable, Net of Accumulated Depreciation	13,837,231	11,779,953	25,617,184
Total Assets	40,465,971	16,139,828	56,605,799
			2,875,762
LIABILITIES			
Accounts Payable	584,504	89,810	674,314
Accrued Payroll	424,412	1,197	425,609
Deposits Payable	15,291	15,291	-
Accrued Interest Payable	118,317	7,915	126,232
Due to Other Governments	83,949	-	83,949
Due to Component Unit	2,252	-	2,252
Due to Fiduciary Funds	915	-	915
Unearned Revenue	2,810,318	32,445	2,842,763
Unaccrued Liabilities			
Due Within One Year	360,000	278,494	638,494
Due in More than One Year	6,016,207	4,005,546	10,021,753
Total Liabilities	10,460,874	4,430,698	14,891,572
			827,578
NET ASSETS			
Invested in Capital Assets, Net of Related Debt Restricted for	18,668,746	8,238,145	26,906,891
Debt Service	279,772	-	279,772
Working Cash	400,000	-	400,000
Maintenance of Roadways	331,308	-	331,308
Public Safety	66,097	-	66,097
Culture and Recreation	64,124	-	64,124
Economic Development	1,859,973	-	1,859,973
Audit	3,784	-	3,784
Unrestricted	8,391,293	3,450,985	11,842,278
TOTAL NET ASSETS	\$ 30,065,097	\$ 11,709,130	\$ 41,774,227
			2,048,184

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VILLAGE OF FLOSSMOOR, ILLINOIS
STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2009

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Program Revenues			Component Unit	
	Expenses	Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
Governmental Activities	\$ 1,163,484	\$ 217,807	\$ -	\$ 19,200	
General Government	4,687,757	609,511	31,012	3,292	
Public Safety	1,531,046	32,300	6,914	-	
Public Works	744,150	-	247,348	20,000	
Highways and Streets	210,446	1,140	7,384	-	
Culture and Recreation	299,218	-	-	-	
Interest	-	-	-	-	
Total Governmental Activities	8,436,101	860,758	292,658	42,492	
Business-Type Activities	2,835,375	2,334,190	-	30,098	
Water and Sewer	359,779	369,463	-	-	
Sanitary Sewer Rehabilitation	195,122	168,384	-	-	
Parking	-	-	-	-	
Total Business-Type Activities	3,390,276	2,872,037	-	30,098	
TOTAL PRIMARY GOVERNMENT	\$ 11,826,377	\$ 3,732,795	\$ 292,658	\$ 72,590	
COMPONENT UNIT Flossmoor Public Library	\$ 1,236,360	\$ 36,678	\$ 18,950	\$ -	

General Revenues	Primary Government			Flossmoor Public Library
	Governmental Activities	Business-Type Activities	Total	
Taxes	5,017,355	-	5,017,355	1,282,785
Property and Replacement	174,205	-	174,205	-
Sales	597,487	-	597,487	-
Utility	475,685	-	475,685	-
Telecommunications	847,459	-	847,459	-
Income	134,880	-	134,880	-
Local use	2,191	-	2,191	-
Other	240,319	61,728	302,047	18,359
Investment Income	378,202	-	378,202	2,138
Miscellaneous	1,070	-	1,070	-
Contributions	33,244	-	33,244	-
Gain on Sale of Capital Assets	90,198	(90,198)	-	-
Transfers	7,992,395	(28,470)	7,963,925	1,303,282
Total	752,102	(516,611)	235,491	122,550
CHANGE IN NET ASSETS	29,312,995	12,225,741	41,538,736	1,925,634
NET ASSETS, MAY 1	\$ 30,065,097	\$ 11,709,130	\$ 41,774,227	\$ 2,048,184

VILLAGE OF FLOSSMOOR, ILLINOIS
BALANCE SHEET

GOVERNMENTAL FUNDS
April 30, 2009

	General	TIF Area # 1 Fund	Capital Equipment	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 4,490,227	\$ 1,949,206	\$ 1,814,002	\$ 1,134,933	\$ 9,388,368
Investments	2,250,000	-	-	-	2,250,000
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	2,421,418	-	-	366,887	2,788,305
Property Taxes	163,735	-	-	-	163,735
Utility and Telecommunications Taxes	34,062	-	-	-	34,062
Franchise Fees	5,177	-	-	-	5,177
Court Fines	56,359	-	-	24,083	80,442
Accounts	32,134	-	-	-	32,134
Accrued Interest	74,019	-	-	-	74,019
Deposits	270,086	-	-	18,573	288,659
Due from Other Governments	367	-	-	949	1,316
Due from Other Funds	-	-	-	-	-
TOTAL ASSETS	\$ 9,797,584	\$ 1,949,206	\$ 1,814,002	\$ 1,545,425	\$ 15,106,217

VILLAGE OF FLOSSMOOR, ILLINOIS
BALANCE SHEET (Continued)

GOVERNMENTAL FUNDS
April 30, 2009

	General	TIF Area # 1 Fund	Capital Equipment	Nonmajor Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 517,222	\$ 18,333	\$ 12,079	\$ 36,870	\$ 584,504
Accrued Payroll	424,412	-	-	-	424,412
Due to Component Unit	2,252	-	-	-	2,252
Due to Other Funds	949	-	-	367	1,316
Due to Fiduciary Funds	915	-	-	-	915
Due to Other Governments	83,949	-	-	-	83,949
Deferred Revenue	2,443,431	-	-	366,887	2,810,318
Advance from Other Funds	-	70,900	-	-	70,900
Total Liabilities	3,473,130	89,233	12,079	404,124	3,978,566
FUND BALANCES					
Reserved for Deposits	74,019	-	-	-	74,019
Reserved for Audit	3,784	-	-	-	3,784
Reserved for Maintenance of Roadways	-	-	-	331,308	331,308
Reserved for Public Safety	-	-	-	66,097	66,097
Reserved for Culture and Recreation	-	-	-	64,124	64,124
Reserved for Economic Development	-	1,859,973	-	-	1,859,973
Reserved for Debt Service	-	-	-	279,772	279,772
Reserved for Working Cash	-	-	-	400,000	400,000
Unreserved	-	-	-	-	-
Designated for Construction Expenditures	4,091,130	-	-	-	4,091,130
Designated for Illinois EPA Loan	113,521	-	-	-	113,521
Undesignated	-	-	-	-	-
General	2,042,000	-	-	-	2,042,000
Capital Projects	-	-	1,801,923	-	1,801,923
Total Fund Balances	6,324,454	1,859,973	1,801,923	1,141,301	11,127,651
TOTAL LIABILITIES AND FUND BALANCES	\$ 9,797,584	\$ 1,949,206	\$ 1,814,002	\$ 1,545,425	\$ 15,106,217

VILLAGE OF FLOSSMOOR, ILLINOIS

RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS

April 30, 2009

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 11,127,651

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds 25,008,746

Bond issuance costs and premiums/discounts on bonds are expensed in governmental funds but capitalized and amortized in the statement of net assets 88,088

Net pension assets are not recorded in governmental funds but are recorded on the statement of net assets 335,136

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds

Bonds payable (6,340,000)

Interest payable (118,317)

Net other postemployment benefit obligation (36,207)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 30,065,097

VILLAGE OF FLOSSMOOR, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended April 30, 2009

	TIF Area # 1 Fund	Capital Equipment	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 296,055	\$ -	\$ 809,815	\$ 6,359,075
Licenses and Permits	340,980	-	-	340,980
Intergovernmental	1,087,430	-	267,347	1,354,777
Charges for Services	413,358	-	-	413,358
Fines and Forfeits	82,028	-	1,539	83,567
Investment Income	168,963	20,911	11,973	240,319
Other	265,301	-	7,384	272,685
Total Revenues	2,611,265	316,966	1,098,058	9,064,761
EXPENDITURES				
Current				
General Government	1,042,266	-	-	1,042,266
Public Safety	4,391,379	-	141,165	4,532,544
Public Works	1,826,335	-	-	1,826,335
Highways and Streets	-	-	474,365	474,365
Culture and Recreation	3,864	-	4,188	8,052
Capital Outlay	-	90,466	-	90,466
Debt Service	-	-	-	-
Principal	-	-	340,000	340,000
Interest and Fiscal Charges	-	-	298,250	298,250
Total Expenditures	7,263,844	90,466	1,257,968	8,829,556
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	347,421	226,500	(159,910)	235,205
OTHER FINANCING SOURCES (USES)				
Transfers In	4,767	-	411,630	416,397
Transfers (Out)	(321,432)	-	(4,767)	(326,199)
Proceeds from the Sale of Capital Assets	-	-	33,538	33,538
Total Other Financing Sources (Uses)	(316,665)	-	445,168	128,736
NET CHANGE IN FUND BALANCES	30,756	226,500	266,362	568,941
FUND BALANCES, MAY 1	6,293,698	1,633,473	1,553,561	10,768,710
FUND BALANCES, APRIL 30	\$ 6,324,454	\$ 1,859,973	\$ 1,801,923	\$ 11,127,651

VILLAGE OF FLOSSMOOR, ILLINOIS

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2009

NET CHANGE IN FUND BALANCES -	\$ 358,941
TOTAL GOVERNMENTAL FUNDS	
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities	842,827
The gain/loss on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense	(294)
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities	340,000
Governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities	(6,776)
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:	
Depreciation	(787,577)
Change in net pension asset	18,978
Change in net other postemployment benefit	(19,805)
Change in accrued interest payable	5,808
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$ 752,102</u>

VILLAGE OF FLOSSMOOR, ILLINOIS

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS

April 30, 2009

	Water and Sewer	Sanitary Sewer Rehabilitation	Nonmajor Enterprise Funds	Total
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 964,146	\$ 784,725	\$ 216,293	\$ 1,965,164
Investments	1,000,000	-	-	1,000,000
Receivables (Net of Allowances for Uncollectibles)	202,179	43,966	2,890	249,035
Customer Accounts, Billed	299,855	-	-	299,855
Customer Accounts, Unbilled	12,689	-	-	12,689
Accrued Interest	70,900	-	-	70,900
Advances to Other Funds	-	-	-	-
Total Current Assets	2,549,769	828,691	219,183	3,597,643
NONCURRENT ASSETS				
Capital Assets	92,232	-	670,000	762,232
Non-depreciable	6,664,269	4,919,137	196,447	11,779,853
Depreciable, Net of Accumulated Depreciation	6,756,601	4,919,137	866,447	12,542,185
Net Capital Assets	9,306,370	5,747,828	1,085,630	16,139,828
CURRENT LIABILITIES				
Accounts Payable	89,449	-	361	89,810
Accrued Payroll	696	-	501	1,197
Accrued Interest Payable	-	7,915	-	7,915
Deposits Payable	15,291	-	-	15,291
Unearned Revenue	-	-	32,445	32,445
Current Portion of Long-Term Liabilities	-	278,494	-	278,494
Total Current Liabilities	105,436	286,409	33,307	425,152
LONG-TERM LIABILITIES				
Illinois EPA Loan	-	4,005,546	-	4,005,546
Total Long-Term Liabilities	-	4,005,546	-	4,005,546
Total Liabilities	105,436	4,291,955	33,307	4,450,698
NET ASSETS				
Invested in Capital Assets, Net of Related Debt	6,756,601	635,097	866,447	8,258,145
Unrestricted	2,444,333	820,776	185,876	3,450,985
TOTAL NET ASSETS	\$ 9,200,934	\$ 1,455,873	\$ 1,052,323	\$ 11,709,130

VILLAGE OF FLOSSMOOR, ILLINOIS
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

PROPRIETARY FUNDS

For the Year Ended April 30, 2009

	Water and Sewer	Sanitary Sewer Rehabilitation	Nonmajor Enterprise Funds	Total
OPERATING REVENUES				
Charges for Services	\$ 2,311,874	\$ 369,463	\$ 168,384	\$ 2,849,721
Other	22,316	-	-	22,316
Total Operating Revenues	2,334,190	369,463	168,384	2,872,037
OPERATING EXPENSES				
Personal Services	207,691	4,562	26,724	238,977
Commodities	86,309	1,009	77	87,395
Maintenance	289,637	88,101	8,687	386,425
Contractual Services	1,033,010	-	10,251	1,043,261
Allocated Costs and Administrative Charge by the General Fund	866,040	-	122,538	988,578
Depreciation	332,920	149,268	23,042	505,230
Training	5,028	-	-	5,028
Total Operating Expenses	2,820,635	242,940	191,319	3,254,894
OPERATING INCOME (LOSS)	(486,445)	126,523	(22,935)	(382,857)
NONOPERATING REVENUES (EXPENSES)				
Loss on disposal of capital assets	(14,740)	-	(3,803)	(18,543)
Investment Income	47,601	11,171	2,956	61,728
Interest Expense	-	(116,839)	-	(116,839)
Total Nonoperating Revenues (Expenses)	32,861	(105,668)	(847)	(73,654)
NET INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	(453,584)	20,855	(23,782)	(456,511)
TRANSFERS				
Transfers (Out)	(90,198)	-	-	(90,198)
Total Transfers	(90,198)	-	-	(90,198)
CONTRIBUTIONS				
	30,098	-	-	30,098
CHANGE IN NET ASSETS	(513,684)	20,855	(23,782)	(516,611)
NET ASSETS, MAY 1	9,714,618	1,435,018	1,076,105	12,225,741
NET ASSETS, APRIL 30	\$ 9,200,934	\$ 1,455,873	\$ 1,052,323	\$ 11,709,130

VILLAGE OF FLOSSMOOR, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2009

	Water and Sewer	Sanitary Sewer Rehabilitation	Nonmajor Enterprise Funds	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from Customers and Users	\$ 2,344,417	\$ 368,986	\$ 168,884	\$ 2,882,287
Receipts from Miscellaneous Revenues	22,316	-	-	22,316
Payments to Suppliers	(1,434,231)	(148,957)	(19,495)	(1,602,683)
Payments to Employees	(208,169)	(4,562)	(26,609)	(239,340)
Payments to Other Funds	(866,040)	-	(122,538)	(988,578)
Net Cash from Operating Activities	(141,707)	215,467	242	74,002
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Amounts Received from Other Funds Transfers In (Out)	14,700 (90,198)	- -	- -	14,700 (90,198)
Net Cash from Noncapital Financing Activities	(75,498)	-	-	(75,498)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of Capital Assets	(34,048)	-	(59,896)	(93,944)
Payment of IEPA Loan Principal	-	(471,320)	-	(271,320)
Payment of Interest	-	(117,421)	-	(117,421)
Net Cash from Capital and Related Financing Activities	(34,048)	(388,741)	(59,896)	(482,685)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of Investments	(1,000,000)	-	-	(1,000,000)
Proceeds from Sale and Maturities of Investments	1,000,000	-	-	1,000,000
Interest on Investments	54,958	11,171	2,956	69,085
Net Cash from Investing Activities	54,958	11,171	2,956	69,085
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(196,295)	(162,103)	(56,698)	(415,096)
CASH AND CASH EQUIVALENTS, MAY 1	1,160,441	946,828	272,991	2,380,260
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 964,146	\$ 784,725	\$ 216,293	\$ 1,965,164

VILLAGE OF FLOSSMOOR, ILLINOIS
 STATEMENT OF CASH FLOWS (Continued)
 PROPRIETARY FUNDS

For the Year Ended April 30, 2009

	Water and Sewer	Sanitary Sewer Rehabilitation	Nonmajor Enterprise Funds	Total
Operating Income (Loss)	\$ (486,445)	\$ 126,523	\$ (22,935)	\$ (382,857)
Adjustments to Reconcile Operating Income (Loss) to Net Cash from Operating Activities				
Depreciation	332,920	149,268	23,042	505,230
Changes in Assets and Liabilities				
Accounts Receivable	28,943	(477)	(340)	28,126
Accounts Payable	(20,247)	(59,847)	(480)	(80,574)
Accrued Payroll	(478)	-	115	(363)
Deposits	3,600	-	-	3,600
Unearned revenue	-	-	840	840
NET CASH FROM OPERATING ACTIVITIES	\$ (141,707)	\$ 215,467	\$ 242	\$ 74,002
NONCASH TRANSACTIONS				
Contributions of Capital Assets	\$ 30,098	\$ -	\$ -	\$ 30,098
TOTAL NONCASH TRANSACTIONS	\$ 30,098	\$ -	\$ -	\$ 30,098

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VILLAGE OF FLOSSMOOR, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS

FIDUCIARY FUNDS

April 30, 2009

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and Short-Term Investments	\$ 3,448,788	\$ 168,972
Receivables (Net, Where Applicable, of Allowances for Uncollectibles)	30,981	-
Accrued Interest	3,124	-
Accounts	1,142,899	-
Investments, at Fair Value	3,096,130	-
Certificates of Deposit	2,091,918	-
U.S. Government and Agency Obligations	816,401	-
Mutual Funds	915	-
Insurance Company Contracts	-	-
Due from General Fund	-	-
Total Assets	<u>10,631,156</u>	<u>168,972</u>
LIABILITIES		
Accounts Payable	474	326
Deposits Payable	-	70,201
Due to Others	-	98,445
Total Liabilities	<u>474</u>	<u>\$ 168,972</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 10,630,682</u>	

VILLAGE OF FLOSSMOOR, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS

PENSION TRUST FUNDS

For the Year Ended April 30, 2009

ADDITIONS		
Contributions		\$ 340,760
Employer Contributions		161,048
Employee Contributions		501,808
Total Contributions		<u>1,003,616</u>
Investment Income		
Net Appreciation (Depreciation)		(1,398,043)
in Fair Value of Investments		246,693
Interest		(1,151,340)
Total Investment Income (Loss)		<u>(2,476)</u>
Less Investment Expense		(1,153,826)
Net Investment Income (Loss)		<u>(652,018)</u>
Total Additions		<u>349,598</u>
DEDUCTIONS		
Retirement Benefits		708,690
Administrative Expenses		15,931
Total Deductions		<u>724,621</u>
NET INCREASE (DECREASE)		<u>(1,376,639)</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
May 1		<u>12,007,321</u>
April 30		<u>\$ 10,630,682</u>

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The Village uses funds to report on its financial position and the changes in financial position. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Village functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a Village's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of capital assets (capital projects funds), the servicing of long-term debt (debt service funds) and the management of funds held in trust where the interest earnings can be used for governmental services (permanent fund). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds). Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds*, the Village has chosen to apply all GASB pronouncements as well as those FASB pronouncements issued on or before November 30, 1989 to account for its enterprise funds.

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements, except for interfund services provided and used. 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Government-Wide and Fund Financial Statements (Continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Village reports the following major governmental funds:

The General Fund accounts for the resources devoted to finance the services traditionally associated with local government. Included in these services are general administration of the Village, financial management, police and fire protection, inspection services, streets, public works and building maintenance. Any other activity for which a special fund has not been created is accounted for in the general fund.

The TIF Area #1 Fund accounts for the accumulation and expenditure of funds from incremental revenue generated within the TIF Area #1.

The Capital Equipment Fund accounts for the funding of capital equipment replacements and major maintenance items.

The Village reports the following major proprietary funds:

The Water and Sewer Fund was established for control of operating revenues and expenses of the Village's water and sewer utilities. Although a program of the Village government, the utilities are operated as a separate enterprise and the accounting records are maintained on an enterprise fund basis. Accordingly, account classifications used are designed specifically for the water and sewer operations.

The Sanitary Sewer Rehabilitation Fund was established to account for sanitary sewer surcharge revenues and related program expenses. The fund is supported by the surcharge and, accordingly, is operated as an enterprise fund.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Property Taxes (Continued)

The property tax calendar for the 2008 tax levy is as follows:

Lien Date	January 1, 2008
Levy Date	December 1, 2008
Tax Bills Mailed (at least 30 days prior to collection deadline)	March 1, 2009
First Installment Due	August 30, 2009
Second Installment Due	

Property taxes are billed and collected by the County Treasurer of Cook County, Illinois.

The 2009 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has not been recorded as a receivable as of April 30, 2009 as the tax has not yet been levied by the Village and will not be levied until December 2009, and, therefore, the levy is not measurable at April 30, 2009.

The Village and its component unit's 2007 tax rates per \$100 of assessed valuation (most current data available) together with the related maximum tax rates are as follows:

Type of Levy	Rate Per \$100 of Assessed Valuation	
	Rate	Legal Maximum
Village		
General	.3652	.4375
Police Protection	.3853	.6000
Fire Protection	.2916	.6000
Liability Insurance	.0394	None
Workers' Compensation Insurance	.0394	None
Illinois Municipal Retirement	.0589	None
Social Security	.0688	None
Police Pension	.0948	None
Fire Pension	.0262	None
Auditing	.0087	None
Bond and Interest	.2437	None
TOTAL VILLAGE	1.6220	
FLOSSMOOR PUBLIC LIBRARY	.4540	

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm water), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial, individual cost of more than \$1,000 for computer and related equipment, \$5,000 for non-infrastructure other than computers and \$50,000 for infrastructure and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and Structures	25-40
Land Improvements	10-20
Machinery and Equipment	2-20
Infrastructure	40

J. Compensated Absences

Vacation leave is not accumulated and must be taken in the year in which it was earned. Sick leave does not vest and is accumulated at the rate of twelve (12) days per year, with a maximum of one hundred thirty (130) days. The Village allows sick leave buy back for unused sick leave accrued (up to a maximum of six days) for the prior fiscal year. Accordingly, a liability for sick leave buy back has been accrued at year end.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the financial statements. Short-term interfund loans, if any, are classified as interfund receivables/payables. Long-term interfund loans are classified as advances to/from other funds.

L. Fund Balances/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. In the government-wide financial statements, restricted net assets are legally restricted by outside parties for a specific purpose. None of the restricted net assets result from enabling legislation adopted by the Village. Invested in capital assets, net of related debt represents the book value of capital assets less any long-term debt issued to acquire or construct the capital assets.

M. Comparative Data

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of changes in the Village's financial position, operations and cash flows. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

2. DEPOSITS AND INVESTMENTS

Deposits and investments are governed by the Village's investment policy and separate policies governing the Police and Firefighters' Pension Funds as well as Illinois Compiled Statutes (ILCS).

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objective of the policy is legality, safety (preservation of capital and protection of investment principal), liquidity and yield.

2. DEPOSITS AND INVESTMENTS (Continued)

The Village's investment policy permits investments in commercial banks and savings and loan institutions (if a member of FDIC), and to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, short-term commercial paper rated within the highest classifications by at least two standard rating services, Illinois Funds, Illinois Metropolitan Investment Fund (IMET) and money market mutual funds permissible under state law. Derivatives are allowable only if they are guaranteed by the full faith and credit of the United States of America.

The Police and Firefighters' Pension funds may invest in the same and also invest in certain non-U.S. government obligations, mortgages, veteran's loans and life insurance company contracts, and in certain instances equity mutual funds and equity securities.

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 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.

Illinois Metropolitan Investment Fund (IMET) is a non-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

A. Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village, Firefighters' and Police Pension Funds investment policies requires pledging of collateral with a fair value of 105% (110% for Firefighters' Pension and Police Pension) of all bank balances in excess of federal depository insurance with the collateral held by an agent of the Village in the Village's name.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The following table presents the investments and maturities of the Village's debt securities and debt mutual funds as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
Illinois Funds	\$ 7,355,987	\$ 7,355,987	\$ -	\$ -
IMET	2,483,132	261,892	2,221,240	-
TOTAL	\$ 9,839,119	\$ 7,617,879	\$ 2,221,240	\$ -

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Agency Obligations	\$ 1,834,733	\$ -	\$ 144,162	\$ 426,424
U.S. Treasury Obligations	703,788	270,788	290,209	117,425
Certificates of Deposits	1,076,818	290,209	786,609	-
Illinois Funds	1,087,389	1,087,389	-	-
IMET	1,272,461	223,784	1,048,677	-
TOTAL	\$ 5,974,566	\$ 1,874,170	\$ 2,292,480	\$ 543,849

The following table presents the investments and maturities of the Firefighters' Pension Fund's debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)		
		Less than 1	1-5	6-10
U.S. Agency Obligations	\$ 459,399	\$ -	\$ 212,903	\$ 180,293
U.S. Treasury Obligations	98,833	424,698	98,833	-
Illinois Funds	424,698	107,574	541,465	-
IMET	693,039	532,272	853,201	180,293
TOTAL	\$ 1,651,969	\$ 532,272	\$ 853,201	\$ 180,293

Investments in non-debt securities at April 30, 2009 were \$2,709,499 and \$198,820 for the Police Pension Fund and Firefighters' Pension Fund, respectively.

In accordance with its investment policy, the Village limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a three year period. The investment policy limits the maximum maturity lengths of investments to three years from date of purchase. The Firefighters' Pension Fund and the Police Pension Fund investment policies do not limit the maximum maturities of investments, but instead requires laddering of the maturities of the investments and does not allow the sale of a debt security prior to maturity.

B. Investments (Continued)

The Village and the Police and Firefighters' Pension Funds limits their 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 obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government. However, the Village's and the Pension Funds' investment policies do not specifically limit the Village and Pension Funds to these types of investments. The Police Pension Fund investment policy does limit investments in insurance annuity contracts to AA rated insurance companies, and state or local government municipal bonds rated AA or better. The IMET, Illinois Funds and the U.S. agency obligations that had available ratings are rated A.A.A. by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village, the Police Pension Fund and the Firefighters' Pension Fund investment policies require all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by a third party acting as the Village's or Pension Fund's agent separate from where the investment was purchased. Illinois Funds, IMET, the mutual funds and the money market mutual funds are not subject to custodial credit risk.

Concentration of credit risk - At April 30, 2009, the Village had greater than 5% of its overall portfolio invested in IMET and Illinois Funds. This is in accordance with the Village's investment policy, which limits investments as follows: no more than 90% in U.S. Treasury securities, 50% in U.S. agency securities with no more than 20% in a single agency, 75% in certificates of deposit (no more than 50% at one institution), 50% in IMET, 10% in commercial paper and 25% in money market mutual funds and a percentage limit in Illinois Funds that is based on Finance and Facilities Plan reserves as a percentage of total investments.

The Firefighters' Pension Fund investment policy contains general guidelines on the diversification of the investment portfolio. At April 30, 2009, the Firefighters' Pension Fund had investments in one insurance separate account that was approximately 10% of the total portfolio. The Police Pension Fund investment policy allows a maximum of 10% of the portfolio to be in cash or cash equivalents, 100% to be in fixed income securities and 35% in equity securities. ILCS limit the Police Pension Fund to no more than 45% of its portfolio in equity securities.

Derivatives - None of the investment policies specifically prohibit the use of or the investment in derivatives if the derivative falls into an allowable category.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2009 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 1,179,223	\$ -	\$ -	\$ 1,179,223
Land Right of Way	9,279,747	-	-	9,279,747
Construction in Progress	63,088	649,457	-	712,545
Total Capital Assets not Being Depreciated	10,522,058	649,457	-	11,171,515
Capital Assets Being Depreciated				
Buildings	11,984,963	13,765	-	11,998,728
Equipment	3,871,545	179,605	279,604	3,771,546
Infrastructure	8,679,292	-	-	8,679,292
Total Capital Assets Being Depreciated	24,535,800	193,370	279,604	24,449,566
Less Accumulated Depreciation for				
Buildings	2,408,954	319,704	-	2,728,658
Equipment	2,744,922	327,133	279,310	2,792,745
Infrastructure	4,950,192	140,740	-	5,090,932
Total Accumulated Depreciation	10,104,068	787,577	279,310	10,612,335
Total Capital Assets Being Depreciated, Net	14,431,732	(594,207)	294	13,837,231
GOVERNMENTAL ACTIVITIES	\$ 24,953,790	\$ 55,250	\$ 294	\$ 25,008,746
CAPITAL ASSETS, NET				
Beginning Balances				
Increases				
Decreases				
Ending Balances				
BUSINESS-TYPE ACTIVITIES				
Capital Assets not Being Depreciated				
Land	\$ 683,000	\$ -	\$ -	\$ 683,000
Construction in Progress	278,777	108,229	307,774	79,232
Total Capital Assets not Being Depreciated	961,777	108,229	307,774	762,232
Capital Assets Being Depreciated				
Land Improvements	824,179	60,376	28,524	856,031
Buildings and Structures	2,423,048	-	-	2,423,048
Machinery and Equipment	89,480	6,794	-	96,274
Water Transmission System	7,588,538	209,018	88,438	7,709,118
Sewer Collection System	9,542,945	-	-	9,542,945
Systems Maps	36,592	-	-	36,592
Total Capital Assets Being Depreciated	20,504,582	276,188	116,962	20,663,808

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

3. CAPITAL ASSETS (Continued)

	Beginning Balances	Increases	Decreases	Ending Balances
BUSINESS-TYPE ACTIVITIES (Continued)				
Less Accumulated Depreciation for				
Land Improvements	\$ 514,541	\$ 29,051	\$ 24,720	\$ 518,872
Building and Structures	945,999	49,904	-	995,903
Machinery and Equipment	74,405	4,864	-	79,269
Water Transmission System	4,177,413	183,433	73,698	4,287,148
Sewer Collection System	2,728,093	237,978	-	2,966,071
Systems Maps	36,592	-	-	36,592
Total Accumulated Depreciation	8,477,043	505,230	98,418	8,883,855
Total Capital Assets Being Depreciated, Net	12,027,539	(229,042)	18,544	11,779,953
BUSINESS-TYPE ACTIVITIES	\$ 12,989,316	\$ (120,813)	\$ 326,318	\$ 12,542,185
CAPITAL ASSETS, NET				

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General Government	\$ 108,517
Public Safety	157,371
Culture and Recreation	202,594
Highway and Streets	319,295
TOTAL DEPRECIATION EXPENSE - GOVERNMENTAL ACTIVITIES	\$ 787,577

4. LONG-TERM DEBT

The following is a summary of debt transactions of the Village for the year ended April 30, 2009:

	Governmental Activities	Business-Type Activities	Total Business-Type Activities
General			
Obligation			
Bonds			
Series 2002	16,402	890,307	2,304,664
Outstanding Debt, May 1	\$ 6,680,000	\$ 1,360,389	\$ 890,307
Debt Issued	19,805	-	-
Debt Retired	340,000	97,821	54,726
Outstanding Debt, April 30	\$ 6,340,000	\$ 36,207	\$ 835,581
			\$ 2,185,891
			\$ 4,284,040

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

The outstanding debt as of April 30, 2008 consists of the following individual amounts:

Fund Debt Retired By	Balances April 30	Current Portion
Debt Service	\$ 6,340,000	\$ 360,000
Sanitary Sewer Rehabilitation	1,262,568	100,405
Sanitary Sewer Rehabilitation	835,581	56,328
Sanitary Sewer Rehabilitation	2,185,891	121,761
TOTAL OUTSTANDING DEBT	\$ 10,624,040	\$ 638,494

\$7,980,000 General obligation bonds due in annual installments of \$90,000 to \$640,000 from June 1, 2003 to December 1, 2021, interest from 4.00% to 4.75%

A \$1,985,373 Illinois EPA low interest loan due in semi-annual installments of principal and interest of \$66,446, with interest at 2.625%

A \$1,190,343 Illinois EPA low interest loan due in semi-annual installments of principal and interest of \$40,098, with interest at 2.905%

A \$2,577,633 Illinois EPA low interest loan due in semi-annual installments of principal and interest of \$87,896, with interest at 1.28%

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

4. LONG-TERM DEBT (Continued)

Year Ending April 30	IEPA Loan Payable - Phase II		IEPA Loan Payable - Phase III		Total
	Principal	Interest	Principal	Interest	
2010	\$ 56,328	\$ 23,867	\$ 80,195	\$ 121,761	\$ 53,891
2011	57,976	22,219	80,195	124,824	50,828
2012	59,672	20,523	80,195	127,964	47,888
2013	61,419	18,776	80,195	131,183	44,469
2014	63,216	16,979	80,195	134,483	41,169
2015	65,065	15,130	80,195	137,866	37,786
2016	66,969	13,226	80,195	141,334	34,318
2017	68,929	11,266	80,195	144,890	30,762
2018	70,946	9,249	80,195	148,535	27,117
2019	73,022	7,173	80,195	152,271	23,381
2020	75,159	5,036	80,195	156,102	19,550
2021	77,358	2,837	80,195	160,029	15,623
2022	39,522	580	40,102	164,054	11,598
2023	-	-	-	168,182	7,470
2024	-	-	-	172,413	3,240
TOTAL	\$ 835,581	\$ 166,861	\$ 1,002,442	\$ 2,185,891	\$ 448,890

The annual debt service requirements to amortize the outstanding debt as of April 30, 2009 are as follows:

Year Ending April 30	2002 General Obligation Bonds		IEPA Loan Payable - Phase I		Total
	Principal	Interest	Principal	Interest	
2010	\$ 360,000	\$ 283,960	\$ 100,405	\$ 32,488	\$ 132,893
2011	375,000	269,020	103,058	29,835	132,893
2012	395,000	253,083	105,781	27,112	132,893
2013	415,000	236,295	108,576	24,317	132,893
2014	435,000	218,657	111,445	21,448	132,893
2015	455,000	199,953	114,390	18,503	132,893
2016	480,000	180,046	117,412	15,481	132,893
2017	505,000	159,046	120,514	12,379	132,893
2018	530,000	136,321	123,699	9,194	132,893
2019	555,000	111,941	126,967	5,926	132,893
2020	585,000	86,273	130,321	2,571	132,893
2021	610,000	59,070	-	-	-
2022	640,000	30,400	-	-	-
TOTAL	\$ 6,340,000	\$ 2,224,065	\$ 1,262,568	\$ 199,254	\$ 1,461,822

5. RISK MANAGEMENT

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in Northeastern Illinois which have formed an association under the Illinois Intergovernmental Cooperations Statute to pool its risk management needs. The agency administers a mix of self-insurance and commercial insurance coverages; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extensive risk management/loss control consulting and training programs; and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. The Village assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of the IRMA beyond its representation on the Board of Directors.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

5. RISK MANAGEMENT (Continued)

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the bylaws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village had no liabilities to IRMA as of April 30, 2009.

The Village purchases third-party indemnity insurance for employee health, dental and vision. Losses have not exceeded coverage in the current year or the preceding two years.

6. CONTINGENT LIABILITIES

A. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

B. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

7. INDIVIDUAL FUND DISCLOSURES

Individual fund interfund receivables/payables are as follows:

	Receivable Fund	Payable Fund	Amount
General		Nonmajor Governmental	\$ 367
Nonmajor Governmental		General	949
Fiduciary		General	915
Component Unit		General	2,252
TOTAL			\$ 4,483

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

7. INDIVIDUAL FUND DISCLOSURES (Continued)

The purposes of the significant due to/due from other funds are as follows:

- \$367 due from Nonmajor Governmental Funds to General Fund for interest income earned in the Working Cash Fund which is remitted on a quarterly basis to the General Fund.
- \$949 due from General Fund to Nonmajor Governmental Funds is drug forfeitures received directly by General Fund bank accounts for the Drug Forfeiture Fund.
- \$915 due from General Fund to Fiduciary Funds is personal property replacement taxes collected by the General Fund that has not yet been remitted to the Police Pension Fund.
- \$2,252 due from General Fund to Component Unit is personal property replacement taxes collected by the General Fund that has not yet been remitted to the Flossmoor Public Library.

All amounts will be repaid within one year.

Individual fund advances are as follows:

	Receivable Fund	Payable Fund	Amount
Water and Sewer		TIF Area #1	\$ 70,900

The purposes of the advances from/to other funds are as follows:

- \$70,900 advance to the Water and Sewer Fund from Nonmajor Governmental Funds. This balance relates to the construction of a water tower that was paid for by the Water and Sewer Fund; a portion of which was a TIF eligible expense. The original liability was \$213,200 with repayment on a straight-line basis over the life of the TIF. Final payment is expected in fiscal year 2014.

Individual fund transfers are as follows:

	Transfers In	Transfers Out
General	\$ 4,767	\$ 321,432
Capital Equipment	411,630	-
Nonmajor Governmental	-	4,767
Water and Sewer	-	90,198
TOTAL	\$ 416,397	\$ 416,397

7. INDIVIDUAL FUND DISCLOSURES (Continued)

Interfund transfers during the year ended April 30, 2009 consisted of the following:

- \$321,432 transferred from the General Fund to the Capital Equipment Fund is part of the Village's capital equipment replacement schedule. Capital equipment replacements are funded over a ten year period with annual transfers from the General and Water and Sewer Funds.
- \$411,630 transferred to the Capital Equipment Fund. This represents the transfer into the Capital Equipment Fund from the General Fund and Water and Sewer Fund to fund the Village's ten year replacement schedule.
- \$90,198 transferred from Water and Sewer Fund to the Capital Equipment Fund. This represents the Water and Sewer Fund transfers to fund its share of the Village's ten year replacement schedule.
- \$4,767 transferred from the Working Cash Fund to the General Fund. This represents transfers for interest income earned in the Working Cash Fund which is remitted to the General Fund on a quarterly basis.

8. EMPLOYEE RETIREMENT SYSTEMS

The Village contributes to three defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system; the Police Pension Plan which is a single-employer pension plan; and, the Firefighter's Pension Plan which is also a single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for all three plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employees. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

A. Plan Descriptions

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police or Firefighter's plans) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Pension benefits vest after eight years of service. Participating members who retire at or after age 60 with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.5% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution for the calendar year ended 2008 was 12.11% of covered payroll.

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions (Continued)

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2009, the Police Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not Yet Receiving Them	13
Current Employees	9
Vested	9
Nonvested	31
TOTAL	31

The Police Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75.00% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit 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 upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

Employees are required by ILCS 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 accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past service cost for the Police Pension Plan. For the year ended April 30, 2009, the Village's contribution was 20.19% of covered payroll.

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

A. Plan Descriptions (Continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. At April 30, 2009, the Firefighters' Pension Plan membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to Benefits but not Yet Receiving Them	2
Current Employees	2
Vested	1
Nonvested	5
TOTAL	5

The Firefighters' Pension Plan provides retirement benefits as well as death and disability benefits. Covered employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of one-half of the monthly salary attached to the rank held in the fire service at the date of retirement. The monthly pension shall be increased by 1/12 of 2.50% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75.00% of such monthly salary. Employees with at least ten years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and upon reaching the age of at least 55 by 3.00% of the original pension and 3.00% compounded annually thereafter.

Covered employees are required to contribute 9.455% of their base salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. Effective July 1, 1993, the Village has until the year 2033 to fully fund the past services costs for the Firefighters' Pension Plan. For the year ended April 30, 2009, the Village's contribution was 27.43% of covered payroll.

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

B. Significant Investments

Other than U.S. Government explicitly guaranteed obligations, investments in an insurance contract, Illinois Funds and IMET represent 5.00% or more of plan net assets for the Firefighters' Pension Plan. Other than U.S. Government explicitly guaranteed obligations, investments in Illinois Funds, IMET, one insurance contract and equity mutual funds represent 5.00% or more of plan net assets for the Police Pension Plan. Information for the IMRF is not available.

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Valuation Date	December 31, 2006	April 30, 2008	April 30, 2008
Actuarial Cost Method	Entry-age Normal	Entry-age Normal	Entry-age Normal
Asset Valuation Method	5 Year Smoothed Market	Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	24 Years, Closed	24 Years, Closed	24 Years, Closed
Significant Actuarial Assumptions			
a) Rate of Return on Present and Future Assets	7.50% Compounded Annually	7.00% Compounded Annually	7.00% Compounded Annually
b) Projected Salary Increase - Attributable to Inflation	4.00% Compounded Annually	5.50% Compounded Annually	5.50% Compounded Annually
c) Additional Projected Salary Increases - Seniority/Merit	.40 to 11.6%	3.00%	3.00%

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

C. Annual Pension Costs (Continued)

Employer annual pension costs (APC), actual contributions and the net pension obligation (asset) (NPO) are as follows. The NPO is the cumulative difference between the APC and the contributions actually made.

For Fiscal Year	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
2007	\$ 233,938	\$ 252,751	\$ 56,563
2008	279,874	242,376	58,360
2009	284,211	263,466	58,316
2007	233,938	229,443	56,229
2008	279,874	264,410	67,025
2009	284,211	262,837	77,923
Percentage of APC Contributed	100.00%	90.78%	99.41%
	100.00%	109.09%	114.85%
	100.00%	99.76%	133.62%
NPO (Asset)	-	(70,912)	(214,547)
	-	(92,946)	(223,212)
	-	(92,317)	(242,819)

The NPO has been calculated as follows:

	Police Pension	Firefighters' Pension
Annual Required Contribution	\$ 265,528	\$ 63,269
Interest on Net Pension Obligation	(6,506)	(15,625)
Adjustment to Annual Required Contributions	4,444	10,672
Annual Pension Cost	263,466	58,316
Contributions Made	262,837	77,923
Increase (Decrease) in Net Pension Obligation	629	(19,607)
Net Pension Obligation (Asset) Beginning of Year	(92,946)	(223,212)
NET PENSION OBLIGATION (ASSET)	\$ (92,317)	\$ (242,819)
END OF YEAR		

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

D. Funded Status

The funded status of the plans as of April 30, 2009, based on actuarial valuations performed as of the same date, is as follows. The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer annual pension costs of the plans as disclosed in Note 9-C:

	Illinois Municipal Retirement	Police Pension	Firefighters' Pension
Actuarial Accrued Liability (AAL)	\$ 6,404,992	\$ 14,081,709	\$ 2,822,700
Actuarial Value of Plan Assets	3,855,820	8,715,949	1,914,733
Unfunded Actuarial Accrued Liability (UAAL)	2,549,172	5,365,760	908,967
Funded Ratio (Actuarial Value of Plan Assets/AAL)	60.20%	61.90%	67.81%
Covered Payroll (active plan members)	\$ 2,346,914	\$ 1,301,810	\$ 284,113
UAAL as a Percentage of Covered Payroll	108.62%	412.18%	319.93%

See the schedules of funding progress in the required supplementary information immediately following the notes to the financial statements for additional information related to the funded status of the plan.

9. OTHER POSTEMPLOYMENT BENEFITS

Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed by Illinois Compiled Statutes (ILCS) and by the Village. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Village's General Fund and Governmental Activities.

Benefits Provided

The Village provides postemployment health care benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Village's retirement plans or meet COBRA requirements.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Benefits Provided (Continued)

All health care benefits are provided through the Village's third party indemnity health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care and prescriptions. Eligibility in Village sponsored health care plans may be continued at a separate premium upon eligibility for federally sponsored health care benefits.

Membership

At April 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	10
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-
Active employees	<u>52</u>
TOTAL	<u>62</u>
Participating employers	<u>1</u>

Funding Policy

The Village provides the contribution percentages between the Village and employees through the union contracts and personnel policy. All retirees contribute 100% of the premium to the plan to cover the cost of providing the benefits to the retirees via the plan (pay as you go) which results in an implicit subsidy to the Village as defined by the GASB Statement No. 45. For the fiscal year ended April 30, 2009, the Village contributed \$21,703. The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

Annual OPEB costs and Net OPEB Obligation

The Village first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2008. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2009 was as follows (information for the third preceding year is not available as an actuarial valuation was performed for the first time as of April 30, 2008):

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation (Continued)

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	\$ 39,502	\$ 23,100	58.5%	\$ 16,402
April 30, 2009	41,508	21,703	52.3%	36,207

The net OPEB obligation (NOPEBO) as of April 30, 2009 was calculated as follows:

Annual Required Contribution	\$ 41,280
Interest on Net OPEB Obligation	738
Adjustment to Annual Required Contribution	<u>(510)</u>
Annual OPEB Cost	41,508
Contributions Made	<u>21,703</u>
Increase in Net OPEB Obligation	19,805
Net OPEB Obligation Beginning of Year	<u>16,402</u>
NET OPEB OBLIGATION END OF YEAR	<u>\$ 36,207</u>

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 430,057
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	430,057
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	3,513,632
UAAL as a Percentage of Covered Payroll	12.2%

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 that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB costs and Net OPEB Obligation (Continued)

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 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 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 entry age actuarial cost method was used. The actuarial assumptions included a 4.50% investment rate of return (net of administrative expenses), 5.0% salary increase and an annual healthcare cost trend rate of 8.00%, which include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009, was thirty years.

10. FLOSSMOOR PUBLIC LIBRARY

A. Summary of Significant Accounting Policies

The accounting policies of the Library conform to generally accepted accounting principles as applicable to governments. The Government Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

1) Fund Accounting

The accounts of the Library are organized on the basis of funds each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the financial statements in this report into one fund type and one broad fund category as follows:

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

A. Summary of Significant Accounting Policies (Continued)

1) Fund Accounting (Continued)

Governmental funds are those through which most governmental functions of the Library are financed. The Library's expendable resources are accounted for through governmental funds. The measurement focus is upon determination of changes in financial position, rather than upon net income determination. The following are the Library's governmental funds:

General Fund - the General Fund is the general operating fund of the Library. It is used to account for all financial resources except those required to be accounted for in another fund.

2) Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses recorded when a liability is incurred.

The modified accrual basis of accounting is followed by the governmental funds on the fund financial statements. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Library considers property taxes and other revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

3) Cash and Investments

Investments are stated at cost or amortized cost, which approximates fair value.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

B. Deposits (Continued)

2) Investments (Continued)

The Library 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 obligations guaranteed by the United States Government or securities issued by agencies of the United States Government that are explicitly guaranteed by the United States Government and Illinois Funds. Illinois Funds is rated AAA by a national rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Library will not be able to recover the value of its investments that are in possession of an outside party. The Library's investments are not exposed to custodial credit and the Library's investment policy is silent in regards to custodial credit risk. Illinois Funds is not subject to custodial credit risk.

Concentration of credit risk - At April 30, 2009, the Library had 83% of its overall portfolio invested in Illinois Funds. This is in accordance with the Library's investment policy, which does not require diversification of the portfolio.

Derivatives - The Library's investment policy is silent regarding the use of or the investment in derivatives.

C. Receivables

Property taxes for the 2008 levy year attach as an enforceable lien on January 1, 2008, on property values assessed as of the same date. Taxes are levied by December of the same year by passage of a Tax Levy Ordinance. Tax bills are prepared by the County and issued and are payable in two installments, on or about March 1, 2009 and August 1, 2009. The County collects such taxes and remits them periodically. The Library recognizes property tax revenues when they become both measurable and available in the fiscal year that the tax levy is intended to finance. The 2009 tax levy, which attached as an enforceable lien on property as of January 1, 2009, has not been recorded as a receivable as of April 30, 2009 as the tax has not yet been levied by the Library and will not be levied until December 2009, and, therefore, the levy is not measurable at April 30, 2009.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

B. Deposits

Deposits and investments are governed by the Library's investment policy.

It is the policy of the Library to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Library and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are legality, safety (preservation of capital and protection of investment principal), liquidity, yield and simplicity of management.

The Library's investment policy permits investments in commercial banks and savings and loan institutions (if a member of FDIC), and to invest in obligations of the U.S. Treasury and U.S. agencies, Illinois Funds and money market mutual funds permissible under state law.

1) Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Library's deposits may not be returned to it. The Library's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance with the collateral held by an agent of the Library in the Library's name.

2) Investments

The following table presents the investments and maturities of the Library's debt securities as of April 30, 2009:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-3	3-6	Greater than 6
Illinois Funds	\$ 1,566,055	\$ 1,566,055	\$ -	\$ -	\$ -
IMET	290,568	-	290,568	-	-
TOTAL	\$ 1,856,623	\$ 1,566,055	\$ 290,568	\$ -	\$ -

In accordance with its investment policy, the Library limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed within a two month period. Investment maturities should not exceed one year.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

D. Capital Assets

Capital asset activity for the year ended April 30, 2009 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
GOVERNMENTAL ACTIVITIES				
Capital Assets not Being Depreciated	\$ -	\$ -	\$ -	\$ -
Land	-	-	-	-
Total Capital Assets not Being Depreciated	-	-	-	-
Capital Assets Being Depreciated	338,583	-	-	338,583
Furniture and Equipment	338,583	-	-	338,583
Total Capital Assets Being Depreciated	338,583	-	-	338,583
Less Accumulated Depreciation for Furniture and Equipment	90,491	29,040	-	119,531
Total Accumulated Depreciation	90,491	29,040	-	119,531
Total Capital Assets Being Depreciated, Net	248,092	(29,040)	-	219,052
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	\$ 248,092	\$ (29,040)	\$ -	\$ 219,052

E. Other Post Employment Benefits

Plan Description

In addition to providing the pension benefits described, the Library provides post-employment health care and life insurance benefits (OPEB) for retired employees through a single employer defined benefit plan. The benefits, benefit levels, employee contributions and any employer contributions are governed Illinois Compiled Statutes (ILCS) and by the Library. The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the plan. The plan does not issue a separate report. The activity of the plan is reported in the Library's General Fund and Governmental Activities.

Benefits Provided

The Library provides post-employment health care and life insurance benefits to its retirees. To be eligible for benefits, an employee must qualify for retirement under one of the Library's retirement plans or meet COBRA requirements.

VILLAGE OF FLOSSMOOR, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

E. Other Post Employment Benefits (Continued)

Benefits Provided (Continued)

All health care benefits are provided through the Library's third party indemnity health plan. The benefit levels are the same as those afforded to active employees. Benefits include general inpatient and outpatient medical services; mental, nervous, and substance abuse care; vision care; dental care and prescriptions. Eligibility in Library sponsored health care plans is discontinued upon eligibility for federally sponsored health care benefits.

Membership

At April 30, 2009, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	-
Terminated Employees Entitled to Benefits but not Yet Receiving Them	-
Active Employees	7
TOTAL	7
Participating Employers	1

Funding Policy

The Library negotiates the contribution percentages between the Library and employees through the personnel policy. All retirees contribute 100% of the actuarially determined premium to the plan to cover the cost of providing the benefits to the retirees via the plan (pay as you go) which results in an implicit subsidy to the Library as defined by the GASB Statement No. 45. For the fiscal year ending April 30, 2009, the Library made no contribution. The Library is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the plan until retirement.

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

E. Other Post Employment Benefits (Continued)

Annual OPEB costs and Net OPEB Obligation

The Library first had an actuarial valuation performed for the plan as of April 30, 2008 to determine the funded status of the plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2008. The Library's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for April 30, 2009 was as follows (information for the third preceding year is not available as an actuarial valuation was performed for the first time as of April 30, 2008):

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
April 30, 2008	\$ 3,391	\$ 2,310	68.1%	\$ 1,081
April 30, 2009	3,560	-	N/A	4,641

The net OPEB obligation (NOPBEO) as of April 30, 2009 was calculated as follows:

Annual Required Contribution	\$ 3,545
Interest on Net OPEB Obligation	49
Adjustment to Annual Required Contribution	(34)
Annual OPEB Cost Contributions Made	3,560

Increase in Net OPEB Obligation	3,560
Net OPEB Obligation Beginning of Year	1,081
NET OPEB OBLIGATION END OF YEAR	\$ 4,641

Funded Status and Funding Progress. The funded status of the plan as of April 30, 2009, was as follows:

Actuarial Accrued Liability (AAL)	\$ 32,186
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	32,186
Funded Ratio (Actuarial Value of Plan Assets/AAL)	-
Covered Payroll (Active Plan Members)	307,955
UAAL as a Percentage of Covered Payroll	10.5%

10. FLOSSMOOR PUBLIC LIBRARY (Continued)

E. Other Postemployment Benefits (Continued)

Annual OPEB costs and Net OPEB Obligation (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows 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 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 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 entry age actuarial cost method was used. The actuarial assumptions included a 4.50% investment rate of return (net of administrative expenses) and an annual healthcare cost trend rate of 8.00%. Both rates include a 3.00% inflation assumption. The actuarial value of assets was not determined as the Library has not advance funded its obligation. The plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2009, was thirty years.

APPENDIX B
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Village as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Village or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Village, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Village or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Village or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The Village may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Village believes to be reliable, but the Village takes no responsibility for the accuracy thereof.

APPENDIX C
[PROPOSED FORM OF OPINION OF BOND COUNSEL]
[LETTERHEAD OF CHAPMAN AND CUTLER LLP]
[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the President and Board of Trustees of the Village of Flossmoor, Cook County, Illinois (the “*Village*”) passed preliminary to the issue by the Village of its fully registered General Obligation Refunding Bonds, Series 2009 (the “*Bonds*”) to the amount of \$5,735,000, dated December 18, 2009, of the denomination of \$5,000 or authorized integral multiples thereof, due and payable serially on December 1 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

2010	65,000	2.00
2011	430,000	2.00
2012	445,000	2.50
2013	455,000	3.00
2014	470,000	3.00
2015	490,000	3.00
2016	510,000	3.25
2017	530,000	4.00
2018	550,000	4.00
2019	575,000	4.00
2020	595,000	4.00
2021	620,000	4.00

Each of the Bonds bears interest from the later of its dated date as stated above or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of each such Bond, respectively, is paid or duly provided for, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2010.

Those of the Bonds due on or after December 1, 2018, are subject to redemption prior to maturity at the option of the Village, from any available funds, in whole or in part, on any date on or after December 1, 2017, and if in part, in any order of maturity as selected by the Village, and if less than an entire maturity, in integral multiples of \$5,000, selected by lot, at the redemption price of par plus accrued interest to the date fixed for redemption.

The Bonds have been issued for the purpose of advance refunding the Village’s outstanding General Obligation Bonds, Series 2002, due December 1, 2011-2021.

Based upon such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form prescribed for the Bonds and find the same in due form of law, and in our opinion the Bonds, to the amount named, are valid and legally binding upon the Village, and all taxable property in the Village is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the Issuer’s compliance with certain covenants, under present law, interest on the Bonds (i) is excludable from gross income of the owners thereof for federal income tax purposes and (ii) is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the “*Code*”), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Issuer covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Sikich, LLP, Certified Public Accountants.

It is also our opinion that the Bonds are “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts within the Village’s knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.