NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for state income taxes. State income taxes received within 120 days will be considered as available. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred revenues. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the Village is entitled the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred revenues. Amounts received prior to the entitlement period are also recorded as deferred revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The Village reports deferred revenues on its governmental funds balance sheet. Deferred revenues arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund financial statements (other than agency funds) are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

C. *MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION* (cont.)

Fund Financial Statements (cont.)

The enterprise fund follows all pronouncements of the Governmental Accounting Standards Board, and has elected not to follow Financial Accounting Standards Board pronouncements issued after November 30, 1989. The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewerage Fund are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. *ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY*

1. Deposits and Investments

For purposes of the statement of cash flows, the Village considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Illinois Statutes authorize the Village to make deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreement to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds Investment Pool.

Pension funds may also invest in certain non-U.S. obligations, Illinois municipal corporations tax anticipation warrants, veteran's loans, obligations of the State of Illinois and its political subdivisions, and the Illinois insurance company general and separate accounts, mutual funds meeting certain requirements, equity securities, and corporate bonds meeting certain requirements. Pension funds with net assets in excess of $10,000,000 and an appointed investment adviser may invest an additional portion of its assets in common and preferred stocks and mutual funds, that meet certain requirements. The police pension fund's investment policy allows investments in all of the above listed accounts, but does exclude any repurchase agreements. The firefighters' pension fund allows funds to be invested in any type of security authorized by the Illinois Pension Code.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Additional restrictions may arise from local charters, ordinances, resolutions and grant resolutions.

Certain deposits of the 22nd and 17th Avenue Tax Increment Financing District are classified as restricted assets because their use is restricted based on the Redevelopment agreement for the Tax Increment Financing District.

The Village and Pensions have adopted an investment policy. That policy follows the state statute for allowable investments.

Interest Rate Risk

The Village and Pension's formal investment policy states the portfolio should provide a comparable rate of return during a market / economic environment of stable interest rates. Portfolio performance should be compared to benchmarks with similar maturity, liquidity and credit quality as the portfolio. The Village set an investment bank's 1-3 year Governmental Bond Index as its initial benchmark. Unless matched to a specific cash flow, the Village will not directly invest in securities maturing more than two years from the date of purchase. Reserve funds may be invested in securities exceeding two years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of the funds.

The Pensions' investment policies seek to ensure preservation of capital in the overall portfolio. Return on investment is of secondary importance to safety of principal and liquidity. The Police Pension's investment policy limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities. The Firefighters' Pension's policy does not limit investment maturities except as part of statutory requirements, as a means of managing its exposure to fair value losses arising from increasing interest rates. Over a full business cycle (3-5 years) it is the goal of the Firefighters' Pension to get a return on investments that meets or exceeds the rate of 8%. The portfolio will be managed with an average duration ranging from one to ten years. However, all of the policies require the Village's and pensions' investment portfolios to be sufficiently liquid to enable the Village and pensions to meet all operating requirements as they come due.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Assets, Liabilities, and Net Assets or Equity (cont.)

1. Deposits and Investments (cont.)

Credit Risk

State Statutes limit the investments in commercial paper to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The Village's and pension's investment policies authorize investments in any type of security allowed for in Illinois statutes regarding the investment of public funds. As of April 30, 2011, all of the Village and Pensions' applicable other investments had either "AAA" or "A-1+" ratings with their applicable rating agency. The Police Pension's investment policy prescribes to the "prudent person" rule, which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the primary objective of safety as well as the secondary objective of the attainment of market rates of return." The Police Pension Fund's investments in the securities of U.S. government agencies were all rated triple A by Standard & Poor's or by Moody's Investors Services, except for two issues that were unrated. Unrated investments were Federal National Mortgage Association $58,006 par value, 6% interest rate maturing May 1, 2024.

Concentration of Credit Risk

The Village's and pensions' investment policies require diversification of the investment portfolio to minimize risk of loss resulting from over-concentration in a particular type of security, risk factor, issuer, or maturity.

The Police Pension does not have a formal written policy with regards to concentration credit risk for investments. At April 30, 2011, the Police Pension Fund has over 5% of net plan assets invested in various agency securities as indicated in the table in Note III A. Agency investments represent a large portion of the portfolio; however, the investments are diversified by maturity date and as mentioned earlier are backed by the issuing organization. Although unlike Treasuries, agency securities do not have the "full faith and credit" backing of the U.S. Government, they are considered to have a moral obligation of implicit backing and are supported by Treasury lines of credit and increasingly stringent federal regulation.

The Firefighter's investment policy has a preferred target that not less than 55 percent of its portfolio be in fixed income securities and up to 45 percent may be invested in qualified equity securities.

Custodial Credit Risk - Deposits

With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the government's deposits may not be returned to it. The Village's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured with collateralization pledged by the applicable financial institution held at an independent - third party institution in the name of the municipality. The Police Pension Fund's investmnet policy requires pledging of collateral with a fair value of 100% of all bank balances in excess of federal depository insurance.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY (cont.)

1. Deposits and Investments (cont.)

Custodial Credit Risk - Investments

With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Village's investment policy requires all securities to be held by a third party custodian designated by the Treasurer and evidenced by safekeeping receipts. The Firefighters' Pension's investment policy requires all investments to be registered in the name of the fund, however, it does not specifically address these risks.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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 investments could be sold.

Illinois Metropolitan Investment Fund (IMET) is an investment pool managed by its Board of Trustees, which allows governments within the State to pool their funds for investment purposes. IMET is not registered with the SEC as investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. It is subject to the State of Illinois' regulations. Investments in IMET are valued at IMET's share price, the price for which the investments could be sold.

See Note III. A. for further information.

2. Receivables

Property taxes for levy year 2010 attaches as an enforceable lien on January 1, 2010, on property values assessed as of the same date. Taxes are levied by December following the lien date (by passage of a Tax Levy Ordinance). The tax levy, which attached as an enforceable lien on the property as of January 1, , has not been recorded as a receivable as of April 30, 2011, as the tax has not yet been levied by the Village and will not be levied until December , and therefore, the levy is not measurable at April 30, 2011.

Tax bills for levy years (although in recent years the issuance has been significantly delayed) are prepared by Cook County and issued on or about March 1, and September 1, and are payable in two installments, on or about April 1, and October 1, or within 30 days of the tax bills being issued.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Assets, Liabilities, and Net Assets or Equity (cont.)

2. Receivables (cont.)

The county collects such taxes and remits them periodically. The 2010 property tax levy is recognized as a receivable and deferral in fiscal 2011, net of amounts already collected and the allowance for uncollectible. As the taxes become available to finance current expenditures, they are recognized as revenues. At April 30, 2011, the property taxes receivable and deferred tax revenue consisted of the estimated amount collectible from the 2010 levy.

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 180 days ($36,404) comprise the trade accounts receivable allowance for uncollectibles. The property tax receivable allowance is equal to 1 percent ($93,855) of outstanding property taxes at April 30, 2011. Other accounts receivable is shown net at $117,583 for uncollectibles.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net assets. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net assets.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Assets, Liabilities, and Net Assets or Equity (cont.)

5. Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $1,500 for general capital assets and $1,500 for infrastructure assets, and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net assets. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	50	Years
Land Improvements	20	Years
Machinery and Equipment	5-20	Years
Infrastructure	20-50	Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Assets, Liabilities, and Net Assets or Equity (cont.)

6. Compensated Absences (cont.)

All vested vacation and sick leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

7. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable and accrued compensated absences.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are deferred and amortized over the life of the issue using the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for both premiums/discounts and gains/losses, as applicable, is shown as an increase or decrease in the liability section of the statement of net assets.

8. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

9. Equity Classifications

Government-Wide Statements

Equity is classified as net assets and displayed in three components:

a. Invested in capital assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. Assets, Liabilities, and Net Assets or Equity (cont.)

9. Equity Classifications (cont.)

Government-Wide Statements (cont.)

b. Restricted net assets - Consists of net assets with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. Unrestricted net assets - All other net assets that do not meet the definitions of "restricted" or "invested in capital assets, net of related debt."

When both restricted and unrestricted resources are available for use, it is the Village's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance is further classified as reserved and unreserved. Reserved fund balance is that portion of fund balance that is not available for the subsequent year's budget due to legal restrictions or resources which are not available for current spending. Unreserved fund balance includes funds set aside by management for specific uses, which are labeled "designated". The balance of unreserved fund balance is labeled "undesignated", which indicates it is available for appropriation. Proprietary fund equity is classified the same as in the government-wide statements.

10. Property Held for Resale

The Village's property held for resale includes land that is being held for sale for future development of the Village.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. Budget amounts are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to April 30, the Village finance director submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year of the general fund and special revenue funds.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

A. Budgetary Information (cont.)

The Village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function, and department. The Village finance director is authorized to transfer budget amounts between department within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund.

B. Excess Expenditures Over Appropriations

Funds	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
General	$ 11,822,603	$ 12,047,842	$ 225,239
Garbage	401,492	608,576	207,084
Community Development Block Grant (CDBG)	87,000	90,000	3,000
Emergency Telephone System	157,117	171,256	14,139
27th / 23rd TIF Redevelopment	4,500	106,834	102,334
Debt Service	1,763,176	1,778,236	15,060
Capital Projects	52,094	73,186	21,092

The Village controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the Village's year-end budget to actual report.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)

C. Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of April 30, 2011, the following individual funds held a deficit balance:

Fund		Amount	Reason
General	$	3,052,715	Current and prior operating expenditures exceeded available revenues or financing
Garbage		5,349	Operating expenditures exceeded available revenues or financing
Community Development Block Grant		18,145	Prior operating expenditures exceeded available revenues or financing
19th Avenue TIF Redevelopment		72,685	Current and prior operating expenditures exceeded available revenues or financing

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 23 years. General fund is anticipated to be funded with future contributions, general tax revenues, or long-term borrowing. The Community Development Block Grant deficit will be funded by future grant awards. The Garbage fund will be funded with future charges for services for revenue.

NOTE III - DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The Village and Pensions' deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Cash on hand	$ 2,150	$ -	N/A
Deposits with financial institutions	12,856,210	12,965,429	Interest rate risk; Custodial Credit Risk - Deposits
Other investments	50,340,346	50,340,452	Interest rate risk; Credit risk; Concentration of credit risk; Custodial Credit Risk - Investments
Total Deposits and Investments	$ 63,198,706	$ 63,305,881	

Reconciliation to financial statements	
Per statement of net assets	
Unrestricted cash and investments	$ 12,226,294
Restricted cash and investments	11,944,245
Per statement of net assets- fiduciary funds	
Pension - Cash	743,917
Pension - Money markets	1,180,147
Pension - State and local obligations	1,047,346
Pension - U.S. Government securities	17,766,577
Pension - Mutual funds	16,369,020
Pension - Stocks	1,906,575
Agency - Cash	14,585
Total Deposits and Investments	$ 63,198,706

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for interest bearing accounts and unlimited amounts for noninterest bearing accounts.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the Village's deposits may not be returned to the Village.

The Village and Pensions do not have any deposits exposed to custodial credit risk.

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. Deposits and Investments (cont.)

Custodial Credit Risk (cont.)

Investments

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

The Village and Pensions do not have any investments exposed to custodial credit risk.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The Village held investments in the following external pools which are not rated:

Illinois Funds
IMET

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

At April 30, 2011, the investment portfolio was concentrated as follows:

Issuer	Investment Type	Percentage of Net Assets
Police Pension		
LSV Value Equity Fund	Mutual Funds	11.69%
Vanguard 500 Index Fund	Mutual Funds	8.11%
T. Rowe Price Growth Stock Fund	Mutual Funds	8.19%
U.S. Government Agency	Federal Farm Credit Bank	9.24%
U.S. Government Agency	Federal Home Loan Bank	15.10%
Firefighters' Pension		
U.S. Government Agency	Federal Farm Credit Bank Note	7.04%
U.S. Government Agency	Federal National Mortgage Association	11.12%

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of April 30, 2011, the primary government investments were as follows:

	Maturity (In Years)	
Investment Type	Fair Value	Less than 5 Years
Money Market Mutual Funds	$ 11,079,664	$ 11,079,664
Illinois Funds	42,670	42,670
Illinois Metropolitan Investment Fund	83,951	83,951
U.S. Treasury Notes	864,687	864,687
Totals	$ 12,070,972	$ 12,070,972

Firefighters' Pension Fund:

	Maturity (In Years)			
Investment Type	Fair Value	Less than 5	5-10	More than 10
Money Market Mutual Funds	$ 307,156	$ 307,156	$ -	$ -
Federal Home Loan Bank	589,947	230,090	359,857	-
Federal Farm Credit Bank	1,283,036	1,283,036	-	-
Federal Home Loan Mortgage Corporation	873,807	79,028	391,446	403,333
Federal National Mortgage Association Pool	1,172,036	163,088	1,008,948	-
Federal National Mortgage Association	853,939	600,170	253,769	-
Government National Mortgage Association	3,279,079	-	497,410	2,781,669
U.S. TIPS	365,228	-	-	365,228
Totals	$ 8,724,228	$ 2,662,568	$ 2,511,430	$ 3,550,230

NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

A. DEPOSITS AND INVESTMENTS (cont.)

Interest Rate Risk (cont.)

Police Pension Fund:

		Maturity (In Years)			
Investment Type	Fair Value	Less than 1	1-5	6-10	More Than 10
State & Local Obligations	$ 1,047,346	$ -	$ 636,346	$ 310,682	$ 100,318
U.S. Treasury Notes	3,248,961	-	1,287,302	1,961,659	-
U.S. Treasury Strips	714,727	-	714,727	-	-
Governmental National Mortgage Association	78,902	-	-	76,719	2,183
Federal Farm Credit Bank	1,936,708	-	1,071,886	864,822	-
Federal Home Loan Bank	3,162,479	154,125	1,346,118	832,697	829,539
Federal National Mortgage Association	207,728	143,903	-	-	63,825
Money Market Mutual Funds	872,991	872,991	-	-	-
Totals	$ 11,269,842	$ 1,171,019	$ 5,056,379	$ 4,046,579	$ 995,865

See Note I.D.1. for further information on deposit and investment policies.