

VILLAGE OF ROMEOVILLE
MARQUETTE TIF
FY 2005-2006

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

Name of Redevelopment Project Area:	Marquette TIF
Primary Use of Redevelopment Project Area*:	Industrial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u> X </u>	Industrial Jobs Recovery Law <u> </u>

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I		X
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J		X
Cumulatively, have deposits equal or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9) If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
Provide an analysis of the special tax allocation fund.

	Reporting Year	Cumulative	
Fund Balance at Beginning of Reporting Period	\$ 9,431,891		
Revenue/Cash Receipts Deposited in Fund During Reporting FY:			
			% of Total
Property Tax Increment	\$ 2,575,010	\$ 19,051,633	64%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ 281,699	\$ 1,633,820	5%
Land/Building Sale Proceeds			0%
Bond Proceeds		\$ 5,197,350	20%
Transfers from Municipal Sources		\$ 2,612,275	10%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)			0%
Total Amount Deposited in Special Tax Allocation Fund During Reporting Period	\$ 2,856,708		
Cumulative Total Revenues/Cash Receipts		\$ 28,495,078	100%
Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)	\$ 1,706,095.00	\$ 17,912,573	
Distribution of Surplus	\$ 515,002	\$ 515,001.97	
Total Expenditures/Disbursements	\$ 2,221,097	\$ 18,427,575	
NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS	\$ 635,611	\$ 10,067,503	
FUND BALANCE, END OF REPORTING PERIOD	\$ 10,067,503	\$ 10,067,503	

- if there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))
ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
 (by category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]

		Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Legal Fees	3,000	
Audit Expense	4,000	
Engineering Services	24,095	
		\$ 31,095
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)		
		\$ -
8. Financing costs. Subsection (q) (6) and (o)(8)		
		\$ -
9. Approved capital costs. Subsection (q)(7) and (o)(9)		
Export Funds to Downtown TIF	1,675,000	
		\$ 1,675,000
10. Cost of Reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
11. Relocation costs. Subsection (q)(8) and (o)(10)		
		\$ -
12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)		
		\$ -
13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)		
		\$ -

14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 1,706,095

Section 3.2 B

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

_____ There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))**Breakdown of the Balance in the Special Tax Allocation Fund At the End of the Reporting Period****(65 ILCS 5/11-74.4-5 (d) (5) (D) and 65 ILCS 5/11-74.6-22 (d) (5) (D))****FUND BALANCE, END OF REPORTING PERIOD****10,067,503**

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
1991 TIF BONDS	\$ 2,550,000	
1997 TIF REFINANCING BONDS	\$ 2,700,000	

Total Amount Designated for Obligations**\$ 5,250,000 \$ -****2. Description of Project Costs to be Paid**

Creation of Downtown TIF District contiguous to Marquette TIF.		\$ 10,067,503
Funds will be exported from Marquette TIF to Downtown TIF		

Total Amount Designated for Project Costs**\$ 10,067,503****TOTAL AMOUNT DESIGNATED****\$ 10,067,503****SURPLUS*/(DEFICIT)****\$ -**

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the Municipality Within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

Please include a brief description of each project.

 No Projects Were Undertaken by the Municipality Within the Redevelopment Project Area

	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Estimated Cost of the Total Project
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TOTAL:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 10,516,776	\$ 2,974,376	\$ 43,297,400
Ratio of Private/Public Investment	0		0

Project 1: Lift Station Improvements

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 212,966		\$ 213,000
Ratio of Private/Public Investment	0		0

Project 2: Marquette Industrial Park Resurfacing

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 710,219		\$ 711,000
Ratio of Private/Public Investment	0		0

Project 3: Marquette Industrial Park Street Lights

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 211,946		\$ 212,000
Ratio of Private/Public Investment	0		0

Project 4: Marquette Park Infrastructure/Facilities

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 1,761,789	\$ -	\$ 2,500,000
Ratio of Private/Public Investment	0		0

Project 5: Fire Station #2 Projects

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 4,441,401		\$ 4,441,400
Ratio of Private/Public Investment	0		0

Project 6: TIF Formation/Engineering/Administration

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$ 245,247	\$ 4,000	\$ 275,000
Ratio of Private/Public Investment	0		0

Project 7: Parkwood Reconstruction

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$	743,206	\$ 745,000
Ratio of Private/Public Investment		0	0

Project 8: Distribution to Taxing Bodies

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$	515,002	\$ - 5,200,000
Ratio of Private/Public Investment		0	0

Project 9: Export Funds to Downtown TIF

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken	\$	1,675,000	\$ 2,970,376 29,000,000
Ratio of Private/Public Investment		0	0

Project 10:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 11:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 12:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 13:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 14:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 15:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Project 16:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment		0	0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1988	\$ 7,964,261	\$ 42,944,497

List all overlapping tax districts in the redevelopment project area.
If overlapping taxing district received a surplus, list the surplus.

_____ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from redevelopment project area to overlapping districts
Will County Forest Preserve	\$ 8,703
Will County Building Commission	\$ 2,939
Dupage Township Town Funds	\$ 4,115
Dupage Township Road Funds	\$ 458
School District 365U	\$ 350,372
Community College District 525	\$ 15,095
Village of Romeoville Fire	\$ 11,226
Village of Romeoville	\$ 62,275
Village of Romeoville Road and Bridge	\$ 395
Fountaindale Public Library	\$ 22,078
Romeo Mosquito Abatement District	\$ 61
Will County	\$ 37,286
	\$ -
	\$ -
Total	\$ 515,002

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

The Area is approximately 375 acres of land wholly located within the Village of Romeoville, in Will County, Illinois and is located near the intersection of Illinois Route 53 and Joliet Road. Independence Boulevard cuts across the southeast corner of the Illinois Route 53/I-55 interchange and the I-55/I-355 interchange. The area consists of three tracts of land. The largest tack of land, which consists of approximately 192.3 acres (excluding street right-of-way) is located north of Joliet Road and west of Illinois Route 53. This tract of land is known as the "Marquette Center Business and Industrial Park" (the "Marquette Center"). Immediately west of the Marquette Center is an approximate 23-acre tract of land which is included in the Area ("Marquette West"). Access to Marquette West is available from Anton Drive. Anton Drive connects with Enterprise Drive which is a street within Marquette Center. the third tract of land in the Area is located south of Joliet Road ("Ridgewood Business Park") and contains approximately 107.9 acres.

Optional Documents	Enclosed	
Legal description of redevelopment project area	X	
Map of District	X	

2. REDEVELOPMENT PROJECT AREA LEGAL DESCRIPTION

Boundaries of the Redevelopment Project Area are shown in Figure 2, Boundary Map. The area is generally bounded on the north by the north property line of the parcels immediately north of Enterprise Drive; on the east by Illinois Route 53, a portion of Joliet Road and Route 53 as extended south to the north property line of the parcel north of Ridgewood Avenue; on the south by said property line extending west but extending south to include parcels along Parkwood Avenue just north of Greenwood Avenue; and on the west by Parkwood Avenue as extended north and along the west parcel line of the parcels west of Enterprise Drive, but excluding parcels south of Naperville Road, west of Enterprise Drive and north of Joliet Road. The legal description is as follows:

Those parts of Sections 22, 23, 26, 27 and 34 (taken as a tract) in Township 37 North, Range 10 East of the Third Principal Meridian bounded and described as follows:

Beginning at the southwest corner of the Southeast Quarter of said Section 22; thence north on the west line of the Southeast Quarter of said Section 22 to the north line of Marquette Center (being a resubdivision of part of Marquette Center Business and Industrial Park Unit 2 as per plat thereof recorded as Document #R76-29157); thence East along said north line and the easterly prolongation thereof to the east line of Illinois Route 53; thence southerly along said east line to the southeasterly line of Joliet Road; thence southwesterly along said southeasterly line to the east line of Section 27 aforesaid; thence South on the last described line to the north line of Hampton Park Industrial District Sub-division; thence (the following 3 courses being along the northerly line of lot 1 in said Hampton Park Industrial District Subdivision) West 2319.84 feet; thence southwesterly 340.31 feet; thence northwesterly 113.50 feet to the west line of the Southeast Quarter of said Section 27; thence South on said west line to the south line of Ridgewood Avenue; thence East on said south line to a line distant 455.00 feet East of and parallel with the west line of the Southeast Quarter of said Section 27; thence South on said parallel line to the north line of the North-east Quarter of said Section 34; thence West on said north line to the east line of Romeoville Industrial Park Unit I (a subdivision in said Section 34 as per plat thereof recorded September 18, 1986 as Document #R86-42585); thence South on said east line to the Southeast corner of lot 3 in said Romeoville Industrial Park Unit 1; thence West on the south line of said lot 3 and the westerly prolongation thereof to the west line of Parkwood Avenue; thence North on said west line to the easterly prolongation of the south line of the North 365.53 feet of Lot 3 in the resubdivision of Hampton Park Industrial District (recorded as document #R-69-13893); thence West on the south line of said North 365.53 feet 270.73 feet; thence North parallel with the west line of said Parkwood Avenue to the south line of Ridgewood Avenue; thence west on said south line to the northwesterly line of said Joliet Road; thence northeasterly on said northwesterly line to a line distant 67.58 feet southwesterly of and parallel with the southwesterly line of Enterprise Drive; thence northwesterly on said parallel line to the south line of the Northeast Quarter of said Section 27; thence West on said south line to the North and South center line of the aforesaid Section 27; thence North on the last described line to the northeast corner of Honeytree Unit 3 Subdivision as per plat recorded by Document #R73-26480; thence westerly along the northerly line of said Honeytree Unit 3 Subdivision to the west line of the East Half of the Northwest Quarter of said section 27; thence East on said west line to the north line of said Section 27; thence East on said north line to the point of beginning; (excepting from the above described land lots 9, 10, and 11 in Marquette Center Business and Industrial Park Unit 1, as per plat thereof recorded December 20, 1973 as Document #R73-37169; also excepting that

part of vacated Route 53 and that part of the Northeast 1/4 of said Section 27 lying southwesterly of the southeasterly prolongation of the northeasterly line of said lot 9), all in Will County, Illinois.

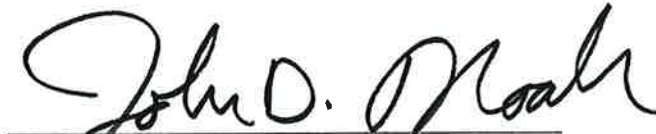
ATTACHMENT B

STATE OF ILLINOIS)
) SS.
COUNTY OF WILL)

CERTIFICATE OF COMPLIANCE WITH THE TAX
INCREMENT ALLOCATION REDEVELOPMENT ACT

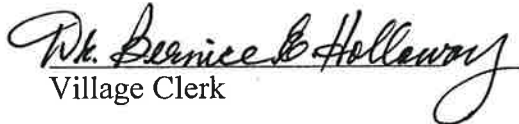
I, the undersigned, do hereby certify that I am the duly qualified and acting President of the Village of Romeoville, Will County, Illinois (the "Village"), and as such chief executive officer of the Village, I do hereby further certify to the best of my knowledge, that, according to the records of the Village in my official possession, the Village has now complied, for the fiscal year ended April 30, 2006, with all of the requirements of the Tax Increment Allocation Redevelopment Act, as amended, Division 74.4 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-74.4-1 through 11-74.4-11) for that certain redevelopment project area known as the Marquette Center Redevelopment Project Area. Compliance requirements, if any, brought to the attention of the undersigned have been addressed as of the date of this certificate.

IN WITNESS WHEREOF I have hereunto affixed my official signature at Romeoville, Illinois, this 20 day of June, 2012.



President, Village of Romeoville
Will County, Illinois

ATTEST:



Village Clerk

ATTACHMENT C

TRACY, JOHNSON & WILSON

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Wayne R. Johnson (1930-2008)
Richard H. Teas (1930-2008)

June 21, 2012

Mr. Kirk Openchowski
Village of Romeoville
1050 W. Romeo Road Drive
Romeoville, IL 60446

Re: Marquette Center Redevelopment Project Area

Dear Mr. Openchowski:

We, the undersigned, do hereby certify that we are the Village Attorneys for the Village of Romeoville, Will County, Illinois (the "Village"). We have reviewed all the information provided to us by appropriate Village officials, staff, and consultants and to the best of our knowledge and belief, further certify that the Village has now conformed for the fiscal year ended April 30, 2006, with all of the requirements of the Tax Increment Allocation Redevelopment Act, as amended, Division 74.4 of Article 11 of the Illinois Municipal Code (65 ILCS 5/11-74.4-1 through 11-74.4-11) as of the date hereof for that certain redevelopment project area known as the Marquette Center Redevelopment Project Area (the "Project").

In rendering this certification, we have relied upon certifications of the Village with respect to certain material facts solely within the Village's knowledge relating to the Project. Compliance requirements, if any, brought to the attention of the undersigned have been addressed as of the date of this certification.

Tracy, Johnson & Wilson

By: 
Village Attorneys
Village of Romeoville, Will County, Illinois

ATTACHMENT D

STATEMENT OF ACTIVITIES FY 05-06

The projects meet the Marquette TIF General TIF Goals, the Redevelopment Objectives and Development and Design Objectives.

The Marquette Redevelopment Project TIF District project area goals and objectives are attached.

TIF FORMATION/ENGINEERING/ADMINISTRATION

The TIF Financial Compliance Report for the prior year was completed, legal fees were spent regarding various TIF issues and Engineering services were spent on investigating drainage issues within the project area.

DISTRIBUTION TO TAXING BODIES

The Village distributed \$515,002 in property tax surplus to the taxing bodies. The surplus distribution was based upon the 2004 property tax rates.

EXPORT FUNDS TO THE DOWNTOWN TIF

\$1,675,000 in funds was exported to the Village of Romeoville Downtown TIF Redevelopment Project. The Marquette TIF is contiguous to the Downtown TIF. State statutes permit the exporting of funds from TIF areas that are contiguous.

3. REDEVELOPMENT PROJECT AREA GOALS AND OBJECTIVES

Managed growth in the form of investment in new development and facilities is essential in the Redevelopment Project Area, as it is in the entire Village. Redevelopment efforts in the Redevelopment Project Area will strengthen the entire Village through environmental improvements, increased tax base and additional employment opportunities.

The Act encourages the public and private sectors to work together to address and solve the problems associated with urban growth and development. Cooperation between the Village and the private sector to redevelop parts of the Redevelopment Project Area will receive significant support from the financing methods made available by the Act.

This section of the Redevelopment Plan identifies the goals and objective of the Redevelopment Project Area. A later section of this Redevelopment Plan identifies more specific programs (the Redevelopment Project) that the Village plans to undertake in achieving the redevelopment goals and objectives which are identified below.

GENERAL GOALS

- Improve the quality of life in Romeoville by eliminating the influences as well as the manifestations of physical and economic deterioration and obsolescence within the Redevelopment Project Area.
- Provide sound economic development in the Redevelopment Project Area.
- Create an environment within the Redevelopment Project Area which will contribute to the health, safety, and general welfare of the Village, and preserve or enhance the value of the properties adjacent to the Area.

REDEVELOPMENT OBJECTIVES

- Reduce or eliminate those conditions which qualify the Redevelopment Project Area as a Blighted Area. Section 4 of this document, Blighted Area Conditions Existing in the Redevelopment Project Area, describes these conditions.
- Ensure high standards of design and construction techniques.
- Strengthen the economic well being of the Redevelopment Project Area and the Village by increasing business activity, taxable values, and job opportunities.
- Assemble land into parcels functionally adaptable with respect to shape and size for disposition and redevelopment in accordance with contemporary development needs and standards.
- Create an environment which stimulates private investment in new construction, expansion, and rehabilitation.

- Improve and expand existing utilities and roadways to enhance the developability and accessibility of sites.
- Achieve development which is integrated both functionally and aesthetically with nearby existing development, and which contains a complementary mix of uses within the Marquette Center TIF Redevelopment Area.
- Provide sites for needed improvements or facilities in proper relationship to the projected demand for such facilities and in accordance with accepted design criteria for such facilities.

DEVELOPMENT AND DESIGN OBJECTIVES

- Ensure that the development is characterized by high-quality building construction and site design.
- Ensure that new development complements existing surrounding uses in terms of scale, size, and intensity, and enhance the overall appearance of the community.
- Encourage coordinated development of parcels and structures in order to achieve efficient building design; multi-purpose use of sites; unified off-street parking, trucking, and service facilities; and internal pedestrian connections. This includes physical integration of retained and new uses.
- Establish a pattern of land-use activities arranged in compact, compatible groupings to increase efficiency of operation and economic relationships.
- Create a distinctive entranceway for Romeoville at Illinois Route 53 and Joliet Road through the unique design and placement of new development within the Redevelopment Area.
- Create distinctive entranceways into the Marquette Center from Illinois Route 53 and Joliet Road and include attractive landscaping along both Route 53 and Joliet Road.
- Create a safe and efficient vehicular circulation system should be designed which enables convenient access to, and movement within, each of the retained and new land-uses within the redevelopment area.
- Ensure safe and adequate pedestrian and vehicular circulation patterns and capacity within the project area.
- Ensure that the site is generously landscaped and attractively lighted. Plant material should be carefully selected given its particular soil and environmental conditions.

ATTACHMENT I

New Issue

Date of Sale: Wednesday, September 7, 2005
10:00 A.M., C.D.T.

Investment Ratings:

Moody's Investors Service ... Aaa
Fitch Ratings ... AAA
(MBIA Insured)

Underlying Rating:

Moody's Investors Service ...
Fitch Ratings ...
(Review Requested)

Official Statement

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 not includible in 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.

\$6,495,000*

VILLAGE OF ROMEOVILLE
Will County, Illinois
General Obligation Bonds, Series 2005

Dated September 15, 2005 Non-Callable Book-Entry Due Serially December 15, 2006-2015

The \$6,495,000* General Obligation Bonds, Series 2005 (the "Bonds") are being issued by the Village of Romeoville, Will County, Illinois (the "Village"). Interest is payable semiannually on June 15 and December 15 of each year, commencing December 15, 2005. 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 15 in the following years and amounts.

AMOUNTS*, MATURITIES, INTEREST RATES AND PRICES OR YIELDS

Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price	Principal Amount*	Due Dec. 15	Interest Rate	Yield or Price
\$1,065,000	2006	_____ %	_____ %	\$295,000	2011	_____ %	_____ %
1,175,000	2007	_____ %	_____ %	305,000	2012	_____ %	_____ %
1,175,000	2008	_____ %	_____ %	315,000	2013	_____ %	_____ %
1,225,000	2009	_____ %	_____ %	325,000	2014	_____ %	_____ %
285,000	2010	_____ %	_____ %	330,000	2015	_____ %	_____ %

Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

Bonds are not subject to optional redemption prior to maturity.

BOND INSURANCE

Payment of the principal of and interest on the Bonds when due will be guaranteed by a municipal bond insurance policy to be issued by MBIA Insurance Corporation ("MBIA") simultaneously with the delivery of the Bonds. See APPENDIX C herein. The cost for the bond insurance premium and the related rating fees of Moody's Investors Service and Fitch Ratings will be paid by the Village.

**PURPOSE, LEGALITY AND SECURITY**

Bond proceeds will be used to finance a current refunding of the Village's General Obligation Bonds (Alternate Revenue Source), Series 1996B and to pay the costs of issuance of 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.

This Official Statement is dated August 22, 2005, and has been prepared under the authority of the Village. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar". Additional copies may be obtained from Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446, or from the Independent Public Finance Consultants to the Village:

Established 1954

Speer Financial, Inc.

INDEPENDENT PUBLIC FINANCE CONSULTANTS

ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602

Telephone: (312) 346-3700; Facsimile: (312) 346-8833

www.speerfinancial.com



*Subject to change.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Village from time to time (collectively, the "Official Statement"), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Village.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference.

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 Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Village of Romeoville, Will County, Illinois.
Issue:	\$6,495,000* General Obligation Bonds, Series 2005.
Dated Date:	September 15, 2005.
Interest Due:	Each June 15 and December 15, commencing December 15, 2005.
Principal Due:	Serially each December 15, commencing December 15, 2006 through 2015, as detailed on the front page of this Official Statement.
Optional Redemption:	Bonds are not subject to optional redemption prior to maturity.
Authorization:	By vote of the Village Board; the Village is a home-rule unit and under the 1970 Illinois Constitution has no debt limitation.
Security:	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.
Ratings/Insurance:	Moody's Investors Service and Fitch Ratings have assigned their municipal bond ratings of "Aaa" and "AAA", respectively, to this issue of Bonds with the understanding that upon delivery of the Bonds, a policy guaranteeing the payment when due of the principal of and interest on the Bonds will be issued by MBIA. See APPENDIX C herein. The Village's outstanding underlying general obligation ratings are "A2" from Moody's Investors Service and "A+" from Fitch Ratings. Ratings for the Bond have been requested. The cost for the bond insurance premium and the related rating fees of Moody's Investors Service and Fitch Ratings will be paid by the Village.
Purpose:	The Bond proceeds will be used to finance a current refunding of the Village's General Obligation Bonds (Alternate Revenue Source), Series 1996B, and to pay the costs of issuance of 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 Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are not "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Bond Registrar/Paying Agent/ Escrow Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
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.
Denomination:	\$5,000 or integral multiples thereof.
Financial Advisor:	Speer Financial, Inc., Chicago, Illinois.

VILLAGE OF ROMEOVILLE
Will County, Illinois

Fred Dewald
Village President

Board of Trustees

Marty Duffels
Andy Goitia

Dr. Edward McCartan
John Noak

Linda S. Palmiter
Dennis Veselsky

Officials

Marian Gibson
Village Manager

Raymond E. Holloway
Village Clerk

Kirk Openchowski
Finance Director/Treasurer

Raymond E. Meader
Corporation Counsel

Speer Financial, Inc.
Financial Advisor

THE VILLAGE

The Village of Romeoville (the "Village"), incorporated in 1895, is located in Will County (the "County"), approximately 26 miles southwest of Chicago. The Village encompasses approximately 16 square miles and is bordered by the Village of Bolingbrook to the north, unincorporated Will County to the west, south and east; and the City of Lockport to the southeast. Recent annexations have totaled over 2,000 acres, with an expected 1,200 new housing units over five years. Population at the time of the 2000 Census was 21,153, a 50% increase from the 1990 report of 14,101. In 2003, a Special Census was conducted and the population increased 60% from 2000, now totaling 33,861. The Village plans to conduct a special census late 2005, early 2006, which will reveal a current population of approximately 36,000.

Home Rule

The Village acquired home rule status in 2003 when its population exceeded 25,000. Pursuant to the authority granted by Article VII of the 1970 Constitution of the State of Illinois, any municipality which, according to the most recent official U.S. Census, has a population of more than 25,000 is a home rule unit. The Village may exercise any power and perform any function pertaining to its government and affairs.

The Village in accordance with these home rule powers has enacted a two-cent gas tax that is expected to generate in excess of \$800,000 for road improvements. In addition, it has passed a one-cent sales tax. The Village also will realize an increase in revenues received from the State of Illinois. That increase is anticipated to be more than \$2,600,000 annually.

Village Organization and Services

The Village has a President and Board of Trustees/Manager form of government. The Village Board is composed of the Village President and six trustees who are elected at large for staggered four year terms. The Village has an elected Clerk who is elected to a four year term at the same time as the Village President.

The Village provides police, fire, and paramedic service; water and sewer system services; public works; refuse collection; road and bridge maintenance; and general administrative services. The Village employs approximately 389 persons providing the following services:

	<u>Full-time</u>	<u>Part-time</u>
Police.....	83	27
Fire.....	14	64
Administrative and Other.....	<u>108</u>	<u>93</u>
Total.....	205	184

Of the 83 full-time staff of the Police Department, 64 are sworn officers. Fire department staff includes approximately 74 firefighters, of which 71 are firefighter/paramedics. Fifty-nine police officers are affiliated with the Metropolitan Alliance of Police, whose contract will expire on April 30, 2006. One hundred-one employees are members of the American Federation of State, County, and Municipal Employees; the contract expires April 30, 2006.

Northern Illinois Gas Company and Commonwealth Edison provide gas and electric service for the Village, respectively. The Village provides water and sewer services.

Library services are provided by Fountaindale and Des Plaines Valley Library Districts. Fountaindale maintains a library facility within the Village.

Transportation

The Village has accessibility via highway, rail, water and air transportation, serving its residents and its large industrial base. It is situated along Illinois 53. Directly to the north is Interstate 55, which leads to Chicago; three full interchanges serve the Village. The completion of Interstate 355 to Interstate 55 has improved access to the northern and western suburbs. Six miles to the south is Joliet and Interstate 80, leading to Indiana to the east and Iowa to the west.

Mass transit services include the Metra Heritage Corridor line in nearby Lockport and Joliet. Passenger service is also available via Amtrak in Joliet and Chicago. The Village is currently working with Metra to obtain a location for a station in Romeoville. The Santa Fe, Elgin and Eastern and the Illinois Central Gulf Railroads supply rail freight service.

The Chicago Shipping Canal provides water transportation to Chicago harbors, the Great Lakes and the Illinois-Mississippi River waterways. The Joliet Regional Port District operates the Canal. Air transportation service is available at Chicago's O'Hare International Airport (25 miles) and Midway Airport (15 miles). In addition, the Lewis University Airport, which is located within the Village, is owned and operated by the Joliet Regional Port District and has plans for further expansion.

Community Life

The Village provides recreation opportunities. O'Hara Woods is an 80-acre nature center with a fishing lake and hiking trails and an adjoining 30 acre recreation center complex with a health club, lighted tennis courts, outdoor ice skating rinks and ball fields. The Village provides a total of 23 parks with 22 playgrounds. Total park space is over 200 acres. The Lockport Township Park District and the Plainfield Township Park District serve part of the Village. Also, in or near the Village are the Romeoville Prairie Nature Preserve (120 acres), Veteran Woods (77 acres) and the Isle a la Cache Museum (40 acres), which are maintained by the Will County Forest Preserve District.

Education

The Village's public education needs are met by School Districts 92, 202-U, 365-U and High School District Number 205. The Village is located within Community College District Number 525, the Joliet Community College. Lewis University, a privately owned higher educational institution, is located in Romeoville.

Current Economic Development Programs

The Village is aggressively pursuing economic development to expand its already diverse tax base and to attract jobs for its residents. Key strengths of the Village in attracting development are its location advantages and land availability. The Village is using these strengths to market itself to light manufacturers and small and medium wholesale and service industries.

Interstate 55 with three interchanges, along with Interstate 355, makes the Village accessible to Chicago and its southern and western suburbs by road as well as by rail, water and air transportation as outlined above. The Village was instrumental in gaining cooperation among area governments and developers to fund part of the construction and in succeeding in getting the Illinois Department of Transportation to accelerate the scheduling for the construction of one of these interchanges as part of its list of planned highway improvements.

Industrial Development Activity

As part of its strategy to attract industry, the Village designated a tax increment finance district and issued \$2.55 million of Tax Increment Revenue Bonds in 1990. Located a few miles south of Interstate 55 at Illinois 53, the Marquette Industrial Park TIF District encompasses approximately 323 acres, consisting of the adjoining Marquette Center and Marquette West Industrial Parks (215 acres) and the Ridgewood Industrial Park (110 acres). A portion of the TIF district consists of commercial and industrial uses which were developed in the early 1970's without the benefit of a comprehensive plan. The proceeds of the 1990 tax increment bonds were used to finance various public improvements including: a fire station, sewers, watermains, streets and stormwater management. Vacant land in the Marquette Center and Marquette West Industrial Parks is being acquired, subdivided and sold by the Marquette Center Developers for industrial development. The Marquette Center and Marquette West Industrial Parks presently have 63 buildings which total approximately 2.7 million square feet.

The Ridgewood and Romeoville Industrial Parks are two of the five sites in the Romeoville area which comprise a 475 acre enterprise zone established by the Illinois Department of Commerce and Community Affairs. The designation as an enterprise zone provides industrial and commercial developers and businesses with various financial incentives such as investment tax credits, property tax abatements, sales tax relief and job training funds. Since 1990, 31 new buildings valued at approximately \$21 million have been completed, and more is under construction in the Romeoville Industrial Park. The Crossroads Industrial Park, while within the corporate limits of the Village of Bolingbrook, receives water and sewer service from the Village and the two communities share in the property tax base. Citgo, a refinery who is the Village's largest taxpayer, completed a new pump house and other capital investments in 1995.

Other industrial developments currently underway in the Village include the Windham Lakes/AMLI, Pizzuti/Pinnacle Business Center, Catellus and Prologis business parks. Of the 720 acres in Windham Lakes/AMLI, approximately 385 acres are still available for development. The Pizzuti property consists of approximately 800 acres of which 70 are currently under development. The Catellus parcel totaling 117 acres is approximately 60% developed. Development has yet to commence on the Prologis site, which totals 185 acres.

The Village, in January of 2005, formed a Downtown Area Tax Increment Financing (TIF) Redevelopment Project and Plan. The redevelopment area, 421 acres in size, is in the central part of the Village that emanates from the intersection of Normantown Road and IL Route 53. The area contains a mix of uses including the Spartan Square Shopping Center, Romeo Center Plaza and other retail and commercial businesses, industrial uses east of Route 53 and south of Marquette Center Industrial Park, the Village municipal complex, Robert Hill Elementary School and the Fountaindale Public Library. The goal of the Downtown TIF District is to revitalize the Village's first commercial and residential district. Revitalization projects, funded solely through TIF dollars and/or tax increment bonds may include storm water improvements, land acquisition, streetscape improvements, road improvements, economic incentives and building renovations. The Village also plans to construct a Community Center in the Downtown Area. The Downtown TIF is contiguous to the Marquette TIF. The Village will be allowed to export funds from the Marquette TIF to the Downtown TIF.

Commercial projects in the planning stages include American Sales coming to Normantown Square; Argonne Credit Union coming to Rose Plaza; Bennish Car Wash coming to Normantown Center; Grand Haven Marketplace; and, Lifetime Fitness coming to Windham Lakes.

Chicago Tube & Iron has a building for its headquarters under construction at the South Creek Business Park and at completion is expected to have 200 employees. Intertek Caleb Brett is constructing an 11,175 square foot building at the Ridgewood Business Park that will be used for laboratories and offices. Pollmann North America, a current business in the Village, is moving from their current location to a new 30,000 square foot facility that will serve as their North American headquarters and house 60 employees. The facility can be expanded to 60,000 square feet and accommodate 100 employees. Pinnacle IX, a 558,163 square foot speculative warehouse building, is under construction at the Pinnacle Business Park. Also at the Pinnacle Business Park, a 444,563 square foot warehouse is being built for Wilton Industries. In the planning is Southwest Quad Lot 1, a 715,400 square foot speculative warehouse building, at the Windham Lakes Southwest Business Park.

Several residential projects are being developed: Creekside will be a complex of 190 townhomes; Greenhaven will be a complex of 80 duplexes; and, Stone Bluff will be a complex of 198 single family homes.

SOCIOECONOMIC INFORMATION

Employment

Substantial employment is available in surrounding communities and throughout the Chicago metropolitan area. Numerous employers are located within the Village and in surrounding communities.

The following employment data shows a consistently diverse and strong growth trend for employment in Will County. This data is *NOT* comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

Will County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

	(Data as of March for each Year)				
	2000	2001	2002	2003	2004
Farm and Forestry.....	2,348	N/A	457	426	409
Mining and Construction.....	13,164	12,801	13,374	13,050	13,434
Manufacturing.....	19,888	19,296	18,695	18,461	18,630
Transportation, Communications, Utilities.....	8,143	8,393	9,534	9,464	11,427
Wholesale Trade.....	7,243	8,697	7,085	7,818	8,611
Retail Trade.....	26,733	26,688	19,125	19,564	19,933
Finance, Insurance, Real Estate.....	4,520	4,328	4,610	4,832	5,553
Services(2).....	36,146	38,816	47,250	47,307	50,360
Total.....	118,186	119,021	120,130	120,922	128,357
	6.89%(3)	0.71%	0.93%	0.66%	6.15%

Notes: (1) Illinois Department of Employment Security.
(2) Includes unclassified establishments.
(3) Percent increase based on 110,566 employment in 1999.

Following are lists of large employers located in the Village and the surrounding areas. Additional employment opportunities are available to Village residents throughout the Chicago metropolitan area.

Major Village Employers(1)

Name	Product/Service	Approximate Employment
Valley View Community School District Number 365U.....	Elementary and Secondary Education.....	1,900
Lockport Township High School District Number 205.....	Secondary Education.....	386
Village of Romeoville.....	Government.....	331
Lewis University.....	University.....	320
Ultra Salon Cosmetics Fragrance, Inc.....	Salon Cosmetics and Fragrances Corporate Office.....	250
Panduit Corp.....	Cable Tie Tools.....	210
Fleetwood, Inc.....	Material Handling and Mechanical Conveyors.....	200
Sharp Electronics Corp.....	Wholesale Electronics.....	200
USC Solutions, Inc.....	Contract Packaging.....	200
Pactiv Corp.....	Warehouse Distribution Center.....	200
Marquette Property Investment.....	Real Estate Development and Management.....	175
Midwest Generation, Will County Station.....	Coal Fired Electric Generation.....	175
Kennedy Transportation Co.....	National Trucking Transportation and Logistics Services.....	167
Checkpoint Systems, Inc.....	Pressure-sensitive & Bar Code Labels & Tags.....	150

Note: (1) Source: 2005 Illinois Manufacturers Directory, 2005 Illinois Services Directory and a selected telephone survey.

Major Area Employers(1)

Location	Name	Product/Service	Approximate Employment
Aurora/Naperville.....	Caterpillar, Inc.....	Heavy Tractors and Earth Moving Equipment.....	6,000
Naperville.....	Lucent Technologies.....	Telecommunications.....	5,000
Argonne.....	Argonne National Laboratory.....	Research and Development.....	4,000
Joliet.....	Provena St. Joseph Medical Center.....	Regional Medical Center.....	2,430
Joliet.....	State of Illinois(2).....	State Government Offices.....	2,350
Naperville.....	Nicor Gas.....	Gas Transmission and Distribution.....	2,264
Joliet.....	Empress Casino.....	Casinos, Hotels, Resorts & Riverboats.....	2,000
Naperville.....	BP Naperville Complex.....	Chemical and Petrochemical Research.....	1,600
Joliet.....	Will County.....	County Government.....	1,600
Joliet.....	Silver Cross Hospital.....	General Hospital.....	1,200
Naperville.....	Nalco Co.....	Research and Development.....	1,200
Aurora.....	Dreyer Medical Clinic.....	Medical Services.....	1,000
Naperville.....	Castrol Industrial North America, Inc.....	Corporate Headquarters and Lubricating Oil.....	1,000
Aurora.....	Provena Mercy Center.....	Medical and Psychiatric Hospital.....	945
Aurora.....	Rush Copely Medical Center.....	Hospital.....	925
Joliet.....	City of Joliet.....	Municipal Government.....	900

Notes: (1) Source: 2005 Illinois Manufacturers Directory, 2005 Illinois Services Directory and a selective telephone survey.
(2) Includes all of Will County.

The following tables show employment by industry and by occupation for the Village, Will County and the State of Illinois as reported by the 2000 Census.

Employment By Industry(1)

Classification	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing, Hunting, and Mining.....	57	0.50%	966	0.39%	66,481	1.14%
Construction.....	664	5.84%	20,209	8.20%	334,176	5.73%
Manufacturing.....	2,003	17.62%	38,068	15.45%	931,162	15.96%
Wholesale Trade.....	538	4.73%	10,521	4.27%	222,990	3.82%
Retail Trade.....	1,442	12.69%	29,429	11.94%	643,472	11.03%
Transportation and Warehousing, and Utilities.....	1,035	9.11%	18,441	7.48%	352,193	6.04%
Information.....	373	3.28%	7,049	2.86%	172,629	2.96%
Finance, Insurance, Real Estate, Rental and Leasing.....	990	8.71%	19,727	8.01%	462,169	7.92%
Professional, Scientific, Management, Administrative, and Waste Management Services.....	989	8.70%	23,207	9.42%	590,913	10.13%
Educational, Health and Social Services.....	1,796	15.80%	43,396	17.61%	1,131,987	19.41%
Arts, Entertainment, Recreation, Accommodation and Food Services.....	703	6.18%	16,597	6.73%	417,406	7.16%
Other Services (Except Public Administration).....	527	4.64%	10,384	4.21%	275,901	4.73%
Public Administration.....	250	2.20%	8,437	3.42%	231,706	3.97%
Total.....	11,367	100.00%	246,431	100.00%	5,833,185	100.00%

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

Employment By Occupation(1)

Classification	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Management, Professional and Related Occupation.....	3,246	28.56%	83,446	33.86%	1,993,671	34.18%
Service Occupations.....	1,235	10.86%	29,471	11.96%	813,479	13.95%
Sales and Office.....	3,581	31.50%	70,006	28.41%	1,609,939	27.60%
Farming, Fishing and Forestry.....	0	0.00%	369	0.15%	17,862	0.31%
Construction, Extraction, and Maintenance.....	1,243	10.94%	27,607	11.20%	480,418	8.24%
Production, Transportation, and Material Moving.....	2,062	18.14%	35,532	14.42%	917,816	15.73%
Total.....	11,367	100.00%	246,431	100.00%	5,833,185	100.00%

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

Unemployment Rates

Unemployment rates are not available for the Village but are available for Will County and the State of Illinois as shown below.

Annual Average Unemployment Rates(1)

Calendar Year	Will County	State of Illinois
1995.....	5.1%	5.2%
1996.....	5.0%	5.3%
1997.....	4.4%	4.7%
1998.....	4.2%	4.5%
1999.....	3.9%	4.3%
2000.....	4.0%	4.4%
2001.....	5.2%	5.4%
2002.....	6.4%	6.5%
2003.....	6.9%	6.7%
2004.....	5.9%	6.2%
2005(2).....	5.7%	5.8%

Notes: (1) Source: Illinois Department of Employment Security.
(3) Preliminary rate for the month of May 2005.

Building Permits

Residential building permits have averaged in excess of \$94,000 over the last three full years in the Village, excluding the value of land.

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

Calendar Year	Single-Family		Multi-Family		Miscellaneous Value	Total Value
	Units	Value	Units	Value		
1995.....	174	12,439,364	0	0	20,500,259	32,939,623
1996.....	368	29,569,235	0	0	36,947,812	66,517,047
1997.....	377	32,822,950	346	23,266,138	14,108,910	70,197,998
1998.....	523	48,530,716	192	9,731,250	4,400,559	62,662,525
1999.....	932	80,629,232	0	0	27,628,742	108,257,974
2000.....	1,205	96,430,720	0	0	44,892,548	141,323,268
2001.....	1,088	106,833,070	0	0	34,694,311	141,527,381
2002.....	510	50,078,001	0	0	7,268,378	57,346,379
2003.....	691	58,412,266	0	0	6,953,715	65,365,981
2004.....	430	38,259,480	0	0	10,297,147	48,556,627

Note: (1) Source: LaSalle Bank FSB Survey of Building/Bell Federal Savings, and the Village.

Housing

The 2000 Census reported that the median value of the Village's owner-occupied homes was \$118,100, which compares with \$154,300 for the County and \$130,800 for the State. The 2000 value of specified owner-occupied units for the Village, Will County and the State were as follows:

Specified Owner-Occupied Units(1)

Value	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000.....	25	0.44%	1,766	1.39%	230,049	9.31%
\$50,000 to \$99,999.....	1,712	30.15%	21,318	16.76%	651,605	26.38%
\$100,000 to \$149,999.....	2,144	37.75%	37,351	29.37%	583,409	23.62%
\$150,000 to \$199,999.....	1,408	24.79%	31,383	24.68%	429,311	17.38%
\$200,000 to \$299,999.....	338	5.95%	24,066	18.92%	344,651	13.95%
\$300,000 to \$499,999.....	52	0.92%	9,533	7.50%	163,254	6.61%
\$500,000 to \$999,999.....	0	0.00%	1,628	1.28%	55,673	2.25%
\$1,000,000 or more.....	0	0.00%	135	0.11%	12,386	0.50%
Total.....	5,679	100.00%	127,180	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 3,141 counties from the 2000 Census.

Ranking of Median Family Income(1)

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	15

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

According to the 2000 Census, the Village had a median family income of \$63,320. This compares to \$69,608 for Will County and \$55,545 for the State. The following table represents the distribution of family incomes for the Village, Will County and the State at the time of the 2000 Census.

Median Family Income(1)

Income	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	33	0.61%	2,866	2.18%	156,205	5.00%
\$10,000 to \$14,999	48	0.89%	2,107	1.60%	105,747	3.38%
\$15,000 to \$24,999	174	3.21%	6,366	4.83%	273,712	8.76%
\$25,000 to \$34,999	425	7.85%	9,542	7.25%	331,907	10.62%
\$35,000 to \$49,999	956	17.66%	17,542	13.32%	506,429	16.20%
\$50,000 to \$74,999	1,991	36.78%	35,024	26.60%	736,897	23.58%
\$75,000 to \$99,999	979	18.08%	25,725	19.54%	445,390	14.25%
\$100,000 to \$149,999	663	12.25%	22,832	17.34%	356,068	11.39%
\$150,000 to \$199,999	123	2.27%	5,565	4.23%	101,955	3.26%
\$200,000 or more	22	0.41%	4,105	3.12%	111,008	3.55%
Total	5,414	100.00%	131,674	100.00%	3,125,318	100.00%

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

According to the 2000 Census, the Village had a median household income of \$60,737. This compares to \$62,238 for Will County and \$46,590 for the State. The following table represents the distribution of household incomes for the Village, Will County and the State at the time of the 2000 Census.

Median Household Income(1)

Income	The Village		Will County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	92	1.36%	6,422	3.83%	383,299	8.35%
\$10,000 to \$14,999	108	1.60%	5,034	3.00%	252,485	5.50%
\$15,000 to \$24,999	344	5.08%	12,262	7.32%	517,812	11.27%
\$25,000 to \$34,999	513	7.58%	14,751	8.80%	545,962	11.89%
\$35,000 to \$49,999	1,279	18.89%	23,838	14.22%	745,180	16.23%
\$50,000 to \$74,999	2,444	36.11%	41,658	24.86%	952,940	20.75%
\$75,000 to \$99,999	1,149	16.97%	28,499	17.00%	531,760	11.58%
\$100,000 to \$149,999	695	10.27%	24,652	14.71%	415,348	9.04%
\$150,000 to \$199,999	123	1.82%	5,978	3.57%	119,056	2.59%
\$200,000 or more	22	0.33%	4,508	2.69%	128,898	2.81%
Total	6,769	100.00%	167,602	100.00%	4,592,740	100.00%

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

Retail Activity

The table below shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax ("Sales Tax") collected by the Illinois Department of Revenue from retailers within the Village. The table indicates the level of retail activity in the Village.

Retailers' Occupation, Service Occupation and Use Tax(I)

State Fiscal Year Ending June 30	State Sales Tax Distributions(2)	Annual Percent Change +(-)
1995.....	\$1,200,898	34.90%(3)
1996.....	1,392,935	15.99%
1997.....	1,290,720	(7.34%)
1998.....	1,392,910	7.92%
1999.....	1,638,769	17.65%
2000.....	2,019,096	23.21%
2001.....	2,092,017	3.61%
2002.....	2,402,476	14.84%
2003.....	2,606,147	8.48%
2004.....	3,040,327	16.66%
Growth from 1995 to 2004.....		153.17%

- Notes: (1) Source: Illinois Department of Revenue.
 (2) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation, Service Occupation and Use Tax, collected on behalf of the Village, less a State administration fee. The municipal 1% includes tax receipts from the sale of food and drugs which are not taxed by the State.
 (3) The 1995 percentage is based on a 1994 sales tax of \$890,231.

PLAN OF FINANCING

The Bond proceeds will be used to fund an irrevocable escrow (the "Escrow") to currently refund the Village's outstanding General Obligation Bonds (Alternate Revenue Source), Series 1996B, as listed below (the "Refunded Bonds"):

The Refunded Bonds

General Obligation Bonds (Alternate Revenue Source), Series 1996B

Refunded Maturities	Outstanding Amount	Amount Refunded	Redemption Price(s)	Redemption Date(s)
12/15/2006.....	\$1,025,000	\$1,025,000	100.00%	12/15/2005
12/15/2007.....	1,100,000	1,100,000	100.00%	12/15/2005
12/15/2008.....	1,120,000	1,120,000	100.00%	12/15/2005
12/15/2009.....	1,190,000	1,190,000	100.00%	12/15/2005
12/15/2010.....	270,000	270,000	100.00%	12/15/2005
12/15/2011.....	285,000	285,000	100.00%	12/15/2005
12/15/2012.....	300,000	300,000	100.00%	12/15/2005
12/15/2013.....	315,000	315,000	100.00%	12/15/2005
12/15/2014.....	330,000	330,000	100.00%	12/15/2005
12/15/2015.....	345,000	345,000	100.00%	12/15/2005

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 September 15, 2005, between the Village and Amalgamated Bank of Chicago, Chicago, Illinois, as Escrow Agent (the "Escrow Agent").

DEBT INFORMATION

After issuance of the Bonds and the refunding of the General Obligation Bonds (Alternate Revenue Source), Series 1996B, the Village will have outstanding \$13,520,000 principal amount of general obligation alternate revenue debt and \$37,380,000 principal amount of general obligation debt.

General Obligation Bonded Debt(I) (Principal Only)

Calendar Year	Total Alternate Bonds Outstanding	Total G.O. Bonds Outstanding	The Bonds	Less: Bonds Proposed to be Refunded	Total Bonded Debt	Cumulative Retirement	
						Amount	Percent
2005	\$ 1,605,000	\$ 485,000	\$ 0	\$ 0	\$ 2,090,000	\$ 2,090,000	4.11%
2006	1,680,000	795,000	1,065,000	(1,025,000)	2,515,000	4,605,000	9.05%
2007	1,760,000	850,000	1,175,000	(1,100,000)	2,685,000	7,290,000	14.32%
2008	1,845,000	950,000	1,175,000	(1,120,000)	2,850,000	10,140,000	19.92%
2009	1,190,000	1,795,000	1,225,000	(1,190,000)	3,020,000	13,160,000	25.85%
2010	1,125,000	2,095,000	285,000	(270,000)	3,235,000	16,395,000	32.21%
2011	1,160,000	2,375,000	295,000	(285,000)	3,545,000	19,940,000	39.17%
2012	1,205,000	2,585,000	305,000	(300,000)	3,795,000	23,735,000	46.63%
2013	1,270,000	2,880,000	315,000	(315,000)	4,150,000	27,885,000	54.78%
2014	1,340,000	2,870,000	325,000	(330,000)	4,205,000	32,090,000	63.05%
2015	1,415,000	2,845,000	330,000	(345,000)	4,245,000	36,335,000	71.39%
2016	1,435,000	3,015,000	0	0	4,450,000	40,785,000	80.13%
2017	1,515,000	3,070,000	0	0	4,585,000	45,370,000	89.14%
2018	1,255,000	1,385,000	0	0	2,640,000	48,010,000	94.32%
2019	0	425,000	0	0	425,000	48,435,000	95.16%
2020	0	445,000	0	0	445,000	48,880,000	96.03%
2021	0	470,000	0	0	470,000	49,350,000	96.95%
2022	0	490,000	0	0	490,000	49,840,000	97.92%
2023	0	515,000	0	0	515,000	50,355,000	98.93%
2024	0	545,000	0	0	545,000	50,900,000	100.00%
Total	\$19,800,000	\$30,885,000	\$6,495,000	\$(6,280,000)	\$50,900,000		

Notes: (1) Source: the Village.

General Obligation Bonded Debt - By Issue(I)

Issue	Amount	Source of Debt Service Payments
Series 1996B(2)(3)	\$ 995,000	Water and Sewer Revenues, Property Taxes
Series 1997A(2)	5,000,000	Water and Sewer Revenues, Property Taxes
Series 1997B	540,000	Property Taxes
Series 1999(2)	4,875,000	Water and Sewer Revenues, Property Taxes
Series 2000A	3,835,000	Property Taxes
Series 2001A(2)	1,215,000	Motor Fuel Taxes, Property Taxes
Series 2001B(2)	1,435,000	Water and Sewer Revenues, Property Taxes
Series 2002A	2,145,000	Property Taxes
Series 2002B	2,475,000	Property Taxes
Series 2004	21,890,000	Property Taxes
The Bonds(4)	6,495,000	Property Taxes
Total Outstanding	\$50,900,000	

- Notes: (1) Source: the Village.
 (2) The Series 1996B, Series 1997A, Series 1999, Series 2001A and Series 2001B are alternate revenue source bonds and the debt service levy for such bonds is expected to be abated annually and not extended.
 (3) Excludes bonds proposed to be refunded.
 (4) Subject to change.

Detailed Overlapping Bonded Debt(I) (As of May 13, 2005)

	Outstanding Debt	Applicable to Village	
		Percent(2)	Amount
Schools:			
School District Number 88-A	\$ 15,968,000	16.25%	\$ 2,594,800
School District Number 92	11,973,987	11.60%	1,388,982
School District Number 202	246,456,000	9.20%	22,673,952
School District Number 365-U	171,122,898	24.60%	42,096,233
High School District Number 205	22,868,415	5.82%	1,330,942
Community College District Number 525	2,020,000	6.85%	138,370
Total Schools			\$70,223,279
Others:			
Will County (Includes Public Building Commission)	\$ 5,695,000	5.47%	\$ 311,517
Will County Forest Preserve District	73,763,509	5.47%	4,034,864
Plainfield Public Library District	1,075,000	8.90%	95,675
Lemont Park District	485,000	2.38%	11,543
Plainfield Park District	7,895,000	6.67%	526,596
Total Others			\$ 4,980,195
Total Schools and Other Overlapping Bonded Debt			\$75,203,474

- Notes: (1) Source: Will County Clerk.
 (2) Overlapping debt percentages based on 2004 EAV, the most current available.

Statement of Bonded Indebtedness(1)
(As of May 13, 2005)

	Amount Applicable	Ratio To		Per Capita (2003 Special Census 33,861)
		Equalized Assessed	Estimated Actual	
Village EAV of Taxable Property, 2004.....	\$ 783,158,610	100.00%	33.33%	\$23,128.63
Estimated Actual Value, 2004.....	\$2,349,475,830	300.00%	100.00%	\$69,385.90
Total Direct Debt(2).....	\$ 50,900,000	6.50%	2.17%	\$ 1,503.20
Less: Non-Tax Supported(3).....	(13,520,000)	(1.73%)	(0.58%)	(399.28)
Net Direct Debt(2).....	\$ 37,380,000	4.77%	1.59%	\$ 1,103.92
Overlapping Bonded Debt:				
Schools.....	\$ 70,223,279	8.97%	2.99%	\$ 2,073.87
Other.....	4,980,195	0.64%	0.21%	147.08
Total Overlapping Bonded Debt.....	\$ 75,203,474	9.61%	3.20%	\$ 2,220.95
Total Net Direct and Overlapping Bonded Debt(2)....	\$ 112,583,474	14.38%	4.79%	\$ 3,324.87

Notes: (1) Source: Will County Clerk and the Village.
(2) Subject to change.
(3) Includes Series 1996B, Series 1997A, Series 1999, Series 2001A and Series 2001B.

Default History

The Village has never issued any obligations to avoid default; nor has the Village ever defaulted in the payment of any of its corporate obligations.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2004 levy year, the Village's EAV is comprised of approximately 66% residential, 26% industrial, 7% commercial, and 1% farm and railroad property valuations.

Village Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2000	2001	2002	2003	2004
Residential.....	\$225,261,380	\$300,006,066	\$371,253,135	\$465,037,175	\$520,707,656
Farm.....	5,826,964	543,683	1,581,019	663,158	490,759
Commercial.....	36,161,684	40,180,672	41,984,356	54,397,814	58,305,845
Industrial.....	115,785,458	128,480,634	157,025,905	183,293,163	203,508,801
Railroad.....	158,100	166,980	172,604	160,721	145,549
Total.....	\$383,193,586	\$469,378,035	\$572,017,019	\$703,552,031	\$783,158,610
Percent Change +(-).....	23.19%(2)	22.49%	21.87%	22.99%	11.31%

Notes: (1) Source: Will County Clerk.
(2) Percentage change based on 1999 EAV of \$311,070,107.

Representative Tax Rates(1)
(Per \$100 EAV)

	Levy Years				
	2000	2001	2002	2003	2004
Village Rates:					
Corporate.....	\$0.2002	\$0.1943	\$0.1886	\$0.1781	\$0.1746
Street & Bridge.....	0.0268	0.0250	0.0256	0.0252	0.0246
Special Recreation.....	0.0097	0.0094	0.0092	0.0296	0.0324
Police Protection.....	0.0602	0.0585	0.0568	0.0536	0.0527
Fire Protection.....	0.0628	0.0613	0.0546	0.0512	0.0478
Ambulance.....	0.1055	0.1029	0.1031	0.0964	0.0899
Chlorination.....	0.0000	0.0000	0.0000	0.0000	0.0000
Recreation.....	0.0609	0.0592	0.0574	0.0542	0.0555
Audit.....	0.0074	0.0073	0.0072	0.0069	0.0069
Garbage Disposal.....	0.0567	0.0550	0.0534	0.0505	0.0569
Social Security.....	0.1406	0.1365	0.1324	0.1249	0.1224
Police Pension.....	0.0824	0.0802	0.0777	0.0733	0.0994
Insurance.....	0.1634	0.1588	0.1540	0.1452	0.1423
Bonds & Interest.....	0.2811	0.1761	0.1431	0.1272	0.1160
Firemen Pension.....	0.0147	0.0142	0.0143	0.0134	0.0216
Total Village Rates(2).....	\$1.2724	\$1.1387	\$1.0774	\$1.0297	\$1.0430
Will County.....	0.6271	\$0.6232	0.6061	0.5814	0.5708
Will County Forest Preserve District.....	0.1369	0.1352	0.1315	0.1266	0.1235
Romeoville Mosquito Abatement District.....	0.0108	0.0105	0.0105	0.0124	0.0120
DuPage Township(3).....	0.0877	0.0859	0.0788	0.0668	0.0705
Fountaindale Public Library.....	0.3791	0.3667	0.3549	0.3217	0.3133
Unit School District 365-U.....	4.8597	5.3814	5.1083	4.8579	4.9719
Community College District 525.....	0.2217	0.2237	0.2209	0.2108	0.2142
Total Rates(4).....	\$7.5954	\$7.9653	\$7.5884	\$7.2073	\$7.3192

- Notes: (1) Source: Will County Clerk.
 (2) Statutory tax rate limits for the Village are as follows: Corporate (\$0.2500); Recreation (\$0.0900); Garbage (\$0.2000); Chlorination (\$0.0200); Fire Protection (\$0.0750); Ambulance (\$0.2500); Police Protection (\$0.0750); Special Recreation (\$0.0400) and Street and Bridge (\$0.1000).
 (3) Includes Town Funds, Road Funds and General Assistance.
 (4) Representative tax rates for other government units are from DuPage Township tax code 1208, which represents the largest portion of the Village's 2004 EAV.

Village Tax Extensions and Collections(1)
(Includes Road and Bridge Levy)

Levy Year	Coll. Year	Taxes Extended(2)	Current Collections		Total Collections(3)	
			Amount	Percent	Amount	Percent
1999.....	2000.....	\$3,793,093	\$3,804,222	100.29%	\$3,804,700	100.31%
2000.....	2001.....	4,268,985	4,189,467	98.14%	4,192,871	98.22%
2001.....	2002.....	4,626,333	4,598,213	99.39%	4,599,917	99.43%
2002.....	2003.....	5,325,138	4,889,433	91.82%	5,313,662	99.78%
2003.....	2004.....	6,111,756	6,100,831	99.82%	6,100,703	99.82%
2004.....	2005.....	6,920,773	2,874,342	41.53%(4)	-- In Collection --	

- Notes: (1) Source: Will County Treasurer and unaudited financial statements of the Village.
 (2) Tax extensions have been adjusted for abatements.
 (3) Total collections include back taxes, taxpayer refunds, interest, etc.
 (4) At June 10, 2005.

Principal Village Taxpayers(1)

Taxpayer Name	Business/Service	2004 EAV(2)
PDV Midwest Refining(3)	Refinery-Petroleum Products	\$ 50,088,500
Catellus Finance LLC	Real Property	21,400,800
Prudential Ins. Co. of America	Real Property	13,450,700
Individual	Private Estate	12,339,500
Pactiv Corp.	Real Property	11,629,050
Caleast Industrial Investment	Industrial Properties	8,833,700
Highpoint Romeoville LLC	Real Property	8,140,692
JRC Remington/Et Al LLCs	Real Property	7,632,000
Sharp Electronics Corporation	Wholesale Electronics	7,318,000
J & J Romeoville Property	Real Property	6,910,425
Total		\$147,743,367
Ten largest as a percent of the Village's 2004 EAV (\$783,158,610)		18.87%

- Notes: (1) Source: Will 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 2004 EAV is the most current available.
(3) Previously Citgo.

Real Property Assessment, Tax Levy and Collection

Tax Levy and Collection Procedures. Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest, and costs, constitute a lien against the property subject to the tax.

Exemptions. Public Act 93-0715, effective July 12, 2004, made changes to a number of property tax exemptions taken by residential property owners. These changes are discussed below.

An annual General Homestead Exemption provides that the Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$4,500 for taxable years prior to tax year 2004 in counties with 3,000,000 or more inhabitants, and \$3,500 in all other counties, and a maximum reduction of \$5,000 for taxable year 2004 and thereafter (the "General Homestead Exemption").

Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the EAV on a senior citizen's home for taxable years prior to 2004 by \$2,000 in all counties, and for taxable year 2004 and thereafter, the maximum reduction shall be \$3,000 in all counties; and (ii) disabled veterans, with the exemption operating annually to exempt up to \$58,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Residential Properties that have been improved or rebuilt following a catastrophic event are entitled to the Homestead Improvement Exemption limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 to the extent the assessed value is attributable solely to such improvements or rebuilding. A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$35,000 or less prior to taxable year 1999, annual incomes of \$40,000 or less in taxable years 1999 through 2003 and \$45,000 or less in taxable year 2004 and thereafter. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. The exempt amount is the difference between the current EAV of their residence and the EAV of their residence for the year prior to the year in which the senior citizen first qualifies and applies for the Exemption (plus the EAV of improvements since such year). Beginning with assessment year 2003, for taxes payable in 2004, 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 pro-rata 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. In addition, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit and public schools, churches, and not-for-profit and public hospitals.

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

General

The accounting policies of the Village conform to generally accepted accounting principles as applicable to governments. The Village accounts for its financial resources on the basis of funds or account groups, each of which is considered a separate accounting entity. The General Fund is the general operation fund of the Village. It is used to account for all financial resources except those required to be accounted for in another fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expandable trusts or major capital projects) that are legally restricted to expenditures for specified purposes.

Enterprise Funds are established to account for the financing of self-supporting activities of the Village which render services of a commercial nature on a user-charge basis to the general public. An enterprise fund is used to account for water and sewer service of the Village.

Trust and Agency Funds are established for the purpose of accounting for money and property held by the Village as trustee, custodian or agent.

Cash Management

The Village is authorized by State statute to invest in the following: obligations of the U.S. Treasury, U.S. Government Agencies and instrumentalities and Certificates of Deposit and deposit accounts of banks and savings and loan associations covered by federal depository insurance, and money market accounts.

The Village President and Board of Trustees designate depositories on an annual basis. The Village invests operating funds in certificates of deposits and money market accounts. Each individual fund is responsible for its own businesses.

Budgetary Procedures

The President and Board of Trustees adopt an annual appropriation ordinance for the fiscal year. The appropriation ordinance includes proposed expenditures and the means of financing them for the upcoming year along with estimates for the current year and actual data for the preceding year. In addition, more detailed line item budgets are included for administrative control. The level of control for the detail budgets is at the department head/function level. The budget is prepared on a cash basis.

Monthly reports are issued to the President and Board of Trustees to monitor revenues and expenditures. The Village Manager and department heads receive monthly reports. Department heads may transfer funds between line items within their budgets with the approval of the Village Manager and Treasurer. The President and Board of Trustees may authorize supplemental appropriations or restrict departmental expenditures during the fiscal year. Appropriations lapse at the end of the fiscal year.

Operating Results and Fund Balances

The Village follows a modified accrual basis of accounting for all governmental funds and expendable trust funds. All proprietary, non-expendable trust and pension trust funds are accounted for using the accrual basis for accounting. See **APPENDIX A** herein.

Financial Reports

The Village's financial statements are audited annually by certified public accountants. The Village's 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.

Investment Policy

The Village deposits and invests all its monies in investments allowed by State Statutes. The Statutes authorize the Village to make deposits in commercial banks, savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurers' Investment Pool. Pension funds may also invest in certain non-U.S. obligations, mortgages, veteran's loans, mutual funds, stocks and life insurance company contracts.

The overall direction of the Village's investment program may be found in the following objectives:

Safety of principal is the foremost objective of the Village. Each investment transaction shall seek first to insure that capital losses are avoided, whether they be from securities default or the erosion of market values.

Liquidity is considered most important to enable the Village to meet all operating requirements.

Maximum rate of return. The Village's investment portfolio shall be designed with the purpose of regularly exceeding the average rate of return on the six month United States Treasury bills. The investment program shall seek to augment returns above this threshold consistent with constraints imposed by its safety objective, cash flow considerations and State statutes.

Diversification. In order to further guarantee asset safety, investments shall be diversified to avoid incurring unreasonable risks from the practice of concentrating investments in specific security types and/or individual financial institutions.

Public confidence. Investment officials shall recognize that the investment portfolio is subject to public review and evaluation. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust. Investment 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.

Responsibility. In accordance with 65 ILCS 5/3.1-35-50 the responsibility for conducting investment transactions resides with the Village Treasurer. The Treasurer shall direct the investment transactions program operations consistent with this policy and will identify those staff positions having investment responsibility. No person may engage in an investment transaction except as provided under the terms of this policy and procedures developed by the Treasurer. The Treasurer shall be responsible for all transactions undertaken, and shall establish a system of controls to regulate the activities of subordinate staff members.

The standard of prudence to be used by the Village officials and employees responsible for the investment of public funds shall be the "prudent person" standard. Investments shall be made with judgment and care under circumstances then prevailing, which persons knowledgeable on investment practices, and persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of their capital as well as the possible income to be derived.

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 2004 fiscal year audit.

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

	As of April 30, 2004
Functions/Programs:	
General Government	\$ (3,266,492)(1)
Public Safety	(10,807,656)(1)
Public Works	(4,168,540)(1)
Culture and Recreation	(1,613,235)(1)
Interest and Fees	(1,071,373)(1)
Total Governmental Activities	\$(20,927,296)(1)
General Revenues:	
Taxes:	
Property	\$ 7,909,603
Other	9,505,144
Interest	149,317
Miscellaneous	49,169
Transfers	1,339,878
Total General Revenues and Transfers	\$ 18,953,111
Change in Net Assets	(1,974,185)
Net Assets - Beginning	239,429,687
Net Assets - Ending	<u>\$237,455,502</u>
Note (1)	Expenses less program revenues of Charges for Services and Operating Grants and Contributions.

Statement of Net Assets Governmental Activities

	As of April 30, 2004
ASSETS:	
Cash and Cash Equivalents	\$ 7,539,574
Investments	1,283,046
Receivables:	
Property Taxes	6,640,395
Accounts	613,823
Other	498,921
Internal Balances	(3,719,829)
Due from Other Governmental Units	3,038,410
Capital Assets, Not Being Depreciated	160,442,926
Capital Assets, Net of Accumulated Depreciation	91,974,527
Total Assets	<u>\$268,311,793</u>
LIABILITIES AND NET ASSETS:	
Current Liabilities:	
General Obligation Bonds	\$ 335,000
Alternative Revenue Bonds	335,000
Accounts Payable	1,170,774
Accrued Liabilities	546,173
Deposits	417,085
Compensated Absences	145,498
Deferred Revenue	6,805,670
Total Current Liabilities	<u>\$ 9,755,200</u>
Noncurrent Liabilities:	
General Obligation Bonds	\$ 6,520,000
Alternative Revenue Bonds	11,950,000
Pension Obligation	1,068,224
Compensated Absences	1,562,867
Total Noncurrent Liabilities	<u>\$ 21,101,091</u>
Total Liabilities	<u>\$ 30,856,291</u>
Net Assets:	
Invested in capital assets, net of related debt	\$233,277,453
Restricted for other purposes	7,566,478
Unrestricted (deficit)	(3,388,429)
Total Net Assets	<u>\$237,455,502</u>
Total Liabilities and Net Assets	<u>\$268,311,793</u>

General Fund Balance Sheet

	Audited as of April 30				
	2000	2001	2002	2003	2004
ASSETS:					
Cash and Cash Equivalents	\$5,743,894	\$ 9,596,605	\$ 9,782,189	\$ 5,007,004	\$ 2,226,507
Receivables:					
Property Taxes (Net)	1,667,462	3,354,642	3,355,529	4,694,069	5,415,364
Due from Other Governmental Agencies	748,017	1,144,425	1,013,018	2,867,003	2,608,028
Accounts Receivable (Net)	349,400	522,003	599,715	539,278	396,412
Due from Other Funds	0	0	530,184	1,185,442	1,185,442
Other	0	0	0	0	477,114
Total Assets	<u>\$8,508,773</u>	<u>\$14,617,675</u>	<u>\$15,280,635</u>	<u>\$14,292,796</u>	<u>\$12,308,867</u>
LIABILITIES:					
Accounts Payable	\$ 519,773	\$ 1,153,350	\$ 985,182	\$ 2,246,747	\$ 805,733
Accrued Expenses	104,352	172,365	212,832	351,530	485,145
Due to Other Funds	0	0	0	3,680,118	5,632,105
Deposits	0	0	1,137,881	334,778	417,085
Deferred Revenue	2,124,458	5,424,636	4,691,310	4,601,574	5,580,639
Total Liabilities	<u>\$2,748,583</u>	<u>\$ 6,750,351</u>	<u>\$ 7,027,205</u>	<u>\$11,214,747</u>	<u>\$12,920,707</u>
FUND EQUITY:					
Reserved	\$ 0	\$ 0	\$ 0	\$ 0	\$ 472,279
Unreserved	5,760,190	7,867,324	8,253,430	3,078,049	(1,084,119)
Total Fund Equity	<u>\$5,760,190</u>	<u>\$ 7,867,324</u>	<u>\$ 8,253,430</u>	<u>\$ 3,078,049</u>	<u>\$ (611,840)</u>
Total Liabilities and Fund Equity	<u>\$8,508,773</u>	<u>\$14,617,675</u>	<u>\$15,280,635</u>	<u>\$14,292,796</u>	<u>\$12,308,867</u>

General Fund Revenues and Expenditures

	Audited Fiscal Year Ending April 30				
	2000	2001	2002	2003	2004
REVENUES:					
Property Taxes	\$ 1,425,787	\$ 1,657,855	\$ 3,532,929	\$ 4,207,692	\$ 4,919,611
Other Taxes	4,559,887	5,323,300	5,461,509	6,303,642	7,425,142
Interest Income	135,991	492,087	399,155	313,155	107,263
Fines, Licenses, Permits, and Fees	2,592,276	2,247,890	3,909,032	2,563,581	2,048,275
Charges for Services	0	0	0	2,997,194	2,643,191
Intergovernmental	0	0	0	5,257,660	2,631,860
Other	2,288,273	2,483,121	3,571,930	1,481,749	554,504
Total Revenues	<u>\$11,002,214</u>	<u>\$12,204,253</u>	<u>\$16,874,555</u>	<u>\$23,124,673</u>	<u>\$20,329,846</u>
EXPENDITURES:					
General Government	\$ 2,180,088	\$ 2,190,871	\$ 3,524,756	\$ 4,249,322	\$ 5,129,039
Public Safety	5,762,628	6,949,762	7,659,859	8,778,544	9,015,974
Public Works	722,854	912,967	5,444,384	8,775,539	3,923,685
Principal and Interest	141,905	458,065	459,968	459,615	468,345
Capital Outlay	0	0	0	0	5,295,001
Total Expenditures	<u>\$ 8,807,475</u>	<u>\$10,511,665</u>	<u>\$17,088,967</u>	<u>\$22,263,020</u>	<u>\$23,832,044</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,194,739</u>	<u>\$ 1,692,588</u>	<u>\$ (214,412)</u>	<u>\$ 861,653</u>	<u>\$ (3,502,198)</u>
Other Financing Sources (Uses):					
Operating Transfers In	\$ 716,801	\$1,137,834	\$ 1,290,518	\$ 175,000	\$ 1,339,878
Operating Transfers (Out)	(1,295,163)	(1,652,987)	(690,000)	(6,212,034)	(1,527,569)
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures	<u>\$ 1,616,377</u>	<u>\$ 1,177,435</u>	<u>\$ 386,106</u>	<u>\$ (5,175,381)</u>	<u>\$ (3,689,889)</u>
Beginning Fund Balance	4,143,813	5,760,190	7,867,324	8,253,430	3,078,049
Residual Equity Transfer	0	929,699	0	0	0
Ending Fund Balance	<u>\$ 5,760,190</u>	<u>\$ 7,867,324</u>	<u>\$ 8,253,430</u>	<u>\$ 3,078,049</u>	<u>\$ (611,840)(1)</u>

Note: (1) The Village's negative General Corporate Fund balance was the result of less than anticipated revenues and greater than anticipated expenditures for Fiscal Year 2003-04. The Village received \$3.4 million less than anticipated in Developer contributions of which, \$1.6 million was received but allocated to the appropriate bond fund. \$1.9 million will be received from developers in the future. The Village spent \$1 million on Fire Station 2 expansion, which was originally anticipated to be funded through the Marquette TIF District. The Fire Station serves the areas in the TIF District. The Village decided that the TIF funds should be used for other projects. The Village also needed to transfer \$0.7 million to the Series 2001A Alternate Revenue Debt Service Fund. The Village originally contemplated using motor fuel tax funds for the debt service payments but ultimately decided to use General Corporate Funds. The Village had abated the bonds from the tax levy. The Village, based on unaudited information, expects to have a positive fund balance of \$782,500 as of April 30, 2005.

General Fund Unaudited and Budget Financial Information

	Budget Twelve Months Ending 4/30/05	Unaudited Twelve Months Ending 4/30/05	Budget Twelve Months Ending 4/30/06
REVENUES:			
Property Taxes	\$ 5,470,400	\$ 5,809,577	\$ 6,625,300
Other Taxes	11,603,000	11,811,548	15,185,700
Interest Income	70,000	109,884	100,000
Fines, Licenses, Permits, and Fees	4,510,500	4,108,945	4,502,300
Grants	926,800	659,836	61,000
Other	3,792,800	2,943,561	3,798,900
Total Revenues	\$26,373,500	\$25,443,351	\$30,273,200
EXPENDITURES:			
General Government	\$ 7,025,900	\$ 5,869,945	\$ 8,191,000
Public Safety	10,652,200	10,005,796	12,240,500
Public Works	7,212,400	6,512,975	7,768,200
Other	1,483,000	1,550,417	2,073,500
Total Expenditures	\$26,373,500	\$23,939,133	\$30,273,200
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 0	\$ 1,504,218	\$ 0

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 first day of the month in which an interest payment date occurs 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 excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible 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 is not includible in the 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. Interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Village with respect to certain material facts solely 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.

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 (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) 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.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the “effectively connected earnings and profits” of certain foreign corporations, which include tax-exempt interest such as interest on the Bonds.

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.

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 a Bond issued with original issue discount, its Revised Issue Price (as discussed below), 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. 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.

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 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.

An investor may purchase a Bond in excess of its stated principal amount (such Bond may be referred to as a “Premium Bond”). 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 Premium 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 Premium Bond should consult their own tax advisors regarding the amortization of bond premium and its effect on the Premium Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of such Premium Bond.

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 includible 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 will 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.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of a maturity of the Bonds may be less than the principal amount payable at maturity (such Bonds may be referred to as "OID Bonds"). The difference between the Issue Price (defined below) of any such maturity of OID Bonds and the principal amount payable at maturity is original issue discount. The issue price (the "Issue Price") for each maturity of OID Bonds is the price at which a substantial amount of such maturity of the OID Bonds is first sold to the public. The Issue Price of each maturity of the Bonds is expected to be either the dollar price or the amount corresponding to the yield set forth in the addendum to this Official Statement, but is subject to change based on actual sales.

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 under the caption "**TAX EXEMPTION**", (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is not includible in 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.

If a Bond issued with original issue discount is purchased at any time for a price that is less than the Bond's Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased such Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Such treatment would apply to any purchaser who purchases such Bond for a price that is less than its Revised Issue Price.

Owners of OID Bonds who dispose of such Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase OID Bonds in the initial public offering, but at a price different from the Issue Price or purchase OID Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Bonds issued with original issue discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Bonds.

CONTINUING DISCLOSURE

The Village will enter into a continuing disclosure undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. The information to be provided on an annual basis, 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 represents that it 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 Bond 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"**. A failure by the Village to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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.

Annual Financial Information Disclosure

The Village covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to each Nationally Recognized Municipal Securities Information Repository (a "NRMSIR") then recognized by the Securities and Exchange Commission for purposes of the Rule and to the repository, if any, designated by the State of Illinois as the state information depository (the "SID") and recognized as such by the Commission for purposes of the Rule. Annual Financial Information will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the Village's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

"Annual Financial Information" means:

1. The table under the heading of **Retailers' Occupation, Service Occupation and Use Tax** within this Official Statement;
2. All of the tables under the heading **PROPERTY ASSESSMENT AND TAX INFORMATION** within this Official Statement;
3. All of the tables under the heading **DEBT INFORMATION** within this Official Statement; and
4. All of the tables under the heading **FINANCIAL INFORMATION** within this Official Statement.

“Audited Financial Statements” means the financial statements of the Village as audited annually by independent certified public accountants. Audited Financial Statements will be 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 each NRMSIR or to the Municipal Securities Rulemaking Board (the “MSRB”) and to the SID, if any, in a timely manner 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 Securities Exchange Act of 1934, as amended. The “Events” are:

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

Contact Person

Financial Information and Notices of material Events can be obtained from: Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446; telephone (815) 886-7200.

Consequences of Failure of the Village to Provide Information

The Village shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, of any failure to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

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 Bond 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) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Village, or type of business conducted;
- (b) 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
- (c) 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), at the time of the amendment.

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 Bond Ordinance. The Village shall give notice to each NRMSIR or MSRB and the SID, if any, 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 Annual Financial Information or Audited Financial Statements 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 Agent

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 Agent, with or without appointing a successor Dissemination Agent.

So long as such method continues to be approved by the Commission for purposes of the Rule, the Village may satisfy its obligations for all purposes of this Agreement to provide information or notice to each NRMSIR and to the SID, if any, by sending such information or notice to Disclosure USA (at, as of the date of this Agreement www.DisclosureUSA.org) for submission to each NRMSIR and to the SID, if any.

OPTIONAL REDEMPTION

Bonds are **not** subject to optional redemption prior to maturity.

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.

OFFICIAL STATEMENT AUTHORIZATION

This 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 RATINGS

Moody's Investors Service, Inc., has assigned the Bonds a rating of "Aaa". Fitch Ratings has assigned the Bonds a rating of "AAA". These ratings are conditioned upon the delivery by MBIA of its standard form of Municipal Bond Insurance Policy. No application was made to any other rating agency for the purpose of obtaining an additional rating on the Bonds. 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. The Village has furnished to the rating agencies certain information and materials relating to the Bonds and the Village, including certain information and materials which may not have been included in this Official Statement. Generally, rating agencies base their ratings on such information and materials and investigations, studies and assumptions by the respective rating agency. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating agencies if, in their judgment, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. The Village and the Underwriters have undertaken no responsibility either to bring to the attention of the registered owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal (other than to comply with any applicable continuing disclosure requirements).

The Village has existing underlying general obligation ratings of "A2" from Moody's Investors Service and "A+" from Fitch Ratings.

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.

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 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 Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP, Chicago, Illinois, has, at the request of the Village supplied the information under the headings "TAX EXEMPTION", "ORIGINAL ISSUE DISCOUNT" and "CERTAIN LEGAL MATTERS".

UNDERWRITING

The Bonds were offered for sale by the Village at a public, competitive sale on September 7, 2005. The best bid submitted at the sale was submitted by _____ (the "Underwriter"). The Village awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____. The Underwriter has represented to the Village that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the addendum to this Official Statement.

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 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 obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Financial Advisor obligated by the Village's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated August 22, 2005, for the \$6,495,000* General Obligation Bonds, Series 2005, 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/ **KIRK OPENCHOWSKI**
Finance Director
VILLAGE OF ROMEOVILLE
Will County, Illinois

/s/ **FRED DEWALD**
Village President
VILLAGE OF ROMEOVILLE
Will County, Illinois

*Subject to change.

APPENDIX A

**VILLAGE OF ROMEOVILLE
WILL COUNTY, ILLINOIS**

EXCERPTS OF FISCAL YEAR 2004 AUDITED FINANCIAL STATEMENTS

Village of Romeoville, Illinois
Statement of Net Assets
April 30, 2004

	Governmental Activities	Business-type Activities	Total
Assets			
Cash and cash equivalents	\$ 7,539,574	\$ 31,250,873	\$ 38,790,447
Investments	1,283,046	-	1,283,046
Receivables:			
Property taxes	6,640,395	-	6,640,395
Accounts	613,823	1,333,344	1,947,167
Other	498,821	-	498,821
Internal balances	(3,719,829)	3,719,829	-
Due from other governmental units	3,038,410	-	3,038,410
Capital assets, net of accumulated depreciation	160,442,828	1,667,585	162,110,413
	81,974,527	74,203,707	156,178,234
Total assets	\$ 268,311,793	\$ 112,175,338	\$ 380,487,131
Liabilities and Net Assets			
Current Liabilities			
General obligation bonds	\$ 335,000	\$ -	\$ 335,000
Alternative revenue bonds	335,000	1,260,000	1,595,000
Accounts payable	1,170,774	705,464	1,876,238
Accrued liabilities	548,173	79,938	628,111
Accrued interest	-	467,600	467,600
Deposits	417,065	111,930	528,995
Developer advances	-	1,639,337	1,639,337
Compensated absences	145,498	103,123	248,621
Deferred revenue	6,805,670	-	6,805,670
Total current liabilities	9,755,200	4,364,392	14,119,592
Noncurrent Liabilities			
General obligation bonds	6,520,000	-	6,520,000
Alternative revenue bonds	11,850,000	23,311,964	35,161,964
Pension obligation	1,068,224	-	1,068,224
Compensated absences	1,562,867	-	1,562,867
Total noncurrent liabilities	21,101,091	23,311,964	44,413,055
Total liabilities	30,856,291	27,676,356	58,532,647
Net Assets			
Invested in capital assets, net of related debt	233,277,453	51,269,328	284,546,781
Restricted for other purposes	7,566,478	-	7,566,478
Unrestricted (deficit)	(13,388,429)	33,199,054	20,811,225
Total net assets	227,455,502	84,468,382	311,923,884
Total liabilities and net assets	\$ 268,311,793	\$ 112,175,338	\$ 380,487,131

See Notes to Basic Financial Statements.

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Village of Romeoville, Illinois
Statement of Activities
Year Ended April 30, 2004

Functions/Programs	Program Revenues				Net (Expense), Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:							
General government:	\$ 7,033,776	\$ 2,165,649	\$ 1,601,637	\$ (3,266,492)	\$ -	\$ (3,266,492)	
Public safety	11,852,970	911,659	133,685	(10,807,656)	-	(10,807,656)	
Public works	7,588,484	1,946,400	1,469,554	(4,168,540)	-	(4,168,540)	
Culture and recreation	2,872,484	707,963	351,286	(1,613,235)	-	(1,613,235)	
Interest and fees	1,071,373	-	-	(1,071,373)	-	(1,071,373)	
Total governmental activities	30,217,059	5,733,671	3,556,132	(20,927,296)	-	(20,927,296)	
Business-type activities:							
Water and sewer	12,557,171	14,742,939	209,352	-	2,395,120	2,395,120	
Total	\$ 42,774,230	\$ 20,476,610	\$ 3,765,484	(20,927,296)	2,395,120	(18,532,176)	
General revenues							
Taxes:							
Property				7,909,603	-	7,909,603	
Other				9,505,144	-	9,505,144	
Interest				149,317	266,241	415,558	
Miscellaneous				49,169	8,137	55,306	
Transfers				1,339,678	(1,339,678)	-	
Total general revenues and transfers				18,953,111	(1,067,500)	17,885,611	
Change in net assets				(1,974,185)	1,327,620	(646,565)	
Net assets:							
May 1, 2003 (Note 13)				239,429,687	83,171,362	322,601,049	
April 30, 2004				\$ 237,455,502	\$ 84,498,982	\$ 321,954,484	

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Village of Romeoville, Illinois

Balance Sheet
Governmental Funds
April 30, 2004

	General Fund	Recreation Fund	Marquette Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	\$ 943,461	\$ 199,517	\$ 2,772,418	\$ 3,524,178	\$ 7,539,574
Investments	1,283,046	-	-	-	1,283,046
Receivables:					
Property taxes	5,415,364	396,072	-	858,959	6,610,395
Accounts	396,412	217,411	-	-	613,823
Other	477,114	21,907	-	-	499,021
Due from other funds	713,163	-	4,424,642	5,799	5,143,604
Advanced to other funds	472,278	-	-	-	472,278
Due from other governmental units	2,808,028	357,800	-	72,582	3,038,410
Total assets	\$ 12,308,867	\$ 1,162,807	\$ 7,197,060	\$ 4,561,518	\$ 25,230,052
Liability and Fund Balances					
Liabilities					
Accounts payable	\$ 805,733	\$ 51,612	\$ 1,003	\$ 312,336	\$ 1,170,774
Accrued liabilities	485,145	54,803	-	6,425	546,173
Deposits	417,085	-	-	-	417,085
Due to other funds	5,020,265	690,320	22,843	1,818,185	7,551,593
Advances from other funds	611,840	1,172,278	-	-	1,784,119
Deferred revenue	5,580,638	368,072	-	858,559	6,807,270
Total liabilities	12,920,707	2,334,886	23,936	2,995,835	18,275,414
Fund Balances (deficit):					
Reserved for advances	472,278	-	-	-	472,278
Unreserved:					
General fund	(1,084,119)	-	-	-	(1,084,119)
Special revenue funds	-	(1,172,278)	-	280,719	(911,560)
Debt service funds	-	-	-	(3,233)	(3,233)
Capital projects funds	-	-	7,173,124	1,308,147	8,481,271
Total fund balances	(611,840)	(1,172,278)	7,173,124	1,585,633	6,854,638
Total liabilities and fund balances	\$ 12,308,867	\$ 1,162,807	\$ 7,197,060	\$ 4,561,518	\$ 25,230,052

See Notes to Basic Financial Statements.

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Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
April 30, 2004

Total fund balances-governmental funds	\$ 6,954,638
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds	252,417,453
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:	
These activities consist of:	
Compensated absences	(1,708,365)
Pension obligation	(1,069,224)
General obligation bonds	(6,855,000)
Alternative revenue bonds	(12,285,000)
Net assets of governmental activities	\$ 237,455,502

See Notes to Basic Financial Statements.

Combined Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended April 30, 2004

	General Fund	Recreation Fund	Marquette Center TIF Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 4,919,611	\$ 327,919	\$ 1,844,561	\$ 817,512	\$ 7,909,603
Other taxes	7,425,142	198,597	-	-	7,623,739
Interest	107,263	164	9,879	32,011	149,317
Fees	446,970	-	-	-	446,970
Licenses and permits	1,691,305	-	-	-	1,691,305
Charges for services	2,643,191	642,705	-	-	3,285,896
Intergovernmental	2,631,860	-	-	880,931	3,512,791
Developer contributions	171,823	351,286	-	1,601,637	2,124,746
Other	382,681	65,258	-	-	447,939
Total revenues	20,329,846	1,585,929	1,854,440	3,132,091	26,902,306
Expenditures:					
Current:					
General government	5,129,039	-	2,937	-	5,131,976
Public safety	9,015,974	-	-	-	9,015,974
Public works	3,923,685	-	-	509,198	4,432,883
Culture and recreation	-	2,078,369	-	-	2,078,369
Debt service:					
Principal	439,821	-	-	505,000	944,821
Interest and fees	28,524	-	-	1,042,849	1,071,373
Capital outlay	5,295,001	370,391	60,175	2,913,078	8,638,645
Total expenditures	23,832,044	2,448,760	63,112	4,970,126	31,314,081
Excess (deficiency) of revenues over (under) expenditures	(3,502,198)	(862,831)	1,791,328	(1,838,034)	(4,411,735)
Other financing sources (uses):					
Transfers in	1,339,878	800,000	17,089	734,026	2,890,993
Transfers (out)	(1,527,569)	(8,457)	-	(17,089)	(1,551,115)
Refund of escrow	-	-	-	730	730
Total other financing sources (uses)	(187,691)	791,543	17,089	717,667	1,340,608
Net change in fund balances	(3,689,889)	(69,308)	1,808,417	(1,120,367)	(3,071,147)
Fund balances (deficits):					
May 1, 2003	3,078,049	(1,102,971)	5,364,707	2,686,000	10,025,785
April 30, 2004	\$ (611,840)	\$ (1,172,279)	\$ 7,173,124	\$ 1,565,633	\$ 6,954,638

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended April 30, 2004

Net change in fund balances-total governmental funds	\$	(3,071,147)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlays	\$	4,553,257
Depreciation expense	(4,168,436)	394,831
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:		
General obligation bonds	\$	250,000
Alternative revenue bonds	255,000	
Installment note	122,239	
Intergovernmental cooperative agreement	317,582	944,821
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:		
Increase in compensated absences, net (increase) in pension obligations	19,116	
	(261,806)	
Change in net assets of governmental activities	\$	(1,974,185)
See Notes to Basic Financial Statements.		

Village of Romeoville, Illinois

Statement of Net Assets
Enterprise Fund
April 30, 2004

Assets	Business-type Activities
Current Assets	
Cash and cash equivalents	\$ 31,250,873
Accounts receivable	1,333,344
Due from other funds	2,407,989
Total current assets	34,992,206
Advance to other funds	1,311,840
Capital assets (net of accumulated depreciation)	75,871,292
Total assets	\$ 112,175,338
Liabilities and Net Assets	
Current Liabilities	
Alternate revenue bonds	\$ 1,280,000
Accounts payable	705,464
Accrued liabilities	79,938
Accrued interest	462,600
Deposits	111,930
Developer advances	1,639,337
Compensated absences	105,123
Total current liabilities	4,364,392
Long-term debt, net of current maturities	
Alternate revenue bonds	23,311,864
Total liabilities	27,676,356
Net Assets	
Invested in capital assets, net of related debt	51,299,328
Unrestricted	33,199,654
Total net assets	84,498,982
Total liabilities and net assets	\$ 112,175,338

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois
Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2004

	Business-type Activities
Cash Flows from Operating Activities	
Cash received from customers	\$ 14,826,805
Cash received from developers	212,981
Payments to employees	(2,721,119)
Payments to suppliers	(6,785,287)
Net cash provided by operating activities	5,533,380
Cash flows from noncapital financing activities	
Increase in due from other funds	(2,407,989)
Increase in advances to other funds	(1,311,840)
Net cash (used in) noncapital financing activities	(3,719,829)
Cash flows from capital and related financing activities	
Additions to capital assets	(2,033,031)
Principal payments, alternative revenue bonds	(1,205,000)
Transfer (out)	(1,339,878)
Interest paid	(1,301,051)
Net cash (used in) capital and related financing activities	(5,878,960)
Cash flows from investing activities	
Cash receipts from interest income	266,241
Net (decrease) in cash and cash equivalents	(3,799,168)
Cash and equivalents:	
May 1, 2003	35,050,041
April 30, 2004	\$ 31,250,873
Reconciliation of operating income to net cash provided by operating activities	
Operating income	\$ 3,681,608
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	2,871,486
Amortization	100,688
Changes in assets and liabilities	
Accounts receivable	77,729
Accounts payable	(993,589)
Accrued liabilities	(2,181)
Deposits	3,629
Total adjustments	1,851,772
Net cash provided by operating activities	\$ 5,533,380

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois
Statement of Revenues, Expenses and Changes in Net Assets
Enterprise Fund
Year Ended April 30, 2004

	Business-type Activities
Operating revenues:	
Charges for services	\$ 10,489,950
Fees and fees	3,576,536
Developer contributions	209,352
Reimbursements	676,453
Other	6,137
Total operating revenues	14,958,428
Operating expenses:	
Water and sewer	8,504,635
Depreciation	2,871,486
Amortization on bond discount	100,688
Total operating expenses	11,276,820
Operating income	3,681,608
Nonoperating income (expense):	
Interest income	266,241
Interest expense	(1,280,351)
Income before transfers	2,667,498
Other financing (uses), transfers (out)	(1,339,878)
Change in net assets	1,327,620
Net assets:	
May 1, 2003 (Note 13)	83,171,382
April 30, 2004	\$ 84,498,982

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2004

Assets	
Cash and cash equivalents	\$ 535,212
Investments	12,663,300
Other Assets	838
Total assets	\$ 13,199,350
Liabilities and Net Assets	
Liabilities	\$ -
Net assets held in trust for employees' benefits	13,199,350
Total liabilities and net assets	\$ 13,199,350

See Notes to Basic Financial Statements.

Village of Romeoville, Illinois

Statement of Changes in Fiduciary Net Assets
Pension Trust Funds
Year Ended April 30, 2004

Additions	
Contributions:	
Employer	\$ 506,003
Employee	352,272
Total contributions	858,275
Investment income (loss):	
Net appreciation in fair value of investments	775,305
Interest	102,147
Total investment income	877,452
Total additions	1,735,727
Deductions	
Benefits	372,306
Administrative expense	9,428
Total deductions	381,735
Change in net assets	1,353,992
Net assets held in trust for employees' pension benefits:	
May 1, 2003	11,845,358
April 30, 2004	\$ 13,199,350

See Notes to Basic Financial Statements.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies

The Village of Romeoville, Illinois, is located in Will County, Illinois and was first incorporated in 1895 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board administrator form of government. The Village Board consists of seven elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency medical), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Romeoville conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental 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 accounting policies:

(a) Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- (1) Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- (2) Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

(b) Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(b) Government-wide and Fund Financial Statements (Continued)

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Recreation Fund and Marquette Center TIF Fund. All remaining governmental funds are aggregated and reported as nonmajor governmental funds. The Village has the following major enterprise fund - Water and Sewer Fund.

The Village administers the following major governmental funds:

General Fund - This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

Recreation Fund - Accounts for revenue resources that are legally restricted for recreation purposes.

Marquette Center TIF Fund - This fund is used to account for all other capital projects transactions of the Village not financed through proprietary funds or other capital projects funds.

The Village administers the following major proprietary fund:

Water and Sewer Fund - accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)
(c) Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 90 days of the end of the current fiscal year (60 days for property taxes).

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1988, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

(d) Assets, Liabilities, and Net Assets or Equity

1. Cash and Cash Equivalents

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

2. Investments

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value, which approximates fair value.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)
(d) Assets, Liabilities, and Net Assets or Equity (continued)

3. Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Services provided and used—sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements—repayment from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

4. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

5. Capital Assets

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$15,000, and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, Liabilities, and Net Assets or Equity (continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	Estimated Useful Lives
Buildings and property	40 years
Machinery and equipment	5 - 20 years
Furniture and fixtures	5 - 20 years
Vehicles	5 years
Infrastructure	40 - 50 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

6. Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

7. Compensated Absences

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for nonvesting accumulated rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using an effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

(d) Assets, Liabilities, and Net Assets or Equity (continued)

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designated fund balances, if any, represent tentative plans for future use of financial resources.

10. Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

(e) Accounting Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

(f) New Accounting Pronouncements

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, and Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus*. These Statements establish new financial reporting requirements and significantly change the format and content of the Village's financial statements. They require new information and restructure much of the information that the Village has presented in the past.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 38, *Certain Financial Statement Note Disclosures*. This Statement modifies, establishes, and rescinds certain financial statement note disclosures.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 6, *Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements*.

Effective May 1, 2003, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 41, *Budgetary Comparison Schedule - Perspective Differences*.

Notes to Basic Financial Statements

Note 2. Budgets

(a) Budgetary Information

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

- The Finance Director submits to the Village Board of Trustees 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.
- Public hearings are conducted by the Village to obtain taxpayer comments.
- Subsequently, the budget is legally enacted through passage of an ordinance.
- Formal budgetary integration is employed as a management control device during the year for the general, special revenue, certain debt service, and certain capital project funds.
- Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- Budgetary authority lapses at the year-end.
- State law requires that "expenditures be made in conformity with appropriation budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.

h) Budget amounts are as originally adopted with the exceptions of Board approved transfers which were not material in relation to the budget taken as a whole.

(b) Budget Overexpenditures

The following governmental funds overexpended their budgets for the year ended April 30, 2004:

Major Governmental:	
General Fund	\$ 759,044
Recreation Fund	81,780

Nonmajor Governmental:

Debt Service:	478
2002A General Obligation Bonds	23
2002B General Obligation Bonds	

Notes to Basic Financial Statements

Note 2. Budgets (continued)

(c) Deficit Fund Balances

As of April 30, 2004, the following funds had deficit fund balances:

Fund	Amount	Intended Financing
General Fund	\$ 611,840	Property taxes
Recreation Fund	1,172,279	Program revenue
Debt Service:		
2002B General Obligation Bonds	8,582	Property taxes

Note 3. Cash and Investments

The Village's investment policy is to establish cash management and investment guidelines for Village officials responsible for the stewardship of public funds. The Village has established specific objectives to meet their guidelines.

The Village deposits and invests all its monies in investments allowed by Illinois State Statutes. The Statutes authorize the Village to make deposits in commercial banks and savings and loan institutions, and make investments in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, savings accounts, credit union shares, repurchase agreements (under certain statutory agreements), commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds. Pension funds may also invest in other investments as allowed by Illinois Compiled Statutes.

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, which is the price the investment could be sold for.

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

(a) Deposits

As of April 30, 2004, the carrying amount of the Village's deposits totaled \$12,434,630, with the bank balances totaling \$11,078,322. Of the bank balances \$200,000 was covered by federal depository insurance or collateralized with securities held by the Village or its agent in the Village's name, and \$6,831,488 was collateralized with securities held in the pledging bank's trust department or by its agent in the Village's name and \$4,046,834 is uncollateralized.

Notes to Basic Financial Statements

Note 3. Cash and Investments (continued)

(b) Investments

The Village's investments are categorized as listed below to give an indication of the level of risk assumed by the Village at year-end. Category 1 includes securities that are insured and registered or the securities are held by the Village or its agent in the Village's name. Category 2 includes uninsured and unregistered, with the securities held by the counterparty's trust department or agent in the Village's name. Category 3 includes uninsured and unregistered, with the securities held by the counterparty or by its trust department or agent but not in the Village's name.

	Category			Totals
	1	2	3	
U.S. government securities	\$ 4,169,790	\$ 805,684	\$ -	\$ 4,975,474
Municipal securities	-	79,252	-	79,252
	<u>\$ 4,169,790</u>	<u>\$ 884,936</u>	<u>\$ -</u>	<u>\$ 5,054,726</u>
Investments not subject to categorization:				
Illinois Funds				19,090,643
Illinois Metropolitan Investment Fund				7,782,453
Mutual Funds				1,377,637
Insurance contracts				7,348,272
Money market mutual fund				<u>183,644</u>
				<u>\$ 40,637,375</u>

The above deposits of \$12,434,630, and Investments of \$40,837,375 totaling \$53,272,005 are reported in the financial statements as follows:

Governmental and business-type activities:	
Cash and cash equivalents	\$ 38,790,447
Investments	1,283,046
Fiduciary Funds:	
Cash and cash equivalents	535,212
Investments	<u>12,663,300</u>
Total	<u>\$ 53,272,005</u>

Notes to Basic Financial Statements

Note 4. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Will County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village.

The 2003 property tax assessment, which was levied in December 2003, is to finance the budget for the fiscal year beginning May 1, 2004 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. Property taxes accounted for in the enterprise fund are recognized as revenue at the time they are levied. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies.

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

Notes to Basic Financial Statements

Note 5. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2004, is as follows:

	Balance May 1, 2003	Additions	Deletions	Balance April 30, 2004
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 154,015,357	\$ -	\$ -	\$ 154,015,357
Construction in progress	7,407,162	1,735,485	2,715,078	6,427,569
	<u>161,422,519</u>	<u>1,735,485</u>	<u>2,715,078</u>	<u>160,442,926</u>
Capital assets being depreciated:				
Buildings and property	18,415,388	1,551,136	-	19,966,524
Machinery and equipment	811,978	227,460	-	1,039,438
Furniture and fixtures	1,426,507	31,463	-	1,457,970
Vehicles	2,944,432	184,154	-	3,128,586
Infrastructure	107,165,393	3,548,647	-	110,714,040
	<u>130,763,698</u>	<u>\$ 5,42,860</u>	<u>-</u>	<u>136,306,558</u>
Less accumulated depreciation for:				
Buildings and property	5,470,296	592,085	-	6,062,381
Machinery and equipment	315,328	123,974	-	439,302
Furniture and fixtures	300,634	103,836	-	404,470
Vehicles	1,784,463	313,349	-	2,097,812
Infrastructure	32,292,874	3,035,192	-	35,328,066
	<u>40,163,595</u>	<u>4,168,436</u>	<u>-</u>	<u>44,332,031</u>
Total capital assets being depreciated, net	90,600,103	1,374,424	-	91,974,527
Governmental activities capital assets, net	\$ 252,022,622	\$ 3,109,909	\$ 2,715,078	\$ 252,417,453

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2004, is as follows:

	Balance May 1, 2003	Additions	Deletions	Balance April 30, 2004
Business-type activities				
Capital assets not being depreciated:				
Construction in progress	\$ 550,418	\$ 1,187,167	\$ 50,000	\$ 1,667,585
Capital assets being depreciated:				
Building including permanent fixtures	37,693	-	-	37,693
Machinery and equipment	6,957,019	250,531	-	7,207,550
Vehicles	538,727	36,089	-	574,816
Infrastructure	89,002,072	629,244	-	89,631,316
Other equipment	1,070,031	-	-	1,070,031
	<u>97,605,542</u>	<u>915,864</u>	<u>-</u>	<u>98,521,406</u>
Less accumulated depreciation for:				
Building including permanent fixtures	13,296	1,884	-	15,180
Machinery and equipment	3,277,944	428,527	-	3,706,471
Vehicles	275,907	40,646	-	316,553
Infrastructure	17,658,476	2,161,835	-	19,820,311
Other equipment	420,580	48,604	-	469,184
	<u>21,646,203</u>	<u>2,671,496</u>	<u>-</u>	<u>24,317,699</u>
Total capital assets being depreciated, net	75,959,339	(1,755,632)	-	74,203,707
Business-type activities capital assets, net	\$ 78,509,757	\$ (588,465)	\$ 50,000	\$ 75,871,292

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Outstanding debt as of April 30, 2004, consists of the following:

General Obligation Bonds:

General Obligation Bonds, Series 2000A, dated June 30, 2000, provide for the serial retirement of bonds on December 15 of each year in annual amounts of \$125,000 in 2005, \$175,000 in 2006, \$215,000 in 2007, \$255,000 in 2008, \$305,000 in 2009, \$365,000 in 2010, \$430,000 in 2011, \$445,000 in 2012, \$540,000 in 2013, \$585,000 in 2014 and \$520,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 5.10% to 8.10%. Interest is \$ 3,960,000

General Obligation Refunding Bonds, Series 1997B, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$90,000 in 2005, \$45,000 in 2006, \$45,000 in 2007, \$50,000 in 2008, \$50,000 in 2009, \$55,000 in 2010, \$55,000 in 2011, \$55,000 in 2012, \$60,000 in 2013, \$60,000 in 2014 and \$65,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 4.75% to 5.00%. 630,000

General Obligation Refunding Bonds, Series 2002A, dated September 15, 2002 provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$120,000 in 2005, \$125,000 in 2006, \$130,000 in 2007, \$135,000 in 2008, \$145,000 in 2009, \$150,000 in 2010, \$160,000 in 2011, \$165,000 in 2012, \$175,000 in 2013, \$185,000 in 2014, \$190,000 in 2015, \$200,000 in 2016, \$210,000 in 2017, \$175,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.1% to 5.0%. 2,265,000

Total General Obligation Bonds

6,855,000

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:	
General government	\$ 1,035,485
Public safety	1,819,164
Public works	894,428
Culture and recreation	419,359
Total depreciation expense - governmental activities	\$ 4,168,436

Business-type activities:

Water and Sewer	\$ 2,671,496
Total depreciation expense - business-type activities	\$ 2,671,496

Note 6. Long-Term Obligations

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2004:

	Outstanding Debt as of May 1, 2003	Additions	Reductions	Outstanding Debt as of April 30, 2004	Due within one year
General obligation bonds	\$ 7,105,000	\$ -	\$ 250,000	\$ 6,855,000	\$ 335,000
Alternative revenue bonds	12,540,000	-	255,000	12,285,000	335,000
Installment note	122,239	-	122,239	-	-
Compensated absences	1,727,481	266,484	285,600	1,708,365	145,498
Pension obligation	806,418	281,806	-	1,068,224	-
Intergovernmental cooperative agreement	317,582	-	317,582	-	-
	\$ 22,818,720	\$ 528,290	\$ 1,230,421	\$ 21,916,589	\$ 815,498

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2004:

	Outstanding Debt as of May 1, 2003	Additions	Reductions	Outstanding Debt as of April 30, 2004	Due within one year
Alternative revenue bonds	\$ 25,676,276	\$ -	\$ 1,104,312	\$ 24,571,964	\$ 1,260,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Alternate Revenue Bonds:

General Obligation Bonds (Alternate Revenue Bonds), Series 1996B, dated February 15, 1996, provide for the serial retirement of bonds on December 15th of each year in annual amounts of \$955,000 in 2005, \$995,000 in 2006, \$1,025,000 in 2007, \$1,100,000 in 2008, \$1,120,000 in 2009, \$1,180,000 in 2010, \$270,000 in 2011, \$285,000 in 2012, \$300,000 in 2013, \$315,000 in 2014, \$330,000 in 2015 and \$345,000 in 2016. Interest is due on June 15th and December 15th of each year at rates varying from 4.50% to 5.55%. The Village has pledged revenues from the Water and Sewer Fund operations for the repayment of these bonds.

\$ 8,230,000

General Obligation Bonds (Alternate Revenue Bonds), dated February 2, 1999, provide for the serial retirement of certificates on December 30 of each year in amounts of \$330,000 in 2010, \$335,000 in 2011, \$330,000 in 2012, \$350,000 in 2013, \$375,000 in 2014, \$400,000 in 2015, \$735,000 in 2016, \$775,000 in 2017 and \$1,255,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.30% to 4.70%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

4,875,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001A, provide for the serial retirement of certificates on December 30 of each year in the amounts of \$270,000 in 2005, \$295,000 in 2006, \$295,000 in 2007, \$310,000 in 2008, \$325,000 in 2009, \$345,000 in 2010, \$375,000 in 2011, \$745,000 in 2012, \$795,000 in 2013, \$1,000,000 in 2014, \$1,000,000 in 2015, \$1,000,000 in 2016, \$1,000,000 in 2017, \$1,000,000 in 2018 and \$1,000,000 in 2019. Interest is due on June 30 and December 30 of each year at rates varying from 4.0% to 5.0%. The Village has pledged revenue from motor fuel tax for the repayment of these bonds.

9,745,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001B, provide for the serial retirement of certificates on December 30 of each year in the amounts of \$305,000 in 2005, \$325,000 in 2006, \$360,000 in 2007, \$350,000 in 2008, \$400,000 in 2009, \$405,000 in 2010, \$555,000 in 2011, \$600,000 in 2012, \$645,000 in 2013, \$670,000 in 2014, \$695,000 in 2015, \$725,000 in 2016, \$810,000 in 2017 and \$845,000 in 2019. Interest is due on June 30 and December 30 of each year at rates varying from 4.0% to 5.0%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

7,690,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

General Obligation Bonds (Alternate Revenue Bonds), Refunding Bond Series 1997A provides for the serial retirement of certificates on December 30 of each year in amounts of \$325,000 in 2011, \$550,000 in 2012, \$575,000 in 2013, \$605,000 in 2014, \$635,000 in 2015, \$670,000 in 2016, \$700,000 in 2017 and \$740,000 in 2018. Interest is due on June 30, and December 30 of each year at rates varying from 4.9% to 5.2%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

\$ 5,000,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2002B, dated September 15, 2002, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$65,000 in 2005, \$90,000 in 2006, \$90,000 in 2007, \$90,000 in 2008, \$115,000 in 2009, \$135,000 in 2010, \$170,000 in 2011, \$525,000 in 2016, \$600,000 in 2017, \$660,000 in 2018. Interest is due on June 30 and December 30 of each year varying from 2.5% to 4.3%.

2,540,000

Deferred loss on refunding

(1,223,035)

Total Alternate Revenue Bonds

36,856,964

Compensated absences

1,708,365

Pension obligation

1,068,224

Total Long-Term Debt

\$ 46,488,553

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

The future debt service requirements to amortize the outstanding debt other than compensated absences and pension obligations as of April 30, 2004, including the deferred loss on refunding, are as follows:

Fiscal Year	General Obligation Bonds		Alternating Revenue Bonds		Business-Type		Total
	Principal	Interest	Principal	Interest	Principal	Interest	
2005	\$ 335,000	\$ 395,980	\$ 335,000	\$ 560,595	\$ 1,260,000	\$ 1,247,481	\$ 4,134,056
2006	345,000	375,581	375,000	548,170	1,320,000	1,190,396	4,154,147
2007	390,000	353,018	365,000	534,520	1,365,000	1,129,230	4,176,758
2008	440,000	326,943	400,000	520,020	1,450,000	1,064,155	4,201,118
2009	500,000	297,138	440,000	504,145	1,520,000	994,117	4,256,000
2010-2014	3,465,000	914,356	3,565,000	2,184,442	8,825,000	3,798,713	22,773,511
2015-2019	1,360,000	111,756	6,785,000	982,150	10,035,000	1,413,936	20,687,942
	\$ 6,855,000	\$ 2,774,772	\$ 12,285,000	\$ 5,834,042	\$ 25,795,000	\$ 10,839,626	\$ 64,283,442

Note 7. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans.

Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/publications/homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2004 was 8.28 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2003 was 10 years.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

For April 30, 2004, the Village's annual pension cost of \$482,336 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 4% to 11.6% per year depending on age and service, attributable to seniority, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 2003 actuarial valuation were based on the 1999-2001 experience study.

Trend Information			
Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2004	\$ 482,336	100%	\$ -
04/30/2003	408,755	100%	-
04/30/2002	346,792	100%	-

The actuarial assumptions used to determine the actuarial accrued liability for 2003 are based on the 1999-2001 experience study. The principal changes were:

- Fewer members are expected to take refunds early in their career.
- For regular members, fewer normal and early retirements are expected to occur.

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the City and does not issue separate financial statements.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2003 was 15.51% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2003 were as follows:

Annual required contribution	\$ 428,724
Adjustment to annual requirement contribution	177,228
Annual pension cost	605,952
Contributions made	375,602
Increase in net pension obligation	230,350
Net pension obligation, beginning of year	742,047
Net pension obligation, end of year	\$ 972,397

The annual required contribution for the year ended April 30, 2003, was determined as part of the April 30, 2003 actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2003, was 30 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation
04/30/2003	\$ 605,952	\$ 375,602	62%	\$ 972,397
04/30/2002	564,010	310,782	55%	742,047
04/30/2001	411,175	274,285	67%	488,819
04/30/2000	328,906	258,789	79%	351,929
04/30/1999	302,380	244,246	81%	281,812
04/30/1998	276,409	246,444	89%	223,678

At April 30, 2003, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	8
Current employees, vested and nonvested	52
Total	60

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits.

Covered employees are required to contribute 8.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2003 was 14.54% of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$ 74,679
Adjustment to annual requirement contribution	11,687
Annual pension cost	86,346
Contributions made	54,890
Increase in net pension obligation	31,456
Net pension obligation, beginning of year	64,371
Net pension obligation, end of year	\$ 95,827

The required contribution for the year ended April 30, 2003, was determined as part of the April 30, 2003, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included a 7.0% investment rate of return and projected salary increases of 5.5%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2003, was 30 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2003	\$ 86,346	\$ 54,890	64%	\$ 95,827
04/30/2002	89,447	52,251	58%	64,371
04/30/2001	63,227	47,612	75%	27,175
04/30/2000	63,488	50,618	80%	11,560
04/30/1999	60,489	51,475	85%	(1,280)
04/30/1998	54,534	44,548	82%	(10,304)

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

At April 30, 2003 the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them

Current employees, vested and nonvested

Total

	6
	6

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village is a member of the Southwest Agency for Risk Management (SWARM) which is a public entity risk pool with eight member groups (villages and cities). The Village pays annual premiums to SWARM for its workers' compensation, general liability and property coverages.

The cooperative agreement provides that SWARM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 per occurrence for workers' compensation and \$100,000 for occurrences for general liability and \$50,000 for occurrences for property.

One representative from each member serves on the SWARM board, and each board member has one vote on the board. None of its members have any direct equity interest in SWARM.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

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Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only)

Individual fund interfund receivable and payable balances as of April 30, 2004, are as follows:

Fund	Due from	Due to
Major Governmental:		
General:		
Recreation	\$ 690,320	\$ -
Marquette Center TIF	22,843	2,612,276
Water and Sewer	-	2,407,989
	713,163	\$ 5,020,265
Recreation, General		690,320
Marquette Center TIF, General	2,612,276	22,843
Tax Incremental Financing Bonds	1,812,366	-
	4,424,642	22,843
Major Business-Type, Water and Sewer, General	2,407,989	-
Nonmajor Governmental Funds:		
2002A General Obligation Bonds,		
2002B General Obligation Bonds	3,407	-
2002B General Obligation Bonds:		
2002A General Obligation Bonds	-	3,407
2002A Construction	-	2,392
Tax Incremental Financing Bonds		
Marquette Center TIF	-	1,812,366
2002A Construction	2,392	-
2002B General Obligation Bonds	5,799	1,818,155
Total	\$ 7,551,593	\$ 7,551,593

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Individual interfund advances receivable and payable balances as of April 30, 2004 are as follows:

Fund	Advances to	Advances from
Major Governmental:		
General:	\$ 472,279	\$ -
Recreation	-	611,840
Water and Sewer	472,279	611,840
Recreation:		
General	-	472,279
Water and Sewer	-	700,000
	-	1,172,279
Major Business-type:		
Water and Sewer:		
General	611,840	-
Recreation	700,000	-
	1,311,840	-
Total	\$ 1,784,119	\$ 1,784,119

Interfund advances related operating loans, which are not expected to be repaid in the following fiscal year.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Interfund transfers for the year ended April 30, 2004 are as follows:

Fund	Transfer From	Transfer To
Major Governmental Funds:		
General:	\$ 1,339,878	\$ -
Water and Sewer	-	800,000
Recreation	-	412
2002A General Obligation Bonds	-	727,025
2001A Alternative Revenue Bonds	-	132
1991A Alternative Revenue Bonds	1,339,878	1,527,569
Recreation:		
General	800,000	-
Recreation Center	-	6,457
Marquette Center TIF	800,000	6,457
Tax Incremental Financing Bonds	17,089	-
Major Business-type,		
Water and Sewer,	-	1,339,878
General	-	-
Nonmajor Governmental Funds:		
2002A General Obligation Bonds,	412	-
General	-	-
2001A Alternative Revenue Bonds,	727,025	-
General	-	-
1991A Alternative Revenue Bonds,	132	-
General	-	-
Tax Incremental Financing Bonds,	-	17,089
Marquette Center TIF	-	-
Recreation Center,	6,457	-
Recreation	734,026	17,089
Total	\$ 2,890,993	\$ 2,890,993

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 10. Deferred Debt

In prior years, the Village released certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the deferred bonds are not included in the Village's financial statements. As of April 30, 2004, \$1,919,088 of bonds outstanding are considered deferred.

Note 11. Major Taxpayer

During the year ended April 30, 2004, a major taxpayer accounted for approximately 26% of the assessed valuation of the property in the Village of Romeoville, Illinois.

Note 12. Commitments

As of April 30, 2004, the Village had open contracts for the purchase of equipment and services totaling approximately \$3,612,365.

Note 13. Restatements

Governmental Activities

The beginning net assets reported in the government-wide Statement of Activities (GWFS) have been restated to reflect the changes required by the transition to GASB Statement No. 34 from the fund balance amount reported on the Statement of Revenue Receipts, Expenditures Paid and Changes in Fund Balance (FFS) as follows:

Fund balance, April 30, 2003

General	\$ 3,078,049
Recreation	(1,102,971)
Marquette Center TIF	5,364,707
Other governmental funds	2,686,000
	<u>10,025,785</u>
New standard adjustments:	
Capital assets, net	252,022,622
Long-term liabilities	(22,618,720)
	<u>\$ 239,429,687</u>

Governmental activities net assets, April 30, 2003

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 13. Restatements (continued)

Business-Type Activities

Beginning of the year Net Assets have been restated to reflect adjustments made to capital assets and accumulated depreciation. As a result of implementing GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, the Village inventoried its developer contributions of capital assets. Management determined that a material amount of developer contributions were not recorded at their estimated fair market value at the time the assets were contributed. The effect of the restatement is as follows:

Net Assets, April 30, 2003, as previously reported	\$ 40,766,682
Add: Capital assets	53,147,584
Less: Accumulated depreciation	(10,762,904)
Net Assets, April 30, 2003, as restated	<u>\$ 83,171,362</u>

If these assets had been capitalized in previous years, depreciation expense for the prior year would have been increased by approximately \$1,266,000 in the Water and Sewer Fund.

Note 14. New Governmental Accounting Standards

The Governmental Accounting Standards Board (GASB) recently issued Statement No. 40, *Deposit and Investment Risk Disclosures* – an amendment of GASB Statement No. 3, which amends certain provisions of Statement No. 3. The Village is required to implement this statement for the year ending April 30, 2005. Management has not determined the impact this statement will have on the financial position and results of operations of the Village.

GASB Statement 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, will be effective for the Village beginning with its year ending April 30, 2006. This Statement requires governments to report the effects of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

Governmental Accounting Standards Board Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ended April 30, 2007. This statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance. Management has not yet determined the impact this statement will have on the financial position and results of operations of the Village.

**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 the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world's largest 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 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation and Emerging Markets Clearing Corporation, (NSCC, GSOC, MBSCC, and BMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. 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.

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.

6. 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 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).

7. 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, nor its nominee, 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.

8. 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 to DTC.

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

10. 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

BOND INSURANCE

The MBIA Insurance Corporation Insurance Policy

The following information has been furnished by MBIA Insurance Corporation ("MBIA") for use in this Official Statement. Reference is made to APPENDIX C for a specimen of MBIA's policy (the "Policy").

MBIA does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Policy and MBIA set forth under the heading "APPENDIX C - BOND INSURANCE". Additionally, MBIA makes no representation regarding the Bonds or the advisability of investing in the Bonds.

The MBIA Policy unconditionally and irrevocably guarantees the full and complete payment required to be made by or on behalf of the Village to the Paying Agent or its successor of an amount equal to (i) the principal of (either at the stated maturity or by an advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Bonds as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed by the MBIA Policy shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless MBIA elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any Owner of the Bonds pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law (a "Preference").

MBIA's Policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Bonds. MBIA's Policy does not, under any circumstance, insure against loss relating to: (i) optional or mandatory redemptions (other than mandatory sinking fund redemptions); (ii) any payments to be made on an accelerated basis; (iii) payments of the purchase price of Bonds upon tender by an owner thereof; or (iv) any Preference relating to (i) through (iii) above. MBIA's Policy also does not insure against nonpayment of principal or of interest on the Bonds resulting from the insolvency, negligence or any other act or omission of the Paying Agent or any other paying agent for the Bonds.

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by MBIA from the Paying Agent or any owner of a Bond the payment of an insured amount for which is then due, that such required payment has not been made, MBIA on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such insured amounts which are then due. Upon presentment and surrender of such Bonds or presentment of such other proof of ownership of the Bonds, together with any appropriate instruments of assignment to evidence the assignment of the insured amounts due on the Bonds as are paid by MBIA, and appropriate instruments to effect the appointment of MBIA as agent for such owners of the Bonds in any legal proceeding related to payment of insured amounts on the Bonds, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners or the Paying Agent payment of the insured amounts due on such Bonds, less any amount held by the Paying Agent for the payment of such insured amounts and legally available therefor.

MBIA Insurance Corporation ("MBIA") is the principal operating subsidiary of MBIA Inc., a New York Stock Exchange listed company (the "Company"). The Company is not obligated to pay the debts of or claims against MBIA. MBIA is domiciled in the State of New York and licensed to do business in and subject to regulation under the laws of all 50 states, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands of the United States and the Territory of Guam. MBIA has three branches, one in the Republic of France, one in the Republic of Singapore and one in the Kingdom of Spain.

The principal executive offices of MBIA are located at 113 King Street, Armonk, New York 10504 and the main telephone number at that address is (914) 273-4545.

Regulation

As a financial guaranty insurance company licensed to do business in the State of New York, MBIA is subject to the New York Insurance Law which, among other things, prescribes minimum capital requirements and contingency reserves against liabilities for MBIA, limits the classes and concentrations of investments that are made by MBIA and requires the approval of policy rates and forms that are employed by MBIA. State law also regulates the amount of both the aggregate and individual risks that may be insured by MBIA, the payment of dividends by MBIA, changes in control with respect to MBIA and transactions among MBIA and its affiliates.

The Policy is not covered by the Property/Casualty Insurance Security Fund specified in Article 76 of the New York Insurance Law.

Financial Strength Ratings of MBIA

Moody's Investors Service, Inc. rates the financial strength of MBIA "Aaa."

Standard & Poor's, a division of The McGraw-Hill Companies, Inc. rates the financial strength of MBIA "AAA."

Fitch Ratings rates the financial strength of MBIA "AAA."

Each rating of MBIA should be evaluated independently. The ratings reflect the respective rating agency's current assessment of the creditworthiness of MBIA and its ability to pay claims on its policies of insurance. Any further explanation as to the significance of the above ratings may be obtained only from the applicable rating agency.

The above ratings are not recommendations to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by the rating agencies. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of the Bonds. MBIA does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

As of December 31, 2004, MBIA had admitted assets of \$10.4 billion (unaudited), total liabilities of \$7.0 billion (unaudited), and total capital and surplus of \$3.4 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities. As of March 31, 2005 MBIA had admitted assets of \$10.6 billion (unaudited), total liabilities of \$7.0 billion (unaudited), and total capital and surplus of \$3.6 billion (unaudited) determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities.

For further information concerning MBIA, see the consolidated financial statements of MBIA and its subsidiaries as of December 31, 2004 and December 31, 2003 and for each of the three years in the period ended December 31, 2004, prepared in accordance with generally accepted accounting principles, included in the Annual Report on Form 10-K of the Company for the year ended December 31, 2004 and the consolidated financial statements of MBIA and its subsidiaries as of March 31, 2005 and for the three month periods ended March 31, 2005 and March 31, 2004 included in the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2005, which are hereby incorporated by reference into this Official Statement and shall be deemed to be a part hereof.

Copies of the statutory financial statements filed by MBIA with the State of New York Insurance Department are available over the Internet at <http://www.mbia.com> and at no cost, upon request to MBIA at its principal executive offices.

Incorporation of Certain Documents by Reference

The following documents filed by the Company with the Securities and Exchange Commission (the "SEC") are incorporated by reference into this Official Statement:

- (1) The Company's Annual Report on Form 10-K for the year ended December 31, 2004; and
- (2) The Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2005.

Any documents, including any financial statements of MBIA and its subsidiaries that are included therein or attached as exhibits thereto, filed by the Company pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the Company's most recent Quarterly Report on Form 10-Q or Annual Report on Form 10-K, and prior to the termination of the offering of the Bonds offered hereby shall be deemed to be incorporated by reference in this Official Statement and to be a part hereof from the respective dates of filing such documents. Any statement contained in a document incorporated or deemed to be incorporated by reference herein, or contained in this Official Statement, shall be deemed to be modified or superseded for purposes of this Official Statement to the extent that a statement contained herein modifies or supersedes such statement. Any such statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Official Statement.

The Company files annual, quarterly and special reports, information statements and other information with the SEC under File No. 1-9583. Copies of the Company's SEC filings (including (1) the Company's Annual Report on Form 10-K for the year ended December 31, 2004, and (2) the Company's Quarterly Reports on Form 10-Q for the quarter ended March 31, 2005) are available (i) over the Internet at the SEC's web site at <http://www.sec.gov>; (ii) at the SEC's public reference room in Washington D.C.; (iii) over the Internet at the Company's web site at <http://www.mbia.com>; and (iv) at no cost, upon request to MBIA at its principal executive offices.

FINANCIAL GUARANTY INSURANCE POLICY

MBIA Insurance Corporation
Armonk, New York 10504

Policy No. [NUMBER]

MBIA Insurance Corporation (the "Insurer"), in consideration of the payment of the premium and subject to the terms of this policy, hereby unconditionally and irrevocably guarantees to any owner, as hereinafter defined, of the following described obligations, the full and complete payment required to be made by or on behalf of the Issuer to [PAYING AGENT/TRUSTEE] or its successor (the "Paying Agent") of an amount equal to (i) the principal of (either at the stated maturity or by any advancement of maturity pursuant to a mandatory sinking fund payment) and interest on, the Obligations (as that term is defined below) as such payments shall become due but shall not be so paid (except that in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity pursuant to a mandatory sinking fund payment, the payments guaranteed hereby shall be made in such amounts and at such times as such payments of principal would have been due had there not been any such acceleration, unless the Insurer elects in its sole discretion, to pay in whole or in part any principal due by reason of such acceleration); and (ii) the reimbursement of any such payment which is subsequently recovered from any owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such owner within the meaning of any applicable bankruptcy law. The amounts referred to in clauses (i) and (ii) of the preceding sentence shall be referred to herein collectively as the "Insured Amounts," "Obligations" shall mean:

[PAR]

[LEGAL NAME OF ISUE]

Upon receipt of telephonic or telegraphic notice, such notice subsequently confirmed in writing by registered or certified mail, or upon receipt of written notice by registered or certified mail, by the Insurer from the Paying Agent or any owner of an Obligation the payment of an Insured Amount for which is then due, that such required payment has not been made, the Insurer on the due date of such payment or within one business day after receipt of notice of such nonpayment, whichever is later, will make a deposit of funds, in an account with U.S. Bank Trust National Association, in New York, New York, or its successor, sufficient for the payment of any such Insured Amounts which are then due. Upon presentation and surrender of such Obligations or presentation of such other proof of ownership of the Obligations, together with any appropriate instruments of assignment to evidence the assignment of the Insured Amounts due on the Obligations as are paid by the Insurer, and appropriate instruments to effect the appointment of the Insurer as agent for such owners of the Obligations in any legal proceeding related to payment of Insured Amounts on the Obligations, such instruments being in a form satisfactory to U.S. Bank Trust National Association, U.S. Bank Trust National Association shall disburse to such owners, or the Paying Agent payment of the Insured Amounts due on such Obligations, less any amount held by the Paying Agent for the payment of such Insured Amounts and legally available therefor. This policy does not insure against loss of any prepayment premium which may at any time be payable with respect to any Obligation.

As used herein, the term "owner" shall mean the registered owner of any Obligation as indicated in the books maintained by the Paying Agent, the Issuer, or any designee of the Issuer for such purpose. The term owner shall not include the Issuer or any party whose agreement with the Issuer constitutes the underlying security for the Obligations.

Any service of process on the Insurer may be made to the Insurer at its offices located at 113 King Street, Armonk, New York 10504 and such service of process shall be valid and binding.

This policy is non-cancellable for any reason. The premium on this policy is not refundable for any reason including the payment prior to maturity of the Obligations.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed in facsimile on its behalf by its duly authorized officers, this [DAY] day of [MONTH, YEAR].

MBIA Insurance Corporation
President
Assistant Secretary
Attest:

APPENDIX D

[FORM OF OPINION OF BOND COUNSEL]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED DATE OF CLOSING]

We hereby certify that we have examined a certified copy of the proceedings (the "Proceedings") of the President and Board of Trustees of the Village of Romeoville, Will, Illinois (the "Village"), passed preliminary to the issuance by the Village of its fully registered General Obligation Bonds, Series 2005 (the "2005 Bonds") to the amount of \$_____,000, dated September 15, 2005, of the denomination of \$5,000 or authorized integral multiples thereof, and due serially on December 15 of the years and in the amounts and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2006		
2007		
2008		
2009		
2010		
2011		
2012		
2013		
2014		
2015		

The 2005 Bonds are not subject to redemption prior to maturity.

From such examination, we are of the opinion that the Proceedings show lawful authority for the issuance of the 2005 Bonds under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the Village and, except that the rights of the 2005 Bondholders and the enforceability of the 2005 Bonds may be limited by bankruptcy, reorganization, moratorium, insolvency and other similar laws relating to creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion, is payable from ad valorem property taxes levied against all of the taxable property within the Village without limitation as to rate or amount.

It is our opinion that, subject to the Village's compliance with certain covenants, under present law, interest on the 2005 Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not includible 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, 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 Village covenants could cause interest on the 2005 Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the 2005 Bonds. Ownership of the 2005 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 2005 Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the 2005 Bonds. In rendering this opinion, we have relied upon certifications of the Village with respect to certain material facts solely 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.

September 7, 2005
Speer Financial, Inc.
Facsimile: (312) 346-8833

OFFICIAL BID FORM

Village of Romeoville
13 Montrose Drive
Romeoville, Illinois 60441-1329
President and Board of Trustees:

For the \$6,495,000* General Obligation Bonds, Series 2005, of the Village of Romeoville, Will County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$ (no less than \$6,465,000) plus accrued interest from September 15, 2005, to the date of delivery for Bonds bearing interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). The discount is subject to adjustment allowing the same \$ gross spread per \$1,000 bond as bid herein.

MATURITIES* - DECEMBER 15

\$1,065,000	2006	\$1,225,000	2009	\$315,000	2013
1,175,000	2007	285,000	2010	325,000	2014
1,175,000	2008	295,000	2011	330,000	2015
		305,000	2012		

Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: Term Maturity Maturities: Term Maturity Maturities: Term Maturity

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Village will pay for the legal opinion. The underwriter agrees to apply for CUSIP numbers within 24 hours and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, we enclose herewith a check or Surety Bond payable to the order of the Treasurer of the Village in the amount of TWO PERCENT OF PAR (the "Deposit") under the terms provided in your Official Notice of Sale. Attached hereto is a list of members of our account on whose behalf this bid is made.

Form of Deposit Check One:

Certified/Cashier's Check ☐
Financial Surety Bond ☐

Amount: \$129,900

The above Certified/Cashier's
Check was returned and received

By: _____

Check Number: _____

Name _____

Address _____

By _____

City _____

State/Zip _____

Direct Phone () _____

FAX Number () _____

E-Mail Address _____

Account Manager Information

The foregoing bid was accepted and the Bonds sold by ordinance of the Village on September 7, 2005, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

VILLAGE OF ROMEOVILLE, WILL COUNTY, ILLINOIS

President

*Subject to change.

(Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	27,538.75
AVERAGE LIFE	4.240 Years

OFFICIAL NOTICE OF SALE

\$6,495,000*

VILLAGE OF ROMEOVILLE

Will County, Illinois

General Obligation Bonds, Series 2005

The Village of Romeoville, Will County, Illinois (the "Village"), will receive sealed bids for its \$6,495,000* General Obligation Bonds, Series 2005 (the "Bonds"), on an all or none basis, in Suite 4100, One North LaSalle Street, Chicago, Illinois, until 10:00 A.M., C.D.T., Wednesday, September 7, 2005, at which time the bids received by sealed envelope and bids transmitted to Speer Financial, Inc., via facsimile, (312) 346-8833, will be publicly opened and read. Award will be made or all bids rejected at a meeting of the Village on that date. All bidders are advised that each bid submitted shall be deemed to constitute a contract between the bidder and the Village to purchase the Bonds regardless of the manner of the bid submitted.

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 Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the office of the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing December 15, 2005, and is payable by Amalgamated Bank of Chicago, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated September 15, 2005.

MATURITIES* - DECEMBER 15

\$1,065,000	2006	\$1,225,000	2009	\$315,000	2013
1,175,000	2007	285,000	2010	325,000	2014
1,175,000	2008	295,000	2011	330,000	2015
305,000	2012				

Any consecutive maturities may be aggregated into no more than three term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Bonds are not subject to optional redemption prior to maturity.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by MBIA Insurance Corporation. The premium for such insurance policy and the related ratings of Moody's Investors Service and Fitch Ratings will be paid by the Village. Additional ratings are at the cost of the purchaser of the Bonds.

The Bonds will be awarded to the single and best bidder whose bid will be determined upon the basis of the lowest true interest cost at the rate or rates designated in said bid from the date of the respective maturity dates after deducting the premium bid or adding the discount bid. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the date of the bid price. All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed one and one-half percent (1.5%). All bids must be for all of the Bonds, must be for not less than \$6,465,000 plus accrued interest from the date of delivery, must be signed and made upon the Official Bid Form and delivered at the time and place set forth above.

The discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed, and is subject to verification.

Each bid shall be accompanied by a certified or cashier's check on a solvent bank or trust company or a Financial Surety Bond for TWO PERCENT OF PAR payable to the Treasurer of the Village as evidence of good faith of the bidder (the "Deposit"). The Deposit of the successful bidder will be retained by the Village pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Village caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. If a Financial Surety Bond is used, it must be from an insurance company licensed to issue such a bond in the State of Illinois and such bond must be submitted to Speer Financial, Inc., prior to the opening of the bids. The Financial Surety Bond must identify each bidder whose deposit is guaranteed by such Financial Surety Bond. If the Bonds are awarded to a bidder using a Financial Surety Bond, then that purchaser is required to submit its Deposit to the Village in the form of a certified or cashier's check or wire transfer as instructed by Speer Financial, Inc., or the Village not later than 3:00 P.M. on the next business day following the award. If such Deposit is not received by that time, the Financial Surety Bond may be drawn by the Village to satisfy the Deposit requirement. No interest on the Deposit will accrue to the purchaser.

**Subject to change.*

The Village covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Village for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter. The Village represents that it is in compliance with each and every undertaking previously entered into by it pursuant to the Rule.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Village delivering the Undertaking on or before the date of delivery of the Bonds.

The Village reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about September 27, 2005. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Village except failure of performance by the purchaser, the Village may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Village, shall constitute a "Final Official Statement" of the Village with respect to the Bonds, as that term is defined in the Rule. By awarding the Bonds to any underwriter or underwriting syndicate submitting an Official Bid Form therefor, the Village agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 100 copies of the Final Official Statement to permit each underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Village it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Village will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Village will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unaudited opinion of Chapman and Cutler LLP, Chicago, Illinois, that the Bonds are lawful and enforceable obligations of the Village in accordance with their terms and are payable from ad valorem taxes levied against all taxable property of the Village, 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; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Village.

The Village does not intend 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 Village has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Village and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. Raymond E. Holloway, Village Clerk, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Sales Calendar" from the Independent Public Finance Consultants to the Village, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ KIRK OPENCHOWSKI
Finance Director
VILLAGE OF ROMEOVILLE
Will County, Illinois

/s/ FRED DEWALD
Village President
VILLAGE OF ROMEOVILLE
Will County, Illinois

*Subject to change.

ATTACHMENT J

Village of Romeoville, Will County, Illinois

General Obligation Bonds (Alternate Revenue Source), Series 2005

Refunds G. O. Bonds (Alternate Revenue Source), Series 1996B

"Final"

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/27/2005	-	-	-	-	52,532.50
12/15/2005	-	-	-	-	-
06/15/2006	-	-	105,065.00	105,065.00	-
12/15/2006	1,050,000.00	3.250%	105,065.00	1,155,065.00	1,260,130.00
06/15/2007	-	-	88,002.50	88,002.50	-
12/15/2007	1,175,000.00	3.250%	88,002.50	1,263,002.50	1,351,005.00
06/15/2008	-	-	68,908.75	68,908.75	-
12/15/2008	1,175,000.00	3.250%	68,908.75	1,243,908.75	1,312,817.50
06/15/2009	-	-	49,815.00	49,815.00	-
12/15/2009	1,225,000.00	3.000%	49,815.00	1,274,815.00	1,324,630.00
06/15/2010	-	-	31,440.00	31,440.00	-
12/15/2010	285,000.00	3.250%	31,440.00	316,440.00	347,880.00
06/15/2011	-	-	26,808.75	26,808.75	-
12/15/2011	295,000.00	3.250%	26,808.75	321,808.75	348,617.50
06/15/2012	-	-	22,015.00	22,015.00	-
12/15/2012	305,000.00	3.300%	22,015.00	327,015.00	349,030.00
06/15/2013	-	-	16,982.50	16,982.50	-
12/15/2013	315,000.00	3.400%	16,982.50	331,982.50	348,965.00
06/15/2014	-	-	11,627.50	11,627.50	-
12/15/2014	325,000.00	3.500%	11,627.50	336,627.50	348,255.00
06/15/2015	-	-	5,940.00	5,940.00	-
12/15/2015	330,000.00	3.600%	5,940.00	335,940.00	341,880.00
Total	\$6,480,000.00	-	\$905,742.50	\$7,385,742.50	-

Yield Statistics

Accrued Interest from 09/15/2005 to 09/27/2005

7,004.33	\$27,520.00	4.247 Years	3.29121555%
Bond Year Dollars	Average Life	Average Coupon	Net Interest Cost (NIC)

3.33591944%	True Interest Cost (TIC)
3.33592222%	Bond Yield for Arbitrage Purposes
3.28597088%	All Inclusive Cost (AIC)

IRS Form 8038

3.22304000%	Net Interest Cost
4.209 Years	Weighted Average Maturity

ATTACHMENT K

McCladrey & Pullen

Certified Public Accountants

Village of Romeoville

Financial Report
April 30, 2006

McCladrey & Pullen, LLP is a member firm of RSM International, an affiliation of separate and independent legal entities.

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Independent Auditor's Report

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Romeoville, Illinois, as of and for the year ended April 30, 2006, which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Village of Romeoville, Illinois. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Romeoville, Illinois, as of April 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The required supplementary information which includes management's discussion and analysis (pages 3 - 14), pension related schedules (pages 55 - 59) and budgetary schedules (pages 60 - 61) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the Village of Romeoville, Illinois. The combining and individual fund financial statements and other schedules listed in the table of contents as supplementary data are presented for purposes of additional analysis, and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGraw-Hill
July 16, 2007

Chicago, Illinois
July 16, 2007

Required Supplementary Information

Management Discussion and Analysis (MD&A)

The Village of Romeoville's (the "Village") management discussion and analysis (MD&A) is designed to (1) assist the reader in focusing on significant financial issues, (2) provide an overview of the Village's financial activity, (3) identify any changes in the Village's financial position (its ability to address the next and subsequent year challenges), (4) identify any material deviations from the financial plan (the approved budget), and (5) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Village's financial statements (beginning on page 15).

Using the Financial Section of this Comprehensive Annual Report

For the past 20 years, the primary focus of local governmental financial statements has been summarized fund type information on a current financial resource basis. This approach has been modified and for the first time the Village's financial statements present two kinds of statements, each with a different snapshot of the Village's finances. Both perspectives (government-wide and major fund) allow the user to address relevant questions, broaden a basis for comparison (year-to-year or government-to-government) and enhance the Village's accountability.

Government-Wide Financial Statements

The government-wide financial statements (see pages 15-16) are designed to emulate the corporate sector in that all governmental and business-type activities are consolidated into columns which add to a total for the primary government. The focus of the statement of net assets (the "unrestricted net assets") is designed to be similar to bottom line results for the Village and its governmental and business-type activities. This statement, for the first time, combines and consolidates the governmental funds' current financial resources (short-term spendable resources) with capital assets and long-term obligations using the accrual basis of accounting and economic resources measurement focus.

The statement of activities (see pages 16) is focused on both the gross and net cost of various activities (including governmental and business-type), which are supported by the government's general taxes and other resources. This is intended to summarize and simplify the user's analysis of the cost of various governmental services and/or subsidy to various business-type activities. The governmental activities reflect the Village's basic services, including general government, public works, public safety and culture and recreation. Shared state sales, local utility and shared state income taxes finance the majority of these services. The business-type activities reflect private sector type operations (water and sewerage), where the fee for service typically covers all or most of the cost of operation, including depreciation.

Fund Financial Statements

Traditional users of governmental financial statements will find the fund financial statements presentation more familiar. The focus is on major funds, rather than (the previous model's) fund types.

The governmental funds (see pages 17-20) presentation is presented on a sources and uses of liquid resources basis. This is the manner in which the financial plan (the budget) is typically developed. The flow and availability of liquid resources is a clear and appropriate focus of any analysis of a government. Funds are established for various purposes and the fund financial statements allow the demonstration of sources and uses and/or budgeting compliance associated therewith.

The fund financial statements also allow the government to address its fiduciary funds (Police Pension and Fire Pension, see pages 25-26). While these funds represent trust responsibilities of the government, these assets are restricted in purpose and do not represent discretionary assets of the government. Therefore, these assets are not presented as part of the government-wide financial statements.

While the business-type activities column on the business-type fund financial statements (see pages 21-24) is the same as the business-type column on the government-wide financial statement, the government-wide financial statement requires a reconciliation because of the different measurement focus (current financial resources versus total economic resources) which is reflected on the page following each statement (see pages 18 and 20). The flow of current financial resources will reflect bond proceeds and interfund transfers as other financial sources as well as capital expenditures and bond principal payments as expenditures. The reconciliation will eliminate these transactions and incorporate the capital assets and long-term obligation (bonds and others) into the government-wide financial statements).

Infrastructure Assets

Historically, a government's largest group of assets (infrastructure – roads, bridges, storm sewers, etc.) have not been reported nor depreciated in government financial statements. The Governmental Accounting Standards Board Statement No. 34 (GASB 34) requires that these assets be valued and reported within the government-wide financial statement. Additionally, the government must elect to either (1) depreciate these assets over their estimated useful lives or (2) develop a system of asset management designed to maintain the service delivery potential to near perpetuity. If the government develops the asset management system (the modified approach) which periodically (at least every third year) by category, measures and demonstrates its maintenance of locally established levels of service standards, the government may record its cost of maintenance in lieu of depreciation. The Village has chosen to depreciate assets over their useful lives. If a road project is considered maintenance – a recurring cost that does not extend the road's original useful life or expand its capacity – the cost of the project will be expensed. An "overlay" of a road will be considered maintenance whereas a "rebuild" of a road will be capitalized.

Government-Wide Financial Statements

Statement of Net Assets

Net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, assets exceeded liabilities by \$351.7 million as of April 30, 2006.

A significant portion of the Village's net assets (84.4%) reflects its investment in capital assets (i.e., land, land improvements, streets and bridges, storm sewers, water mains, buildings and vehicles), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Village's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

For more detailed information see the statement of net assets (page 15).

The Village's combined net assets (which are the Village's equity) increased to \$351.7 million from \$339.8 million as a result of the increase in net assets in both the governmental and business-type activities. Net assets of the Village's governmental activities were \$256.2 million. The Village's unrestricted net assets for governmental activities, the part of net assets that can be used to finance day-to-day operations, was a surplus of \$10.5 million. The net assets of business-type activities increased to \$95.5 million from \$92.4 million. The Village can use unrestricted net assets to finance the continuing operation of its water and sewer system.

Table 1
Statement of Net Assets
As of April 30, 2006
(in millions)

	2006	2005	2006	2005	2006	2005
Governmental Activities			Business-Type Activities		Total Primary Government	
Current Assets	\$ 37.3	\$ 30.3	\$ 37.7	\$ 35.1	\$ 75.0	\$ 65.4
Non Current Assets	261.5	257.6	89.6	85.7	351.1	343.3
Total Assets	298.8	287.9	127.3	120.8	426.1	408.7
Current Liabilities	13.9	11.6	5.5	5.0	19.4	16.6
Non Current Liabilities	28.7	28.9	26.3	23.4	55.0	52.3
Total Liabilities	42.6	40.5	31.8	28.4	74.4	68.9
Net Assets:						
Invested in Capital Assets,	235.2	232.1	61.6	60.1	296.8	292.2
Net of Related Debt,						
Restricted	10.5	16.0	-	-	10.5	16.0
Unrestricted (deficit)	10.5	(10.7)	33.9	32.3	44.4	31.6
Total Net Assets	\$256.2	\$247.4	\$ 95.5	\$ 92.4	\$351.7	\$339.8

Normal Impacts
There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net Results of Activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for Capital – which will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – which will reduce current assets and increase capital assets. There is a second impact, an increase in invested in capital assets and an increase in related net debt which will not change the invested in capital assets, net of debt.

Spending of Non-borrowed Current Assets on New Capital – which will (a) reduce current assets and increase capital assets and (b) will reduce unrestricted net assets and increase invested in capital assets, net of debt.

Principal Payment on Debt – which will (a) reduce current assets and reduce long-term debt and (b) reduce unrestricted net assets and increase invested in capital assets, net of debt.

Reduction of Capital Assets through Depreciation – which will reduce capital assets and invested in capital assets, net of debt.

Current Year Impacts

The Village's governmental activities net assets increased \$8.8 million and can be attributed to several factors. The Village received \$2.3 increase in charges for services. The Village also received an increase in property tax revenue of \$1.2 million over 2005. Finally, sales, income, utility and other tax revenue increased by approximately \$3.2 million from 2005. Current year impacts are discussed in more detail in Table 2.

Changes in Net Assets

The following chart compares the revenue and expenses for the current fiscal year.

Table 2
Changes in Net Assets
For the Fiscal Year Ended April 30, 2006
(In millions)

	2006	2005	2006	2005	2006	2005
REVENUES	Governmental Activities	Business-type Activities	Total Primary Government	Governmental Activities	Business-type Activities	Total Primary Government
Program Revenues	\$ 8.0	\$ 5.7	\$ 19.4	\$ 8.0	\$ 5.7	\$ 19.4
Charges for Services	1.2	2.4	2.4	1.2	2.4	2.4
Operating Grants and Contributions	3.5	4.5	4.5	3.5	4.5	4.5
Capital Grants and Contributions	-	-	-	-	-	-
General Revenues	10.5	9.3	10.5	10.5	9.3	10.5
Property Taxes	6.3	5.5	6.3	6.3	5.5	6.3
Sales Taxes	2.7	2.7	2.7	2.7	2.7	2.7
Income Taxes	5.6	4.8	5.6	5.6	4.8	5.6
Utility Taxes	3.0	1.4	3.0	3.0	1.4	3.0
Other Taxes	2.0	1.9	-	2.0	1.9	-
Transfers	1.2	0.9	2.7	1.2	0.9	2.7
Other	44.0	39.1	59.4	44.0	39.1	59.4
Total Revenues	\$256.2	\$247.4	\$351.7	\$256.2	\$247.4	\$351.7
EXPENSES	9.7	7.2	9.7	9.7	7.2	9.7
General Government	13.2	12.5	13.2	13.2	12.5	13.2
Public Safety	7.9	5.2	20.2	7.9	5.2	20.2
Public Works	2.8	2.7	2.8	2.8	2.7	2.8
Culture and Recreation	1.6	1.6	1.6	1.6	1.6	1.6
Debt Service	35.2	29.2	47.5	35.2	29.2	47.5
Total Expenses	8.8	9.9	11.9	8.8	9.9	11.9
CHANGE IN NET ASSETS	8.8	9.9	11.9	8.8	9.9	11.9
ENDING NET ASSETS	\$256.2	\$247.4	\$351.7	\$256.2	\$247.4	\$351.7

2006 Governmental Activities Revenue



■ Charges for Services
■ Capital Grants
■ Other Taxes
■ Operating Grants
■ Property Tax
■ Other



■ General Government
■ Public Works
■ Culture & Recreation
■ Public Safety
■ Debt Service

2006 Governmental Activities Expenses

Management's Discussion and Analysis (Continued)

There are eight basic impacts on revenues and expenses as reflected below:

Normal Impacts

Revenues:

Economic Condition – which can reflect a declining, stable or growing economic environment and has a substantial impact on state income, sales and utility tax revenue as well as public spending habits for building permits, elective user fees and volumes of consumption.

Increase/Decrease in Village Board approved rates – while certain tax rates are set by statute, the Village Board has significant authority to impose and periodically increase/decrease rates (water, wastewater, impact fee, building fees, home rule sales tax, etc.)

Changing Patterns in Intergovernmental and Grant Revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring (or one-time) grants are less predictable and often distorting in their impact on year-to-year comparisons.

Market Impacts on Investment Income – the Village's investment portfolio is managed using a similar average maturity to most governments. Market conditions may cause investment income to fluctuate.

Expenses:

Introduction of New Programs – within the functional expense categories (Public Safety, Public Works, General Government, Parks, etc.) individual programs may be added or deleted to meet changing community needs.

Increase in Authorized Personnel – changes in service demand may cause the Village Board to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent 80% of the Village's operating costs.

Salary Increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuels and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

Revenues:

For the fiscal year ended April 30, 2006, revenues from all activities totaled \$59.4 million. The Village has a very diversified revenue structure and depends on several key revenue sources to help pay for the services provided. These sources include property taxes, sales taxes, utility taxes, shared revenues from the State (income tax, Motor Fuel tax), building permits, grants, developer contributions, rubbish collection fees, water and sewer sales to customers and tap-on fees.

The Village saw a 14% increase in the equalized assessed valuation (EAV) from \$704 million to \$783 million. The increase in its property tax revenue in 2006 compared to previous years was 13%. The tax rate increased from \$1.03 to \$1.043 per \$100 EAV. The Village, as a Home Rule community is not subject to the property tax cap laws. Due to the new growth and increased rate the Village was able to collect an additional \$1.2 million in property tax (\$10.5 million vs. \$9.3 million).

The Village saw an increase in other tax revenue over the prior year of \$3.2 million or 28%. This increase can be attributed to growth in both the residential and business in the Village. The majority of the increase came from the Sales Tax (\$0.8 million), Utility Tax (\$0.8 million). The remaining increases can be attributed to residential and commercial/industrial growth.

License and permit revenue increased 70% in 2006 from \$1.0 million in 2005 to \$1.7 million in 2006. The increase came from an increase in building permits (\$0.6 million). The increase in building permits came from an increase in commercial and industrial growth and a change in the fee structure which was offset by a slow down in housing starts.

Developer contribution revenue increased in 2006 from \$0.6 million in 2005 to \$1.8 million in 2006. The Village received \$1.4 million more in contributions for road infrastructure for Norman town road improvements. Developer contributions will fluctuate greatly from year to year depending on the amount, timing and location of the development. The Village receives contributions from a variety of sources and timing mechanisms that correspond with development. Depending on the annexation agreement, agreement with the developer and/or road recapture agreement fees may be captured at the start, end or throughout the life of a project.

Investment returns, excluding pension funds, increased by approximately 157% due to increased interest rates and an increase in available General Corporate funds to invest.

Charges for services increased by \$3.5 million or 18%. The increase came from both Government activities (\$2.3 million) and Business-Type Activities (\$1.2 million). Government activities saw large increases in the following areas; Engineering Fees (\$0.6 million); Building Permits (\$0.6 million); Lockport Fire Protection Agreement (\$0.6 million); and Rubbish Collection Fees (\$0.1 million). The engineering fees increase resulted from growth in large commercial and industrial projects, an increase in the fees charges from 3% to 4% and enhanced collection efforts of the fees. The Lockport Fire Protection District agreement was renegotiated to increase the shared percentage rate (for property taxes included in the agreement) from 35% to 50% and to include a larger agreement territory included within the Village. The new agreement results in higher revenues for both the Village and the Lockport Fire Protection District. Rubbish fees increased due to a 3% rate increase and growth in the Village. The engineering services reimbursements will fluctuate greatly from year to year depending on the amount, timing and location of development.

The Business type activities (water and sewer operations) increase was from water and sewer sales (\$1.0 million) and pre-treatment fees (\$0.6 million) which was offset by a decrease in tap-on fees (\$0.5 million). The tap-on fees and water meter decreases are a result of decreasing housing starts. The water and sewer revenue increase was due to growth and a 3% rate increase. The Village implemented a pre-treatment fee schedule to recover costs associated with sewer users that introduce certain types of waste into the system that requires treatment beyond what is customary. The users have the option of either pre-treating the sewage so that it requires only normal treatment from the Village or pay additional fees to the Village for the additional treatment required. One large user, a meat processor, is paying the fees while building a pre-treatment plant and rerouting sewer to the Village of Bolingbrook (where user is located). Tap-on fees decreased due to fewer housing starts.

The Police Pension fund had a poor year in 2006. Actuarial assumptions estimate that the Village will return 7% annually for pension fund purposes when, in actuality, the Police Pension fund returned only 2.55% in 2006. However, the fund did increase by 7% in value from a combination of investment earnings, Village contributions and employee contributions. The Police Pension fund has a diverse portfolio that includes cash and cash equivalents (10%), treasuries and agencies (42%) and various annuities and equities (48%). The low returns are due to unfavorable changes in market valuation and interest earnings.

The Fire Pension fund had a poor year in 2006. Actuarial assumptions estimate that the Village will return 7% annually for pension fund purposes when, in actuality, the Fire Pension fund only returned 2.87% in 2006. However, the fund did increase by 17% in value from a combination of investment earnings. The Fire Pension fund is very conservative with approximately 90% of the assets invested in cash equivalents (10%), federal treasuries, agencies and municipal bonds (80%). The remaining 10% is invested in mutual funds. The low returns are due to unfavorable changes in market valuations of investments and interest earnings.

Expenses:

The Village's total expenses for all activities for the year ended April 30, 2006 were \$47.5 million. Expenses increased 16% (\$6.5 million) as compared to 2005.

General government costs increased by \$2.5 million, including \$0.8 million which came from Downtown TIF activities including providing assistance to the Valley View School District to relocate their bus barn from the current inappropriate, old undersized site next to the Recreation Center to a more suitable, larger modern location in a business park.

Management's Discussion and Analysis (Continued)

Other increases include a \$0.5 million distribution of Marquette TIF surplus that was redistributed to the various taxing bodies, \$0.5 million from contractual services including insurance, utility auditor payments and computer software. Remaining increases came from personnel cost increases (\$0.3 million) including raises and additional IT, Finance Department and Community Development staff and inflationary factors.

The Public works activities accounted for the largest share of the total increase, which was \$3.2 million. Public works government activities relate to the maintaining of Village streets and storm sewers, fleet and building maintenance and refuse collection. The \$2.7 million increase came mostly from increased road and infrastructure maintenance projects along with increased personnel costs, engineering costs and inflationary factors.

Business activities (water and sewer) increased by \$0.5 million or 4%. The increase was due to growth and inflation. The Village maintains its own wastewater treatment plant. Additionally, the Village also provides water to its residents through its system of wells. The water and sewer operations accounted for 61% of the total Public Works activities.

Public safety expenses related to the operations of the Police and Fire Departments accounted for \$13.2 million of the total expenses. The \$0.7 million increase came from additional personnel, raises, insurance increases and pension contribution increases. Personnel costs accounted for 76% of the total public safety costs. The Village has an authorized strength of 65 sworn police personnel and 13 full-time fire personnel plus a pool of approximately 40 part-time fire personnel. The patrol officers are members of the Metropolitan Alliance of Police Chapter 342. The fiscal year was the third year of a three-year contract. Negotiations are expected to end in arbitration. Fire personnel were not unionized during FY 05-06 but are in the process of becoming unionized.

Financial Analysis of the Village's Funds

Governmental Funds

At April 30, 2006, the governmental funds (as presented on the balance sheet on page 17) reported a combined fund balance of \$25.0 million. Revenues and other financing sources (uses) exceeded expenditures in 2006 by \$6.4 million. The primary reason for this surplus was due to a \$4.9 million increase in revenues over the prior year. The main increases in revenue were property taxes and charges for services as discussed above. The Village was able to keep expenditures in total \$8.8 million below 2006 revenues, which assisted in creating a surplus of net assets.

General Fund Budgetary Highlights

At the first Village Board meeting in May, the Mayor submits to the Village Board a proposed operating budget for the fiscal year commencing on May 1. The operating budget includes proposed expenditures and the means to finance them. The Village had no budget amendments in 2006. Below is a table that reflects the original budget and the actual activity for the revenues and expenditures for the General Fund.

Table 3 General Fund Budgetary Highlights (in millions)		
General Fund	Original Budget	Actual
Revenues and Other Financing Sources	\$6.6	\$6.6
Taxes	12.5	13.9
Other taxes	0.1	0.5
Interest	0.3	0.4
Fines	1.3	1.7
Licenses and permits	2.9	3.7
Charges for services	2.7	3.0
Intergovernmental	0.5	-
Developer contributions	1.3	1.4
Other	2.0	2.8
Other financing sources	30.2	34.0
Total		

Expenditures and Other Financing Uses		Change in Fund Balance	
		Total	
General government	7.9	30.2	\$ -
Public safety	11.6	2.1	
Public works	5.6	3.0	
Capital outlay	3.1	2.1	
Other financing uses	6.6	27.9	\$6.1

As shown above the General Fund was budgeted break-even, while actual results were a \$6.01 million surplus. There are several factors that attributed to this surplus.

The Village received \$1.4 million more in other taxes than anticipated. The Village received an additional \$0.6 million in Real Estate Transfer Tax, \$0.7 million in utility tax and \$1.0 million in Home Rule sales and gas tax. The Village under anticipated the effect of new growth on those revenue streams.

The Village received \$0.4 million in interest income due to greater than anticipated funds to invest.

The Village received \$0.4 million more in licenses and permits due to receiving \$0.3 million more than 2005 in building permits. The Village implemented a new fee schedule and saw increased activity in industrial and commercial permits.

The Village received \$0.8 million more than anticipated in charges for services due to \$0.6 million more in engineering fees which were the result in an increased fee schedule and better collection effort. The remaining increases were due to greater than anticipated growth and were spread out over a variety of accounts

The Village received \$0.3 million more than anticipated in intergovernmental revenues. The Village received \$0.3 million more than anticipated in State income tax which was distributed at a higher per capita amount than budgeted.

The Village anticipated receiving \$0.5 million in developer contributions, while no contributions were collected. The \$0.5 is tied to development projects that are under various phases of construction. The funds will be received in future years as the developments are completed.

General government expenditures were under budget by \$1.3 million. The majority of the savings were in reserves for TIF repayment (\$0.3 million), insurance premiums (\$0.2 million), outside inspection services (\$0.2), salaries (\$0.1 million), services for master planning and new facilities (\$0.1 million), and Reserves for Fund Balance repayment (\$0.1). The salary savings were from various areas in Administration, Finance and Community Development.

Public safety expenditures were under budget by \$0.8 million. The savings were in salaries due to the timing of hiring new and replacement police and fire personnel.

Public Works expenditures were under budget by \$0.3 million. The savings were in street and sanitation budget due to contractual savings on projects and personnel costs due to turnover and hiring delays.

The Village made a concerted effort to keep General Fund expenditures within or under budget for FY 2005-06. The Village, at the start of FY 2004-05 had a negative fund balance of \$0.6 million. The FY 05-06 fund balance is now at \$8.4 million. The Village's long term goal is to have a positive fund balance equal to 25% of the General Fund budget. The Village increased the fund balance by \$6.0 million. The Village's targeted fund balance as of April 30, 2006 was \$7.6 million. The FY 2006-07 budget is \$35.4 million, with a targeted fund balance of \$8.8 million. The Village plans to include a budgeted reserve for fund balance so that the appropriate fund balance levels can be reached and/or maintained.

Management's Discussion and Analysis (Continued)

Capital Assets

At the end of the fiscal year 2006, the Village had a combined total of capital assets of \$350.6 million (after accumulated depreciation of \$83.8 million) invested in a broad range of capital assets including land, land improvements, buildings, vehicles, machinery and equipment, furniture and fixtures, streets, bridges, water mains, storm sewers and sanitary sewer lines. (See Table 4 below). This amount represents a net increase (including additions and deletions) of just over \$18.8 million. The Net Capital Assets of the Village increased by \$8.8 million over 2005. The main reason for the increase can be attributed to an increase in the Village's infrastructure in 2006. The majority of the infrastructure increases were in roads and the water and sewer system.

Table 4

Total Capital Assets at Year End (in millions)			
Net of Depreciation			
	Balance 4/30/05	Net Additions/Deletions	Balance 4/30/06
Land	\$154.0	\$ -	\$154.0
Buildings	13.6	(0.4)	13.2
Machinery and Equipment	4.3	0.2	4.1
Furniture and Fixtures	1.0	-	1.0
Vehicles	1.3	.5	1.8
Infrastructure	161.8	5.9	167.8
Other Equipment	0.6	-	0.5
Construction in Progress	5.2	3.0	8.2
Total Capital Assets	\$341.8	\$8.8	\$350.6

As of April 30, 2006 the Village had outstanding bonded debt of \$48.6 million, net of deferred loss on refunding of \$0.2 million. Of this amount \$11.0 million represented alternative revenue bonds related to business-type activities, while general obligation bonds associated with business-type activities totaled \$12.4 million. Alternative revenue bonds associated with governmental activities totaled \$3.3 million at April 30, 2006, while general obligation bonds associated with governmental activities totaled \$22.1 million.

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved September 26, 2005 and provides for a repayment period of 20 years commencing May 11, 2008. The outstanding balance is reported as long-term in the Statement of Net Assets - Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$25,663,790 at an interest rate of 2.50%. In addition, the loan accrues interest of 2.5% that is calculated monthly. As of April 30, 2007, the total outstanding principal and interest is \$4,295,895 and \$10,035, respectively.

On September 27, 2005, the Village issued \$6,480,000 of General Obligation Refunding Bonds, Series 2005. A portion of the proceeds of \$6,697,332 (including premium of \$17,332) were used to retire \$6,442,302 of outstanding General Obligation Alternative Revenue Bonds, series 1996B and pay issuance costs of \$100,270. The transaction resulted in a gain on refunding of \$45,330.

The Village is no longer subject to the debt limit due to its Home Rule community status. A brief discussion of Home Rule is found below in the Economic Factors section of the Management Discussion and Analysis.

However, The Village's legal debt limitation would be \$87,436,096 if it were a non-home rule community. The limit is based on 8.625% of the 2006 equalized assessed valuation of \$1,013,751,842.

Economic Factors

The Illinois General Assembly has imposed property tax legislation on municipalities to give property taxpayers some relief by delaying tax increases each year. The legislation limits the levy increase to the lesser of the consumer price index (CPI) or five percent and mandates the use of prior year equalized assessed valuation (EAV) amounts to generate property tax receipts. This "tax cap" had limited the Village's tax collection ability.

However, beginning with the 2004 tax levy, the Village was no longer subject to the "tax cap." The Village became a Home Rule community in February of 2004. Home Rule communities are not subject to the tax cap, have no legal debt limit, can implement additional revenue sources not available to non Home Rule communities and can implement regulations not available to non Home Rule communities. Under Illinois State Statutes a Village or City automatically qualifies as a Home Rule Community when the population exceeds 25,000.

The Village conducted a special census, administered by the US Census Bureau, during the spring of 2006 which revealed a new official population of 36,709. The prior official population based on the 2003 Special Census was 33,861. The result was an increase of 2,848 residents. The increase of 2,848 residents will result in an estimated additional \$333,000 (\$117.00 per capita) in state shared revenues on an annual basis. Those revenues include the State Income Tax, the Motor Fuel Tax, and Use Tax. The census will be conducted only in the high growth areas of the Village. The census cost the Village \$130,500.

The financial condition of the Federal and State governments has had a dramatic effect on the Village of Romeoville during 2006 and is expected to continue into 2007. Grant assistance is extremely competitive and previously reliable state shared revenues, (especially the income tax and use tax) had been reduced on a per capita basis. However, shared revenues have now again started to increase on an annual basis. The Village will need to look internally and consider increasing other revenue sources and/or reduce expenditures until these larger governments get their finances in order.

The Village implemented a Home Rule sales tax of 1% and a 2 cent per gallon gas tax during FY 2004-05. The sales tax generated for the first full \$2.8 million fiscal year. The Village only collected the tax for 7 months during FY 2004-05 (\$1.8 million) due to the implementation process required by the State. The Village increased the gas tax to 4 cent per gallon for FY 2006-07.

The Village also implemented use tax on natural gas at 2.5 cents per therm. The tax replaced the Village's 5% utility tax. The tax went into effect for usage after January 1, 2005. The use tax captured taxes on usage that was previously not subject to the utility tax due to FCC regulations that prevented the tax from being imposed on gas that was purchased out-of-state from third party suppliers. The use tax is also fairer to the residents who will pay a tax consistent with usage versus usage and the fluctuating market values of gas. The new tax placed an especially large burden on the CITGO refinery, which had purchased gas from a third party supplier. The refinery uses over 2 million therms per month (over \$50,000 in tax). The Village did not intend for the tax to place a burden on any single user. The Village revised the rate schedule to 2.5 cents per therm for the first 775,000 therms used each month and .001 per therm thereafter. The revised rate went into effect for usage after September 1, 2006. No use taxes for prior periods were paid back to Citigo. The Village will realize \$200,000 more in annual revenue with the revised natural gas use tax versus the 5% utility tax on natural gas.

It was discovered over the course of FY 2005-06 that the State of Illinois had improperly allocated \$824,000 in sales tax collected by CITGO to the Village over a period of several years. Half of the CITGO refinery resides in the Village and the other half is in unincorporated Will County but the address is a Romeoville address. The sales did occur in unincorporated Will County. The State determined in June of 2006 that the Village, through monthly deductions from sales tax distributions would repay the misallocated sales tax \$11,447 per month for 72 months.

The Village pursued the implementation of a Real Estate Transfer Tax. The tax, by state statute, can only be implemented by Home Rule communities but still must be approved by the voters through the referendum process. The Village was able to successfully pass the referendum during the April 5, 2005 elections. The Real Estate Transfer Tax was implemented in June of 2005 and generated \$1.25 million which exceeded the estimated referendum amount of \$1,073,000. The Village pledged, through the referendum process, to use half the proceeds for recreational projects and open space acquisition and the other half for growth related capital projects and public safety equipment.

Fiscal year 2003-04 saw the start of a slow down in residential growth in the Village. The trend continued during the 2005-06 Fiscal Year. The Village's housing starts have decreased from the 700 to 1,200 range to the 100 to 150 range.

The Village will start to receive fewer funds from growth related revenues including building permits and tap-on fees and will start to experience smaller annual increases in areas such as water and sewer revenues, utility tax and recreation department revenues. However, the Village is seeing an increase in commercial and industrial development will have a positive impact on sales tax, property tax, utility tax, business licenses and water and sewer revenues. The Village reviewed and adjusted its fee structures pertaining to building permits. The old fee structure, with a few minor exceptions, had not been revised since 1996. Building fees in the Village tended to be lower than those of surrounding and similar communities. The fees were adjusted to a more competitive level. The revised fees will bring an additional \$250,000 to \$500,000 per year versus the old schedule. The Village will see both Wal-mart and Target break ground in the Village during FY 2006-07. The stores are anticipated to open during the 2007-08 Fiscal Year. The stores will each anchor a retail center located kitty-corner from each other on the corner of Airport and Weber Road.

The Village, in hope of revitalizing what will now be designated as the downtown area, has formed a new Tax Increment Finance District (Downtown TIF) to provide a funding mechanism for the needed activities and projects. The revitalization will provide an economic engine on the Village's aging North side. The revitalization is expected to have a long-term positive impact on property taxes, sales taxes, building permits and other revenue sources. More importantly, the Downtown TIF is expected to improve the quality of life for the residents. The Downtown TIF is anticipated to attract new quality businesses to the area and some new housing (100 to 200 units) in the form of upscale town homes and/or mid-rise condominiums. Businesses may include a food store to replace the departed Sterk's store, a hardware store, restaurants, coffee shops, bakeries, a movie theater, boutique shops, and a community center with indoor pool facilities, a park with a band shell and a new or renovated library facility. The plans are still in preliminary stages. The Village continues to meet with developers after the formation of the TIF to refine the Village's downtown vision. It is anticipated that a master developer will be selected during the 2007-08 fiscal year.

The downtown area is generally bounded by Normantown Road on the north, Illinois Route 53 on the east, Alexander Circle on the south and Dahlart Avenue on the west. The area includes what currently is the Spartan Square Shopping Center and the surrounding vacant land and various out lots.

The entire Downtown TIF area is approximately 421 acres including the Downtown Area. The Downtown TIF will extend east of the Downtown area to include nearby industrial parks and open space up to and along the Des Plaines River and south along the Route 53 frontage properties to Romeo Road. The Downtown TIF is contiguous to the existing Marquette TIF.

The Village will spend \$46.5 million in projects throughout the Downtown TIF area with the main focus in the designated downtown area. Twenty million dollars will be spent on infrastructure including improvements to storm water systems and to improve and realign roadways. Fifteen million dollars will be used for property assembly and preparation. The Village plans on constructing a large park area and a multi-purpose community center in the downtown. Ten million dollars will be used to assist property owners with property rehab, relocation expenses and other incentives. The Village has implemented extensive design standards for properties located within the TIF area and wants to improve the existing structures to meet the new standards. One million dollars will be used for studies, legal fees and administrative expenses. The remaining funds will be used for job training and job assistance. It is anticipated that the Village will have to issue General Obligation TIF bonds to provide the immediate funding needed for a portion of the projects. The Village would expect, based upon a \$25 million bond issue, to pay \$18 million in financing costs. The bonds would be paid with TIF funds.

The Downtown TIF will allow the Village to capture property tax dollars based upon additional equalized assessed value (EAV) realized above 2003 values and the combined tax rate for all taxing bodies. Property owners in the Downtown TIF will pay the property taxes they would normally pay. The taxing bodies would receive property taxes based upon the 2003 EAV of the TIF area and the Village would receive the remaining portion of property taxes for the incremental EAV above the 2003 level. The Village has received approval and support from the taxing bodies affected by the Downtown TIF, including the Valley View 365U School District. The Village began to receive TIF funds in the 2006-07 fiscal year.

The Village plans to construct a community center, which will include indoor pool facilities, in the Downtown TIF District. The community center will give the Village a presence in the downtown and will serve as an attraction to bring both a daytime and nighttime population to the downtown. The community center would cost an estimated \$12 million. The community center may contain space for a performing arts center/stage, gymnastics, martial arts, dance, a gymnasium, community rooms, an indoor lap pool, indoor splash pool and slides and a home for the Special Recreation Association. The community center project would be included as part of the Downtown TIF bond issue. It is anticipated that the community center will open late 2009 or early 2010.

Management's Discussion and Analysis (Continued)

The Downtown TIF's base 2003 EAV is \$9.9 million and is anticipated to grow to \$55 million by the final year of the TIF (2027) or a final increment of \$45.1 million. The Downtown TIF will have two main revenue sources to support the planned projects. The Downtown TIF will generate an estimated \$35.5 million in Downtown TIF property taxes and interest. An additional \$22 million is anticipated to be imported from the existing Marquette TIF. State Statutes allow the villages to import/export TIF Funds between TIF Districts if they are contiguous with each other.

The Village needs new facilities to house current and future Village Employees. The Village's Police Department is most in need of additional space. The Village conducted a space needs analysis during the 2005-06 fiscal year. The Village, spread out over several locations and buildings, currently operates out of a space of slightly over 32,000 square feet, including the Police Department's 11,400 square feet of space. The space serves 154 employees. The Village will build a combined Village Hall and Police Station. Currently, residents have to go to several locations to access Village services. The new 115,000 square foot facility would combine those services at one location. It is anticipated that the new facility would be completed by late 2009 or early 2010. The Village will also construct one, possibly two new fire stations if funds are available.

The Village investigated several sights for the facilities. The Village Hall/Police Station will be located on a site immediately west of the Recreation Center on 135th St. The possible second Fire Station would be located on that site as well. The first Fire Station will be built on the corner of Normantown Rd. and Birch Lane.

The Village would issue bonds to pay for the cost of construction. It is anticipated that the new buildings would cost from \$65 million. The debt service is not anticipated to be included as part of the property tax levy. The Village would use funds generated from home rule sales tax and Lockport Fire Protection District agreement to make the debt service payments. The Village will issue short-term variable bonds in 2006 to purchase the land for the Village Hall/Police Station and Fire Stations. The Village will issue one or two series of bonds to fund the construction and repayment of the variable bonds in 2007 and/or 2008 just prior to construction. The Village is developing the plans for the facilities and will go out to bid on the projects in late 2007/early 2008.

The Village, in order to increase sewage treatment capacity and meet EPA requirements has started to perform a wastewater consolidation and expansion project. The total project will cost \$31 million and will take several years to complete. The Village should complete the project in FY 08-09. The Village has secured an Illinois EPA Revolving Loan (\$26 million) for a low interest loan to fund the project. The current IEPA loan rate is 2.5%. The loan is for 20 years. Annual payments would be an estimated \$1.7 million. The loan would be repaid from water and sewer revenues.

The Village will no longer receive gaming tax in the future. The off-track betting facility located in the Village closed. The Village will lose \$130,000 per year in revenue.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. Questions concerning this report or requests for additional financial information should be directed to Kirk Openchowski, Finance Director, Village of Romeoville, 13 Montrose Drive, Romeoville, Illinois 60446.

Government-Wide Financial Statements

Fund Financial Statements

Village of Romeoville, Illinois

Statement of Net Assets

April 30, 2006

Assets			
Current Assets	Cash and cash equivalents	Investments	Receivables:
			Property taxes
			Accounts
			Other
			Prepays
			Internal balances
			Due from other governmental units
			Total current assets
Non-Current Assets	Unamortized bond costs and discounts	Capital assets not being depreciated	Capital assets being depreciated, net
	Total non-current assets		
	Total assets		
Liabilities and Net Assets			
Current Liabilities	General obligation bonds	Alternate revenue bonds	Accounts payable
	Accrued liabilities	Accrued interest	Deposits
	Developer advances	Compensated absences	Unearned revenue
	Total current liabilities		
Long-term Liabilities, net of current maturities	Deferred gain on refunding	General obligation bonds	Alternate revenue bonds
	Note payable	Capital leases	Unamortized bond premium
	Unamortized bond premium	Pension obligation	Compensated absences
	Total long-term liabilities		
	Total liabilities		
Net Assets	Invested in capital assets, net of related debt	Restricted for other purposes	Unrestricted
	Total net assets		
	Total liabilities and net assets		

Governmental Activities	Business-type Activities	Total
\$ 27,269,498	\$ 31,358,081	\$ 58,627,579
237,448	-	237,448
8,487,777	-	8,487,777
1,590,607	2,653,122	4,243,729
1,044,345	-	1,044,345
31,685	-	31,685
(3,719,829)	3,719,829	-
2,291,969	-	2,291,969
37,233,500	37,731,032	74,964,532
380,378	243,869	624,247
157,919,687	4,313,792	162,233,479
103,228,891	85,020,660	188,249,551
261,528,956	89,578,321	351,107,277
\$ 298,762,456	\$ 127,309,353	\$ 426,071,809

\$ 1,755,000	\$ 1,070,638	\$ 1,755,000
385,000	360,000	745,000
1,754,196	1,822,876	3,577,072
537,261	84,943	622,204
383,100	333,599	716,699
1,306,896	113,891	1,420,787
-	1,639,337	1,639,337
147,637	105,123	252,760
8,656,952	-	8,656,952
13,855,404	5,530,407	19,385,811
42,746	42,746	32,740,000
21,394,708	11,345,292	13,555,000
2,930,000	4,295,895	4,295,895
-	-	580,646
580,646	-	533,225
533,225	-	1,420,674
1,883,259	-	1,883,259
28,742,512	26,308,933	55,051,445
42,597,916	31,839,340	74,437,256
\$ 235,173,862	61,637,627	296,811,489
10,454,082	-	10,454,082
10,536,596	33,832,386	44,368,982
256,164,540	95,470,013	351,634,553
\$ 298,762,456	\$ 127,309,353	\$ 426,071,809

See Notes to Basic Financial Statements.

Program Revenues		Net (Expense), Revenue and Changes in Net Assets	
Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities
Charges for Services	Expenses	Total	
Program Revenues	Functions/Programs		
Operating Grants and Contributions	Governmental activities:		
Capital Grants and Contributions	General government		
	Public safety		
	Public works		
	Culture and recreation		
	Interest and fees		
	Amortization of costs		
	Total governmental activities		
	Business-type activities:		
	Water and sewer		
	Total		

See Notes to Basic Financial Statements.

Assets	General Fund	Recreation Fund	Marquette Center TIF Fund	Non-Major Governmental Funds	Total Governmental Funds
Cash and cash equivalents	\$ 11,734,857	\$ 1,129,046	\$ 8,256,991	\$ 6,148,604	\$ 27,269,498
Investments	839	236,609	-	-	237,448
Receivables:					
Property taxes	7,026,102	570,879	-	890,796	8,487,777
Accounts	442,256	108,256	-	1,040,095	1,590,607
Other	1,015,212	29,133	-	-	1,044,345
Due from other funds	569,898	-	2,328,133	5,799	2,903,830
Prepays	31,685	-	-	-	31,685
Advances to other funds	601,412	-	-	-	601,412
Due from other governmental units	2,214,377	-	-	77,592	2,291,969
Total assets	\$ 23,636,638	\$ 2,073,923	\$ 10,585,124	\$ 8,162,886	\$ 44,458,571
Liabilities and Fund Balances					
Liabilities					
Accounts payable	\$ 913,867	\$ 190,458	\$ 517,621	\$ 132,250	\$ 1,754,196
Accrued liabilities	479,486	51,350	-	6,425	537,261
Deposits	1,306,847	49	-	-	1,306,896
Due to other funds	5,347,962	1,261,187	-	14,510	6,623,659
Advances from other funds	-	601,412	-	-	601,412
Deferred revenue	7,195,277	570,879	-	890,796	8,656,952
Total liabilities	15,243,439	2,675,335	517,621	1,043,981	19,480,376
Fund balances:					
Reserved for:					
Advances	601,412	-	-	-	601,412
Prepays	31,685	-	-	-	31,685
Unreserved (deficits):					
General fund	7,760,102	-	-	-	7,760,102
Special revenue funds	-	(601,412)	-	1,179,603	578,191
Debt service funds	-	-	-	35,453	35,453
Capital projects funds	-	-	10,067,503	5,903,849	15,971,352
Total fund balances	8,393,199	(601,412)	10,067,503	7,118,905	24,978,195
Total liabilities and fund balances	\$ 23,636,638	\$ 2,073,923	\$ 10,585,124	\$ 8,162,886	\$ 44,458,571

See Notes to Basic Financial Statements.

Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
April 30, 2006

Total fund balances-governmental funds	\$	24,978,195
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.		261,148,578
Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.		380,378
Premium on bonds that is other financing use in the fund financial statements is a liability that is amortized over the life of the bonds in the government-wide financial statements.		(533,225)
Some liabilities reported in the statement of net assets do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds. These activities consist of:		
Accrued interest		(383,100)
General obligation bonds		(22,079,070)
Alternative revenue bonds		(3,315,000)
Pension obligations		(1,420,674)
Compensated absences		(2,030,896)
Capital lease		(580,646)
Net assets of governmental activities	\$	256,164,540
See Notes to Basic Financial Statements.		

Combined Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds
Year Ended April 30, 2006

	General Fund	Recreation Fund	Marquette Center TIF Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 6,629,402	\$ 433,975	\$ 2,575,010	\$ 907,048	\$ 10,545,435
Other taxes	13,885,818	801,393	-	-	14,687,211
Interest	509,555	18,561	281,700	283,762	1,093,578
Fines	422,347	-	-	-	422,347
Licenses and permits	1,664,456	-	-	-	1,664,456
Charges for services	3,731,574	723,188	-	-	4,454,762
Intergovernmental	3,008,954	-	-	1,026,069	4,035,023
Developer contributions	-	376,423	-	1,466,983	1,843,406
Other	1,360,875	157,830	-	-	1,518,705
Total revenues	31,212,981	2,511,370	2,856,710	3,683,862	40,264,923
Expenditures:					
General government	6,615,749	-	546,098	794,601	7,956,448
Public safety	10,820,900	-	-	-	10,820,900
Public works	5,275,414	-	-	607,698	5,883,112
Culture and recreation	-	2,377,060	-	-	2,377,060
Debt service:					
Principal	175,553	-	-	749,362	924,915
Interest and fees	18,616	-	-	1,190,055	1,208,671
Capital outlay	3,051,051	448,033	-	4,009,950	7,509,034
Total expenditures	25,957,283	2,825,093	546,098	7,351,666	36,680,140
Excess (deficiency) of revenues over (under) expenditures	5,255,698	(313,723)	2,310,612	(3,667,804)	3,584,783
Other financing sources (uses):					
Capital lease proceeds	756,199	-	-	-	756,199
Transfers in	2,047,000	1,058,300	-	2,699,700	5,805,000
Transfers (out)	(2,073,500)	(9,500)	(1,675,000)	(27,000)	(3,785,000)
Total other financing sources (uses)	729,699	1,048,800	(1,675,000)	2,672,700	2,776,199
Net change in fund balances	5,985,397	735,077	635,612	(995,104)	6,360,982
Fund balances (deficits):					
May 1, 2005	2,407,802	(1,336,489)	9,431,891	8,114,009	18,617,213
April 30, 2006	\$ 8,393,199	\$ (601,412)	\$ 10,067,503	\$ 7,118,905	\$ 24,978,195

See Notes to Basic Financial Statements.

Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
to the Statement of Activities
Year Ended April 30, 2006

Net change in fund balances—total governmental funds		\$	6,360,982
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital assets exceeded depreciation expense in the current period.			
Capital Outlays		\$	6,236,570
Developer contributions of capital assets			1,655,499
Depreciation expense			(5,005,121)
			2,886,948
Some capital additions were financed through the issuance of capital leases. In governmental funds, capital leases are considered other financing sources, but in the Statement of Net Assets, debt is reported as a liability. In the current period, proceeds were received from:			
Capital lease			(756,199)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:			
General obligation bonds		\$	374,362
Alternative revenue bonds			375,000
Capital lease			175,553
			924,915
Discount on bonds is recorded as other financing uses in the fund financial statements, but the discount is recorded as an asset in the Statement of Net Assets which is amortized over the life of the bonds. These are the amounts in the current period.			
Amortization premium on bonds			28,566
Bond issuance costs are recorded as an expenditure in the fund financial statements, but the cost is recorded as an asset in the Statement of Net Assets which is amortized over the life of the bonds. These are the amounts in the current period.			
Amortization bond issuance costs			(20,378)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These activities consist of:			
Accrued interest			(383,100)
Increase in pension obligations			(36,897)
Increase in compensated absences			(256,205)
			(676,202)
Change in net assets of governmental activities		\$	8,748,632

See Notes to Basic Financial Statements.

Statement of Net Assets

Enterprise Fund
April 30, 2006

Business-type
Activities

Assets	
Current Assets	
Cash and cash equivalents	\$ 31,358,081
Accounts receivable	2,653,122
Due from other funds	3,719,829
Total current assets	37,731,032
Non-Current Assets	
Unamortized bond costs	243,869
Capital assets not being depreciated	4,313,792
Capital assets being depreciated, net	85,020,660
Total non-current assets	89,578,321
Total assets	\$ 127,309,353
Liabilities and Net Assets	
Current Liabilities	
General obligation bonds	1,070,638
Alternate revenue bonds	360,000
Accounts payable	1,822,876
Accrued liabilities	84,943
Accrued interest	333,599
Deposits	113,891
Developer advances	1,639,337
Compensated absences	105,123
Total current liabilities	5,530,407
Long-term Liabilities, net of current maturities	
Deferred gain on refunding	42,746
General obligation bonds	11,345,292
Alternate revenue bonds	10,625,000
Note payable	4,295,895
Total long-term liabilities	26,308,933
Total liabilities	31,839,340
Net Assets	
Invested in capital assets, net of related debt	61,637,627
Unrestricted	33,832,386
Total net assets	95,470,013
Total liabilities and net assets	\$ 127,309,353

See Notes to Basic Financial Statements.

Statement of Revenues, Expenses and Changes in Net Assets

Enterprise Fund

Year Ended April 30, 2006

Business-type
Activities

Operating revenues:	
Charges for services	11,626,449
Fines and fees	2,242,963
Developer contributions	890,922
Reimbursements	180,485
Other	591,350
Total operating revenues	15,532,169
Operating expenses:	
Water and sewer	7,095,486
Depreciation	2,927,459
Amortization	1,036,863
Total operating expenses	11,059,808
Operating income	4,472,361
Non-operating income (expense):	
Interest income	870,102
Interest expense	(1,137,984)
Loss on sale of capital assets	(114,432)
Total non-operating income (expense)	(382,314)
Income before contributions and transfers	4,090,047
Capital contributions	975,270
Transfers out	(2,020,000)
Change in net assets	3,045,317
Net assets:	
May 1, 2005	92,424,696
April 30, 2006	<u>\$ 95,470,013</u>

See Notes to Basic Financial Statements.

Statement of Cash Flows - Enterprise Funds
Year Ended April 30, 2006

Business-type Activities	
	Cash Flows from Operating Activities
	Cash received from customers
	Cash received from developers
	Payments to employees
	Payments to suppliers
	Net cash provided by operating activities
	Cash flows from non-capital financing activities
	Increase in due from other funds
	Decrease in advances to other funds
	Transfer out
	Net cash used in non-capital financing activities
	Cash flows from capital and related financing activities
	Additions to capital assets
	Proceeds from sale of capital assets
	Proceeds from general obligation bonds
	Proceeds from note payable
	Principal payments, general obligation bonds
	Principal payments, alternative revenue bonds
	Issuance costs paid on general obligation bonds issued
	Gain on refunded alternative revenue bonds
	Interest paid
	Net cash used in capital and related financing activities
	Cash flows from investing activities,
	Cash receipts from interest income
	Net increase in cash and cash equivalents
	Cash and equivalents:
	May 1, 2005
	April 30, 2006

(continued)

Statement of Cash Flows - Enterprise Funds - (Continued)

Year Ended April 30, 2006

Business-type Activities		
	Reconciliation of operating income to net cash provided by operating activities	
	Operating income	\$ 4,472,361
	Adjustments to reconcile operating income to net cash provided by operating activities:	
	Depreciation	2,927,459
	Amortization	1,036,863
	Changes in assets and liabilities	
	Accounts receivable	(1,525,769)
	Accounts payable	345,428
	Accrued liabilities	14,543
	Deposits	3,496
	Total adjustments	2,802,020
	Net cash provided by operating activities	\$ 7,274,381
	Supplemental Schedule of Non-Cash Capital Activities	
	Water and sewer line developer contributions	\$ 975,270
	See Notes to Basic Financial Statements.	

Assets	
Cash and cash equivalents	\$ 777,963
Investments:	
U.S. government and agency obligations	6,912,532
Local government bonds	67,218
Money market funds	758,593
Mutual funds	142,825
Annuity contracts	6,622,197
Total assets	\$ 15,281,328
Liabilities and Net Assets	
Liabilities, accrued liabilities	
Net assets held in trust for employees' benefits	15,279,866
Total liabilities and net assets	\$ 15,281,328

See Notes to Basic Financial Statements.

Statement of Changes in Fiduciary Net Assets

Pension Trust Funds
Year Ended April 30, 2006

Additions	
Contributions:	
Employer	894,048
Employee	408,502
Total contributions	1,302,550
Investment income:	
Net appreciation in fair value of investments	167,642
Interest	178,793
Total investment income	346,435
Total additions	1,648,985
Deductions	
Benefits	507,253
Administrative expense	12,417
Total deductions	519,670
Change in net assets	1,129,315
Net assets held in trust for employees' pension benefits:	
May 1, 2005	14,150,551
April 30, 2006	\$ 15,279,866

See Notes to Basic Financial Statements.

Note 1. Summary of Significant Accounting Policies

The Village of Romeoville, Illinois, is located in Will County, Illinois and was first incorporated in 1895 under the provisions of the constitution and general statutes of the State of Illinois. The Village operates under a Board administrator form of government. The Village Board consists of seven elected members that exercise all powers of the Village but are accountable to their constituents for all their actions. The Village provides the following services as authorized by its charter: public safety (police, fire, civil defense and emergency medical), highways and streets, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the Village of Romeoville conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental 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 accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB), the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

Appointment of a voting majority of the component unit's board, and either a) the ability to impose will by the primary government, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or

Fiscal dependency on the primary government.

Based upon the application criteria, no component units have been included within the reporting entity.

Government-wide and Fund Financial Statements

Government-wide Financial Statements: The government-wide Statement of Net Assets and Statement of Activities report the overall financial activity of the Village. Eliminations have been made to minimize the double counting of internal activities of the Village. The financial activities of the Village consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues, and business-type activities, which rely to a significant extent on fees and charges for services.

The Statement of Net Assets presents the Village's non-fiduciary assets and liabilities with the difference reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Government-wide and Fund Financial Statements (Continued)

Unrestricted net assets consist of net assets that do not meet the criteria of the two preceding categories.

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

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., general services, public safety etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements: Separate financial statements are provided for governmental funds, proprietary funds and fiduciary (agency) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the Village's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. The Village has the following major governmental funds - General Fund, Recreation Fund and Marquette Center TIF Fund. All remaining governmental funds are aggregated and reported as non-major governmental funds. The Village has the following major enterprise fund - Water and Sewer Fund.

The Village administers the following major governmental funds:

General Fund – This is the Village's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The services which are administered by the Village and accounted for in the general fund include general services, public works and public safety.

Recreation Fund – Accounts for revenue resources that are legally restricted for recreation purposes.

Marquette Center TIF Fund – This fund is used to account for all other capital projects transactions of the Village not financed through proprietary funds or other capital projects funds.

The Village administers the following major proprietary fund:

Water and Sewer Fund –accounts for the provision of water and sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service and billing and collection.

Additionally, the Village administers fiduciary (pension trust) funds for assets held by the Village in a fiduciary capacity on behalf of certain public safety employees.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the Village gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the Village has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, charges for services, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

The accrual basis of accounting is utilized by the proprietary and fiduciary funds. Under this method, revenues are recognized when earned and expenses, including pension contributions, benefits paid and refunds paid, are recognized at the time liabilities are incurred. Earned, but unbilled services in the enterprise fund are accrued and reported in the financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations.

Assets, Liabilities, and Net Assets or Equity

Cash and Cash Equivalents

The Village considers cash and cash equivalents to be all cash on hand, demand deposits, time deposits and all highly liquid investments with an original maturity of three months or less when purchased.

Investments

Investments are reported at fair value. Fair value is based on quoted market prices, except for insurance contracts which are carried at contract value, which approximates fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Interfund Receivables, Payables and Activity

The Village has the following types of transactions between funds:

Loans—amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net assets.

Services provided and used – sales and purchases of goods and services between funds for a price approximating their external exchange value. Interfund services provided and used are reported as revenues in seller funds and expenditures or expenses in purchaser funds. Unpaid amounts are reported as due to/from other funds in the fund balance sheets or fund statements of net assets.

Reimbursements—repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them. Reimbursements are reported as expenditures in the reimbursing fund and as a reduction of expenditures in the reimbursed fund.

Transfers—flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers. In proprietary funds, transfers in/out are reported as a separate category after non-operating revenues and expenses.

Capital Assets

Capital assets which include land and improvements, streets, sidewalks, buildings, storm sewers, sanitary sewers, water distribution system and machinery and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$25,000, and an estimated useful life of greater than three years. Additions or improvements that significantly extend the useful life of an asset, or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated fair market value at the date of donation.

Interest incurred during the construction phase of capital assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

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

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets and is provided on the straight-line basis over the following estimated useful lives:

	<u>Estimated Useful Lives</u>
Buildings and property	40 years
Machinery and equipment	5 – 20 years
Furniture and fixtures	5 – 20 years
Vehicles	5 years
Infrastructure	15 – 50 years

Gains or losses from sales or retirements of capital assets are included in the operations on the Statement of Activities.

Deferred Revenue

The Village defers revenue recognition in connection with resources that have been received, but not yet earned. Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

Compensated Absences

Vacation and sick leave are recorded in governmental funds when due (upon employee retirement or termination). Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. No liability is recorded for non-vesting accumulating rights to receive sick pay benefits. However an expenditure/expense is reported and a liability is recognized for that portion of accumulating sick leave benefits that is estimated will be taken as "terminal leave" at retirement. The General Fund is typically used to liquidate those liabilities.

Long-Term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations, including compensated absences, are reported as liabilities in the applicable governmental or business-type activities and proprietary fund Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using an effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental funds recognize bond issuance costs during the year the bonds are sold. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Assets, Liabilities, and Net Assets or Equity (continued)

Debt service funds are specifically established to account for and service the long-term obligations for the governmental funds debt. Enterprise funds individually account for and service the applicable debt that benefits these funds. Long-term debt is recognized as a liability in a governmental fund when due, or when resources have been accumulated for payment early in the following year.

Restricted Net Assets

For the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

Fund Balance Reserves and Designations

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.

Elimination and Reclassification

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Capital Contributions

Capital contributions reported in the governmental and proprietary funds represent capital assets donated from outside parties, principally developers.

Use of Estimates

The preparation of the 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 disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

New Accounting Pronouncements

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. This Statement amends certain provisions of Statement No. 3.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Effective May 1, 2005, the Village adopted the provisions of Governmental Accounting Standards Board Interpretation No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*. This Statement requires the Village to report the effect of capital asset impairment in their financial statements when it occurs and requires all governments to account for insurance recoveries in the same manner.

Note 2. Budgets

Budgetary Information

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

- a) The Finance Director submits to the Village Board of Trustees 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 by the Village to obtain taxpayer comments.
- c) Subsequently, the budget is legally enacted through passage of an ordinance.
- d) Formal budgetary integration is employed as a management control device during the year for the general, special revenue, certain debt service, and certain capital project funds.
- e) Budgets for those funds were adopted on a basis consistent with generally accepted accounting principles.
- f) Budgetary authority lapses at the year-end.
- g) State law requires that "expenditures be made in conformity with appropriation/budget." As under the Budget Act, transfers between line items and departments may be made by administrative action. Amounts to be transferred between funds would require Village Board approval. The level of legal control is generally considered to be the fund budget in total.
- h) Budget amounts are as originally adopted.

Deficit Fund Balances

As of April 30, 2006, the following funds had deficit fund balances:

<u>Fund</u>	<u>Amount</u>	<u>Intended Financing</u>
Recreation Fund	\$ 601,412	Program revenue

The non-major governmental 2004A General Obligation Bond fund over-expended its budget by \$5,160 for the year ended April 30, 2006.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 3. Cash and Investments

As of April 30, 2006, the Village adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40, *Deposit and Investment Risk Disclosures, an amendment of GASB Statement No. 3*.

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. The Village does not have a policy for custodial credit risk. As of April 30, 2006, \$9,939,497 of deposits were exposed to custodial credit risk due to being uninsured and uncollateralized.

Investments

As of April 30, 2006, the Village had the following investments and maturities:

	Fair Value	Investment Maturities (in Years)			
		Less Than 1	1-5	6-10	More Than 10
U.S. Treasury Notes	\$ 2,976,657	\$ 463,182	\$ 2,388,788	\$ 124,687	\$ -
U.S. Treasury Strips	24,053	-	-	-	24,053
U.S. agencies - FFCB	139,816	-	139,816	-	-
U.S. agencies - FHLB	1,216,217	-	236,948	547,129	432,140
U.S. agencies - FHLMC	660,805	-	181,908	12,647	466,250
U.S. agencies - FNMA	1,282,303	-	107,836	1,174,467	-
U.S. agencies - GNMA	612,681	-	-	-	612,681
Local Government Bonds	67,218	-	9,686	57,532	-
Illinois Funds *	33,661,917	33,661,917	-	-	-
Illinois Metropolitan Investment Fund *	8,034,664	8,034,664	-	-	-
Money Market Funds *	758,593	758,593	-	-	-
Total	\$ 49,434,924	\$ 42,918,356	\$ 3,064,982	\$ 1,916,462	\$ 1,535,124

* Weighted average maturity is less than one year.

Interest Rate Risk – The Village's investment policy does not specifically identify limits on investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

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

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 3. Cash and Investments (continued)

Credit Risk – State statutes authorize the Village to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. Pension funds may invest investments as allowed by Illinois Compiled Statutes. The Village's investment policy does not address credit risk.

As of April 30, 2006, investments in Illinois Funds were rated AAA by Standard and Poor's. The FFCB and FHLB were rated Aaa by Moody's Investors Services. The FHLMC, FNMA, and Local Government Bonds were rated Aaa – Aa3 by Moody's Investors Services and AAA by Standard and Poor and Fitch Ratings Services. The Illinois Metropolitan Investment Fund and Money Market Funds are not rated.

Concentration of Credit Risk – The Village's investment policy does not restrict the amount of investments in any one issuer. More than 5% of the Village's investments are in Annuities. The investment is 11.8% of the Village's total investments.

Custodial Credit Risk – For an investment, this is the risk that, in the event of failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The U.S. Treasury Notes and Strips, U.S. agency securities, local government bonds and annuity contracts are held by the Village's agent in the Village's name. The Illinois Funds, Illinois Metropolitan Investment Fund, Mutual Funds, and Money Market Funds are not subject to custodial credit risk. The Village's investment policy does not address custodial credit risk for investments.

Note 4. Property Taxes

The Village annually establishes a legal right to the property tax assessments upon the enactment of a tax levy ordinance by the Village Board of Trustees. These tax assessments are levied in December and attach as an enforceable lien on the previous January 1. Tax bills are prepared by Will County and issued on or about February 1 and August 1, and are payable in two installments which become due on or about March 1 and September 1. The County collects such taxes and periodically remits them to the Village.

The 2004 property tax assessment, which was levied in December 2004, is to finance the budget for the fiscal year beginning May 1, 2005 and the revenue to be produced from that assessment is to be recognized during that period, provided the "available" criteria has been met. "Available" means when due or receivable within the current period, and collected within that fiscal period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. For governmental fund types, property taxes collected in advance of the fiscal year for which they are levied are recorded as deferred revenue and recognized as revenue in the year for which they are levied except for employee pension taxes which are recognized as revenue in the year in which they are received. Property taxes accounted for in the enterprise fund are recognized as revenue at the time they are levied. A reduction for collection losses based on historical collection experience has been provided on uncollected tax levies.

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

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets

A summary of the changes in capital assets for governmental activities of the Village for the year ended April 30, 2006, is as follows:

	Balance May 1, 2005	Additions	Deletions	Balance April 30, 2006
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 154,015,357	\$ -	\$ -	\$ 154,015,357
Construction in progress	1,439,370	4,408,402	1,943,442	3,904,330
Total capital assets being depreciated	155,454,727	4,408,402	1,943,442	157,919,687
Capital assets being depreciated:				
Buildings and property	20,279,008	105,454	-	20,384,462
Machinery and equipment	1,832,412	370,715	45,811	2,157,316
Furniture and fixtures	1,457,970	134,473	-	1,592,443
Vehicles	3,504,510	784,759	-	4,289,269
Infrastructure	124,955,914	4,031,708	-	128,987,622
Total capital assets being depreciated	152,029,814	5,427,109	45,811	157,411,112
Less accumulated depreciation for:				
Buildings and property	6,667,276	512,848	-	7,180,124
Machinery and equipment	589,902	163,399	45,811	707,490
Furniture and fixtures	507,358	89,175	-	596,533
Vehicles	2,423,485	393,371	-	2,816,856
Infrastructure	39,034,890	3,846,328	-	42,881,218
Total accumulated depreciation	49,222,911	5,005,121	45,811	54,182,221
Total capital assets being depreciated, net	102,806,903	421,988	-	103,228,891
Governmental activities capital assets, net	\$ 258,261,630	\$ 4,830,390	\$ 1,943,442	\$ 261,148,578

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

A summary of changes in capital assets for business-type activities of the Village for the year ended April 30, 2006, is as follows:

	Balance May 1, 2005	Additions	Deletions	Balance April 30, 2006
Business-type activities				
Capital assets not being depreciated:				
Land	\$ -	\$ 9,328	\$ -	\$ 9,328
Construction in progress	3,716,239	7,743,283	7,155,058	4,304,464
Total capital assets being depreciated	3,716,239	7,752,611	7,155,058	4,313,792
Capital assets being depreciated:				
Building including permanent fixtures	37,693	-	24,731	12,962
Machinery and equipment	7,207,550	-	270,856	6,936,694
Vehicles	574,816	119,364	-	694,180
Infrastructure	97,946,517	8,203,030	-	106,149,547
Other equipment	1,070,031	-	25,773	1,044,258
Total capital assets being depreciated	106,836,607	8,322,394	321,360	114,837,641
Less accumulated depreciation for:				
Building including permanent fixtures	17,064	1,570	19,018	(384)
Machinery and equipment	4,150,080	369,674	159,887	4,359,867
Vehicles	357,199	39,840	-	397,039
Infrastructure	22,049,910	2,476,531	-	24,526,441
Other equipment	516,997	39,844	22,823	534,018
Total accumulated depreciation	27,091,250	2,927,459	201,728	29,816,981
Total capital assets being depreciated, net	79,745,357	5,394,935	119,632	85,020,660
Business-type activities				
Capital assets, net	\$ 83,461,596	\$ 13,147,546	\$ 7,274,690	\$ 89,334,452

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 5. Capital Assets (continued)

Depreciation was charged to functions/programs as follows:

Governmental activities:

General government	\$ 1,472,878
Public safety	2,003,139
Public works	1,089,068
Culture and recreation	<u>440,036</u>

Total depreciation expense - governmental activities \$ 5,005,121

Business-type activities:

Water and Sewer	<u><u>\$ 2,927,459</u></u>
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Note 6. Long-Term Obligations

The following is a summary of long-term obligation activity for the Village associated with governmental activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
General obligation bonds	\$ 22,453,432	\$ -	\$ 374,362	\$ 22,079,070	\$ 684,362
Alternative revenue bonds	3,690,000	-	375,000	3,315,000	385,000
Capital leases	-	756,199	175,553	580,646	-
Compensated absences	1,774,691	1,213,117	956,912	2,030,896	147,637
Pension obligation *	<u>1,383,777</u>	<u>36,897</u>	<u>-</u>	<u>1,420,674</u>	<u>-</u>
	<u><u>\$ 29,301,900</u></u>	<u><u>\$ 2,006,213</u></u>	<u><u>\$ 1,881,827</u></u>	<u><u>\$ 29,426,286</u></u>	<u><u>\$ 1,216,999</u></u>

*The General Fund resources are used to liquidate this liability.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

The following is a summary of long-term obligation activity for the Village with business-type activities for the year ended April 30, 2006:

	Outstanding Debt as of May 1, 2005	Additions	Reductions	Outstanding Debt as of April 30, 2006	Due within one year
General obligation bonds	\$ 5,956,568	\$ 6,480,000	\$ 20,638	\$ 12,415,930	\$ 1,070,638
Alternative revenue bonds	18,585,000	-	7,600,000	10,985,000	360,000
Note payable	-	4,295,895	-	4,295,895	-
Deferred gain on refunding	-	45,330	2,584	42,746	-
Unamortized bond issue costs	(1,183,046)	(100,270)	(1,039,447)	(243,869)	-
	<u>\$ 23,358,522</u>	<u>\$ 10,720,955</u>	<u>\$ 6,583,775</u>	<u>\$ 27,495,702</u>	<u>\$ 1,430,638</u>

An Illinois Environmental Protection Agency Clean Water State Revolving Funds loan agreement was approved September 26, 2005 and provides for a repayment period of 20 years commencing May 11, 2008. The outstanding balance is reported as long-term in the Statement of Net Assets – Enterprise Funds and the debt maturity schedule has been excluded since the payment terms have not been established. The agreement allows for a maximum loan drawdown of \$25,663,790 at an interest rate of 2.50%. In addition, the loan accrues interest of 2.5% that is calculated monthly. As of April 30, 2007, the total outstanding principal and interest is \$4,295,895 and \$10,035, respectively.

On September 27, 2005 the Village issued \$6,480,000 in General Obligation bonds, Series 2005 with an average interest rate of 3.24% to current refund \$6,442,392 of outstanding General Obligation (Alternative Revenue Source) bonds, Series 1996B with an average interest of 5.16%. The proceeds of \$6,497,332 (including premium of \$17,332) were used to purchase \$6,397,062 in U.S. government securities and pay \$100,270 in bond issuance costs. The U.S. government securities were deposited in an irrevocable trust with an escrow agent to provide for certain future debt service payments on the refunded bonds. On December 15, 2005, the bonds were called and paid in full. The refunding resulted in an economic gain of \$535,553 and had the net effect of maintaining the life of the bonds while decreasing Village's future debt service by \$1,472,470.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Outstanding debt as of April 30, 2006, consists of the following:

General Obligation Bonds:

General Obligation Bonds, Series 2000A, dated June 30, 2000, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$215,000 in 2007, \$255,000 in 2008, \$305,000 in 2009, \$365,000 in 2010, \$430,000 in 2011, \$445,000 in 2012, \$540,000 in 2013, \$585,000 in 2014 and \$520,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 5.1% to 8.1%. \$ 3,660,000

General Obligation Refunding Bonds, Series 1997B, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$45,000 in 2007, \$50,000 in 2008, \$50,000 in 2009, \$55,000 in 2010, \$55,000 in 2012, \$55,000 in 2012, \$60,000 in 2013, \$60,000 in 2014, and \$65,000 in 2015. Interest is due on June 30 and December 30 of each year at rates varying from 4.8% to 5.0%. 495,000

General Obligation Refunding Bonds, Series 2002A, dated September 15, 2002 provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$130,000 in 2007, \$135,000 in 2008, \$145,000 in 2009, \$150,000 in 2010, \$160,000 in 2011, \$165,000 in 2012, \$175,000 in 2013, \$185,000 in 2014, \$190,000 in 2015, \$200,000 in 2016, \$210,000 in 2017, \$175,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.1% to 5.0%. 2,020,000

General Obligation Refunding Bonds, Series 2004, dated September 15, 2004 provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$315,000 in 2007, \$320,000 in 2008, \$335,000 in 2009, \$1,090,000 in 2010, \$1,280,000 in 2011, \$1,710,000 in 2012, \$1,810,000 in 2013, \$2,050,000 in 2014, \$2,095,000 in 2015, \$2,120,000 in 2016, \$2,205,000 in 2017, \$2,235,000 in 2018, \$1,385,000 in 2019, \$425,000 in 2020, \$445,000 in 2021, \$470,000 in 2022, \$490,000 in 2023, \$515,000 in 2024, \$545,000 in 2025. Interest is due on June 30 and December 30 of each year at rates varying from 2.5% to 5.0%. \$5,935,930 of this balance has been pledged to be repaid by revenue from the water and sewer operations. 21,840,000

General Obligation Refunding Bonds, Series 2005, dated September 15, 2005 provide for the serial retirement of bonds on December 15 of each year in annual amounts of \$1,050,000 in 2007, \$1,175,000 in 2008, \$1,175,000 in 2009, \$1,225,000 in 2010, \$285,000 in 2011, \$295,000 in 2012, \$305,000 in 2013, \$315,000 in 2014, \$325,000 in 2015, \$330,000 in 2016. Interest is due on June 15 and December 15 of each year at rates varying from 3.0% to 3.6%. 6,480,000

Deferred gain on refunding 42,746

Unamortized bond issuance costs (150,466)

Total General Obligation Bonds 34,387,280

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

Alternate Revenue Bonds:

General Obligation Bonds (Alternate Revenue Bonds), dated February 2, 1999, provide for the serial retirement of certificates on December 30 of each year in amounts of \$330,000 in 2011, \$325,000 in 2012, \$330,000 in 2013, \$350,000 in 2014, \$375,000 in 2015, \$400,000 in 2016, \$735,000 in 2017, \$775,000 in 2018 and \$1,255,000 in 2019. Interest is due on June 30 and December 30 of each year at rates varying from 4.3% to 4.7%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

\$ 4,875,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001A provide for the serial retirement of certificates on December 30 of each year in the amounts of \$295,000 in 2007, \$310,000 in 2008, and \$325,000 in 2009. Interest is due on June 30 and December 30 of each year at rates varying from 4.0% to 4.25%. The Village has pledged revenue from motor fuel tax for the repayment of these bonds.

930,000

General Obligation Bonds (Alternate Revenue Bonds), Series 2001B provide for the serial retirement of certificates on December 30 of each year in the amounts of \$360,000 in 2007, \$350,000 in 2008, and \$400,000 in 2009. Interest is due on June 30 and December 30 of each year at rate of 4.13%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

1,110,000

General Obligation Bonds (Alternate Revenue Bonds), Refunding Bond Series 1997A provides for the serial retirement of certificates on December 30 of each year in amounts of \$525,000 in 2011, \$550,000 in 2012, \$575,000 in 2013, \$605,000 in 2014, \$635,000 in 2015, \$670,000 in 2016, \$700,000 in 2017 and \$740,000 in 2018. Interest is due on June 30 and December 30 of each year at rates varying from 4.9% to 5.2%. The Village has pledged revenue from the Water and Sewer Fund operations for the repayment of these bonds.

5,000,000

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

General Obligation Bonds (Alternate Revenue Bonds), Series 2002B, dated September 15, 2002, provide for the serial retirement of bonds on December 30 of each year in annual amounts of \$90,000 in 2007, \$90,000 in 2008, \$115,000 in 2009, \$135,000 in 2010, \$170,000 in 2011, \$525,000 in 2016, \$600,000 in 2017, \$660,000 in 2018. Interest is due on June 30 and December 30 of each year varying from 3.0% to 4.3%.

\$ 2,385,000

Unamortized bond issuance costs

(93,403)

Total Alternate Revenue Bonds

14,206,597

Capital Leases:

Capital Lease, dated June 25, 2005, provide for the retirement of principal on May 7 of each year in annual amounts of \$49,918 in 2008, \$51,491 in 2009, \$53,114 in 2010, \$54,788 in 2011, and \$56,514 in 2012. Interest is due on May 7 of each year at 3.15%. Lease is collateralized by equipment with a net book value of \$343,107 at April 30, 2006.

265,825

Capital Lease, dated June 25, 2005, provides for the retirement of principal on May 7 of each year in annual amounts of \$34,734 in 2008, \$35,963 in 2009, \$37,235 in 2010, \$38,552 in 2011, \$39,916 in 2012, \$41,329 in 2013, \$42,791 in 2014, and \$44,301 in 2015. Interest is due on May 7 of each year at 3.15%. Lease is collateralized by equipment with a net book value of \$394,496 at April 30, 2006.

314,821

Total Capital Leases

580,646

Notes Payable

4,295,895

Compensated absences

2,030,896

Pension obligation

1,420,674

Total Long-Term Debt

\$ 56,921,988

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 6. Long-Term Obligations (continued)

The future debt service requirements to amortize the outstanding debt other than compensated absences and pension obligations as of April 30, 2006, including the deferred gain on refunding and bond issuance costs, are as follows:

Fiscal Year	Governmental					
	General Obligation Bonds		Alternative Revenue Bonds		Capital Lease	
	Principal	Interest	Principal	Interest	Principal	Interest
2007	\$ 684,362	\$ 1,016,097	\$ 385,000	\$ 133,682	\$ -	\$ -
2008	739,362	982,663	400,000	119,183	84,652	19,516
2009	812,298	945,374	440,000	103,307	87,454	16,714
2010	1,274,103	903,212	135,000	85,815	90,349	13,819
2011	1,414,318	835,288	170,000	81,225	93,340	10,828
2012-2016	9,673,720	2,917,575	525,000	375,525	224,851	16,933
2017-2021	5,460,907	1,064,851	1,260,000	81,960	-	-
2022-2025	2,020,000	258,750	-	-	-	-
	<u>\$ 22,079,070</u>	<u>\$ 8,923,810</u>	<u>\$ 3,315,000</u>	<u>\$ 980,697</u>	<u>\$ 580,646</u>	<u>\$ 77,810</u>

Fiscal Year	Business-type				
	General Obligation Bonds		Alternative Revenue Bonds		Total
	Principal	Interest	Principal	Interest	
2007	\$ 1,060,486	\$ 451,649	\$ 351,312	\$ 522,703	\$ 4,605,291
2008	1,185,486	417,008	341,312	507,852	4,797,034
2009	1,187,550	378,305	391,312	493,415	4,855,729
2010	1,600,745	339,549	(8,688)	476,915	4,910,819
2011	785,530	287,363	846,312	476,915	5,001,119
2012-2016	4,877,306	918,983	4,771,560	1,746,730	26,048,183
2017-2021	1,611,107	97,624	4,198,477	396,975	14,171,901
2022-2025	-	-	-	-	2,278,750
	<u>\$ 12,308,210</u>	<u>\$ 2,890,481</u>	<u>\$ 10,891,597</u>	<u>\$ 4,621,505</u>	<u>\$ 66,668,826</u>

Note 7. Pension and Retirement Plan Commitments

Substantially all Village employees are covered under one of the following employee retirement plans.

Illinois Municipal Retirement Fund

The Village's defined benefit pension plan, Illinois Municipal Retirement (IMRF), provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. IMRF is a multi-employer defined pension benefit plan. IMRF acts as a common investment and administrative agent for local governments and school districts in Illinois. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

IMRF issues a financial report that includes financial statements and required supplementary information. That report may be obtained at www.imrf.org/pubs/pubs_homepage.htm or by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2006 was 9.46 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (overfunded liability amortized on open basis). The amortization period at December 31, 2005 was 27 years.

For April 30, 2006, the Village's annual pension cost of \$679,884 was equal to the Village's required and actual contributions. The required contribution was determined as part of the December 31, 2003 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from .4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002-2004 experience study.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
04/30/2006	\$ 679,884	100%	\$ -
04/30/2005	566,603	100%	-
04/30/2004	482,336	100%	-

Police Pension Plan

Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contribution levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois Legislature. The plan provides retirement benefits as well as death and disability benefits. The Police Pension Plan is a fund of the Village and does not issue separate financial statements.

The Police Pension Plan's most recent actuary was completed as of the year ended April 30, 2006.

Covered employees are currently required to contribute 9.91% of their base salary to the Police Pension Plan. The member rate is determined by State Statute. The Village is required to contribute at an actuarially determined amount. The employer rate for fiscal year ended April 30, 2006, was 19.70% of covered payroll. The employer contribution is funded by property taxes. Administrative costs are funded by investment earnings. Contributions and benefits are recognized when due and payable. Refunds are recognized as paid.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

The Village's annual pension cost and net pension obligation to the Plan for the year ended April 30, 2006, were as follows:

Annual required contribution	\$ 778,062
Interest on net pension obligation	86,721
Adjustment to annual requirement contribution	(53,945)
Annual pension cost	810,838
Contributions made	777,246
Increase in net pension obligation	33,592
Net pension obligation, beginning of year	1,238,878
Net pension obligation, end of year	<u>\$ 1,272,470</u>

The annual required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included (a) 7.0% investment rate of return, (b) projected salary increases of 5.5%, (c) 3.0% per year cost of living adjustments. Both (a) and (b) included an inflation component of 3.0%. The actuarial value of Police Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Police Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2006, was 27 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)Mad	Annual Contributions	Percentage of APC Contributed	Net Pension Obligation
04/30/2006	\$ 810,838	\$ 777,246	96%	\$ 1,272,470
04/30/2005	975,598	514,782	53%	1,238,878
04/30/2004	N/A	443,925	N/A	778,062

At April 30, 2006, the Police Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	26
Active non-vested plan members	36
Total members	<u><u>73</u></u>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

Firefighters' Pension Plan

Fire sworn personnel are covered by the Firefighters' Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are governed by Illinois Compiled Statutes and may be amended only by the Illinois legislature. The plan provides retirement benefits as well as death and disability benefits. The Fire Pension Plan is a fund of the Village and does not issue separate financial statements.

The Firefighters' Pension Plan's most recent actuary was completed as of the year ended April 30, 2006.

Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. The Village is required to contribute at an actuarially determined rate. The employer rate for fiscal year 2006 was 18.61% of covered payroll.

The Village's annual pension cost and net pension obligation to the Plan for the current year were as follows:

Annual required contribution	\$	116,273
Interest on net pension obligation		10,143
Adjustment to annual requirement contribution		(6,309)
Annual pension cost		120,107
Contributions made		116,802
Increase in net pension obligation		3,305
Net pension obligation, beginning of year		144,899
Net pension obligation, end of year	\$	148,204

The required contribution for the year ended April 30, 2006, was determined as part of the April 30, 2006, actuarial valuation report using the entry age normal cost method. The actuarial assumptions included a 7.0% investment rate of return and projected salary increases of 5.5%. The actuarial value of Firefighters' Pension assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Firefighters' Pension Plan's unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at April 30, 2006, was 27 years.

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Annual Contributions Made	Percentage of APC Contributed	Net Pension Obligation (Asset)
04/30/2006	\$ 120,107	\$ 116,802	97%	\$ 148,204
04/30/2005	95,578	66,952	70%	144,899
04/30/2004	N/A	62,078	N/A	116,273

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

At April 30, 2006, the Firefighters' Pension Plan membership consisted of:

Retirees and beneficiaries receiving benefits	-
Terminated plan members entitled to but not yet receiving benefits	6
Active vested plan members	3
Active non-vested plan members	<u>9</u>
Total members	<u><u>9</u></u>

Combining Statement of Fiduciary Net Assets
Pension Trust Funds
April 30, 2006

	Firefighters' Pension	Police Pension	Total
Assets			
Cash and cash equivalents	\$ 121,063	\$ 656,900	\$ 777,963
Investments:			
U.S. government and agency obligations	1,075,619	5,836,913	6,912,532
Local government bonds	67,218	-	67,218
Money market funds	29,304	729,289	758,593
Mutual funds	142,825	-	142,825
Annuity contracts	-	6,622,197	6,622,197
Total assets	<u>\$ 1,436,029</u>	<u>\$ 13,845,299</u>	<u>\$ 15,281,328</u>
Liabilities and Net Assets			
Liabilities,			
accrued liabilities	\$ 500	\$ 962	\$ 1,462
Net assets held in trust for employees' pension benefits	<u>1,435,529</u>	<u>13,844,337</u>	<u>15,279,866</u>
Total liabilities and net assets	<u>\$ 1,436,029</u>	<u>\$ 13,845,299</u>	<u>\$ 15,281,328</u>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 7. Pension and Retirement Plan Commitments (continued)

Combining Statement of Changes in Fiduciary Net Assets

Pension Trust Funds

Year Ended April 30, 2006

	Firefighters' Pension	Police Pension	Total
Additions			
Contributions:			
Employer	\$ 116,802	\$ 777,246	\$ 894,048
Employee	57,991	350,511	408,502
Total contributions	<u>174,793</u>	<u>1,127,757</u>	<u>1,302,550</u>
Investment income:			
Net appreciation (depreciation) in fair value of investments	(21,289)	188,931	167,642
Interest	59,034	119,759	178,793
Total investment income	<u>37,745</u>	<u>308,690</u>	<u>346,435</u>
Total additions	<u>212,538</u>	<u>1,436,447</u>	<u>1,648,985</u>
Deductions			
Benefits	-	507,253	507,253
Administrative expense	5,079	7,338	12,417
Total deductions	<u>5,079</u>	<u>514,591</u>	<u>519,670</u>
Change in net assets	<u>207,459</u>	<u>921,856</u>	<u>1,129,315</u>
Net assets held in trust for employees' pension benefits:			
May 1, 2005	<u>1,228,070</u>	<u>12,922,481</u>	<u>14,150,551</u>
April 30, 2006	<u>\$ 1,435,529</u>	<u>\$ 13,844,337</u>	<u>\$ 15,279,866</u>

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 8. Risk Management

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The Village is a member of the Southwest Agency for Risk Management (SWARM) which is a public entity risk pool with eight member groups (villages and cities). The Village pays annual premiums to SWARM for its workers' compensation, general liability and property coverages.

The cooperative agreement provides that SWARM will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$250,000 per occurrence for workers' compensation and \$100,000 for occurrences for general liability and \$50,000 for occurrences for property.

One representative from each member serves on the SWARM board, and each board member has one vote on the board. None of its members have any direct equity interest in SWARM.

The Village purchases commercial insurance to cover its employees for health and accident claims.

The Village has not had significant reductions in insurance coverage from the previous fiscal year nor did settlements exceed insurance coverage in any of the last three years.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only)

Individual fund interfund receivable and payable balances as of April 30, 2006, are as follows:

<u>Fund</u>	<u>Due from</u>	<u>Due to</u>
Major Governmental:		
General:		
Recreation	\$ 561,187	\$ -
Downtown TIF	8,711	-
Marquette Center TIF	-	2,328,133
Water and Sewer	-	3,019,829
	<u>569,898</u>	<u>5,347,962</u>
Recreation:		
General	-	561,187
Water and Sewer	-	700,000
	<u>-</u>	<u>1,261,187</u>
Marquette Center TIF,		
General	<u>2,328,133</u>	<u>-</u>
Major Business-type,		
Water and Sewer:		
General	3,019,829	-
Recreation	700,000	-
	<u>3,719,829</u>	<u>-</u>
Non-Major Governmental Funds:		
2002A General Obligation Bonds,		
2002B General Obligation Bonds	3,407	-
2002B General Obligation Bonds:		
2002A General Obligation Bonds	-	3,407
2002A Construction	-	2,392
Downtown TIF,		
General	-	8,711
2002A Construction:		
2002B General Obligation Bonds	<u>2,392</u>	<u>-</u>
	<u>5,799</u>	<u>14,510</u>
Total	<u>\$ 6,623,659</u>	<u>\$ 6,623,659</u>

Interfund debt reflects operating loans which are expected to be repaid in the following fiscal year.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Individual interfund advances receivable and payable balances as of April 30, 2006, are as follows:

<u>Fund</u>	<u>Advances to</u>	<u>Advances from</u>
Major Governmental:		
General,		
Recreation	\$ 601,412	\$ -
Recreation,		
General		601,412
Total	<u>\$ 601,412</u>	<u>\$ 601,412</u>

Interfund advances reflect operating loans, which are not expected to be repaid in the following fiscal year, but from future year operating revenues.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 9. Other Fund Disclosures (FFS Level Only) (continued)

Interfund transfers for the year ended April 30, 2006, are as follows:

<u>Fund</u>	<u>Transfer From</u>	<u>Transfer To</u>
Major Governmental Funds:		
General:		
Recreation	\$ -	\$ 1,058,300
2004 General Obligation Bonds	-	679,000
2001A Alternative Revenue Bonds	-	336,200
Motor Fuel Tax	27,000	-
Water and Sewer	2,020,000	-
	<u>2,047,000</u>	<u>2,073,500</u>
Recreation:		
General	1,058,300	-
2004 General Obligation Bonds	-	9,500
	<u>1,058,300</u>	<u>9,500</u>
Marquette Center TIF, Downtown TIF	-	<u>1,675,000</u>
Major Business-type, Water and Sewer, General	-	<u>2,020,000</u>
Non-Major Governmental Funds:		
Motor Fuel Tax, General	-	27,000
2004 General Obligation Bonds:		
Recreation	9,500	-
General	679,000	-
2001A Alternative Revenue Bonds, General	336,200	-
Downtown TIF, Marquette Center TIF	<u>1,675,000</u>	<u>-</u>
	<u>2,699,700</u>	<u>27,000</u>
Total	<u>\$ 5,805,000</u>	<u>\$ 5,805,000</u>

Interfund transfers are to assist with payment of debt and cover expenses incurred in funds where work is related to other funds, and move bond proceeds to funds that proceeds were intended to finance future events.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 10. Defeased Debt

The Village defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liability for the defeased bonds are not included in the Village's financial statements. As of April 30, 2006, \$16,129,088 of bonds outstanding are considered defeased.

Note 11. Commitments

As of April 30, 2006, the Village had open contracts for the purchase of equipment and services totaling approximately \$18,000,000.

Note 12. Conduit Debt

In the current fiscal year, the Village issued Adjustable Rate Demand Revenue Bonds to Lewis University for the purpose of financing. These bonds are collateralized only by the revenue of the University and are not considered liabilities or contingent liabilities of the Village. The total amount of bonds outstanding at April 30, 2006 is \$48,500,000.

Note 13. New Governmental Accounting Standards

GASB Statement No. 43, *Financial Reporting for Postemployment Benefits Other Than Pension Plans*, will be effective for the Village beginning with its year ending April 30, 2008. This Statement establishes uniform financial reporting standards for other postemployment benefit plans (OPEB plans) and supersedes existing guidance.

GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension*, will be effective for the Village beginning with its year ending April 30, 2009. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures and, if applicable, required supplementary information in the financial reports of state and local governments.

GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*, will be effective for the Village beginning with its year ending April 30, 2007. This statement requires that limitations on the use of net assets imposed by legislation be reported as restricted net assets.

GASB Statement No. 47, *Accounting for Termination Benefits*, will be effective for the Village in two parts. For termination benefits provided through an existing defined benefit OPEB plan, the provisions of the statement should be implemented simultaneously with the requirements of GASB Statement No. 45. For all other termination benefits, this Statement will be effective for the Village beginning with its year ending April 30, 2007.

Village of Romeoville, Illinois

Notes to Basic Financial Statements

Note 13. New Governmental Accounting Standards (continued)

GASB Statement No. 48, *Sales and Pledges of Receivables and Intra-Entity Transfers of Assets and Future Revenues*, will be effective for the Village beginning with its year ending April 30, 2008. This Statement will establish criteria that governments will use to ascertain whether proceeds received should be reported as revenue or as a liability.

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, will be effective for the Village beginning with its year ending April 30, 2009. This statement addresses accounting and financial reporting for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups.

GASB Statement No. 50, *Pension Disclosures – an amendment of GASB Statements No. 25 and No. 27*, will be effective for the Village beginning with its year ending April 30, 2009. This statement more closely aligns the financial reporting requirements for pensions with those for other postemployment benefits (OPEB) and, in doing so, enhances information disclosed in the notes to the financial statements or presented as required supplementary information (RSI) by pension plans and by employers providing pension benefits.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, will be effective for the Village beginning with its year ending April 30, 2011. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments.

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

Required Supplementary Information

Village of Romeoville, Illinois

Illinois Municipal Retirement Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/2005	\$ 11,350,959	\$ 12,802,691	\$ 1,451,732	88.66 %	\$ 6,937,844	20.92 %
12/31/2004	10,035,860	11,472,182	1,436,322	87.48	6,368,885	22.55
12/31/2003	9,695,897	10,334,453	638,556	93.82	5,687,677	11.23
12/31/2002	9,306,741	9,517,698	210,957	97.78	5,322,686	3.96
12/31/2001	8,671,971	8,348,987	(322,984)	103.87	4,423,706	(7.30)
12/31/2000	7,729,347	7,249,621	(479,726)	106.62	3,596,441	(13.34)

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$11,483,273. On a market basis, the funded ratio would be 89.69%.

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002-2004 experience study. The principal changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and early retirements are expected to occur.

Village of Romeoville, Illinois

Police Pension Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2006	\$ 13,872,970	\$ 22,844,950	\$ 8,971,980	60.73 %	\$ 3,946,282	227.35 %
04/30/2005	12,922,591	20,533,524	7,610,933	62.93	3,675,642	207.06
04/30/2004	12,148,022	18,048,435	5,900,413	67.31	3,273,964	180.22
04/30/2003	10,894,529	15,217,745	4,323,216	71.59	2,762,209	156.51
04/30/2002	10,526,451	14,786,261	4,259,810	71.19	2,542,368	167.55
04/30/2001	10,617,170	13,111,519	2,494,349	80.98	2,332,741	106.93

Village of Romeoville, Illinois

Firefighters' Pension Fund
Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Entry Age (b)	(Overfunded) Unfunded AAL (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a Percentage of Covered Payroll ((b-a)/c)
04/30/2006	\$ 1,435,528	\$ 2,399,068	\$ 963,540	59.84 %	\$ 627,673	153.51 %
04/30/2005	1,228,017	2,003,836	775,819	61.28	536,198	144.69
04/30/2004	1,065,633	1,734,363	668,730	61.44	375,680	178.01
04/30/2003	950,828	1,235,436	284,608	76.96	333,374	85.37
04/30/2002	799,870	1,098,676	298,806	72.80	351,151	85.09
04/30/2001	692,489	601,809	(90,680)	115.07	307,719	(29.47)

Village of Romeoville, Illinois

Schedule of Employer Contributions
Police Pension Fund

Fiscal Year	Annual Required Contribution	Percentage Contributed	
2006	\$ 778,062	99.90	%
2005	954,062	53.96	
2004	N/A	N/A	
2003	428,724	87.61	
2002	393,876	78.90	
2001	314,016	87.35	

Village of Romeoville, Illinois

Schedule of Employer Contributions
Fire Pension Fund

Fiscal Year	Annual Required Contribution	Percentage Contributed	
2006	\$ 116,273	100.45	%
2005	92,360	89.04	
2004	N/A	N/A	
2003	74,679	73.50	
2002	77,513	67.41	
2001	66,759	71.32	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
General Fund
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 6,625,300	\$ 6,629,402	\$ 4,102
Other taxes	12,541,200	13,885,818	1,344,618
Interest	100,000	509,555	409,555
Fines	340,000	422,347	82,347
Licenses and permits	1,256,200	1,664,456	408,256
Charges for services	2,898,300	3,731,574	833,274
Intergovernmental	2,713,000	3,008,954	295,954
Developer contributions	500,100	-	(500,100)
Other	1,252,100	1,360,875	108,775
Total revenues	<u>28,226,200</u>	<u>31,212,981</u>	<u>2,986,781</u>
Expenditures:			
Current:			
General government	7,895,600	6,615,749	1,279,851
Public safety	11,622,600	10,820,900	801,700
Public works	5,613,200	5,275,414	337,786
Debt service:			
Principal	75,000	175,553	(100,553)
Interest and fees	15,000	18,616	(3,616)
Capital outlay	2,978,300	3,051,051	(72,751)
Total expenditures	<u>28,199,700</u>	<u>25,957,283</u>	<u>2,242,417</u>
Excess (deficiency) of revenues over (under) expenditures	<u>26,500</u>	<u>5,255,698</u>	<u>5,229,198</u>
Other financing sources (uses):			
Capital lease proceeds	-	756,199	756,199
Transfer in	2,047,000	2,047,000	-
Transfer (out)	(2,073,500)	(2,073,500)	-
Total other financing sources (uses)	<u>(26,500)</u>	<u>729,699</u>	<u>756,199</u>
Change in fund balance	<u>\$ -</u>	<u>5,985,397</u>	<u>\$ 5,985,397</u>
Fund balance (deficit):			
May 1, 2005		<u>2,407,802</u>	
April 30, 2006		<u>\$ 8,393,199</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Recreation Fund
Year Ended June 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 434,000	\$ 433,975	\$ (25)
Other taxes	200,000	801,393	601,393
Interest	1,800	18,561	16,761
Charges for services	848,800	723,188	(125,612)
Intergovernmental	220,000	-	(220,000)
Developer contributions	160,000	376,423	216,423
Other	98,500	157,830	59,330
Total revenues	1,963,100	2,511,370	548,270
Expenditures:			
Current, culture and recreation:			
Operations:			
Salaries	334,000	327,650	6,350
Contractual	46,000	35,494	10,506
Commodities	20,000	18,415	1,585
Other	10,000	-	10,000
Recreation programs:			
Salaries	605,200	649,158	(43,958)
Contractual	177,500	165,467	12,033
Commodities	217,000	225,944	(8,944)
Park maintenance:			
Salaries	290,700	240,439	50,261
Contractual	199,000	194,505	4,495
Commodities	32,000	36,923	(4,923)
Recreation center:			
Salaries	298,000	320,525	(22,525)
Contractual	132,000	114,852	17,148
Commodities	46,000	47,688	(1,688)
Capital outlay	604,500	448,033	156,467
Total expenditures	3,011,900	2,825,093	186,807
Excess (deficiency) of revenues over (under) expenditures	(1,048,800)	(313,723)	735,077
Other financing sources (uses):			
Transfer in	1,058,300	1,058,300	-
Transfer (out)	(9,500)	(9,500)	-
Total other financing sources (uses)	1,048,800	1,048,800	-
Change in fund balance	\$ -	735,077	\$ 735,077
Fund balance (deficit):			
May 1, 2005		(1,336,489)	
April 30, 2006		<u>\$ (601,412)</u>	

Village of Romeoville, Illinois

Note to Required Supplementary Information

Note 1. Budgetary Basis of Accounting

The General Fund and Recreation Fund budgets are adopted on a basis consistent with generally accepted accounting principles.

Supplementary Information

Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Property taxes:			
Corporate tax levy	\$ 1,367,200	\$ 1,365,264	\$ (1,936)
Fire protection levy	258,000	258,475	475
Police protection levy	412,000	412,081	81
Ambulance levy	485,800	486,128	328
Special recreation levy	253,000	253,348	348
Audit tax levy	54,000	53,954	(46)
Social security levy	958,000	957,092	(908)
Street levy	384,000	391,391	7,391
Refuse disposal levy	445,000	444,923	(77)
Tort immunity levy	1,114,000	1,112,698	(1,302)
Police pension levy	778,000	777,246	(754)
Fire pension levy	116,300	116,802	502
Total property taxes	6,625,300	6,629,402	4,102
Other taxes:			
Sales tax	3,625,000	3,468,548	(156,452)
Use tax	374,000	408,546	34,546
Utility tax:			
Electric	2,415,000	2,517,146	102,146
Gas	1,000,000	1,268,625	268,625
Telephone	1,450,000	1,589,861	139,861
Water	246,000	265,916	19,916
Fire Insurance tax	30,000	25,499	(4,501)
Automobile rental tax	1,200	6,020	4,820
Homerule sales tax	2,600,000	2,834,864	234,864
Homerule gas tax	800,000	873,120	73,120
Real estate transfer tax	-	627,673	627,673
Total other taxes	12,541,200	13,885,818	1,344,618
Interest	100,000	509,555	409,555
Fines:			
Court fines	275,000	346,469	71,469
Administrative tickets	8,000	6,860	(1,140)
Parking tickets	22,000	22,567	567
Dog/animal fines	5,000	6,830	1,830
Forfeiture of cash police department	6,000	16,896	10,896
False alarm fines	24,000	22,725	(1,275)
Total fines	340,000	422,347	82,347
Licenses and permits:			
Business licenses	89,000	85,837	(3,163)
Liquor licenses	3,000	4,728	1,728
Business permits	40,000	88,405	48,405
Solicitor permits	700	3,775	3,075
Building permits	1,120,000	1,405,679	285,679
Garage sale permits	2,500	2,595	95
Inspection permits	-	72,599	72,599
Animal tags	1,000	838	(162)
Total licenses and permits	1,256,200	1,664,456	408,256

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Charges for services:			
· Cable TV franchise fee	\$ 210,000	\$ 268,989	\$ 58,989
Development administration fees	-	3,575	3,575
Zoning board maps/variance	350,000	396,873	46,873
NSF check charges	-	140	140
Administration fees	3,000	1,466	(1,534)
Ambulance fees	300,000	342,372	42,372
Code books	1,200	2,637	1,437
Public notification fees	10,000	-	(10,000)
Rental inspection fees	8,000	10,675	2,675
Rental income	500	6,274	5,774
Construction reinspection fees	10,000	40,240	30,240
Sprint rental fees	21,800	19,927	(1,873)
Engineering fees	30,000	634,326	604,326
Fire prevention service fees	10,000	7,995	(2,005)
Rubbish collection fees	1,943,000	1,995,445	52,445
Portable sign/pennant permit	800	640	(160)
Total charges for services	2,898,300	3,731,574	833,274
Intergovernmental:			
State income tax	2,419,500	2,674,230	254,730
Replacement tax	95,000	153,464	58,464
Gaming tax	130,000	52,521	(77,479)
Auto Theft	61,000	45,604	(15,396)
D.A.R.E. program revenue	7,500	-	(7,500)
Federal grants	-	34,701	34,701
Federal police grants	-	48,434	48,434
Total intergovernmental	2,713,000	3,008,954	295,954
Developer contributions	500,100	-	(500,100)

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Revenues - Budget and Actual (Continued)
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Other:			
Police special detail	\$ 45,000	\$ 46,191	\$ 1,191
Training reimbursement	15,000	17,869	2,869
Liaison officer	35,000	49,037	14,037
Reimbursement of legal fees	20,000	8,173	(11,827)
Reimbursement of engineering fees	110,000	105,894	(4,106)
Community development reimbursement	246,000	95,720	(150,280)
Workers compensation reimbursement	-	48,696	48,696
Other reimbursements	45,000	144,569	99,569
Police/accident reports	7,000	8,480	1,480
Fire reports	1,000	455	(545)
Good neighbor donations	3,500	-	(3,500)
Safety town donations	-	100	100
Fire donations	-	8,560	8,560
Bolingbrook shared revenue	30,000	-	(30,000)
Lockport Fire agreement	300,000	727,464	427,464
Cobra retiree contribution	34,000	19,613	(14,387)
Health insurance contributions	85,300	937	(84,363)
Sale of property	8,000	4,827	(3,173)
Fingerprinting	300	600	300
Miscellaneous income	25,000	28,960	3,960
MSC guarantee	5,000	22,500	17,500
General Donations	20,000	6,400	(13,600)
Hazardous material reimbursements	-	6,613	6,613
Marquette TIF distribution	74,500	-	(74,500)
Tree escrow	135,000	-	(135,000)
Developer's breakfast	6,000	7,800	1,800
Advertising	1,500	1,417	(83)
Total other	1,252,100	1,360,875	108,775
Total revenues	\$ 28,226,200	\$ 31,212,981	\$ 2,986,781

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
General government:			
Mayor:			
Salaries	\$ 45,300	\$ 49,554	\$ (4,254)
Contractual	25,000	23,954	1,046
Commodities	6,000	5,620	380
Total mayor	76,300	79,128	(2,828)
General Village Board:			
Contractual	34,000	34,775	(775)
Commodities	160,300	158,940	1,360
Other	25,000	6,703	18,297
Total general village board	219,300	200,418	18,882
Board of Trustees:			
Salaries	123,300	122,409	891
Contractual	36,000	8,703	27,297
Commodities	1,000	-	1,000
Total board of trustees	160,300	131,112	29,188
Village administration:			
Salaries	331,200	333,189	(1,989)
Contractual	665,300	566,887	98,413
Commodities	27,500	27,678	(178)
Other	273,000	253,977	19,023
Total village administration	1,297,000	1,181,731	115,269
Personnel:			
Salaries	78,800	78,609	191
Contractual	56,000	58,048	(2,048)
Commodities	4,000	3,694	306
Total personnel	138,800	140,351	(1,551)
Operations:			
Contractual	2,165,000	1,894,989	270,011
Other	10,000	67,884	(57,884)
Total operations	2,175,000	1,962,873	212,127
Support Services:			
Other	351,300	55,570	295,730

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
General government: (continued)			
Economic development:			
Contractual	\$ 11,000	\$ 8,363	\$ 2,637
Village clerk:			
Salaries	123,400	116,053	7,347
Contractual	35,000	25,025	9,975
Commodities	1,000	400	600
Total village clerk	159,400	141,478	17,922
Finance department:			
Administration:			
Salaries	445,500	425,290	20,210
Contractual	4,000	1,362	2,638
Commodities	63,600	55,462	8,138
Total administration	513,100	482,114	30,986
General services:			
Salaries	35,000	34,741	259
Contractual	522,300	457,132	65,168
Commodities	13,000	22,356	(9,356)
Other	137,800	11,175	126,625
Total general services	708,100	525,404	182,696
Information services:			
Salaries	228,300	196,607	31,693
Contractual	282,900	230,586	52,314
Commodities	30,500	26,741	3,759
Total information services	541,700	453,934	87,766
Total finance department	1,762,900	1,461,452	301,448
Community services and development:			
Administration:			
Salaries	543,000	553,126	(10,126)
Contractual	76,500	76,594	(94)
Commodities	28,200	20,350	7,850
Total administration	647,700	650,070	(2,370)

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
General government: (continued)			
Community services and development: (continued)			
Inspectional services:			
Salaries	\$ 541,900	\$ 475,461	\$ 66,439
Contractual	345,000	124,494	220,506
Commodities	9,700	3,248	6,452
Total inspectional services	896,600	603,203	293,397
Total community services and development	1,544,300	1,253,273	291,027
Total general government	7,895,600	6,615,749	1,279,851
Public safety:			
Police and fire commission:			
Salaries	1,900	6,825	(4,925)
Contractual	61,000	67,807	(6,807)
Commodities	1,000	1,795	(795)
Total police and fire commission	63,900	76,427	(12,527)
Police department:			
Administration:			
Salaries	1,480,600	1,480,890	(290)
Contractual	13,000	12,737	263
Commodities	7,000	8,456	(1,456)
Total administration	1,500,600	1,502,083	(1,483)
Operations:			
Salaries	5,515,400	4,823,649	691,751
Contractual	326,600	304,598	22,002
Commodities	186,300	95,244	91,056
Other	10,000	5,435	4,565
Total operations	6,038,300	5,228,926	809,374
Support services:			
Salaries	745,200	798,418	(53,218)
Contractual	27,000	18,387	8,613
Commodities	12,000	4,375	7,625
Total support services	784,200	821,180	(36,980)
Total police department	8,323,100	7,552,189	770,911

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Public safety: (continued)			
Fire and ambulance department:			
Administration:			
Salaries	\$ 2,644,900	\$ 2,482,456	\$ 162,444
Contractual	372,600	362,792	9,808
Commodities	138,400	102,058	36,342
Total fire and ambulance department	3,155,900	2,947,306	208,594
Fire academy:			
Administration:			
Salaries	-	3,834	(3,834)
Contractual	-	7,280	(7,280)
Commodities	-	3,791	(3,791)
Total fire academy	-	14,905	(14,905)
Fire station #2:			
Administration:			
Salaries	-	161,204	(161,204)
Contractual	-	56	(56)
Total fire and ambulance department	-	161,260	(161,260)
Romeoville emergency management agency:			
Administration:			
Salaries	17,200	17,224	(24)
Contractual	4,000	2,578	1,422
Commodities	7,000	5,529	1,471
Total administration	28,200	25,331	2,869
Operations:			
Contractual	32,000	31,137	863
Commodities	9,000	6,178	2,822
Total operations	41,000	37,315	3,685
Communications:			
Contractual	10,500	6,167	4,333
Total Romeoville emergency management agency	79,700	68,813	10,887
Total public safety	11,622,600	10,820,900	801,700

(continued)

Village of Romeoville, Illinois

Schedule of General Fund Expenditures - Budget and Actual (continued)

Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Public works:			
Administration:			
Salaries	\$ 392,700	\$ 332,590	\$ 60,110
Buildings and grounds:			
Salaries	842,200	837,811	4,389
Contractual	262,000	169,044	92,956
Commodities	68,000	251,624	(183,624)
Total buildings and grounds	1,172,200	1,258,479	(86,279)
Motor pool:			
Salaries	269,100	273,615	(4,515)
Contractual	15,200	10,468	4,732
Commodities	22,000	72,618	(50,618)
Total motor pool	306,300	356,701	(50,401)
Streets and sanitation:			
Salaries	914,900	811,622	103,278
Contractual	2,635,100	2,348,025	287,075
Commodities	192,000	167,997	24,003
Total streets and sanitation	3,742,000	3,327,644	414,356
Total public works	5,613,200	5,275,414	337,786
Debt service:			
Principal	75,000	175,553	(100,553)
Interest and fees	15,000	18,616	(3,616)
Total debt service	90,000	194,169	(104,169)
Capital outlay:			
General government	231,500	223,458	8,042
Public safety	591,800	1,149,469	(557,669)
Public works	2,155,000	1,678,124	476,876
Total capital outlay	2,978,300	3,051,051	(72,751)
Total expenditures	\$ 28,199,700	\$ 25,957,283	\$ 2,242,417

**Non-major Governmental Funds
Combining Statements**

Village of Romeoville, Illinois

Combining Balance Sheet
Non-Major Governmental Funds
April 30, 2006

	Special Revenue Motor Fuel Tax	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,181,564	\$ 44,270	\$ 4,922,770	\$ 6,148,604
Receivables:				
Property taxes	-	890,796	-	890,796
Accounts	2,976	-	1,037,119	1,040,095
Due from other funds	-	3,407	2,392	5,799
Due from other governmental units	77,592	-	-	77,592
Total assets	<u>\$ 1,262,132</u>	<u>\$ 938,473</u>	<u>\$ 5,962,281</u>	<u>\$ 8,162,886</u>
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 82,529	\$ -	\$ 49,721	\$ 132,250
Accrued liabilities	-	6,425	-	6,425
Due to other funds	-	5,799	8,711	14,510
Deferred revenue	-	890,796	-	890,796
Total liabilities	<u>82,529</u>	<u>903,020</u>	<u>58,432</u>	<u>1,043,981</u>
Fund balances, unreserved, reported in:				
Special revenue fund	1,179,603	-	-	1,179,603
Debt service funds	-	35,453	-	35,453
Capital projects funds	-	-	5,903,849	5,903,849
Total fund balances	<u>1,179,603</u>	<u>35,453</u>	<u>5,903,849</u>	<u>7,118,905</u>
Total liabilities and fund balances	<u>\$ 1,262,132</u>	<u>\$ 938,473</u>	<u>\$ 5,962,281</u>	<u>\$ 8,162,886</u>

Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
Year Ended April 30, 2006

	Special Revenue Motor Fuel Tax	Debt Service	Capital Projects	Total Non-Major Governmental Funds
Revenues:				
Property taxes	\$ -	\$ 907,048	\$ -	\$ 907,048
Interest	38,862	17,389	227,511	283,762
Intergovernmental	1,026,069	-	-	1,026,069
Developer contributions	-	-	1,466,983	1,466,983
Total revenues	1,064,931	924,437	1,694,494	3,683,862
Expenditures:				
Current:				
General government	-	-	794,601	794,601
Public works	607,698	-	-	607,698
Debt service:				
Principal	-	749,362	-	749,362
Interest	-	1,186,822	-	1,186,822
Fees	-	3,233	-	3,233
Capital outlay	-	-	4,009,950	4,009,950
Total expenditures	607,698	1,939,417	4,804,551	7,351,666
Excess (deficiency) of revenues over (under) expenditures	457,233	(1,014,980)	(3,110,057)	(3,667,804)
Other financing sources (uses):				
Transfers in	-	1,024,700	1,675,000	2,699,700
Transfers (out)	(27,000)	-	-	(27,000)
Total other financing sources (uses)	(27,000)	1,024,700	1,675,000	2,672,700
Change in fund balance	430,233	9,720	(1,435,057)	(995,104)
Fund balances (deficit):				
May 1, 2005	749,370	25,733	7,338,906	8,114,009
April 30, 2006	\$ 1,179,603	\$ 35,453	\$ 5,903,849	\$ 7,118,905

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -

Budget and Actual

Motor Fuel Tax Fund

Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ 5,000	\$ 38,862	\$ 33,862
Intergovernmental, motor fuel tax allotments	994,000	1,026,069	32,069
Total revenues	<u>999,000</u>	<u>1,064,931</u>	<u>65,931</u>
Expenditures:			
Current, public works:			
Contractual	470,000	423,825	46,175
Commodities	200,000	183,873	16,127
Other	163,000	-	163,000
Capital outlay	140,000	-	140,000
Total expenditures	<u>973,000</u>	<u>607,698</u>	<u>365,302</u>
Excess (deficiency) of revenues over (under) expenditures	26,000	457,233	431,233
Other financing uses, transfers out	(26,000)	(27,000)	(1,000)
Change in fund balance	<u>\$ -</u>	<u>430,233</u>	<u>\$ 430,233</u>
Fund balance:			
May 1, 2005		<u>749,370</u>	
April 30, 2006		<u>\$ 1,179,603</u>	

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Village of Romeoville, Illinois

Combining Balance Sheet
Non-Major Debt Service Funds
April 30, 2006

Assets	2004 General Obligation Bonds	2002A General Obligation Bonds	2002B General Obligation Bonds	2001A Alternate Revenue Bonds	2000A & B General Obligation Bonds	1997B General Obligation Bonds	Total
Cash and cash equivalents	\$ 20,632	\$ 2,947	\$ 9,711	\$ 1,712	\$ 6,562	\$ 2,706	\$ 44,270
Receivables, property taxes	-	216,787	177,499	-	429,881	66,629	890,796
Due from other funds	-	3,407	-	-	-	-	3,407
Total assets	\$ 20,632	\$ 223,141	\$ 187,210	\$ 1,712	\$ 436,443	\$ 69,335	\$ 938,473
Liabilities and Fund Balances							
Liabilities:							
Accrued liabilities	\$ -	\$ 3,407	\$ 3,018	\$ -	\$ -	\$ -	\$ 6,425
Due to other funds	-	-	5,799	-	-	-	5,799
Deferred revenue	-	216,787	177,499	-	429,881	66,629	890,796
Total liabilities	-	220,194	186,316	-	429,881	66,629	903,020
Fund balances, unreserved	20,632	2,947	894	1,712	6,562	2,706	35,453
Total liabilities and fund balances	\$ 20,632	\$ 223,141	\$ 187,210	\$ 1,712	\$ 436,443	\$ 69,335	\$ 938,473

Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Non-Major Debt Service Funds
Year Ended April 30, 2006

	2004	2002A	2002B	2001A	2000A&B	1997B	Total
	General	General	General	Alternate	General	General	
	Obligation	Obligation	Obligation	Revenue	Obligation	Obligation	
	Bonds	Bonds	Bonds	Bonds	Bonds	Bonds	
Revenues:							
Property taxes	\$ -	\$ 226,887	\$ 187,049	\$ -	\$ 421,483	\$ 71,629	\$ 907,048
Interest	1,505	2,544	6,790	1,492	4,228	830	17,389
Total revenues	1,505	229,431	193,839	1,492	425,711	72,459	924,437
Expenditures:							
Debt service:							
Principal	29,362	125,000	90,000	285,000	175,000	45,000	749,362
Interest	663,813	102,089	97,163	50,197	247,013	26,547	1,186,822
Fees	485	485	485	788	990	-	3,233
Total expenditures	693,660	227,574	187,648	335,985	423,003	71,547	1,939,417
Excess (deficiency) of revenues over (under) expenditures	(692,155)	1,857	6,191	(334,493)	2,708	912	(1,014,980)
Other financing sources, transfers in	688,500	-	-	336,200	-	-	1,024,700
Change in fund balance	(3,655)	1,857	6,191	1,707	2,708	912	9,720
Fund balances (deficits):							
May 1, 2005	24,287	1,090	(5,297)	5	3,854	1,794	25,733
April 30, 2006	\$ 20,632	\$ 2,947	\$ 894	\$ 1,712	\$ 6,562	\$ 2,706	\$ 35,453

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2004A General Obligation Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ -	\$ 1,505	\$ 1,505
Expenditures:			
Debt service:			
Principal	29,400	29,362	38
Interest	658,100	663,813	(5,713)
Fees	1,000	485	515
Total expenditures	688,500	693,660	(5,160)
Excess (deficiency) of revenues over (under) expenditures	(688,500)	(692,155)	(3,655)
Other financing sources, transfers in	688,500	688,500	-
Change in fund balance	\$ -	(3,655)	\$ (3,655)
Fund balance:			
May 1, 2005		24,287	
April 30, 2006		\$ 20,632	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2002A General Obligation Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 227,100	\$ 226,887	\$ (213)
Interest	1,000	2,544	1,544
Total revenues	<u>228,100</u>	<u>229,431</u>	<u>1,331</u>
Expenditures:			
Debt service:			
Principal	125,000	125,000	-
Interest	102,100	102,089	11
Fees	1,000	485	515
Total expenditures	<u>228,100</u>	<u>227,574</u>	<u>526</u>
Change in fund balance	<u>\$ -</u>	<u>1,857</u>	<u>\$ 1,857</u>
Fund balance:			
May 1, 2005		<u>1,090</u>	
April 30, 2006		<u>\$ 2,947</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2002B General Obligation Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 187,200	\$ 187,049	\$ (151)
Interest	1,000	6,790	5,790
Total revenues	188,200	193,839	5,639
Expenditures:			
Debt service:			
Principal	90,000	90,000	-
Interest	97,200	97,163	37
Fees	1,000	485	515
Total expenditures	188,200	187,648	552
Change in fund balance	\$ -	6,191	\$ 6,191
Fund balance (deficit):			
May 1, 2005		(5,297)	
April 30, 2006		<u>\$ 894</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2001A Alternate Revenue Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ -	\$ 1,492	\$ 1,492
Expenditures:			
Debt service:			
Principal	285,000	285,000	-
Interest	50,200	50,197	3
Fees	1,000	788	212
Total expenditures	336,200	335,985	215
Excess (deficiency) of revenues over (under) expenditures	(336,200)	(334,493)	1,707
Other financing sources, transfers in	336,200	336,200	-
Change in fund balance	\$ -	1,707	\$ 1,707
Fund balance:			
May 1, 2005		5	
April 30, 2006		\$ 1,712	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2000 A&B General Obligation Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 422,000	\$ 421,483	\$ (517)
Interest	1,200	4,228	3,028
Total revenues	423,200	425,711	2,511
Expenditures:			
Debt service:			
Principal	175,000	175,000	-
Interest	247,000	247,013	(13)
Fees	1,200	990	210
Total expenditures	423,200	423,003	197
Change in fund balance	\$ -	2,708	\$ 2,708
Fund balance:			
May 1, 2005		<u>3,854</u>	
April 30, 2006		<u>\$ 6,562</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
1997B General Obligation Bonds
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 71,600	\$ 71,629	\$ 29
Interest	1,000	830	(170)
Total revenues	<u>72,600</u>	<u>72,459</u>	<u>(141)</u>
Expenditures:			
Debt service:			
Principal	45,000	45,000	-
Interest	26,600	26,547	53
Fees	1,000	-	1,000
Total expenditures	<u>72,600</u>	<u>71,547</u>	<u>1,053</u>
Change in fund balance	<u>\$ -</u>	912	<u>\$ 912</u>
Fund balance:			
May 1, 2005		<u>1,794</u>	
April 30, 2006		<u>\$ 2,706</u>	

Village of Romeoville, Illinois

Combining Balance Sheet
Non-Major Capital Project Funds
April 30, 2006

	Road Improvements	Downtown TIF Fund	2004 Construction Fund	2002A Construction Fund	Total
Assets					
Cash and cash equivalents	\$ 207,631	\$ -	\$ 3,816,377	\$ 898,762	\$ 4,922,770
Accounts receivable	-	750,000	-	287,119	1,037,119
Due from other funds	-	-	-	2,392	2,392
Total assets	\$ 207,631	\$ 750,000	\$ 3,816,377	\$ 1,188,273	\$ 5,962,281
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 2,101	\$ 7,063	\$ 19,706	\$ 20,851	\$ 49,721
Due to other funds	-	8,711	-	-	8,711
Total liabilities	2,101	15,774	19,706	20,851	58,432
Fund Balances:					
Unreserved	205,530	734,226	3,796,671	1,167,422	5,903,849
Total liabilities and fund balances	\$ 207,631	\$ 750,000	\$ 3,816,377	\$ 1,188,273	\$ 5,962,281

Village of Romeoville, Illinois

Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
Non-Major Capital Projects Funds
Year Ended April 30, 2006

	Road Improvements	Downtown TIF Fund	2004 Construction Fund	2002A Construction Fund	Total
Revenues:					
Interest	\$ 11,794	\$ 137	\$ 199,669	\$ 15,911	\$ 227,511
Developer contributions	-	-	-	1,466,983	1,466,983
Total revenues	11,794	137	199,669	1,482,894	1,694,494
Expenditures:					
Current, general government, contractual	-	794,601	-	-	794,601
Capital outlay	511,938	58,023	3,370,517	69,472	4,009,950
Total expenditures	511,938	852,624	3,370,517	69,472	4,804,551
Excess (deficiency) of revenues over (under) expenditures	(500,144)	(852,487)	(3,170,848)	1,413,422	(3,110,057)
Other financing sources, transfers in	-	1,675,000	-	-	1,675,000
Change in fund balance	(500,144)	822,513	(3,170,848)	1,413,422	(1,435,057)
Fund balances (deficits):					
May 1, 2005	705,674	(88,287)	6,967,519	(246,000)	7,338,906
April 30, 2006	\$ 205,530	\$ 734,226	\$ 3,796,671	\$ 1,167,422	\$ 5,903,849

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Downtown Tax Increment Financing District Fund
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ -	\$ 137	\$ 137
Expenditures:			
Current, general government, contractual	1,112,000	794,601	317,399
Capital outlay	11,888,000	58,023	11,829,977
Total expenditures	13,000,000	852,624	12,147,376
Excess (deficiency) of revenues over (under) expenditures	(13,000,000)	(852,487)	12,147,513
Other financing sources:			
Transfer in	1,245,000	1,675,000	430,000
Bond proceeds	11,755,000	-	(11,755,000)
Total other financing sources	13,000,000	1,675,000	(11,325,000)
Change in fund balance	\$ -	822,513	\$ 822,513
Fund balance:			
May 1, 2005		(88,287)	
April 30, 2006		\$ 734,226	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
2002 A Construction Fund
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	\$ -	\$ 15,911	\$ 15,911
Developer contributions	1,000,000	1,466,983	466,983
Total revenues	1,000,000	1,482,894	482,894
Expenditures:			
Capital outlay	1,000,000	69,472	930,528
Change in fund balance	\$ -	1,413,422	\$ 1,413,422
Fund balance (deficit):			
May 1, 2005		(246,000)	
April 30, 2006		\$ 1,167,422	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Marquette Center Tax Increment Financing District Fund
Year Ended April 30, 2006

	Original and Final Budget	Actual	Variance
Revenues:			
Property taxes	\$ 2,244,000	\$ 2,575,010	\$ 331,010
Interest	30,000	281,700	251,700
Total revenues	<u>2,274,000</u>	<u>2,856,710</u>	<u>582,710</u>
Expenditures:			
Current, general government, contractual	<u>1,029,000</u>	<u>546,098</u>	<u>482,902</u>
Excess (deficiency) of revenues over (under) expenditures	1,245,000	2,310,612	1,065,612
Other financing sources:			
Transfer out	<u>(1,245,000)</u>	<u>(1,675,000)</u>	<u>(430,000)</u>
Change in fund balance	<u>\$ -</u>	<u>635,612</u>	<u>\$ 635,612</u>
Fund balance:			
May 1, 2005		<u>9,431,891</u>	
April 30, 2006		<u>\$ 10,067,503</u>	

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures, and Changes in Net Assets
Budget and Actual - Water and Sewer Fund
Year Ended April 30, 2006

	Budget	Actual
Operating revenues:		
Charges for services:		
Water sales	\$ 4,927,000	\$ 5,218,412
Sewer sales	6,249,000	6,408,037
Fines and fees:		
Late charges	283,000	275,496
Other fees	-	29,537
Tap on fees	1,990,000	1,889,245
Reconnection fees	40,000	37,870
NSF Charges	8,000	10,815
Developer contributions	712,600	890,922
Reimbursements	1,030,000	180,485
Other	7,530,000	591,350
Total operating revenues	22,769,600	15,532,169
Operating expenses:		
Finance administration:		
Salaries	291,500	287,043
Contractual	142,600	151,411
Commodities	12,600	6,993
Other	2,500	1,691
Total finance administration	449,200	447,138
Public works administration:		
Contractual	883,500	654,063
Commodities	19,000	9,905
Capital outlay	25,000	4,339
Other	100,000	-
Total public works administration	1,027,500	668,307
Public works water distribution:		
Salaries	1,025,700	1,087,901
Contractual	1,436,000	1,121,410
Commodities	718,198	518,661
Capital outlay	6,279,000	3,836,098
Total public works water distribution	9,458,898	6,564,070

(continued)

Village of Romeoville, Illinois

Schedule of Revenues, Expenditures, and Changes in Net Assets (Continued)
Budget and Actual - Water and Sewer Fund
Year Ended April 30, 2006

	Budget	Actual
Operating expenses: (continued)		
Public works sewage treatment:		
Salaries	\$ 740,200	\$ 658,872
Contractual	1,209,000	756,705
Commodities	162,000	138,035
Capital outlay	13,182,000	4,038,710
Total public works sewage treatment	15,293,200	5,592,322
Public works sewage collection:		
Salaries	614,300	572,643
Contractual	637,500	651,635
Commodities	88,000	60,803
Capital outlay	491,000	483,245
Total public works sewage collection	1,830,800	1,768,326
Total	28,059,598	15,040,163
Less capitalized items	-	(7,944,677)
Total operating expenses	28,059,598	7,095,486
Operating income (loss) before depreciation and amortization	(5,289,998)	8,436,683
Depreciation	-	2,927,459
Amortization	1,441,400	1,036,863
Operating income (loss)	(6,731,398)	4,472,361
Non-operating income (expense):		
Interest income	350,000	870,102
Interest expense	(1,156,500)	(1,137,984)
Loss on sale of capital assets	-	(114,432)
Total non-operating income (expense)	(806,500)	(382,314)
Income (loss) before contributions and transfers	(7,537,898)	4,090,047
Capital contributions	-	975,270
Transfers out	(2,020,000)	(2,020,000)
Change in net assets	\$ (9,557,898)	3,045,317
Net assets:		
May 1, 2005		92,424,696
April 30, 2006		\$ 95,470,013

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Village of Romeoville, Illinois

Schedule of Debt Service Requirements
April 30, 2006

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Series 2000A	2007	\$ 215,000	\$ 232,793	\$ 447,793
Dated June 30, 2000	2008	255,000	215,378	470,378
Interest due on June 30	2009	305,000	194,723	499,723
and December 30 at rates	2010	365,000	170,018	535,018
ranging from 5.1% to 8.1%	2011	430,000	140,453	570,453
	2012	445,000	106,590	551,590
	2013	540,000	83,895	623,895
	2014	585,000	56,355	641,355
	2015	520,000	26,520	546,520
		<u>\$ 3,660,000</u>	<u>\$ 1,226,725</u>	<u>\$ 4,886,725</u>

General Obligation Refunding Bonds:				
Series 1997B	2007	\$ 45,000	\$ 24,405	\$ 69,405
Dated November 15, 1997	2008	50,000	22,245	72,245
Interest due on June 30	2009	50,000	19,845	69,845
and December 30 at rates	2010	55,000	17,445	72,445
ranging from 4.8% to 5%	2011	55,000	14,750	69,750
	2012	55,000	12,000	67,000
	2013	60,000	9,250	69,250
	2014	60,000	6,250	66,250
	2015	65,000	3,250	68,250
		<u>\$ 495,000</u>	<u>\$ 129,440</u>	<u>\$ 624,440</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)
April 30, 2006

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Series 2002A	2007	\$ 130,000	\$ 95,820	\$ 225,820
Dated September 15, 2002	2008	135,000	89,320	224,320
Interest due on June 30	2009	145,000	82,570	227,570
and December 30 at rates	2010	150,000	75,320	225,320
ranging from 4.1% to 5%	2011	160,000	67,820	227,820
	2012	165,000	59,820	224,820
	2013	175,000	51,570	226,570
	2014	185,000	42,820	227,820
	2015	190,000	33,570	223,570
	2016	200,000	24,545	224,545
	2017	210,000	16,345	226,345
	2018	175,000	7,525	182,525
		<u>\$ 2,020,000</u>	<u>\$ 647,045</u>	<u>\$ 2,667,045</u>

General Obligation Bonds:				
Dated September 15, 2004	2007	\$ 315,000	\$ 904,598	\$ 1,219,598
Refunding Series 2004	2008	320,000	896,723	1,216,723
Interest due on June 30 and	2009	335,000	888,723	1,223,723
December 30 at rates of 2.5%	2010	1,090,000	880,348	1,970,348
to 5%	2011	1,280,000	836,748	2,116,748
	2012	1,710,000	785,548	2,495,548
	2013	1,810,000	717,148	2,527,148
	2014	2,050,000	644,747	2,694,747
	2015	2,095,000	542,248	2,637,248
	2016	2,120,000	463,685	2,583,685
	2017	2,205,000	378,885	2,583,885
	2018	2,235,000	290,685	2,525,685
	2019	1,385,000	201,285	1,586,285
	2020	425,000	144,500	569,500
	2021	445,000	123,250	568,250
	2022	470,000	101,000	571,000
	2023	490,000	77,500	567,500
	2024	515,000	53,000	568,000
	2025	545,000	27,250	572,250
		<u>\$ 21,840,000</u>	<u>\$ 8,957,871</u>	<u>\$ 30,797,871</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)

April 30, 2006

	Year Ending	Principal	Interest	Total
General Obligation Bonds:				
Dated September 15, 2005	2007	\$ 1,050,000	\$ 210,130	\$ 1,260,130
Refunding series 2005	2008	1,175,000	176,005	1,351,005
Interest due on June 15	2009	1,175,000	137,818	1,312,818
and December 15 at rates	2010	1,225,000	99,630	1,324,630
of 3% to 3.6%	2011	285,000	62,880	347,880
	2012	295,000	53,617	348,617
	2013	305,000	44,030	349,030
	2014	315,000	33,965	348,965
	2015	325,000	23,255	348,255
	2016	330,000	11,880	341,880
		<u>\$ 6,480,000</u>	<u>\$ 853,210</u>	<u>\$ 7,333,210</u>
Alternate Revenue Bonds:				
Dated February 2, 1999	2007	\$ -	\$ 223,255	\$ 223,255
Refunding Bonds Series 1999	2008	-	223,255	223,255
Interest due on June 30 and	2009	-	223,255	223,255
December 30 at rates of 4.3%	2010	-	223,255	223,255
to 4.7%	2011	330,000	223,255	553,255
	2012	325,000	209,065	534,065
	2013	330,000	194,765	524,765
	2014	350,000	180,245	530,245
	2015	375,000	164,495	539,495
	2016	400,000	147,620	547,620
	2017	735,000	129,220	864,220
	2018	775,000	95,410	870,410
	2019	1,255,000	58,985	1,313,985
		<u>\$ 4,875,000</u>	<u>\$ 2,296,080</u>	<u>\$ 7,171,080</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)

April 30, 2006

	Year Ending	Principal	Interest	Total
Alternate Revenue Bonds:				
Dated November 25, 1997	2007	\$ -	\$ 253,660	\$ 253,660
Refunding Bonds Series 1997A	2008	-	253,660	253,660
Interest due on June 30 and	2009	-	253,660	253,660
December 30 at rates of 4.9%	2010	-	253,660	253,660
to 5.2%	2011	525,000	253,660	778,660
	2012	550,000	227,935	777,935
	2013	575,000	200,435	775,435
	2014	605,000	171,685	776,685
	2015	635,000	141,435	776,435
	2016	670,000	109,050	779,050
	2017	700,000	74,880	774,880
	2018	740,000	38,480	778,480
		<u>\$ 5,000,000</u>	<u>\$ 2,232,200</u>	<u>\$ 7,232,200</u>

Alternate Revenue Bonds				
Dated June 30, 2001	2007	\$ 295,000	\$ 38,787	\$ 333,787
Refunding Series 2001A	2008	310,000	26,988	336,988
Interest due on June 30 and	2009	325,000	13,812	338,812
December 30 at rates of 4%				
to 4.25%		<u>\$ 930,000</u>	<u>\$ 79,587</u>	<u>\$ 1,009,587</u>

Alternate Revenue Bonds				
Dated June 30, 2001	2007	\$ 360,000	\$ 45,788	\$ 405,788
Refunding Series 2001B	2008	350,000	30,937	380,937
Interest due on June 30 and	2009	400,000	16,500	416,500
December 30 at rate of 4.13%				
		<u>\$ 1,110,000</u>	<u>\$ 93,225</u>	<u>\$ 1,203,225</u>

(continued)

Village of Romeoville, Illinois

Schedule of Debt Service Requirements (Continued)

April 30, 2006

	Year Ending	Principal	Interest	Total
Alternate Revenue Bonds	2007	\$ 90,000	\$ 94,895	\$ 184,895
Dated September 15, 2002	2008	90,000	92,195	182,195
Refunding Series 2002B	2009	115,000	89,495	204,495
Interest due on June 30 and	2010	135,000	85,815	220,815
December 30 at rates of 3%	2011	170,000	81,225	251,225
to 4.3%	2012	-	75,105	75,105
	2013	-	75,105	75,105
	2014	-	75,105	75,105
	2015	-	75,105	75,105
	2016	525,000	75,105	600,105
	2017	600,000	53,580	653,580
	2018	660,000	28,380	688,380
		<u>\$ 2,385,000</u>	<u>\$ 901,110</u>	<u>\$ 3,286,110</u>
Capital Lease	2008	\$ 49,918	\$ 8,378	\$ 58,296
Dated June 25, 2005	2009	51,491	6,805	58,296
2006 Pierce Pumper	2010	53,114	5,182	58,296
Principal and Interest due on May 7	2011	54,788	3,508	58,296
at rates of 3.15%	2012	56,514	1,782	58,296
		<u>\$ 265,825</u>	<u>\$ 25,655</u>	<u>\$ 291,480</u>
Capital Lease	2008	\$ 34,734	\$ 11,138	\$ 45,872
Dated June 25, 2005	2009	35,963	9,909	45,872
2006 Pierce Heavy Duty Fire Vehicle	2010	37,235	8,637	45,872
Principal and Interest due on May 7	2011	38,552	7,320	45,872
at rates of 3.15%	2012	39,916	5,956	45,872
	2013	41,329	4,543	45,872
	2014	42,791	3,081	45,872
	2015	44,301	1,571	45,872
		<u>\$ 314,821</u>	<u>\$ 52,155</u>	<u>\$ 366,976</u>

ATTACHMENT L

McGladrey & Pullen

Certified Public Accountants

Village of Romeoville Marquette Center Redevelopment Tax Incremental Financing District

Financial and Compliance Report
Year Ended April 30, 2006

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McGladrey & Pullen

Certified Public Accountants

Independent Auditor's Report

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

We have audited the accompanying financial statements of the Marquette Center Redevelopment Tax Incremental Financing District of the Village of Romeoville, Illinois, as of and for the year ended April 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As discussed in Note 1, the financial statements present only the Marquette Center Redevelopment Tax Incremental Financing District and do not purport to, and do not, present fairly the financial position of the Village of Romeoville, Illinois, as of April 30, 2006, and changes in its financial position or, where applicable, its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Marquette Center Redevelopment Tax Incremental Financing District of the Village of Romeoville, Illinois, as of April 30, 2006, and changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

We have also issued a report dated July 16, 2007, on our consideration of the Marquette Center Redevelopment Tax Incremental Financing District's compliance with laws, regulations, contracts and grants.

McGladrey & Pullen, LLP

Chicago, Illinois
July 16, 2007

Village of Romeoville, Illinois
Marquette Center Redevelopment
Tax Incremental Financing District

Balance Sheet
April 30, 2006

Assets

Cash and cash equivalents	\$ 8,256,991
Due from Village's general fund	<u>2,328,133</u>
Total assets	<u><u>\$ 10,585,124</u></u>

Liabilities and Fund Balance

Liabilities, accounts payable	\$ 517,621
Fund Balance, unreserved	<u>10,067,503</u>
Total liabilities and fund balance	<u><u>\$ 10,585,124</u></u>

See Notes to Financial Statements.

Village of Romeoville, Illinois
Marquette Center Redevelopment
Tax Incremental Financing District

Statement of Revenues, Expenditures and Changes in Fund Balance
Year Ended April 30, 2006

Revenues:	
Property taxes	\$ 2,575,010
Interest	<u>281,700</u>
Total revenues	<u>2,856,710</u>
Expenditures,	
current, general government, contractual	<u>546,098</u>
Excess (deficiency) of revenues	
over (under) expenditures	2,310,612
Other financing uses,	
transfer out	<u>(1,675,000)</u>
Change in fund balance	635,612
Fund balance:	
May 1, 2005	<u>9,431,891</u>
April 30, 2006	<u>\$ 10,067,503</u>

See Notes to Financial Statements.

Village of Romeoville, Illinois
Marquette Center Redevelopment
Tax Incremental Financing District

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The operations of Marquette Center Redevelopment Tax Incremental Financing District are accounted for through a capital projects fund and debt service fund of the Village of Romeoville, Illinois. It applies the following policies:

Basis of Accounting: The financial statements are prepared on the modified accrual basis of accounting under which revenue is recognized when it becomes both measurable and available, and expenditures generally are recognized when the liability is incurred.

Creation of funds: The funds were created to account for transactions related to the Marquette Center Redevelopment Project Area established by Village Ordinance No. 2009-89 on June 6, 1989.

The Village intends to finance the various costs of the redevelopment plan and retire any debt issued under the plan through incremental property tax revenue and interest earnings.

Cash and Cash Equivalents: For purposes of reporting cash flows, all highly liquid investments with original maturities of three months or less when purchased are considered to be cash and cash equivalents.

Note 2. Cash and Investments

For the year ended April 30, 2006, the District adopted the provisions of GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, an amendment of GASB Statement No. 3.

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of April 30, 2006 the carrying amount of the District's deposits was \$440,725, with bank balances totaling \$440,725.

Investments

As of April 30, 2006, the District has the following investments:

Investment Type	Fair Value	Investment Maturity (in Years) Less than 1
Illinois Funds	\$ 7,816,266	\$ 7,816,266

The Illinois Funds and Money Market Funds are shown as maturing in less than one year because the weighted average maturity of the fund is less than one year.

Village of Romeoville, Illinois
Marquette Center Redevelopment
Tax Incremental Financing District

Notes to Financial Statements

Note 2. Cash and Investments (continued)

Interest Rate Risk – The District's investment policy does not limit the District's investment portfolio to specific maturities.

The Illinois Funds Investment Pool is not registered with the SEC. The pool is sponsored by the Treasurer of the State of Illinois, in accordance with State law. The fair value of the position in the Pool is the same as the value of the Pool shares.

Credit Risk – State statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, repurchase agreements (under certain statutory restrictions), commercial paper rated within the three highest classifications by at least two standard rating services, the Illinois Funds and the Illinois Metropolitan Investment Fund. The District's investment policy does not address credit risk. As of April 30, 2006, investments in Illinois Funds were rated AAA by Standard and Poor's.

Concentration of Credit Risk - The District's investment policy does not restrict the amount of investments in any one issuer.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Illinois Funds held by the District are not subject to custodial credit risk. The District's investment policy does not address custodial credit risk for investments.

Note 3. Interfund Receivable and Transfer

As of April 30, 2006, the District was owed \$2,328,133 from the Village's General Fund.

The District transferred \$1,675,000 to the Village's Downtown Tax Incremental Financing District.

McGladrey & Pullen

Certified Public Accountants

**Independent Auditor's Report on Compliance Based on an
Audit of Financial Statements Performed in Accordance With
Auditing Standards Generally Accepted in the United States of America**

The Honorable Village President and
Members of the Board of Trustees
Village of Romeoville, Illinois

We have audited the financial statements of the Marquette Center Redevelopment Tax Incremental Financing District of the Village of Romeoville, Illinois, as of and for the year ended April 30, 2006, and have issued our report thereon dated July 16, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

Compliance

Compliance with laws, regulations, contracts, and grants applicable to the Financing District is the responsibility of the Village of Romeoville's management. As part of obtaining reasonable assurance about whether financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts and grants applicable to the Financing District, including the Village's compliance with subsection (q) of Section 11-74.4-3 of the State of Illinois Public Act 85-1142, *An Act in Relation to Tax Increment Financing*, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance with the provisions referred to in the preceding paragraph.

This report is intended for the information of the members of the Village Board and management, and is not intended to be used and should not be used by anyone other than these specified parties.

McGladrey & Pullen, LLP

Chicago, Illinois
July 16, 2007



**ANNUAL TAX INCREMENT FINANCE REPORT
OFFICE OF ILLINOIS COMPTROLLER DANIEL W. HYNES**

Name of Municipality: Village of Romeoville
County: Will
Basis of Accounting: Modified Accrual

Unit Code:
Reporting Fiscal Year: **2006**
Fiscal Year End: 04/30/2006

TIF Administrator Contact Information

First Name: Kirk
Address: 1050 W. Romeo Rd.
Telephone: (815) 886-5250
E-Mail: KOpenchowski@Romeoville.org

Last Name: Openchowski
Title: Village Treasurer
City: Romeoville Zip: 60446

I attest to the best of my knowledge, this report of the redevelopment project areas in:
City/Village of Romeoville is complete and accurate at the end of this reporting
Fiscal year under the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.]
Or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]

Kirk Openchowski

6-20-12

Written signature of TIF Administrator

Date

Section 1 (65 ILCS 5/11-74.4-5 (d) (1.5) and 65 ILCS 5/11-74.6-22 (d) (1.5)*)

FILL OUT ONLY ONCE (PER MUNICIPALITY). ADD ADDITIONAL ROWS AS NECESSARY

Name of Redevelopment Project Area	Date Designated	Date Terminated
<u>Marquette Center Redevelopment Project Area</u>	<u>6-6-89</u>	
<u>Downtown Area Redevelopment Project</u>	<u>1-10-05</u>	

*All statutory citations refer to one of two sections of the Illinois Municipal Code: the Tax Increment Allocation Redevelopment Act [65 ILCS 5/11-74.4-3 et. seq.] or the Industrial Jobs Recovery Law [65 ILCS 5/11-74.6-10 et. seq.]