



AGENDA
FINANCE COMMITTEE
Village of Hoffman Estates
June 22, 2009

7:00 p.m.

Members: Cary Collins, Chairperson
Jacquelyn Green, Vice Chairperson
Anna Newell, Trustee

I. Roll Call

II. Approval of Minutes – May 26, 2009

OLD BUSINESS

1. Continuation of discussion related to approval of a resolution designating Village depositories and the Investment and Cash Management Policy.

NEW BUSINESS

1. Request authorization to declare \$594,821.36 as surplus funds in the Barrington-Higgins TIF Tax Allocation Fund and direct the Treasurer to remit said funds to the Cook County Treasurer for distribution.
2. Request authorization to award contract for the purchase of a replacement water remittance processor to Summit Financial Solutions, Inc. in the amount of \$14,421.00 (low bid) along with a five year software and hardware maintenance agreement in the amount of \$2,514.00 annually.
3. Request authorization to waive formal bidding and award contract for an ongoing annual maintenance of our VoIP phone system and related hardware and software to Sentinel Technologies, Inc. in an amount not to exceed \$39,305.00.
4. Request acceptance of the Comprehensive Annual Financial Report for the year ended December 31, 2008.
5. Request acceptance of the Auditor's Management Letter for the year ended December 31, 2008.
6. Request acceptance of Finance Department Monthly Report.
7. Request acceptance of Information Systems Department Monthly Report.

III. President's Report

IV. Other

V. Items in Review

VI. Adjournment

**VILLAGE OF HOFFMAN ESTATES
FINANCE COMMITTEE**

DRAFT

May 26, 2009

I. Roll Call

Members in Attendance:

**Trustee Cary Collins, Chair
Trustee Jacquelyn Green, Vice Chair
Trustee Anna Newell, Member**

**Other Corporate Authorities
in Attendance:**

**Trustee Raymond Kincaid
Trustee Gary Pilafas
Village President William D. McLeod**

Bev Romanoff, Village Clerk

**Management Team
in Attendance:**

**James H. Norris, Village Manager
Arthur L. Janura Jr., Corporation Counsel
Dan O'Malley, Deputy Village Manager
Mark Koplín, Asst. Village Manager – Development Services
Michael DuCharme, Director of Finance
Algean Garner, Director of Health & Human Services
Robert Gorvett, Fire Chief
Kenneth Hari, Director of Public Works
Clint Herdegen, Chief of Police
Peter Gugliotta, Director of Planning
Joseph Nebel, Superintendent of Operations-Public Works
Don Plass, Director of Code Enforcement
Gary Salavitch, Director of Engineering
JC Paez, Police Lieutenant
Bruce Anderson, Cable TV Coordinator
Ashley Monroe, Assistant Planner**

Others In Attendance:

The Finance Committee meeting was called to order at 8:02 p.m.

It was noted that Trustee Mills would be arriving later in the evening.

II. Approval of Minutes

Motion by Trustee Pilafas, seconded by Trustee Green, to approve the Finance Committee meeting minutes of April 27, 2009. Voice vote taken. All ayes. Motion carried.

NEW BUSINESS

1. Request approval of a resolution designating Village depositories.

A Committee Agenda Item summary sheet from Michael DuCharme, Director of Finance, was presented to the Committee.

Trustee Collins asked the Board's consideration to table this item to the June meeting of the Finance Committee, noting that there was a lot of information provided and he had a lot of questions that he was not able to discuss with Mr. DuCharme for tonight's meeting.

Motion by Trustee Pilafas, seconded by Trustee Green, to table this item to the next monthly meeting of the Finance Committee. Voice vote taken. All ayes. Motion carried.

**FINANCE COMMITTEE
MEETING MINUTES**

**May 26, 2009
Page 2 of 2**

2. Request acceptance of Finance Department Monthly Report.

The Finance Department Monthly Report was presented to the Committee.

Motion by President McLeod, seconded by Trustee Pilafas, to accept the Finance Department Monthly Report. Voice vote taken. All ayes. Motion carried.

3. Request acceptance of Information Systems Department Monthly Report.

The Information Systems Department Monthly Report was presented to the Committee.

Motion by Trustee Pilafas, seconded by President McLeod, to accept the Information Systems Department Monthly Report. Voice vote taken. All ayes. Motion carried.

III. President's Report - None

IV. Other - None

V. Items in Review - None

VI. Adjournment

Motion by Trustee Pilafas, seconded by Trustee Newell, to adjourn the meeting at 8:22 p.m. Voice vote taken. All ayes. Motion carried.

Minutes submitted by:

Vicki Richardson

Date

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

OB1

SUBJECT: Update of Village Depository Listing

MEETING DATE: June 22, 2009

COMMITTEE: Finance Committee

FROM: Michael DuCharme, Director of Finance

PURPOSE: Discussion regarding approval of a depository by resolution and the Village's Investment and Cash Management Policy.

BACKGROUND: At the May Finance Committee meeting I had requested approval of a resolution designating Citibank as a Village Depository. Trustee Collins requested that this item be tabled and brought back to the June committee meeting for discussion. In addition, he requested that the Investment and Cash Management Policy be attached with the item to allow the entire Village Board the opportunity to review and have the opportunity to ask questions related to the existing policy. The existing policy was last amended back in April 2009 when Letters of Credit from Federal Home Loan Banks were approved as an acceptable form of collateral.

DISCUSSION: The last time the Village's depository listing was updated was in March, 2006 to add a new depository which was showing very favorable investment rates.

The Village currently uses a money manager, PMA Financial Network, Inc. to do an annual cash flow plan and assist with the Village's monthly investments. They search out favorable rates, including banks within Hoffman Estates, so that the Village can get the best possible return on its investments. All of the non-local banks are covered under the current depository listing because PMA is on the list. This includes Citibank. The Village invests funds in the Citibank SDA money market account currently. However, a new third party collateral agreement that is being required calls for Citibank to be on the Village's official list of approved depositories.

RECOMMENDATION: To request approval of an amended resolution designating Village depositories.

ATTACHMENT

**A RESOLUTION DESIGNATING
VILLAGE DEPOSITORIES**

NOW, THEREFORE, BE IT RESOLVED by the President and Board of Trustees of the Village of Hoffman Estates, Cook and Kane Counties, Illinois, as follows:

Section 1: That all prior resolutions designating financial institutions are hereby repealed.

Section 2: That the following financial institutions are hereby designated as depositories for Village funds:

- | | | |
|---|---|---|
| a. Charter Natl. Bank & Trust
2200 W. Higgins Road
Hoffman Estates, IL 60169 | b. Charter One Bank
71 S. Wacker Drive
Chicago, IL 60606 | c. EFS Bank
2019 Dean Street
St. Charles, IL 60174 |
| d. Hoffman Estates Comm.
Bank
1375 Palatine Road
Hoffman Estates, IL 60192 | e. Illinois Metro Investment
Fund
1616 E. Golf Road
Des Plaines, IL 60016 | f. JP Morgan Chase
55 W. Monroe Street
Chicago, IL 60603 |
| g. LaSalle Bank NA
135 S. LaSalle St. Suite 1840
Chicago, IL 60603 | h. MB Financial Bank
801 W. Madison Street
Chicago, IL 60607 | i. PMA Financial Network, Inc.
27545 Diehl Road – Suite 100
Warrenville, IL 60555 |
| j. US Bank – Illinois Funds
205 S. Fifth Street
Springfield, IL 62701 | k. Wells Fargo Bank N.A.
230 W. Monroe St. – 29 th Fl.
Chicago, IL 60606 | l. Bridgeview Bank Group
430 N. Milwaukee, Suite FF
Lincolnshire, IL 60069 |
| m. Citibank N.A.
444 N. Main Street
Glen Ellyn, IL 60137 | | |

Section 2: That the Village Treasurer shall secure two (2) copies of the most recent list of sworn statements of resources and liabilities of said depository and shall file said statements with the Village Clerk prior to making any deposit into said depository.

Section 3: That this Ordinance shall be in full force and effect immediately from and after its passage and approval.

PASSED THIS _____ day of _____, 2009

VOTE	AYE	NAY	ABSENT	ABSTAIN
Trustee Karen V. Mills	_____	_____	_____	_____
Trustee Cary J. Collins	_____	_____	_____	_____
Trustee Raymond M. Kincaid	_____	_____	_____	_____
Trustee Jacquelyn Green	_____	_____	_____	_____
Trustee Anna Newell	_____	_____	_____	_____
Trustee Gary J. Pilafas	_____	_____	_____	_____
Mayor William D. McLeod	_____	_____	_____	_____

APPROVED THIS _____ DAY OF _____, 2009

Village President

ATTEST:

Village Clerk



HOFFMAN ESTATES

INVESTMENT AND CASH MANAGEMENT POLICY

1.0 Policy:

It is the policy of the Village of Hoffman Estates to invest public funds in a manner which will provide a competitive investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state statutes governing the investment of public funds.

2.0 Scope:

This Investment and Cash Management Policy applies to the investment practices relating to all funds of the Village of Hoffman Estates, except for the Police and the Firefighters' Pension Funds, which are governed by the Board of Trustees of each respective fund. All financial assets of other funds, including: the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, Enterprise and Internal Service Funds, Trust and Agency Funds, and other funds that may be created from time to time, shall be administered in accordance with the provisions of this policy.

2.1 Cash Management

The Village's Policy regarding cash management is based upon the realization that there is a time-value to money. Temporarily idle cash may be invested for a period of one day to *up to two years* depending upon when the money is needed. Accordingly, the Director of Finance shall cause to be prepared written cash procedures which shall include, but not be limited to, the following:

- A. *Receipts:* All monies due the Village shall be collected as promptly as possible. Monies that are received shall be deposited in an approved financial institution no later than the next business day after receipt by the Village.
- B. *Pooling of Funds:* Except for cash in certain restricted and special funds, the Village will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing,

safekeeping and administration. Investment income will be allocated to the proper funds based on their respective participation and in accordance with generally accepted accounting principals.

3.0 Delegation of Authority

The establishment of investment policies is the responsibility of the Village Board. Responsibility for the management of the Village's cash and investment portfolio is directed to the Director of Finance/Treasurer. The Director of Finance will, under the direction of the Village Manager, establish written procedures and policies for the operation of the cash management and investment program. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and banking services contracts. Such procedures shall include explicit delegation of authority to persons responsible for investment transactions. No person may delegate an investment transaction except as provided under the terms of this policy and the procedures established by the Director of Finance who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials, including outside investment managers.

The responsibility for investment activities of the Police and Firefighters Pension Funds rests with the Board of Trustees of those Funds.

The Village Treasurer, appointed by the Mayor with the advise and consent of the Trustees, advises the Village Board on investment policy and is the Treasurer of the Police and Firefighter Pension Funds.

4.0 General Objectives

The purpose of the Investment and Cash Management Policy of the Village of Hoffman Estates is to establish cash management and investment guidelines for Village officials responsible for public funds. Specific objectives include:

4.1 Safety:

Safety of principal is the foremost objective of the Investment and Cash Management Policy of the Village of Hoffman Estates. Each investment transaction will seek first to ensure that capital losses are avoided by mitigating credit risk and interest rate risk.

A. Credit Risk:

Credit risk is the risk of loss due to the failure of the security issuer or backer.

Credit risk may be mitigated by:

- Limiting investments to the safest types of securities listed in Section 8.0 of this Investment Policy.
- Pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisers with which the Village will do business in accordance with Section 6.0 and,
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

B. Interest Rate Risk:

Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. Interest rate risk may be mitigated by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and
- By investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

4.2 Liquidity:

The investment program must serve the operating needs of the Village. The Village's investment portfolio shall remain sufficiently liquid to enable the Village to meet all operating requirements which may be reasonably anticipated in any Village fund. This is

accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

4.3 Return on Investments:

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity with the following exceptions:

1. a declining credit security could be sold early to minimize loss of principal;
2. a security swap would improve the quality, yield, or target duration in the portfolio; or
3. liquidity needs of the portfolio require that the security be sold.

5.0 Standards of Care

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the possible income to be derived.

5.1 Prudence

The standard of prudence to be used by investment officials shall be the "prudent person" standard, which is established as the standard of professional responsibility and shall be applied in the context of managing the Village of Hoffman Estates' overall portfolio. This policy recognizes that there are circumstances beyond the control of even the most prudent investor which impact the return obtained. However, the establishment of this

policy is intended to assure the Board of Trustees that actions taken in accordance with the specific provisions hereof shall be deemed to meet the prudent person standard, provided that deviations from expectations for any investment are reported in a timely fashion, and appropriate action is taken to control adverse developments.

5.2 Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which would impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Village Board any material financial interests in financial institutions that conduct business with the Village, and they shall further disclose any material personal financial or investment positions that could be related to the performance of the Village's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Village particularly with regard to the timing of purchases and sales.

6.0 Authorized Financial Institutions, Depositories and Brokers/Dealers:

The Finance Director will maintain a list of financial institutions authorized to provide investment services. In addition, a list will also be maintained of approved security brokers/dealers selected by credit worthiness. No public deposit shall be made except on qualified public deposits as established by state statutes.

It shall be the policy of the Village of Hoffman Estates to select financial institutions on the following basis:

- *Security:* The Village will not maintain funds in any financial institution that is not a member of the FDIC. Furthermore, the Village of Hoffman Estates will not maintain funds in any financial institution not willing or capable of posting required collateral for funds in excess of the FDIC insurable limits.
- *Statement of Condition:* The Village of Hoffman Estates will maintain for public and managerial inspection, current statements of condition for each financial institution named as depository. Prior to being named a depository, the financial institution shall

furnish its last two statements of condition, and the most current audited financial statements. The refusal of any institution to provide such data upon request may serve as sufficient cause for the withdrawal of Village funds.

- *Services and Fees:* Any financial institution selected by the Village of Hoffman Estates may be requested to provide cash management services, including, but not limited to: checking accounts, wire transfers, purchase and sale of investment securities and safekeeping services. Fees for banking services shall be mutually agreed to by an authorized representative of the depository institution and the Director of Finance of the Village. Fees for services shall be substantiated by a monthly account analysis and shall be reimbursed by means of compensated balances or paid based on a negotiated fee.
- *Village Board Authorization:* Selection as a depository of public funds requires a financial institution to meet certain criteria as established by this Investment Policy. Upon meeting the established criteria, a financial institution may be named as a depository only upon authorization of the Village Board, through a formal resolution.

6.1 Professional Investment Services

From time to time, Village of Hoffman Estates may wish to consider the services of a professional money manager or a professional intermediary that can identify and locate investment opportunities throughout the United States that are subject to the provisions of the Illinois Compiled Statutes, Chapter 30, Paragraph 235/2, as may be amended.

The Director of Finance may recommend a money manager or intermediary to the Finance Committee. All contracts with money managers or intermediaries must be approved by the Village Board prior to assignments. The Village Board upon the recommendation of the Finance Committee may from time to time place restrictions on the amount of funds any one manager is permitted to invest.

In no cases shall the Village place investments with banks or savings and loans that exceed the FDIC insurance limits plus private insurance coverage. The insurance

coverage will waive the requirement for collateral.

7.0 Safekeeping and Custody:

All trades of marketable securities will be executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities will be held by an independent third-party custodian selected by the Village as evidenced by safekeeping receipts in the Village's name. The safekeeping institution shall annually provide a copy of their most recent report on internal controls (Statement of Auditing Standard No. 70, or SAS 70). Safekeeping will be documented by an approved written agreement. This may be in the form of a safekeeping agreement, trust agreement, escrow agreement or custody agreement specifying that the custodian is acting as an agent of the Village.

7.1 Internal Controls:

The Director of Finance shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by an independent, certified public accountant in conjunction with the annual examination of the financial statements of the Village. The controls shall be designed to prevent losses of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees of the Village of Hoffman Estates. (See Attachment A)

8.0 Suitable and Authorized Investments:

Pursuant to home rule authority, all investments purchased under this policy shall be guided by the State of Illinois Public Funds Investment Act (30 ILCS 235) and all revisions thereto, as may be made by the Illinois Legislature. Following is a summary of acceptable investments under this Act:

1. Bonds, notes, certificates of indebtedness, treasury bills, or other securities, including obligations of the Government National Mortgage Association, which are guaranteed by the full faith and credit of the United States of America as to principal and interest.
2. Bonds, notes, debentures, or other similar obligations of the United States of America or its agencies.

3. Interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits or any investment constituting direct obligations of any bank, as defined by the Illinois Banking Act, that is insured by the Federal Deposit Insurance Corporation.
4. Insured short term obligations of corporations organized in the United States with assets exceeding \$500,000,000 if (i) such obligations are rated at the time of purchase at one of the three highest classifications established by at least two standard rating services and which mature not later than 180 days from the date of purchase, (ii) such purchases do not exceed 10% of the corporation's outstanding obligations and (iii) no more than one-third of the Village's funds may be invested in short term obligations of corporations.
5. Money Market Mutual Funds registered under the Investment Company Act of 1940, provided that the portfolio of any such money market mutual fund is limited to obligations described in paragraph (1) and (2) above and to agreements to repurchase such obligations.
6. In addition to any other investments authorized under the Public Funds Investment Act, the Village may invest its public funds in interest bearing bonds of any county, township, city, village, incorporated town, municipal corporation, or school district. The bonds shall be registered in the name of the municipality or held under a custodial agreement at a bank. The bonds shall be rated at the time of purchase within the four highest general classifications established by a rating service of nationally recognized expertise in rating bonds of states and other political subdivisions.
7. Investments may be made in banks which are insured by the Federal Deposit Insurance Corporation. The Village may invest any public funds in short term discount obligations of the Federal National Mortgage Association (FNMA) or in the shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the laws of the State of Illinois or any other state or under the laws of the United States. Investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the FDIC. Any such securities may be purchased at the offering or market price thereof at the time of such purchase. All such securities so

purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Village, the public funds so invested will be required for expenditure by the Village. The Village may invest any public funds in dividend-bearing share accounts, share certificate accounts or class of share accounts of a credit union chartered under the laws of the State of Illinois or the laws of the United States; provided, however, the principal office of any such credit union must be located within the State of Illinois. Investments may be made only in those credit unions the accounts of which are insured by applicable law.

8. For purposes of this section, the term “agencies of the United States of America” includes: (i) the federal land banks, federal intermediate credit banks, banks for cooperative, federal farm credit banks, or any other entity authorized to issue debt obligations under the Farm Credit Act of 1871 and Acts amendatory thereto, (ii) the federal home loan banks and the federal home loan mortgage corporation; and (iii) any other agency created by Act of Congress.
9. The Village may also invest any public funds in Illinois Public Treasurers’ Investment Pool created under Section 17 of the State Treasurer Act. The Village may also invest public funds in a fund managed, operated and administered by a bank, subsidiary of a bank, or subsidiary of a bank holding company or use the services of such an entity to hold and invest or advise regarding the investment of any public funds.
10. Other types of investments may be added to this list as changes as the statutes governing such investments are revised.
11. Investments in derivatives and participation in securities lending transactions are prohibited.

8.1 Collateralization:

It is the policy of the Village of Hoffman Estates to require that funds on deposit in excess of FDIC limits, or investments not guaranteed by the United States of America or any agency of the United States of America be secured by some form of collateral. The Village shall enter into a collateral agreement with the financial institution meeting FIRREA (Financial institution recovery enforcement act); this agreement shall outline the types of assets that may be utilized as collateral, the amount of collateral required, and the methodology. The Village will accept any of the following assets as collateral:

- a) Negotiable obligations of the United States Government.
- b) Negotiable obligations including FHLB letters of credit of any agency or instrumentality of the United States Government guaranteed by the full faith and credit of the United States Government.
- c) Negotiable obligations of the State of Illinois, or of any county, city, town or municipal corporation of this State or any other political subdivision of this State which are rated A or better by Moody's or Standard and Poors rating thereof.
- d) Negotiable obligations of any State of the United States, or any municipal or other political subdivision thereof which are rated AA or better by Moody's or Standard and Poors rating thereof.

The amount of collateral provided will not be less than 110% of the fair market value of the net amount of public funds secured. The rate of fair market value of collateral to the amount of funds secured will be reviewed monthly and additional collateral will be required when the ratio declines below the 110% level. Pledged collateral will be held by the Village of Hoffman Estates or in safekeeping and evidenced by a safekeeping agreement. A collateral agreement will preclude the release of the pledged assets without an authorized signature from the Village of Hoffman Estates. The agreement will allow for an exchange of collateral of like value but only upon written approval by the Director of Finance.

The Director of Finance will monitor the adequacy of collateralization monthly. The Village requires monthly reports with market values of pledged securities from all financial institutions with which the Village has investments and cash requiring collateral to be pledged. A separate collateralization agreement will be maintained with each financial institution wherein collateral is required.

9.0 Investment Parameters:

9.1 Diversification:

In order to reduce the risk of default, the investment portfolio of the Village of Hoffman Estates shall be diversified by:

- limiting investments to avoid over-concentration in securities for a specific issuer or business sector (excluding U.S. Treasury and Agency securities):
 - No financial institution shall hold more than 40% of the Village's investment portfolio.
 - Monies deposited at a financial institution shall not exceed 50% of the capital stock and surplus of that institution.
 - Commercial paper shall not exceed 10% of the Village's investment portfolio.
- limiting investment in securities that have a higher credit risk.
- investing in securities with varying maturities.
- continuously investing a portion of the portfolio in readily available funds as the Illinois Treasurer's Pool or money market funds to ensure that appropriate liquidity is maintained in order to meet on-going obligations.

9.2 Maximum Maturities:

Maturities of investments of the various funds of the Village shall be determined to enable the Village to have available sufficient cash for all operating purposes. The Village of Hoffman Estates shall not generally invest in securities maturing in greater than two (2) years. Investments may be purchased with maturities to match future project or liability requirements. Reserve funds may be invested in securities exceeding two years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. Any investment purchased with a maturity longer than four years must be supported with written documentation explaining the reason for the purchase and must be specifically approved by the Board of Trustees.

10.0 Reporting:

The Director of Finance shall submit a monthly investment report to the Village Board, which shall describe the portfolio in terms of investment securities, maturities and cost by fund, and earnings for the current period and year to date, and market value of securities, if available. The report shall indicate any areas of policy concern and planned revision of investment strategies. The Comprehensive Annual Financial Report of the Village of Hoffman Estates shall include all investment information as promulgated by the Government Accounting Standard Board.

10.1 Performance Standards

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates. Portfolio performance should be compared to appropriate benchmarks on a regular basis. The benchmarks shall be reflective of the actual securities being purchased and risks undertaken, and the benchmark shall have a similar weighted average maturity as the portfolio.

10.2 Market Yield (Benchmark):

The Village's investment strategy is passive. Given this strategy, the basis used by the Finance Director to determine whether market yields are being achieved shall be the three-month U.S. Treasury Bill.

10.3 Marking to Market:

The market value of the portfolio shall be calculated annually and a statement of the market value of the portfolio shall be issued.

11.0 Investment Policy Adoption:

The Village of Hoffman Estates' investment policy shall be adopted by resolution of the Village Board of Trustees. This policy shall be reviewed on an annual basis by the Finance Director and any modifications made thereto must be approved by the Village Board of Trustees.

Adopted: April 6, 2009

**VILLAGE OF HOFFMAN ESTATES
DEPARTMENT OF FINANCE**

**Investment Policy
Attachment A**

INTERNAL CONTROLS AND PROCEDURES

PURPOSE

The purpose of this document is to specify internal controls and procedures for investment activity. Internal controls are essential for safeguarding a municipality's cash and securities and ensuring accurate and timely financial reporting. This document is verification that sound administrative systems and controls are in place within the Village of Hoffman Estates.

INVESTMENT PROCEDURES

When it is determined that there are excess funds present, it has to be decided whether it is available for short or long term investing. Investment bids (solicitation of offers from brokers or financial institutions) are then taken by the Director of Finance or person designated by the Director of Finance for all funds except for the Police and Fire Pension Funds, which are governed by the Board of Trustees of each respective fund. Such bid requests will be made orally and confirmed in writing. A minimum of three banks are called for rates. The highest rate is chosen, then the money is transferred via wire transfer. A confirmation is sent a few days later by the bank.

The Village of Hoffman Estates maintains its accounting records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions will be recorded in the various funds of the Village in accordance with generally accepted accounting principles as promulgated by the Government Accounting Standards Board. Accounting principles will include:

- Investments will be carried at cost or amortized cost which approximates market, or at market value as prescribed by accounting standards.
- Any premium or discount will be amortized over the life of the investment.
- Gains or losses on investments in all funds will be recorded at the time of disposition of the security, or when recognized as prescribed by accounting standards.

All investment activity is recorded by a Finance Department staff member other than the person that made the investment (usually the Accountant). The Accountant confirms the amount when the confirmation is sent, and at the end of the month, records the amortization of premiums/discounts, treasury interest accrual and interest recognition.

REPORTING REQUIREMENTS

At the end of every month the Accountant prepares an investment report of all investments currently held. This report includes which fund the investment is in, with which financial institution, purchase and maturity dates, interest rate, and book, market, and maturity amounts. This report is reviewed by various Finance Department personnel and then given to the Village's Board of Trustees.

WIRE INSTRUCTIONS

A written wire transfer agreement is always kept current with who is authorized to initiate wires.

SAFEKEEPING PROCEDURES

All trades where applicable, will be executed by delivery versus payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: 2008 Barrington-Higgins TIF Surplus Declaration
MEETING DATE: June 22, 2009
COMMITTEE: Finance Committee
FROM: Michael DuCharme, Director of Finance

PURPOSE: To declare \$594,821.36 as surplus funds within the Barrington-Higgins TIF Special Tax Allocation Fund, and direct the Treasurer to remit said funds to the Cook County Treasurer for distribution to the appropriate taxing bodies.

BACKGROUND Current state law for tax incremental financing districts provides that surplus incremental revenues be declared surplus each year and be returned to the County for distribution to the affected taxing districts.

DISCUSSION The prior year accumulated surplus revenue and 2008 surplus amount representing the 2007 tax levy year, has been calculated to be \$594,821.36 and will be distributed as indicated in the following table.

<u>Taxing District</u>	<u>Amount</u>
Cook County	36,943.17
Consolidated Elections	993.95
Cook County Forest Preserve	4,390.38
Schaumburg Township	5,467.00
Schaumburg Road & Bridge	1,325.26
Schaumburg General Assistance	579.95
MWRD	21,784.74
Northwest Mosquito Abatement District	662.63
Palatine Twsp. High School Dist. 211	163,346.27
Harper College District 512	21,536.70
Hoffman Estates Park District	34,789.91
Village of Hoffman Estates	67,922.65
Schaumburg Twsp. Library District	21,205.38
School District 54	213,873.37
Total	594,821.36

Each year, the Village has prepared a compliance report that is submitted to the State of Illinois Department of Revenue as well as to each taxing district in the Barrington-Higgins TIF. A copy of that report is attached for information and support of the surplus declaration.

RECOMMENDATION: Request authorization to declare \$594,821.36 as surplus funds in the Barrington-Higgins TIF Tax Allocation Fund, and direct the Treasurer to remit said funds to the Cook County Treasurer for distribution.

ATTACHMENT

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON/HIGGINS TIF DISTRICT FUND
FINANCIAL AND COMPLIANCE REPORT

For the Year Ended December 31, 2008



Certified Public Accountants & Advisors

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON/HIGGINS TIF DISTRICT FUND
TABLE OF CONTENTS

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT	3
FINANCIAL STATEMENTS	
Statement of Changes in Assets and Liabilities	4
Schedule of Changes in Assets and Liabilities by Source.....	5
Notes to Financial Statements	6-7
REPORT OF INDEPENDENT ACCOUNTANT'S ON COMPLIANCE.....	8



998 Corporate Boulevard • Aurora, IL 60502

INDEPENDENT AUDITOR'S REPORT

The Honorable Village President
Members of the Board of Trustees
Village of Hoffman Estates, Illinois

We have audited the accompanying statement of changes in assets and liabilities of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois, for the year ended December 31, 2008, and have issued our report thereon dated March 13, 2009. This financial statement is the responsibility of the Village of Hoffman Estates, Illinois' management. Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 1A, the financial statements present only the Barrington/Higgins TIF District Fund and are not intended to present fairly the financial position of the Village of Hoffman Estates, Illinois, as of December 31, 2008 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the changes in assets and liabilities of the Barrington/Higgins TIF District of the Village of Hoffman Estates, Illinois, for the year ended December 31, 2008, in conformity with accounting principles generally accepted in the United States of America.

Our audit was made for the purpose of forming an opinion on the statement of changes in assets and liabilities of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois. The accompanying schedule of changes in assets and liabilities by source is presented for purposes of additional analysis and is not a required part of the statement of changes in assets and liabilities of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois. Such information has been subjected to the auditing procedures applied in the audit of the statement of changes in assets and liabilities of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois, and, in our opinion, is fairly stated in all material respects in relation to the statement of changes in assets and liabilities of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois.

Aurora, Illinois
March 13, 2009

Sikich LLP

FINANCIAL STATEMENTS

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 BARRINGTON/HIGGINS TIF DISTRICT FUND
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended December 31, 2008

	Balances January 1	Additions	Deletions	Balances December 31
ASSETS				
Cash and investments	\$ 323,180	\$ 810,574	\$ 538,932	\$ 594,822
TOTAL ASSETS	\$ 323,180	\$ 810,574	\$ 538,932	\$ 594,822
LIABILITIES				
Due to other entities	\$ 323,180	\$ 810,574	\$ 538,932	\$ 594,822
TOTAL LIABILITIES	\$ 323,180	\$ 810,574	\$ 538,932	\$ 594,822

See accompanying notes to financial statements.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

BARRINGTON/HIGGINS TIF DISTRICT FUND

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES BY SOURCE

For the Year Ended December 31, 2008

BALANCE, JANUARY 1, 2008	<u>\$ 323,180</u>
ADDITIONS	
Property taxes	799,254
Interest	<u>11,320</u>
Total additions	<u>810,574</u>
DEDUCTIONS	
Professional services	2,307
Interest - development note	213,445
Surplus distribution	<u>323,180</u>
Total deductions	<u>538,932</u>
BALANCE, DECEMBER 31, 2008	<u><u>\$ 594,822</u></u>
BALANCE BY SOURCE	
Property taxes	\$ 583,060
Interest	<u>11,762</u>
BALANCE, DECEMBER 31, 2008, BY SOURCE	<u><u>\$ 594,822</u></u>

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON/HIGGINS TIF DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS

December 31, 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Barrington/Higgins TIF District Fund of the Village of Hoffman Estates, Illinois (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The Barrington/Higgins TIF District Fund is a component unit of the Village of Hoffman Estates. The fund is presented as an agency fund in the Village's financial statements.

B. Fund Accounting

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The District uses an agency fund to report on its changes in asset and liabilities. Agency funds are custodial in nature and do not present results of operations or have a measurement focus. These funds are used to account for assets that the District holds for others in an agency capacity.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The modified accrual basis of accounting is used by agency funds.

D. Investments

Investments with a maturity of one year or less when purchased and all non-negotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased are reported at fair value.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
BARRINGTON/HIGGINS TIF DISTRICT FUND
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS

The Village's investment policy is followed by the District. This policy authorizes the District to invest in debt securities guaranteed by the United States (explicitly or implicitly), debt securities of the United States or its agencies, interest bearing savings accounts, time deposits and certificates of deposit of a bank that is insured by the FDIC, certain insured short term obligations of corporations organized in the United States, certain money market mutual funds, interest bearing bonds of other local governments, and Illinois Funds (a money market fund created by the State legislature under the control of the State Treasurer that maintains a \$1 share value).

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

Deposits

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

Investments

In accordance with its investment policy, the District limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for operating funds and maximizing yields for funds not needed currently. The investment policy limits the maximum maturity lengths of most investments to two years. The District limits its exposure to credit risk by investing in the Illinois funds, which are rated AAA by a national rating agency. Illinois Funds are not subject to custodial credit risk.



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

REPORT OF INDEPENDENT ACCOUNTANT'S ON COMPLIANCE

The Honorable Village President
Members of the Board of Trustees
Village of Hoffman Estates, Illinois

We have examined management's assertion included in its representation letter dated March 13, 2009 that the Village of Hoffman Estates, Illinois, complied with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act (Illinois Public Act 85-1142) during the year ended December 31, 2008. As discussed in that representation letter, management is responsible for the Village of Hoffman Estates, Illinois' compliance with those requirements. Our responsibility is to express an opinion on management's assertion about the Village's compliance based on our examination.

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

In our opinion, management's assertion that the Village of Hoffman Estates, Illinois, complied with the aforementioned requirements for the year ended December 31, 2008 is fairly stated, in all material respects.

This report is intended solely for the information of and the use of the Board of Trustees, management, the Illinois State Comptrollers Office and the Illinois Department of Revenue and should not be used by anyone other than these specified parties.

Sikich LLP

Aurora, Illinois
March 13, 2009

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: Water Bill Remittance Processing

MEETING DATE: June 22, 2009

COMMITTEE: Finance

FROM: Rachel Musiala, Assistant Director of Finance

PURPOSE: Request authorization to award contract for the purchase of a replacement water remittance processor to Summit Financial Solutions, Inc in the amount of \$14,421.00 (low bid) along with a five year software and hardware maintenance agreement in the amount of \$2,514.00 annually.

BACKGROUND: Prior to 2003, all of the Village's water payments from residents that were submitted through the mail were processed by a third-party lockbox processor. Not having to use staff time for that task was beneficial; however, it was difficult when residents had questions regarding payments because we did not have the records that would have made research possible. Also, we still were receiving about 3,000 payments per month "over-the-counter" that had to be processed in-house. In 2003, the Village decided to bring the processing of all its water payments in-house for cost savings and increased customer service capabilities. A large, high-speed remittance processor and software was purchased from Standard Register in the amount of approximately \$56,000. We planned for a five-year useful life on the equipment.

DISCUSSION: In 2008, we started experiencing some hardware failure on the equipment that we currently have, but were still able to use it as the failures were not in critical areas. However, we knew it would be necessary to replace the equipment in 2009. In addition, there have been many advances in technology since we last were in the market. For example, Check 21 is prevalent in all of the solutions available. Check 21 is the process of electronically transmitting our check deposits to the bank instead of someone having to physically take the deposit to the bank. Also, all of the technology now has CAR/LAR functionality. This is where the machine reads the handwritten amounts on the checks, thus eliminating approximately 90% of the data entry that we are currently performing.

In May, we mailed a request for proposal to eight companies, all of whom expressed an interest in bidding. However, only three proposals were received. One proposal for almost the same type of equipment that we currently have was received late, and therefore,

disqualified. A second proposal was from a company in DesMoines, Iowa that wanted us to switch back to the lockbox-type method, where our water bills would be mailed directly to them and they would process them and send us an electronic file daily. However, their costs were high and we frowned upon our water bills having a DesMoines remittance address on them.

The third, and really only qualified, proposal was from Summit Financial Solutions, Inc. for their RemitXpress software and hardware solution. They offered us two solutions to consider. The first was for a large, high-speed processor like we have now. The second was for a smaller, compact desktop unit that we feel will suit our needs. The benefit of the smaller unit is it is much cheaper to maintain and replace if needed as it is only \$2,000. It should be noted that our hardware maintenance agreement will include next-day replacement of the unit if it breaks.

A summary of Summit's proposal for the small scanner solution is below:

<i>Item</i>	<i>Total Price</i>
Hardware – Scanner	\$1,971
Computer	\$1,350
Software & License Fees	\$5,550
Installation & Training	\$5,550
Total Purchase	\$14,421

All of the above costs are one-time fees. Hardware and software maintenance in the amount of \$2,514.00 will be an annual cost.

Summit came in multiple times to meet with key users in order to demonstrate the equipment and software and all reference checks came back positive.

FINANCIAL IMPACT:

In the Water & Sewer Fund, we have budgeted \$80,000 for this purchase for 2009. Our recommendation is much lower than this possible funding.

RECOMMENDATION:

Request authorization to award contract for the purchase of a replacement water remittance processor to Summit Financial Solutions, Inc in the amount of \$14,421.00 (low bid) along with a five year software and hardware maintenance agreement in the amount of \$2,514.00 annually.

ATTACHMENT



RemitXpress™

**RemitXpress Remittance Processing System Proposal
for
The Village of Hoffman Estates, Illinois**

May 26, 2009

The Next Generation of Payment Processing



Executive Summary

Summit Financial Solutions' RemitXpress remittance processing solution represents the most advanced and flexible payment processing application available today. In a single pass, RemitXpress:

- Captures images of the payment coupons and checks
- Automatically reads and analyzes OCR, bar code, MICR and most handwritten data from all documents (eliminating 90% of manual data entry)
- Automates balancing and payment application
- Generates an electronic "Check 21" file for deposit to your bank
- Creates an accounts receivable file for Pentamation

Summit Financial Solutions' RemitXpress also offers multiple user and multiple location processing which uses local and wide area networks to provide company-wide information access.

Summit Financial Solutions' RemitXpress remittance processing solution also:

- Expedites research, reconciliation, and reporting
- Saves valuable time
- Improves funds availability
- Reduces DSO
- Reduces payment processing costs

Summit Financial Solutions is uniquely qualified to address the processing needs identified by the Village of Hoffman Estates. With easily customizable processing options, your workflow doesn't have to fit RemitXpress; RemitXpress adapts to your method of processing.

Summit Financial Solutions is pleased to present the RemitXpress remittance processing solution to the Village. As the prospective technology partner of choice for the Village, Summit Financial Solutions is committed to proposing a payment processing solution that meets the Village's processing goals and objectives. RemitXpress provides the Village all the advantages of the financial industry's most advanced imaging technologies in a cost-efficient and easy-to-manage solution.

As the Village considers the implementation of Summit Financial Solutions' RemitXpress, this proposal will highlight the following key Summit Financial Solutions advantages that top the list of many reasons why Summit Financial Solutions should be the Village's technology partner of choice:

Our Product

We were at the forefront of Check Imaging and now we have created a standard by which all other check imaging companies strive. Since introducing our check imaging solutions in a community bank in 2002, Summit Financial Solutions has continued to

The Next Generation of Payment Processing



revolutionize how checks are cleared, from expedited processing to image delivery. Summit Financial Solutions is prepared to support your pursuit of cost savings, operational efficiencies, and fraud protection enabled by the passage of Check 21.

Our People, Our Experience

Since 2002, Summit Financial Solutions has offered integrated solutions designed to meet its clients' unique operational goals. Associates with extensive backgrounds in check imaging and payment processing management ensure that our clients benefit from the most in-depth knowledge base and receive unparalleled levels of client support.

Our Leadership

All our people have the benefit of having been involved with the Proof of Deposit / Imaging world since 1995. This background gives us a tremendous foundation for our development efforts. We have had time to design and write a complete package without pressure to quickly rush software out the door. Drawing upon prior experience, we have had the time to design the system right the first time. Summit Financial Solutions delivers a comprehensive suite of time-tested solutions employed by more than 400 financial institutions and hundreds of corporate businesses nationwide.

Our Services and Support

Summit Financial Solutions' professional services – including personal account management – allow clients to leverage the advanced technology our imaging solutions provide. Through expert technical support, operational assessment, and hands-on training, Summit Financial Solutions partners with clients to ensure complete satisfaction with our products and services.

Our Processes

Summit Financial Solutions' implementation methodology offers a combination of technical guidance and customer service to ensure a successful implementation and seamless transition to live operation. Each stage of the implementation process is client-approved, and is combined with continued project management and quality system training.

Our Integration

As the leader in check imaging, Summit Financial Solutions is unsurpassed in check imaging integration experience. Experience with many A/R processing vendors demonstrates our commitment to delivering system interfaces that are technically sound and highly functional.

Thank you for the opportunity to present RemitXpress and Summit Financial Solutions. We look forward to a productive partnership over the next several years.



Table of Contents

Contents

Executive Summary	2
Summit's Response to the RFP for Hoffman Estates	5
General Specifications (Large Scanner)	17
General Specifications (Small Scanner)	18
Pricing Information (with Large Scanner- iTRAN 3000t)	19
Pricing Information (with Small Scanner – Unisys Smart Source Professional Series).....	20
References	22
Exhibit 1 - Financials	23
Exhibit 2 – Sample Contract.....	24

Summit's Response to the RFP for Hoffman Estates

Any sections that require or warrant a response are in green text after the question or point that Summit is addressing.

1. Purpose

The Village of Hoffman Estates ("Village") is seeking proposals for the purchase of remittance processing equipment and image retrieval system to replace current aged equipment. The Village will make one award for the purchase and will make such award in the manner it deems to be in its best interests, considering price, equipment quality and performance, and references.

2. Background

The Village of Hoffman Estates currently utilizes a third party vendor for the printing and mailing of utility bills for approximately 15,500 customers monthly. This number is not expected to increase significantly in the near future. The printed bill includes a return stub containing an OCR scan line that provides account and amount due information. The stub is at the bottom of the bill, so when torn off, the perforated edge is at the top of the remittance stub.

The Village uses accounting software from Sungard Public Sector (Pentamation), thus it is a requirement that the remittance processing system interface with this software.

The Village currently processes utility bill payments using a Standard Register Fuji DTS2100. The Village's current volume is an average of 600 payments per day and can peak to approximately 1,000 payments per day near the bill due date.

The Village is seeking a complete solution, and proposals should include hardware, software, documentation, training, maintenance and support, and all warranty options.

3. Bid Performance Amount

A bid bond, cashier's check, certified check, or other approved security in an amount equal to 10% of the bid is required to guarantee the successful bidder will sign a contract. Use 10% of the out right purchase price (total of the first column under pricing on attached page) to calculate the bid performance amount.

The bid deposit of the accepted bidder is to be returned only after completion of the contract. This can be done, at the contractor's discretion, by either 1) returning the actual check sent by the vendor; or 2) cashing the check sent by the vendor and immediately issuing a refund to the vendor. The remaining bid deposits of each contractor who was not awarded the contract will be returned immediately after the Village Board has awarded the contract. Provided.

4. General Information

The desired contract is one in which the vendor delivers, installs, implements and passes an acceptance test on equipment and software, training, and documentation. The

Village reserves the right to reject any or all proposals or any part thereof, or to waive informalities in any proposal, if deemed to be in the best interest of the Village.

The Village reserves the right to obtain clarification of any point in a vendor's quote or to obtain additional information necessary to properly evaluate a particular quote. Failure of a vendor to respond to such a request for additional information or clarification may result in rejection of a vendor's proposal.

5. Scope of Services

The Village has determined the system must provide the following capabilities:

- Read and endorse utility stubs
- Read and encode utility checks
- Upload data from stubs into host computer individually or by batches
- Support Multiple OCR Fonts
- Image capture of front and rear of stubs and checks
- Must display image for data entry and allow zooming in to amount field in a single keystroke – Images are pre-magnified for data entry purposes
- Process Multiple Types of batches
 - Process the following types of transactions, intermixed within a batch (no manual sorting):
 - Single stub/single check
 - Multiple checks/single stub
 - Multiple stubs/single check
 - Multiple stubs/multiple checks
 - Matched or Unmatched payment amounts
 - Process the following types of transactions, within the same batch by selecting the appropriate mode:
 - Exceptions (e.g. check and list)
 - Check only processing – RemitXpress can process check only payments in the same batch with single/singles, multi/singles, etc., but requires a batch ticket that will tell RemitXpress the following payments are check only. RemitXpress will automatically create a “virtual” payment coupon for check only payments.
- CAR/LAR (Courtesy Amount Recognition/Legal Amount Recognition) to read handwritten amounts
- There should be no fixed limit to the number of documents that can be processed using the CAR/LAR – There is no open ended/unlimited quantity license available for CAR/LAR software, however Summit's minimum license is for 800,000 CAR/LAR reads per year.
- Use of CAR/LAR to allow one pass mixed processing of multi's/singles/partial payments without sorting – The only sorting RemitXpress requires is for check only payments to be grouped together, however they can be in a batch with other payment types.
- Net amount/gross amount (late payment) processing, with one key toggle
- Ability to process up to 5 amount fields and add amount fields automatically (disregard this requirement per Rachel)

The Next Generation of Payment Processing



- Automatic skip of exception transactions (e.g. payment on a credit balance) when in power encode mode
- Substitute stub processing
- Automatic feeding (at least 400 document capacity)
- PC to Host Communication - In order to allow the transaction data to be uploaded to the host accounts receivable system, the data will need to be in a format, which can be accepted by that system
- Automatic check encoding and endorsement – With the use of Check 21, check encoding will not be needed. Endorsement occurs electronically vs. actual printing of an endorsement on the physical check.
- Complete audit trail
- Reporting/Inquiry Module
- Audit Report
- Daily Activity Detail Report
- Generate Daily Balancing
- As an option, generate Remote Deposit Files for ARC or Check 21 – Please understand that if ARC is used a notice, on every bill, will have to be provided to your account holders informing them that their check may be converted to an ACH payment. Further, the Village must provide means for the account holder to opt out of the check conversion. RemitXpress can manage the opt-out list of accounts.
- Batch Reports
- Sort Options - At a minimum 3 pockets (minimum 250 document capacity each) will be required to accommodate:
 - Processed stubs
 - Processed checks
 - Exceptions/rejects
- Online Retrieval of Images - Retrieval and database indexing of images stored is required. Sufficient storage space for a front image of a check (and/or the stub) is required for 30 to 60 days work. Optional image Archiving and Retrieval for longer term storage and permanent archive records using a CD-ROM or Optical Disk storage must be available. Images being viewed must be able to be enlarged by "zooming" in on areas of interest with a simple mouse click
- Check/Stub Images must be able to be reprinted, saved, or emailed
- Archive Capabilities must be available
- Track Speed - Specify the rated track speed in documents per minute for the desktop check processor
- Rated Document Throughput - Provide a reasonable figure for actual throughput (not track speed) to use in estimating processing time. This should include all functions from the start of process to completed deposit, upload, and reports. Verification of the quoted speed may be required as part of a functional demonstration.
- Image Capture - Provide the dots per inch and format of the images stored.
- Front/Back - The system quoted should include a front and rear image camera.
- Image Archive - The PC quoted must be configured to provide up to 60 days storage of images and associated data. The retrieval/inquiry screen must allow for scrolling, zooming, copying, and printing of images.
- Monitor - The PC quoted must have a 17" Flat Panel Display or better.

The Next Generation of Payment Processing



- Endorsement - A stamp endorsement and an audit trail of at least to 40 alphanumeric inkjet characters is required
- Documents Standard
 - Minimum Size - 5 inches long, 2 ½ inches high
 - Maximum Size - 8.5 inches long, 4 ¼ inches high
 - Paper Weight - 20 to 28 lbs.
- Character Recognition - Support of these Fonts is a requirement
 - OCR A Numeric
 - OCR A Alphanumeric
 - OCR B Numeric
 - OCR A Alphanumeric
 - OCR B Alphanumeric
 - E-13B
 - Optional barcode
 - Optional multifont machine print
 - Optional handprint
 - Optional mark sense (checkbox)
- The specification for the computer system must meet or exceed the following:
 - Windows XP/Vista compatible – RemitXpress is also compatible with the new Windows 7 operating system.
 - Windows XP service pack 3 preinstalled
 - Intel Dual Core based PC
 - 2gb Ram
 - DVD/CD Recordable Rom
 - 250gb Hard drive
 - 10/100/1000 network card
 - Floppy Disk Drive
 - 256mb Video Card
 - USB Qwerty Keyboard
 - USB two button w/wheel optical mouse

The proposed software must comply with the following standards:

- 100% compatible with Windows XP/Vista Operating System – RemitXpress is also compatible with the new Windows 7 operating system.
- for compatibility with future Windows releases, software Vendor must be Microsoft Certified Partner – Summit is a Microsoft Gold Certified Partner
- Software native to the PC environment
- Software compatible with Customer Networking environment
- Software able to print documents direct to PC networked printers
- Software currently supported with no plans for phase out
- Software adheres to widely accepted industry standards, and has passed independent audit testing
- Software must be provided as a perpetual license with no additional annual or per item fees for its use, and no time or volume limits requiring additional license fees
- Software must not contain any viruses, trapdoors, timebombs, or other malicious



- code
- Software is easy to use and has a Graphical User Interface (GUI)
- Software must operate in a Microsoft Domain on a computer operating under domain/local USER rights restrictions
- Software must be compatible with Anti Virus software, primarily McAfee Enterprise (multiple versions)
- Adequate security features that include the ability to set access controls at Multiple levels. – Each user of RemitXpress will have their own ID, password, and individual rights to the functionality inside RemitXpress. There will be an administrator for the Village and they will be trained to create new users, remove users, administer password resets, and grant functionality rights to each user.
- Software includes built-in back up features, and data recovery if processing is disrupted due to power loss or other interruptions
- Custom Report capabilities where applicable
- Documentation with on-line help, as well as printed user manuals – Summit is happy to provide documentation/user manuals in the PDF format. In an effort to be environmentally conscious, Summit does not normally provide hard copy manuals.
- Customer support, with a toll free support line, and dedicated and secure Webex or equivalent site for remote diagnostics during normal business hours. Optional extended hour coverage (up to 7 X 24) must be available. – Summit has dedicated software support with extended hour coverage available when needed via a non-800 number.
- Ability to utilize customized forms used by the Customer
 - Front-end application runs with Graphical User Interface (GUI) (Microsoft Windows XP sp3 and Windows Vista)
 - System communicates via TCP/IP network protocol
 - Transaction management is implemented to enable recoverability up to the point of failure
 - Security is implemented to prevent unauthorized access to data
 - Ability to import/export data to an ASCII flat file
 - Local vendor provided maintenance support
 - Local vendor provided software support
 - On-line access to payment history
 - Ability to create a file capable of being imported into Sungard Pentamotion Utility Billing version 8.1

The proposed hardware must comply with the following standards:

- be certified by UL, CSA or other applicable safety standards
- be manufactured in an ISO certified facility
- have manufacturer's direct parts and service support available within North America
- fit easily into office environment

Additional capabilities that provide for lower cost, more efficient operation, or better customer service are always of interest. We solicit information on product features and/or options that will help us meet these objectives.

Proposals should include all necessary equipment, as well as other functional equipment necessary to operate a remittance processing work unit.

Please note any exceptions to the above requirements in your proposal.

6. Installation and Training

The bidder will provide complete installation of the hardware and software, ensure proper system performance (including successful accounting software interface and bank transmission of file), and complete acceptance testing. Training is required to cover all aspects of operation including supervisor functions.

The bidder will provide all training material in printed form as well as in .pdf format on CD-Rom. – Summit is happy to provide documentation/user manuals in the PDF format. In an effort to be environmentally conscious, Summit does not normally provide hard copy manuals.

7. Support Services

Customer software support, with a toll free support line, and a secure and dedicated Webex or equivalent site for remote diagnostics during normal business hours is required. Optional extended hour coverage (up to 7 X 24) must be available. – Summit has dedicated software support with extended hour coverage available when needed via a non-800 number. Summit also utilizes WebEx as a remote support tool.

Hardware Support with a maximum 4-hour response time during normal business hours is required. – Summit can provide basic hardware troubleshooting, however advanced trouble shooting will be handled by the hardware manufacturer.

8. Equipment and Software Sign-off

The Village requires that acceptance testing take place within 2 business days of the completion of installation, and be conducted using a checklist of functions to be verified:

- Verification of all functions and menus as listed in specification
- Verification of OCR read rate
- Verification of encoding quality and accuracy
- Verification of endorsing (audit trail) quality and accuracy
- Verification of endorsing (bank stamp) quality and accuracy
- Verification of document sorting
- Throughput test of power encode
- Verification of batch limit detection and batch ticket creation
- Verification of check and batch listings for accuracy and format
- Verification of edit functions
- Verification of upload functions
- Verification of remote deposit capabilities
- Upload test batch to ensure 100% accurate postings
- Retrieve selected archive images

- Verify image quality
- Verify image print function

Any discrepancies noted in any of the tests will to be corrected by the vendor prior to system acceptance.

9. Equipment and Software Documentation

It is required that the vendor provides both on-line and hard copy documentation (user's manual) to the Village at no extra charge. – Summit is happy to provide documentation/user manuals in the PDF format. In an effort to be environmentally conscious, Summit does not normally provide hard copy manuals.

10. Equipment and software maintenance and updates

Provide the procedure the bidder uses for enhancements and upgrades. Detail any charges involved. – RemitXpress is a very robust software offering that provides most every feature needed and wanted by most companies. We welcome feedback from our clients with product improvement suggestions. These suggestions are logged, considered, and prioritized. If there is a specific feature the Village would like us to custom build, we are happy to discuss the feature and, if feasible, we will provide a development price quote for the delivery of that feature.

11. Software Source Code

A complete copy of the proposed source code is required to be available in escrow upon request. – Summit does have its entire source code in escrow currently.

12. Equipment Demonstrations

After the proposal due date, it is anticipated that select staff from the Village will require demonstrations of the proposed equipment. It is our hope that remittance processors of the same specifications being proposed are in the local area and on-site visits will be scheduled for the beginning of June. – If a smaller desktop scanner is selected, the equipment can be demonstrated at the Village's office. A larger scanner with 3 or more output pockets, like an NCR iTRAN 3000t, cannot be brought and set up for an on-site demonstration. The actual set up of a scanner that size takes a few hours and has many calibrations that must be completed prior to use. Every effort will be made to find a location in Northern Illinois where a business is using a large scanner like the iTRAN 3000t and host a demonstration at that place of business.

13. Projected 2009 Calendar of Events

May 1 st	RFP's available for distribution
May 29 th	Due date for all proposals
June 1 st - 19 th	On-site demonstrations of processors and reference checks
June 22 nd	Selection of unit to be purchased
July 6 th	Final Village Board approval
July 7 th	Contract implementation and purchase
	Delivery and installation to take place as soon as possible

If you are unable to adhere to any of the above events, please note this in your proposal.

14. Proposal Submission Instructions

In addition to the forms included in this RFP, anyone submitting a proposal shall include documentation and information that demonstrates the capabilities of their suggested remittance processor, as well as the service that will be provided in terms of annual maintenance. Please provide a proposal with narrative sections including the information requested below:

Equipment to be Provided – Please describe the equipment to be provided in detail, with information confirming the ability of the proposed equipment to meet all of the Village's minimum specifications mentioned above.

All necessary equipment can be purchased through Summit. Below are the specifications of the PC used with RemitXpress and the small and large scanners.

Controller PC

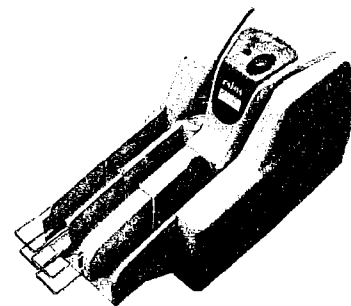
The below PC specifications meet or exceed the specifications provided in this RFP.

- Dell PC with Windows XP Professional SP3
- Intel Dual Core Duo
- 2GB RAM
- 250GB Hard Drive
- 256MB Video Memory
- CD/DVD Recordable ROM
- 10/100/1000 NIC
- Floppy Drive
- Dell USB Keyboard
- Dell USB 2 Button Optical Mouse
- 17" Flat Panel Monitor

Small Scanner – Unisys Smart Source Professional Series

Per Rachel, the Smart Source Professional Series scanner information has been included in this proposal. The below specifications represent the Smart Source scanner with all options. This scanner is certified with the RemitXpress solution.

- 120 Documents per Minute or DPM
- 100 Document Hopper (feeder)
- 2 Output Pockets
- Front and Rear Image Capture at 300 DPI
- USB 2.0 Connection to PC
- OCR A, OCR B, E13B
- Front Franker
- Rear Endorser
- Certifications – CE, UL/TUV, CSA, RoHS, VCCI,



The Next Generation of Payment Processing

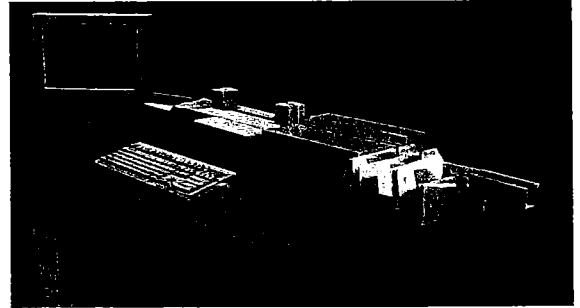


Energy Star, FCC Class B, and ISO certified manufacturing facility

Large Scanner – NCR iTRAN 3000t

The iTRAN 3000t meets or exceeds the specifications provided in this RFP. This scanner is certified with the RemitXpress solution.

- Auto-feed Hopper with 500 Document Capacity and Double Feed Detect
- 3 Output Pockets with 1 Additional for Rejects
- Pocket Capacity of 250 Documents
- Front and Rear Image Capture at 200 DPI
- Encoder (runs at 70DPM if encoding)
- USB 2.0 Connection to PC
- OCR A, OCR B, CMC7, E13B
- Single Line Rear Ink Jet Franking
- Rear Endorser
- Certifications – UL/CSA, CE Mark, and ISO certified manufacturing facility



Qualifications – Please provide information that will enable us to evaluate your company's financial stability, track record and support capabilities. Describe the experience of your company and your involvement in projects of similar size and scope. Include the names of at least three (3) professional references, along with the address and telephone information for each (please see attached references form). The bidders grant the Village permission to contact said references and ask questions regarding equipment and service performance.

Summit Financial Solutions, Inc. is an independently operating subsidiary of Computer Services, Inc.; an industry leading financial services company with \$150 million in annual sales. The latest balance sheet is included as Exhibit 1.

Summit has installed its financial processing solutions and supported those solutions at over 400 financial institutions and corporations. Summit was started as a check imaging provider, so we have comprehensive knowledge and experience with payment processing involving checks. Summit's check imaging and remittance solutions are used by banks and private companies.

RemitXpress or Summit's lockbox remittance solution, Remit.NET, is currently used to process payment volumes similar to those of the Village. RemitXpress is designed to work effectively with payment volumes as low as 500/month to 50,000 per month.

Summit works with banks as well as directly with companies, therefore our references will include banks that have clients that use RemitXpress, but bought RemitXpress from the bank. In other cases a bank will be listed as a reference that offers a lockbox service to their commercial clients which include utility companies.

Services to be Provided – Please describe the services to be provided. Describe in narrative and/or outline form your detailed work plan, including the number of hours to be committed and the results to be expected as well as your timeline for initial setup, implementation, and training and ability to meet all requirements of this RFP.

The professional services provided by Summit include the staging of hardware and software at our office in Jefferson City, MO, shipping of the hardware to the Village upon staging completion, on-site installation, testing, and training. The approximate time on-site is up to four days. We will not leave until all hardware and software are functioning as designed and until the Village staff feels comfortable with the use of RemitXpress.

The general overview of the installation and training is below.

1. Day 1 Installation of Hardware and Software and testing
2. Day 2 will be the go-live date with training
3. Day 3 will be continuation of training
4. Day 4, if needed, will be continued training and verification of software performance and a conclusion meeting. If not needed, these items will occur in day 3.

Delivery and Implementation Schedule – The Village plans to install all requested software and equipment as soon as possible after contract execution. Preference will be given to vendors that can complete installation within eight to twelve weeks of contract signing. Availability of proposed hardware and software will be used in the evaluation of the bid. The bidder must include a realistic delivery and implementation schedule in terms of weeks following contract signing. Tasks to be performed by the vendor as well as by the Village should be specifically stated and included in the schedule.

After contract execution, an installation date will be provided that is within two months of the contract execution date.

The following will need to be accomplished prior to the installation:

- Output file layout for Pentamation system sent to Summit (already provided)
- Document (payment coupons) examples sent to Summit (already provided)
- Copies or layouts of all reports requested sent to Summit
- A minimum of 2 project conference calls before the installation date
- A conference call with the Villages' bank, the Village, and Summit to discuss the check image file and/or ARC file for daily deposit

Equipment Demonstration – The Village reserves the right to request a demonstration of the equipment at a mutually acceptable site. Failure to provide a functional demonstration acceptable to the Village will result in the vendor's proposal being rejected.

The Next Generation of Payment Processing



If a smaller desktop scanner is selected, the equipment can be demonstrated at the Village's office. A larger scanner with 3 or more output pockets, like an NCR iTRAN 3000t, cannot be brought and set up for an on-site demonstration. The actual set up of a scanner that size takes a few hours and has many calibrations that must be completed prior to use. Every effort will be made to find a location in Northern Illinois where a business is using an iTRAN 3000t and host a demonstration at that place of business.

Price Structure – Using the attached *Proposal Pricing Information Form*, please provide the total proposed cost for the purchase, as well as annual maintenance costs. Please list and describe any additional costs as needed.

Payment/Retainer – Provide a payment schedule by percentage according to the following:

- Contract Execution – 50%
- Equipment and Software Installation
- Successful Acceptance Test – 50%
- Annual Maintenance – 20% of software total
- Installation/Training Expenses

Sample Contract – the bidder will supply a draft contract that includes all items proposed. The Village reserves the right to negotiate changes to the contract with the successful bidder. – Provided as Exhibit 2

Proposals must be signed by an authorized official of the proposing company. Proposals must be sealed in an envelope clearly marked "Remittance Processing Equipment" written thereon. Faxed proposals will not be accepted.

Please submit **two (2) copies** of the proposal, including the attached pricing worksheet and references, no later than 10:00 a.m. on Friday, May 29, 2009 to:

Office of the Village Clerk
Village of Hoffman Estates
1900 Hassell Road
Hoffman Estates, IL 60169

Evaluation Criteria

The following general criteria will be used to evaluate the responses.

- Ability of the equipment and software to meet the Village's general and specific integration requirements, as shown in the response, and verified by references and/or functional demonstration
- Software packages available now and enhancements planned
- Vendor's ability to support both the hardware and software
- Total cost which considers both initial acquisition and ongoing operating

The Next Generation of Payment Processing



costs

- Results of reference checks and on-site/off-site demonstrations
- Level, quality and type of client training and technical assistance provided
- Upward compatibility for future growth
- Ease of use and operation of the system according to the Village's general and specific requirements

A recommendation is expected to be presented to the Village Board Finance Committee in late June with final contract approval anticipated on July 6, 2009. We may request further information, examples, references or an interview after receiving a proposal.

The Next Generation of Payment Processing



RETURN WITH BID

VILLAGE OF HOFFMAN ESTATES
PROPOSAL FORM
REMITTANCE PROCESSING EQUIPMENT

COMPANY INFORMATION

Name of Company:	NCR
Address:	1700 S. Patterson Blvd Dayton, OH 45479

GENERAL SPECIFICATIONS (Large Scanner)

Make/Model	NCR iTRAN 3000t
Year this model was introduced	2006
Manufacturing status (new, refurbished, etc)	New
Manufacturers recommended monthly volume	Suited for up to 200,000 items per month
Ability to set batch size, if needed	Yes
Maximum document capacity for automatic feeder	500
Supports the process of endorsing and encoding checks and stubs in one pass	Yes
Ability to change application system date for reruns	Yes via RemitXpress
Limit on the number of characters for endorsements	Document length dependent, typically 80
Limit on the number of lines for endorsements	1
Standard number of sorting pockets	3 + 1 for rejects
Maximum number of sorting pockets	10
Capacity of sorting pockets	250 Documents
Electrical Requirements	Base system: 100-240 VAC Auto adjusting 50-60Hz, 150 Watts Encoder: 100-240 VAC Auto adjusting 50-60HZ, 75 Watts
Describe OCR features	OCR is performed by RemitXpress software. OCR is used to read the scan line and one other document area if needed.
OCR limits on the number of characters	No limit in the scan line
OCR limits on the scan line placement	None
Ability to verify account numbers against a database	Yes via RemitXpress
CAR/LAR capabilities	Yes via RemitXpress
Ability to import/export data to an ASCII flat file	Yes via RemitXpress
Ability to query based on account number, name, amount, date, etc.	Yes via RemitXpress
Frequency of equipment preventative maintenance	Clean/dust document track and camera lenses daily
Length of warranty on equipment	90 Days
Maximum service response time	4 Hours

The Next Generation of Payment Processing



RETURN WITH BID

VILLAGE OF HOFFMAN ESTATES
 PROPOSAL FORM
 REMITTANCE PROCESSING EQUIPMENT

COMPANY INFORMATION

Name of Company:	Unisys Corp.
Address:	1910 Pine Street, Suite 300 St. Louis, MO 63103

GENERAL SPECIFICATIONS (Small Scanner)

Make/Model	Unisys Smart Source Professional Series
Year this model was introduced	2007
Manufacturing status (new, refurbished, etc)	New
Manufacturers recommended monthly volume	
Ability to set batch size, if needed	Yes
Maximum document capacity for automatic feeder	100
Supports the process of endorsing and encoding checks and stubs in one pass	Yes
Ability to change application system date for reruns	Yes via RemitXpress
Limit on the number of characters for endorsements	10 character per inch
Limit on the number of lines for endorsements	4 lines
Standard number of sorting pockets	2
Maximum number of sorting pockets	2
Capacity of sorting pockets	100 Documents
Electrical Requirements	100-240 VAC @ 50/60 Hz
Describe OCR features	OCR is performed by RemitXpress software. OCR is used to read the scan line and one other document area if needed.
OCR limits on the number of characters	No limit in the scan line
OCR limits on the scan line placement	None
Ability to verify account numbers against a database	Yes via RemitXpress
CAR/LAR capabilities	Yes via RemitXpress
Ability to import/export data to an ASCII flat file	Yes via RemitXpress
Ability to query based on account number, name, amount, date, etc.	Yes via RemitXpress
Frequency of equipment preventative maintenance	N/A
Length of warranty on equipment	1 Year
Maximum service response time	Next Day scanner replacement with Depot Service



RETURN WITH BID

VILLAGE OF HOFFMAN ESTATES
PROPOSAL FORM
REMITTANCE PROCESSING EQUIPMENT

PRICING INFORMATION (with Large Scanner- ITRAN 3000f)

	Purchase Price	Annual Maintenance
Hardware: NCR ITRAN 3000f	\$14,168.33	\$1,314.80
Third Party Hardware (if applicable): Dell PC	\$1,350	
Software & License Fees: (reflects discount applied)	\$5,550	\$2,250
Third Party Software (if applicable):		
Customizations Needed:		
Documentation		
Installation and on-site Training of Village staff (includes estimated T&L)	\$5,550	

Total	\$25,618.33	\$2,250
--------------	--------------------	----------------

Items included in maintenance cost listed above:

Yes No	On-site Repair	Yes No	Preventative Maintenance
Yes No	Replacement Parts	Yes No	Replacement ink ribbons
Yes No	Replacement Unit (if needed)	Yes No	Other:

For any of the above items that are not included in maintenance, please include pricing information with your proposal.

CONTACT INFORMATION

Printed Contact Name:	Matt Moore
Title:	Payments Product Manager
Phone Number:	630-229-6645
Authorized Signature:	
Date of Submittal:	May 26, 2009

The Next Generation of Payment Processing



RETURN WITH BID

VILLAGE OF HOFFMAN ESTATES
PROPOSAL FORM
REMITTANCE PROCESSING EQUIPMENT

PRICING INFORMATION (with Small Scanner – Unisys Smart Source Professional Series)

	Purchase Price	Annual Maintenance
Hardware: Unisys Smart Source Professional Series. Dual pocket, 100 document hopper, 120 DPM with front franker	\$1,971	\$264
Third Party Hardware (if applicable): Dell PC	\$1,350	
Software & License Fees: (reflects discount applied)	\$5,550	\$2,250
Third Party Software (if applicable):		
Customizations Needed:		
Documentation		
Installation and on-site Training of Village staff (includes estimated T&L)	\$5,550	

Total	\$14,421	\$2,514
--------------	-----------------	----------------

Items included in maintenance cost listed above:

Yes	No	On-site Repair	Yes	No	Preventative Maintenance
Yes	No	Replacement Parts	Yes	No	Replacement ink ribbons
Yes	No	Replacement Unit (if needed)	Yes	No	Other: Next business day replacement

For any of the above items that are not included in maintenance, please include pricing information with your proposal.

CONTACT INFORMATION

Printed Contact Name:	Matt Moore
Title:	Payments Product Manager
Phone Number:	630-229-6645
Authorized Signature:	
Date of Submittal:	May 26, 2009

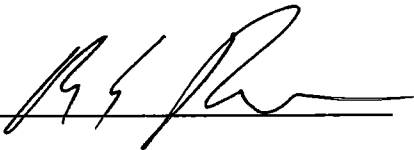
Note: THIS FORM MUST BE NOTARIZED

VILLAGE OF HOFFMAN ESTATES
BID CERTIFICATION FORM

RE: CERTIFICAITON OF BIDDER, COMPLIANCE WITH THE ILLINOIS CRIMINAL
CODE

I, hereby certify that Matt Moore,

by bidding on this contract, no action has occurred that would result in a violation of 720
1LCS 5/33E, Public Contracts of the Illinois Criminal Code.

Signed: 

Attest: _____


Title: Payments Product Manager

Commission expiry: 4-10-2010

Date: 5/19/09

Date: 5-19-09



NOTARY PUBLIC-STATE OF FLORIDA
 Maria Elvia Martinez
Commission # DD538841
Expires: APR. 10, 2010
Bonded Thru Atlantic Bonding Co., Inc.



RETURN WITH BID

REFERENCES

BIDDER NOTE: Bidder shall provide as many customer references as possible for work/equipment IDENTICAL to that which bidder has proposed within this call for bids.

ORGANIZATION Automated Payments (processing payments for 5 utility companies)
 ADDRESS One Fountain Square
 CITY, STATE, ZIP Covington, IN 47932
 PHONE NUMBER 888-801-8112 ext 1135
 CONTACT PERSON Jennifer Hanthorn
 DATE OF SALE March 2008

ORGANIZATION Illinois National Bank (has a client that uses RemitXpress)
 ADDRESS 322 E Capitol Avenue
 CITY, STATE, ZIP Springfield, IL 62701
 PHONE NUMBER 217-747-5876
 CONTACT PERSON Rose Schlenter
 DATE OF SALE June 2008

ORGANIZATION Oculina Bank
 ADDRESS 780 US Highway 1
 CITY, STATE, ZIP Vero Beach, FL 32962
 PHONE NUMBER 772-563-2212
 CONTACT PERSON Jeanette Wicks
 DATE OF SALE February 2009



Exhibit 1 - Financials
COMPUTER SERVICES, INC. & SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
FY1997 - FY2007

Exhibit 1

(in thousands, except share data)

YEARS ENDED FEBRUARY 28 AND 29,	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
ASSETS											
Current assets											
Cash and cash equivalents	\$ 3,850	\$ 1,748	\$ 14,932	\$ 8,194	\$ 2,189	\$ 4,176	\$ 591	\$ 8,660	\$ 928	\$ 1,275	\$ 5,728
Accounts receivable	14,396	14,042	12,136	12,357	11,604	10,204	11,389	6,952	8,099	6,123	5,379
Deferred income taxes	-	-	-	-	-	97	408	357	355	217	196
Refundable and prepaid income taxes	-	308	-	1,395	1,014	983	1,044	639	520	170	49
Prepaid expenses and other current assets	3,714	2,862	2,245	2,072	1,853	1,864	1,676	1,832	2,210	1,718	1,584
Total current assets	21,960	18,960	29,313	24,018	16,660	17,344	15,108	18,440	12,112	9,503	12,836
Property and equipment, at cost											
Land	1,320	1,340	519	519	519	519	639	743	743	720	720
Buildings and improvements	19,533	17,996	15,602	14,182	14,017	13,387	13,648	13,887	13,884	14,085	3,226
Equipment	46,940	37,823	35,102	34,657	31,911	28,987	30,854	22,641	26,154	23,379	18,968
Construction-in-progress	8	901	-	-	-	-	-	-	-	-	8,445
Total	67,801	58,060	51,223	49,358	46,447	42,893	45,141	37,271	40,781	38,184	31,359
Accumulated depreciation	(36,425)	(31,550)	(30,007)	(28,918)	(24,753)	(21,231)	(20,290)	(18,161)	(20,106)	(17,110)	(15,666)
Total	31,376	26,510	21,216	20,440	21,694	21,662	24,851	19,110	20,675	21,074	15,693
Software and software licenses, net of accumulated amortization of \$14,882 in 2007 and \$10,787 in 2006											
	12,439	12,584	6,111	6,684	6,767	3,773	5,268	992	1,179	1,465	1,367
Deferred income taxes	-	-	-	-	-	-	-	-	-	56	63
Marketable securities	-	-	-	609	281	661	371	1,764	-	-	-
Goodwill	30,208	19,156	4,251	4,515	950	950	1,035	1,120	1,205	-	-
Intangible assets	2,510	1,800	394	515	-	-	-	-	-	-	-
Other assets	4,481	6,558	3,180	3,011	2,607	2,613	2,411	3,457	3,605	3,458	2,088
Total assets	\$ 102,974	\$ 85,566	\$ 64,465	\$ 59,792	\$ 48,959	\$ 47,003	\$ 49,044	\$ 44,883	\$ 38,776	\$ 35,556	\$ 32,167
LIABILITIES AND SHAREHOLDERS' EQUITY											
Current liabilities											
Accounts payable and accrued expenses	8,537	6,682	6,045	4,860	4,044	3,729	4,257	2,726	2,721	2,432	2,464
Deferred revenue	4,166	2,386	985	1,016	115	71	-	-	-	-	-
Income taxes payable	457	-	271	-	-	-	-	-	-	96	48
Notes payable, current portion	619	64	-	-	-	-	7,560	-	-	-	-
Total current liabilities	13,779	9,142	7,301	5,876	4,159	3,800	11,817	2,726	2,721	2,528	2,512
Notes payable, long-term	12,787	10,169	-	-	-	-	-	-	-	1,800	-
Deferred income taxes	1,893	2,804	1,291	829	71	-	-	747	72	-	-
Other liabilities	1,089	1,052	1,016	980	943	907	871	834	798	762	727
Total liabilities	29,548	23,167	9,608	7,685	5,173	4,707	12,688	4,307	3,591	5,090	3,239
Shareholders' equity											
Preferred stock; shares authorized, 5,000,000 in 2007 and 2008; none issued	-	-	-	-	-	-	-	-	-	-	-
Common stock, no par; shares authorized, 20,000,000 in 2007 and 2008; shares issued and outstanding, 7,928,356 in 2007 and 7,860,630 in 2006	12,103	8,896	7,949	7,346	6,425	7,613	7,410	7,259	5,143	2,412	2,412
Equity in Minority Interest	(770)	-	-	1	-	(1)	(1)	-	-	-	(1)
Retained earnings	63,350	54,888	47,398	44,649	37,446	44,386	38,769	33,699	31,198	30,054	26,515
Restricted stock	(1,257)	(1,185)	(490)	-	-	-	-	-	-	-	-
Accumulated other comprehensive income	-	-	-	112	(65)	143	(29)	806	-	-	-
Total	73,426	62,399	54,857	52,108	43,786	52,141	46,149	41,764	36,341	32,466	28,926
Treasury stock	-	-	-	-	-	(9,846)	(9,794)	(1,187)	(1,156)	(2,000)	-
Total shareholders' equity	73,426	62,399	54,857	52,108	43,786	42,295	36,355	40,577	35,185	30,466	28,926
Total liabilities and shareholders' equity	\$ 102,974	\$ 85,566	\$ 64,465	\$ 59,793	\$ 48,959	\$ 47,002	\$ 49,043	\$ 44,884	\$ 38,776	\$ 35,556	\$ 32,165



Exhibit 2 – Sample Contract

RemitXpress™ Sales Agreement

This Sales Agreement ("Agreement") is made between *The Villages of Hoffman Estates* with its principal place of business at *1900 Hassell Rd., Hoffman Estates, IL 60169* and Summit Financial Solutions, Inc. ("Seller") with a principal place of business at 3236 West Edgewood Drive, Suite A, Jefferson City, Missouri 65109.

1. DEFINITIONS.

- A. "Acceptance" means either (a) Purchaser's written notification of Purchaser's acceptance of the Software and Equipment within 10 calendar days after the Software and Equipment become operative at Purchaser's Site, or (b) Purchaser's failure to accept or object to the Software and Equipment after 10 days after the Software and Equipment become operative at Purchaser's site.
- B. "Acceptance Criteria" means any objective performance standards established by written agreement between Seller and Purchaser which may be applicable to Software or Equipment as described on Exhibit "1."
- C. "Equipment" means that dedicated computer machinery, including without limitation, scanners, printers and image-transporters, and manufacturer-supplied software identified on Exhibit "1."
- D. "Professional Services" means those Professional Services identified on Exhibit "1."
- E. "Install" when used in connection with Software means copying the Software onto a computer's hard disk, CD-ROM or other secondary storage device and causing the Software to function as described in the Service Levels and the RemitXpress Sales Agreement and Product Literature. "Install" when used in connection with Equipment, means delivery and configuration of the Equipment.
- F. "Service Levels" means those objective and quantifiable standards relating to the performance of the Equipment, the Software, the Training Services and the Professional Services set forth in Exhibit "1," attached hereto and incorporated herein by reference, as such Exhibit may be modified or amended by written agreement of the parties from time to time.
- G. "Software" means the standard, unmodified computer programs in object code, and procedure statements in machine readable form, together with one set of Seller's standard documentation as identified in Exhibit "1" attached hereto and incorporated herein by reference.



- H. "Testing and Acceptance Period" means a period of 10 days after the Software and Equipment becomes operative at Purchaser's site during which Purchaser may test the Software and Equipment to determine compliance with the Service Levels.
 - I. "Training Services" those Training Services identified on Exhibit "1."
 - J. "Use" means (i) executing or loading the Software into computer RAM or other primary memory, and (ii) copying the Software for archival, Redundant Server operations or emergency restart purposes.
2. **Purchase.** Seller agrees to sell and Purchaser agrees to purchase the Equipment; the Software; the Professional Services; and the Training Services specified in the attached Exhibit "1" subject to the terms and conditions of this Agreement.
 3. **Sale Price.** The total Sale Price for the Software shall be \$; the Equipment; the Professional Services; and the Training Services shall be \$ more fully described in Exhibit "1."
 4. **Payment.**
 - A. **Down Payment.** At the time of execution of this Agreement and the related RemitXpress Software Licensing and Maintenance Agreement, Purchaser shall pay to Seller a Down Payment in the amount of \$.
 - B. **Implementation Payment.** After completion of Installation and Acceptance by Purchaser for each of the Exhibits, Purchaser shall pay Seller the amount of the remaining balance for the applicable Exhibit.
 - C. **Installation Travel/Living Expense.** In addition to the foregoing amounts, Purchaser shall reimburse Seller for reasonable travel and living expenses associated with the Training Services and the Professional Services as detailed at the end of the software section of Exhibit "1."
 5. **Installation.** Seller shall install the Software and Equipment at Purchaser's site. Purchaser will cooperate and assist the Seller with: project management, data collection, testing, installation, training, and operational support by providing staffing, site preparation, access to physical site, and management support necessary to implement RemitXpress software applications licensed under the RemitXpress Software License and Maintenance Agreement within targeted timeframes. Within 10 days after the date of execution of this Agreement, Seller and Purchaser shall develop a mutually acceptable written Installation Plan which, upon completion shall be incorporated herein by reference. Seller and Purchaser agree to comply with the terms and conditions of the Installation Plan.
 6. **Testing and Acceptance.** For a period of 10 days after Seller provides Purchaser with written notice that installation is complete, Purchaser shall have the opportunity to test the Software and Equipment to determine the Software and Equipment's compliance with the Acceptance Criteria and Service Levels described on Exhibit "1." If the Software and Equipment complies with the Acceptance Criteria and Service Levels, it shall be deemed accepted by Purchaser and Purchaser shall pay Seller the

Implementation Payment. If the Software or Equipment fails to comply with the Acceptance Criteria and Service Levels, Purchaser may provide Seller with written notice of its rejection of the Software and Equipment describing the nature of the failure of the Software or Equipment to comply with Acceptance Criteria and Service Levels and providing Seller with a 10 day period to correct any failures ("the Correction Period"). At the conclusion of the Correction Period, Purchaser shall again test the Software and Equipment to determine whether the Software and Equipment complies with Acceptance Criteria and Service Levels. If the Software does not, at that time, comply with Acceptance Criteria and Service Levels, Purchaser may terminate this Agreement and the related RemitXpress Software License and Maintenance Agreement, and shall be entitled to a refund of all monies paid by Purchaser to Seller.

7. Warranties. To induce Purchaser to purchase the Equipment; the Software; the Training Services; and the Professional Services, and as a condition of such purchase, Seller makes the following representations of material fact and warranties:

A. Seller represents and warrants that it is the sole owner of the Equipment and Software and has the absolute right to sell the Equipment to Purchaser and to license the Software to Purchaser and that at the time of sale, the Equipment and Software shall be free and clear of all liens and encumbrances of whatever kind and description and that there will exist no liens or property interests encumbering the Equipment and Software other than Seller's interest therein.

B. Seller represents and warrants that the Equipment shall at all times comply with the Service Levels and the functional and operational characteristics described in the Exhibits attached hereto and incorporated herein by reference, and the product literature and brochures.

C. Seller represents and warrants that the Software shall at all times comply with the Service Levels and the functional and operational characteristics as described in the Exhibits attached hereto and incorporated herein by reference, and the product literature and brochures.

D. Seller represents and warrants that for the entire term of this Agreement, including all renewal terms, the Software shall be "certified compatible" with Purchaser's core processing system and that within 30 days after the date of any notice of a substantive change to Purchaser's core processing system by the core provider, that Seller shall provide Purchaser with whatever changes and modifications to the Software that are necessary to (a) maintain the "certified compatible" status of the Software with Purchaser's core processing application and (b) ensure continued functionality of the Software in Purchaser's core operating environment.

E. Seller warrants that the medium upon which the Software is provided to Purchaser is free from defects in materials and workmanship.

F. Seller warrants that, at the time of delivery, the Equipment and Software is free from computer viruses

G. For a period of 90 days after the conclusion of the 10-day Testing and

Acceptance Period, Seller warrants that the Software and Equipment shall perform in accordance with any applicable Service Levels when operated in the specified operating environment as identified in Exhibit "1." For a period of 90 days after the conclusion of the 10 -day Testing and Acceptance Period, Seller shall within 24 hours after a request by Purchaser provide replacements or corrections to any part of the Equipment and Software (without requiring Purchaser to first return any Equipment or Software) that does not perform in compliance with the Service Levels and shall return Service Calls made by Purchaser within 60 minutes where such failure is material, all at no cost to Purchaser. This warranty shall not apply if the problem is caused by unauthorized modification such as a computer virus - to the Equipment and Software or by incorrect Use.

Except as expressly stated in this Agreement, there are no warranties, express or implied, by operation of law or otherwise.

Except as expressly set forth in this Agreement, Seller expressly disclaims any and all warranties concerning the Equipment; the Software; the Professional Services; and the Training Services to be rendered hereunder, whether express or implied, including (without limitation) any warranty of merchantability of fitness for a particular purpose.

SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

These representations and warranties supplement and are in addition to the representations and warranties contained in the Software License and Maintenance Agreement between Seller and Purchaser.

H. Seller represents and warrants that the software shall at all times comply with federal and state laws plus all applicable banking regulations.

8. **EQUIPMENT MANUFACTURER'S MAINTENANCE AGREEMENT.** Seller represents and warrants that Manufacturer's Maintenance Agreements shall be available for all Equipment unless otherwise stated in Exhibit "1."
9. **RISK OF LOSS.** The risk of loss shall be on Seller until Purchaser takes delivery of the Software and Equipment, at which time risk of loss shall pass to Purchaser. This would include Software CD's, Computer Hardware and associated peripherals, printed materials, etc.
10. **SHIPPING.** All shipping charges shall be paid by Purchaser. The prices shown on Exhibit "1" are F.O.B. the present location of the Software and Equipment.
11. **TERMINATION.**
 - A. Purchaser may terminate this Agreement without penalty if Seller materially violates or materially fails to perform any of the terms or conditions under this Agreement, or becomes insolvent, and such violation or failure, except those

specifically expressed in Subsection 11(C) below, is not cured within 30 days after Purchaser gives Seller written notice specifying the nature of the violation or failure with reasonable particularity.

- B. Seller may terminate this Agreement without penalty if Purchaser materially violates or materially fails to perform any of the terms or conditions under this Agreement, or becomes insolvent, and such violation or failure, except those specifically expressed in Subsection 11(C) below, is not cured within 30 days after Seller gives Purchaser written notice specifying the nature of the violation or failure with reasonable particularity.
 - C. If Purchaser or Seller materially violates any Non-Disclosure provisions of this Agreement and fails to remedy any such violation or failure within 5 days after receipt of written notice thereof, Seller or Purchaser, as the case may be, may terminate this Agreement without penalty and without further notice.
 - D. Purchaser may terminate this Agreement without penalty at any time before acceptance of the Software and the Equipment if the Software or the Equipment fails to satisfy any Acceptance Criteria.
 - E. Purchaser may terminate this Agreement without penalty at any time if Seller violates any terms and conditions of any other agreement between Purchaser and Seller and such violation is not cured in the manner specified in the other agreement.
- 12. LIMITATION OF LIABILITY.** Except in cases involving Seller's gross negligence or willful misconduct, Seller's and Purchaser's exclusive remedy for damages from any claim related to or arising out of this Agreement, regardless of the form or action, whether in contract or in tort, will not exceed the Purchase Price provided herein. Except in cases involving gross negligence or willful misconduct, Seller shall not be liable to Purchaser for:
- A. Any incidental, indirect, special, or consequential damages outside the Seller's control.
 - B. Claims, demands, or actions against Purchaser by any person or loss of or damage to Purchaser's data from any cause.
 - C. Neither party will be liable for damages due to negligence or willful misconduct by the other party.
- 13. LIMITATION OF ACTION.** No legal action, regardless of its form, related to or arising out of this Agreement, may be brought by Seller or Purchaser more than two (2) years after the cause of action first accrued.
- 14. SECURITY INTEREST.** Purchaser hereby grants to Seller a purchase money security interest in the Equipment and Software to secure payment of the Purchase Price. Purchaser hereby authorizes Seller to file a Financing Statement with the appropriate authorities at any time after signature of the Purchaser to perfect Seller's security



interest. Purchaser will not sell or attempt to sell or transfer any interest in Equipment and Software until the Purchase Price is paid in full.

15. **ENTIRE AGREEMENT.** This agreement and all addendums constitute the entire Agreement between the parties with respect to the Products and supersedes all prior proposals and agreements, both written and oral, and all other written and oral communications between the Parties.
16. **MODIFICATIONS IN WRITING.** This Agreement and its Exhibits may only be modified or amended in writing signed by authorized representatives of Seller and Purchaser.
17. **NO AGENCY.** Nothing contained herein will be construed as creating any agency, partnership, joint venture or other form of joint enterprise between the parties.
18. **NO THIRD PARTY BENEFICIARY.** This Agreement is made for the exclusive benefit of Seller and Purchaser. No other person shall be entitled to enforce the terms and provisions of this Agreement.
19. **IMPRACTICABILITY OF PERFORMANCE.** Neither Seller nor Purchaser shall be liable for failure to fulfill its obligations when due to acts of God or nature
20. **WAIVER.** Any failure by Seller or Purchaser to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing by the other party, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.
21. **GOVERNING LAW.** This Agreement will be governed by the local laws of the State of Missouri.
22. **ATTORNEYS FEES.** In the event of any dispute under this Agreement or litigation to enforce the provisions of this Agreement the attorney's fees and costs of suit and other litigation related costs shall be paid by the defaulting Party.
23. **SEVERABILITY.** Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of the Agreement will remain in full force and effect unless severance would result in either Seller or Purchaser losing the material benefit of this Agreement.
24. **NOTICES.** Notices and requests sent by Purchaser to Seller shall be addressed as follows:

Ron Thill
Summit Financial Solutions, Inc.
3236 West Edgewood, Suite A
Jefferson City, MO 65109

Notices and requests sent by Seller to Purchaser shall be addressed as:



The Villages of Hoffman Estates
Office of the Village Clerk
1900 Hassell Rd.
Hoffman Estates, IL 60169

SHIP TO: (Software / Hardware)

The Villages of Hoffman Estates
Office of the Village Clerk
1900 Hassell Rd.
Hoffman Estates, IL 60169

(847) 843-4802

Email: rachel.musiala@hoffmanestates.org

25. **DUPLICATE ORIGINALS.** The parties acknowledge that more than one original of this Agreement may have been executed and agree that any duly executed original shall be deemed sufficient for any and all purposes.
26. **EFFECTIVE DATE.** This Agreement shall be effective on the date of the last party to execute this Agreement.



SELLER:

SUMMIT FINANCIAL SOLUTIONS, INC.

By: _____ Dated: _____
Ron Thill, President

PURCHASER:

The Villages of Hoffman Estates

By: _____ Dated: _____
Name, Title



**RemitXpress™ SOFTWARE LICENSE
AND MAINTENANCE AGREEMENT**

This Software License and Maintenance Agreement ("Agreement") is made between *The Villages of Hoffman Estates* ("Licensee") with its principal place of business located at **1900 Hassell Rd., Hoffman Estates, IL 60169** and Summit Financial Solutions ("Licensor") with a principal place of business at 3236 West Edgewood Drive, Suite A, Jefferson City, Missouri 65109.

1. DEFINITIONS.

- A. "Software" means the standard, unmodified computer programs in object code, and procedure statements in machine readable form, together with one set of Licensor's standard documentation as identified in Exhibit "1" attached hereto and incorporated herein by reference.
- B. "Install" when used in connection with Software means copying the Software onto a computer's hard disk, CD-ROM or other secondary storage device and causing the Software to function as described in the Service Levels and the RemitXpress Sales Agreement and product literature and brochures.
- C. "Service Levels" means those objective and quantifiable standards relating to the performance of the Software set forth herein by reference, as such may be modified or amended by written agreement of the parties from time to time.
- D. "Use" means (i) executing or loading the Software into computer RAM or other primary memory, and (ii) copying the Software for archival, redundant server operations or emergency restart purposes.

2. GRANT OF RIGHTS. Licensor hereby grants to Licensee a nonexclusive license to Install and Use the Software as follows:

- A. On a single server operating at Two South Main St., Winchester, IL 62694. A second copy may be maintained on another server for disaster recovery purposes only.
- B. On the Licensee's designated disaster backup system for Licensee's business purposes. The disaster backup system may be the Licensee's backup center, or at a third party disaster backup center.
- C. On a redundant server or disaster recovery server (if included in equipment purchased from Licensor under a RemitXpress Sales Agreement of this date) located at Licensee's discretion.

3. LICENSE TERM. The term of the license granted herein shall begin upon execution of this Agreement by Licensor and Licensee and shall remain in force until the license is terminated as provided.

4. INSTALLATION. Licensor shall install the Software in the manner described in the RemitXpress Sales Agreement of this date which is incorporated herein by reference.



5. **PAYMENT.** Licensee shall pay Licensor, License Fees in the manner and amounts set forth in RemitXpress Sales Agreement of this date which is incorporated herein by reference.

Notwithstanding anything to the contrary contained in this Agreement, nothing contained in this Agreement is intended to, or shall be interpreted to; contractually bind Licensee to pay Licensor license and maintenance fees beyond the initial term for delivery of maintenance services.

6. **SOFTWARE MAINTENANCE SERVICES.** For an initial term of 60 months, commencing after the expiration of the 10-day Testing and Acceptance Period and the 90-day Warranty Period, as provided in the RemitXpress Sales Agreement which is incorporated herein by reference, Licensor shall provide, and Licensee shall purchase, Maintenance Services from Licensor. At the end of the initial license term, Licensee may renew the agreement at the then current license rates, subject to a maximum increase of 20%.

Software maintenance services include:

- A. Software maintenance as listed in Addendum 1 of RemitXpress Sales Agreement which is incorporated herein by reference.
- B. All Software modifications, enhancements, and updates at no additional cost. New software versions are included in Summit updates, and are available at no additional charge to the bank.
- C. Remote Internet Support - General Support hours are 8:00 a.m. to 6:00 p.m. Central Time. On Call Support is available until 11:00 pm M-F, and until Noon on Saturday Central time.
- D. An unlimited number of support calls.
- E. Technical Publications.

7. **TITLE TO SOFTWARE.** Licensor shall retain title to, and ownership of, the Software and all enhancements, modifications, and updates of the Software.

8. **MODIFICATIONS AND ENHANCEMENTS.** Licensee will make no efforts to reverse engineer the Software, or make any modifications or enhancements without Licensor's express written consent.

9. **INDEMNIFICATION.** Licensor shall defend and indemnify and hold harmless (including reasonable attorney's fees and costs) Licensee, its directors, officers, employees, shareholders, affiliates, and any employee or agent thereof (each of the foregoing being hereinafter referred to individually as the "Indemnified Party") against all liability to third parties (other than liability solely the fault of the Indemnified Party) arising from the claimed violation of any third party's trade secrets, proprietary information, trademark, copyright, patent rights, or other property rights in connection with the licensing of the



Software. Licensor may, at its option, conduct the defense in any such third party action arising as described herein and Licensee promises to fully cooperate with such defense. This indemnification is limited to the Software delivered to the Licensee or as modified by the Licensor and does not cover third party claims arising from modifications not authorized by the Licensor.

If a third party claim causes Licensee's Use of the Software to be materially impaired or disrupted, Licensor shall (1) replace the Software, without additional charge, with a compatible, functionally equivalent and non-infringing product; or (2) modify the Software to avoid the infringement but without adversely impairing the functionality or performance of the Software in Licensee's operating environment; or, (3) obtain a license for the Licensee to continue Use of the Software for the term of this Agreement at no additional cost to Licensee; or, (4) if none of the foregoing alternatives are possible even after the Licensor's best efforts, the Licensor shall return a pro rata portion of the license fee based on a five (5) year license term.

10. WARRANTIES. To induce Licensee to enter into this Agreement and as a condition of entering into this Agreement, Licensor makes the following representations of material fact and warranties:

- A. Licensor represents and warrants that it is the sole owner of the Software and has the absolute right to license the Software to Purchaser for the entire term contemplated hereunder, and that at the time of sale, the Software shall be free and clear of all liens and encumbrances of whatever kind and description and that there will exist no liens or property interests against the Software other than Seller's interest therein.
- B. Licensor represents and warrants that the Software shall at all times comply with the Service Levels and the functional and operational characteristics as described in the Exhibits attached hereto and incorporated herein by reference and the product literature and brochures.
- C. Licensor represents and warrants that for the entire term of this Agreement, including all renewal terms, the Software shall be "certified compatible" with Licensee's core processing system and that within 30 days after the date Licensee's core processor releases any upgrade or change to Licensee's core processing system, Licensor shall provide Licensee with whatever changes and modifications to the Software that are necessary to (a) maintain the "certified compatible" status of the Software with Licensee's core processing application and (b) ensure continued functionality of the Software in Licensee's core operating environment.
- D. Licensor warrants that the medium upon which the Software is provided to Licensee is free from defects in materials and workmanship.
- E. Licensor warrants, that at the time of delivery, the Software is free from computer viruses.
- F. Licensor warrants, that the Software will conform to published regulatory compliance standards.

Except as expressly set forth in this Agreement, Licensor expressly disclaims any and all warranties concerning the Software and the services to be rendered hereunder, whether express or implied, including (without limitation) any warranty of merchantability of fitness for a particular purpose.

SOME STATES DO NOT ALLOW THE EXCLUSION OF IMPLIED WARRANTIES, SO THE ABOVE EXCLUSION MAY NOT APPLY TO YOU.

These representations and warranties supplement and are in addition to the representations and warranties contained in the RemitXpress Sales Agreement of this date which is incorporated herein by reference.

11. REMEDY LIMITATIONS. Except in cases involving Licensor's gross negligence or willful misconduct, Licensor's entire liability to Licensee and Licensee's sole and exclusive remedy for breach of any warranty contained in this Agreement shall be, at Licensor's option, within a reasonable time period not to exceed sixty days, to either:

- A. Refund to Licensee all license fees and related costs paid by Licensee to Licensor for the period in which the Software did not perform according to this warranty, or
- B. Repair the defects or replace the Software.

EXCEPT IN CASES INVOLVING GROSS NEGLIGENCE OR WILLFUL MISCONDUCT, NEITHER PARTY SHALL BE LIABLE TO THE OTHER FOR INDIRECT, SPECIAL, CONSEQUENTIAL, OR INCIDENTAL DAMAGES, INCLUDING LOSS OF PROFITS.

12. TERMINATION.

- A. Licensee may terminate this Agreement without penalty if Licensor materially violates or materially fails to perform any of the terms or conditions under this Agreement, or becomes insolvent, and such violation or failure, except those specifically expressed in Subsection 12(C) below, is not cured within 30 days after Licensee gives Licensor written notice specifying the nature of the violation or failure with reasonable particularity.
- B. Licensor may terminate this Agreement without penalty if Licensee materially violates or materially fails to perform any of the terms or conditions under this Agreement, or becomes insolvent, and such violation or failure, except those specifically expressed in Subsection 12(C) below, is not cured within 30 days after Licensor gives Licensee written notice specifying the nature of the violation or failure with reasonable particularity.
- C. If Licensee or Licensor materially violates any Non-Disclosure provisions of this Agreement and fails to remedy any such violation or failure within 5 days after receipt of written notice thereof, Licensor or Licensee, as the case may be, may terminate this Agreement without penalty and without further notice.



- D. Licensee may terminate this Agreement without penalty at any time before acceptance of the Software, if the Software fails to satisfy any Acceptance Criteria.
- E. Licensee may terminate this Agreement without penalty at any time if Licensor violates any terms and conditions of any other agreement between Licensee and Licensor and such violation is not cured in the manner specified in the other agreement.

13. RETURN OR DESTRUCTION OF SOFTWARE UPON TERMINATION. Upon termination of this License, Licensee shall either return the Software to Licensor or destroy the original and all copies of the Software including partial copies and modifications. Licensor shall have a reasonable opportunity to conduct an inspection of Licensee's place of business to assure compliance with this provision.

14. NON-DISCLOSURE - CONFIDENTIALITY. Licensee will treat the Software as a trade secret and proprietary intellectual property belonging to Licensor that is being made available to Licensee in confidence. Licensee agrees to treat the Software with at least the same care as it treats its own confidential or proprietary information.

Licensee warrants and represents that it has the right and authority to provide Licensor with, and to permit Licensor to have access to, "nonpublic personal information" regarding "consumers", as those terms are defined in the Gramm-Leach-Bliley Act ("the Act") and agrees to indemnify and hold Licensor harmless from all damages, costs and expenses incurred by Licensor in connection with or arising out of Licensee's breach of said warranty and representation. Licensor agrees that it will not re-disclose or re-use the information, except in compliance with the Act and will maintain the confidentiality of such information in accordance with the Act and all other applicable laws and regulations. If required by Licensee, Licensor shall execute Licensee's standard Privacy Addendum which shall, upon execution, be incorporated herein by reference.

15. ATTORNEY FEES. If Licensor or Licensee finds it necessary to enforce this Agreement, the prevailing party in enforcement action shall be entitled to recover reasonable attorney fees, costs and expenses in addition to any other relief to which it may be entitled.

16. GENERAL PROVISIONS.

- A. Entire Agreement. This Agreement together with all Exhibits referred to in this Agreement, all of which are incorporated herein by reference, and the RemitXpress Sales Agreement constitutes the sole and entire agreement between Licensor and Licensee. This Agreement supersedes all prior understandings, agreements, representations, and documentation relating to the subject matter of this Agreement.
- B. Modifications. This Agreement and its Exhibits may only be modified or amended in writing signed by authorized representatives of Licensor and Licensee.



C. **Applicable Law.** This Agreement shall be governed by the laws of the State of Missouri.

D. **Notices.** All notices and other communications given in connection with this License shall be in writing and shall be deemed given as follows:

- When delivered personally to the recipient's address as appearing in the introductory paragraph to this License; or
- Five days after being deposited in the United States mail, postage prepaid to the recipient's address as appearing in the introductory paragraph to this License; or
- When sent by fax or email to the last known fax or email address of the recipient. Notice is effective upon receipt provided that a duplicate copy of the notice is promptly given by first-class or certified mail or the recipient delivers a written confirmation of receipt.

Licensor or Licensee may change its address appearing in the introductory paragraph to this Agreement by given written notice of the change in accordance with this paragraph.

E. **No Agency.** Nothing contained herein will be construed as creating any agency, partnership, joint venture or other form of joint enterprise between the parties.

F. **No Third Party Beneficiary.** This Agreement is made for the exclusive benefit of Licensor and Licensee. No other person shall be entitled to enforce the terms and provisions of this Agreement.

G. **Waiver.** Any failure by Licensor or Licensee to comply with any obligation, covenant, agreement, or condition herein may be expressly waived in writing by the other party, but such waiver or failure to insist upon strict compliance with such obligation, covenant, agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure.

H. **Severability.** Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of the Agreement will remain in full force and effect unless severance would result in either Licensor or Licensee losing the material benefit of this Agreement.

I. **Duplicate Originals.** Duplicate originals of this Agreement shall be executed.

17. ASSIGNMENT. The rights conferred by this License shall not be assignable by the Licensee or Licensor without prior written consent. Licensor may impose a reasonable license fee on any assignment by Licensee. Reasonable fees could apply in the case of mergers or acquisitions in which the asset size or volume of work to be processed by the assignee would be substantially greater than that of the original Licensee. Reasonable fees would then be based upon the price the new assignee would have expected to pay less the

The Next Generation of Payment Processing



amount already paid by the original Licensee.

The Next Generation of Payment Processing



LICENSOR:

Summit Financial Solutions

By: _____ Dated: _____
President

LICENSEE:

The Villages of Hoffman Estates

By: _____ Dated: _____
Name and Title

COMMITTEE AGENDA ITEM

VILLAGE OF HOFFMAN ESTATES

SUBJECT: Request authorization to waive formal bidding and award contract for an ongoing annual maintenance of our VoIP phone system and related hardware and software to Sentinel Technologies, Inc. in an amount not to exceed \$39,305.00.

MEETING DATE: June 22, 2009

COMMITTEE: Finance Committee

FROM: Gordon Eaken, Director of Information Systems

PURPOSE: To maintain the Village VoIP telephone system and related hardware and software.

BACKGROUND: In October 2007 the Village awarded a contract to Sentinel Technologies for the replacement of our existing analog PBX phone system with a Cisco VoIP system.

At the time of installation it was agreed that maintenance costs could be delayed until the project was completed and all features were fully tested and accepted by Village Staff. In 2008 the maintenance agreement was extended for another year.

DISCUSSION: The attached quote represents the annual maintenance fee from Sentinel technologies to continue the same level of service for the next year as previously agreed upon.

SUMMARY: This is the second year of maintenance and support under the new system. The maintenance program is comprehensive and covers our complete telephone system, its hardware, and its software. Sentinel provides a four hour response time for critical functions and maintains a help desk for less urgent issues.

FISCAL IMPACT: The cost and terms of this annual contract is consistent with the growth of our systems over the past two years.

RECOMMENDATION: Waive formal bidding and award contract for an ongoing annual maintenance of our VoIP phone system and related hardware and software to Sentinel Technologies, Inc. in an amount not to exceed \$39,305.00.



APPENDIX A

High Availability Network Support (HANS)

Customer Name: Village of Hoffman Estates

Street Address: 1900 Hassell Road

City, State, Zip: Hoffman Estates, IL 60169

The Agreement referenced below by and between Sentinel Technologies, Inc., (Contractor) with principal offices at 2550 Warrenville Road, Downers Grove, Illinois 60515, and Village of Hoffman Estates (Customer) with principal offices at 1900 Hassell Road, Hoffman Estates, IL 60169 is hereby amended to include the following:

Commencement Date Agreement No. Addendum No. 005

ENHANCED LEVEL OF SUPPORT

Sentinel Technologies, Inc. is offering an enhanced level of support to supplement Cisco's Smartnet. Sentinel's High Availability Network Support is designed to keep your Cisco network at the highest level of availability by ensuring that your network is monitored and repaired in a timely and comprehensive manner. From initial problem notification through complete restore, Sentinel takes an active role in ensuring the high availability of your network.

- ↪ **Sentinel Customer Service Center first call** – all calls placed to, monitored by and escalated by Sentinel
- ↪ **Sentinel complete restore** - reload/configure system components with customer supplied back-up as required to ensure complete functionality.
- ↪ **Sentinel continuous effort** - service extends beyond hours of coverage window when necessary
- ↪ **Sentinel "no fault" troubleshooting** – perform fault isolation and anomaly identification for problems caused by carriers, environment, or other manufacturers equipment (does not include problems caused by customer).
- ↪ **Priority Access to Cisco TAC** - as a Cisco Gold Partner, Sentinel receives priority service when accessing Cisco TAC
- ↪ **Sentinel end-to-end problem management** – Sentinel will provide maintenance management services and, if requested by customer, will act as the customer's agent in attempting to resolve issues with other vendors/suppliers
- ↪ **Sentinel remote diagnosis and remote repair capability** – Sentinel leverages remote tools to ensure service is delivered quickly and efficiently.
- ↪ **Loaner Equipment Availability** - Sentinel will supply loaner equipment on a best effort basis in emergency situations for non-core network equipment

CUSTOMER:
 Village of Hoffman Estates
 Signature: _____
 Printed Name: _____
 Title: _____
 Date: _____

CONTRACTOR:
 Sentinel Technologies, Inc.
 Signature: _____
 Printed Name: _____
 Title: _____
 Date: _____



sentinel

APPENDIX B

High Availability Network Support (HANS)

Customer Name: Village of Hoffman Estates

Street Address: 1900 Hassell Road

City, State, Zip: Hoffman Estates, IL 60169

The Agreement referenced below by and between Sentinel Technologies, Inc., (Contractor) with principal offices at 2550 Warrenville Road, Downers Grove, Illinois 60515, and Village of Hoffman Estates (Customer) with principal offices at 1900 Hassell Road, Hoffman Estates, IL 60169 is hereby amended to include the following:

Commencement Date

Agreement No.

Addendum No. 005

PROJECT SCHEDULE

Customer agrees to pay Contractor for services in accordance with the following schedule:

Village of Hoffman Estates								
Contract Number	Part Number	Serial Number	Begin Date	End Date	Qty	Unit	Ext. Price	Special Notes
	Village Hall							
	Sentinel HANS, parts & on-site service, 24x7x4 coverage							
	WS-C3750G-24PS-S	FOC1141Y10A	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y101	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y108	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y10Z	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0ZD	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y11D	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0ZG	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1216Z4AC	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0RJ	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y10P	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y103	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
4046511	CISCO2821-V/K9	FTX1144A2ZP	27-Jun-09	26-Jun-10	1	\$ 1,061	\$ 1,061	
4046511	MCS-7816-H3-IPC1	MX27400064	27-Jun-09	26-Jun-10	1	\$ 640	\$ 640	
4046511	MCS7825H3-K9-CMB1	JAB114402SX	27-Jun-09	26-Jun-10	1	\$ 1,120	\$ 1,120	
4046511	MCS7825H3-K9-CMB1	JAB114402SQ	27-Jun-09	26-Jun-10	1	\$ 1,120	\$ 1,120	
4046511	MCS-7835H2-K9-UCA1	JAB114402US	27-Jun-09	26-Jun-10	1	\$ 1,920	\$ 1,920	
	Sentinel HANS, ESW Essential Software Support							
4046512	KEY-ER2.X-100=		27-Jun-09	26-Jun-10	3	\$ 140	\$ 420	
4046512	LIC-CM6.0-7825=		27-Jun-09	26-Jun-10	2	\$ 1,259	\$ 2,518	
4046512	SW-ER-2.0-SVR-K9=		27-Jun-09	26-Jun-10	1	\$ 839	\$ 839	
4046512	UNITYCN2-300USR		27-Jun-09	26-Jun-10	1	\$ 2,400	\$ 2,400	
4046512	UNITYCN2-VM-USR		27-Jun-09	26-Jun-10	100	\$ 8	\$ 800	
	Police Dept							
	Sentinel HANS, parts & on-site service, 24x7x4 coverage							
4046511	CISCO2821-V/K9	FTX1144A2ZD	27-Jun-09	26-Jun-10	1	\$ 1,061	\$ 1,061	
	WS-C3750G-24PS-S	FOC1141Y0Z9	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0ZJ	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y11H	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0YH	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0XN	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	Public Works							
4046511	CISCO2821-SRST/K9	FTX1144A250	27-Jun-09	26-Jun-10	1	\$ 1,269	\$ 1,269	
	WS-C3750G-24PS-S	FOC1141Y10D	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	
	WS-C3750G-24PS-S	FOC1141Y0ZP	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681	



s e n t i n e l

Fire Station 21	WS-C3750G-24PS-S Sentinel HANS, parts & on-site service, 24x7x4 coverage	FOC1141Y0YR	27-Jun-09	26-Jun-10	1	\$ 681	\$ 681
4046511	CISCO2801-SRST/K9 WS-C3750G-24PS-S	FTX1144Y0UW FOC1141Y11E	27-Jun-09	26-Jun-10	1	\$ 757	\$ 757
Fire Station 22	Sentinel HANS, parts & on-site service, 24x7x4 coverage		27-Jun-09	26-Jun-10	1	\$ 681	\$ 681
4046511	CISCO2801-SRST/K9 WS-C3750G-24PS-S	FTX1144Y0UV FOC1141Y0YW	27-Jun-09	26-Jun-10	1	\$ 757	\$ 757
Fire Station 23	Sentinel HANS, parts & on-site service, 24x7x4 coverage		27-Jun-09	26-Jun-10	1	\$ 681	\$ 681
4046511	CISCO2801-SRST/K9 WS-C3750G-24PS-S	FTX1144Y0UU FOC1141Y11A	27-Jun-09	26-Jun-10	1	\$ 787	\$ 787
Fire Station 24	Sentinel HANS, parts & on-site service, 24x7x4 coverage		27-Jun-09	26-Jun-10	1	\$ 681	\$ 681
4046511	CISCO2801-SRST/K9 WS-C3750G-24PS-S	FTX1144Y0UX FOC1141Y10H	27-Jun-09	26-Jun-10	1	\$ 757	\$ 757
	Cisco direct, UCSS Software Subscriptions		27-Jun-09	26-Jun-10	1	\$ 681	\$ 681
	UCSS-UCM-1-10		27-Jun-09	26-Jun-10	7	\$ 58	\$ 406
	UCSS-UCM-1-100		27-Jun-09	26-Jun-10	3	\$ 526	\$ 1,578
	UCSS-ER-1-100		27-Jun-09	26-Jun-10	4	\$ 58	\$ 232
	UCSS-UCN-1-1		27-Jun-09	26-Jun-10	400	\$ 8	\$ 3,200
						Total	39,305

This quote is valid for 30 days from 5/19/2009.
 Payment terms are Net 30.

CUSTOMER:
 Village of Hoffman Estates

Signature: _____

Printed Name: _____

Title: _____

Date: _____

CONTRACTOR:
 Sentinel Technologies, Inc.

Signature: _____

Printed Name: _____

Title: _____

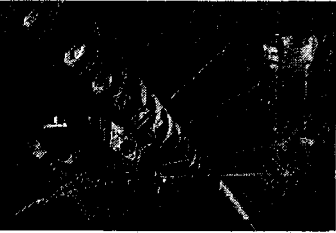
Date: _____



sentinel

P.O. # _____

SENTINEL HANS SUPPORT



ENHANCED LEVEL OF SUPPORT

Sentinel Technologies, Inc. is offering an enhanced level of support to supplement Cisco's Smartnet. Sentinel's High Availability Network Support is designed to keep your Cisco network at the highest level of availability by ensuring that your network is monitored and repaired in a timely and comprehensive manner. From initial problem notification through complete restore, Sentinel takes an active role in ensuring the high availability of your network.

HIGHLIGHTS

- ☞ **Sentinel Customer Service Center first call** – all calls placed to, monitored by and escalated by Sentinel
- ☞ **Sentinel complete restore** - reload/configure system components with customer supplied back-up as required to ensure complete functionality.
- ☞ **Sentinel continuous effort** - service extends beyond hours of coverage window when necessary
- ☞ **Sentinel "no fault" troubleshooting** – perform fault isolation and anomaly identification for problems caused by carriers, environment, or other manufacturers equipment (does not include problems caused by customer).
- ☞ **Priority Access to Cisco TAC** - as a Cisco Gold Partner, Sentinel receives priority service when accessing Cisco TAC
- ☞ **Sentinel end-to-end problem management** – Sentinel will provide maintenance management services and, if requested by customer, will act as the customer's agent in attempting to resolve issues with other vendors/suppliers.
- ☞ **Sentinel remote diagnosis and remote repair capability** – Sentinel leverages remote tools to ensure service is delivered quickly and efficiently.
- ☞ **Sentinel IP Watch** - proactive monitoring through Sentinel's IP Watch appliance for contracts exceeding \$50,000 annually
- ☞ **Loaner Equipment Availability** - Sentinel will supply loaner equipment on a best effort basis in emergency situations for non-core network equipment

Contact your Sentinel account manager or the Sentinel InfoSenter at 800-769-4343

CONTACT SENTINEL TODAY!



sentinel®

Downers Grove, Illinois 60515
630.769.4300
www.sentinel.com



s e n t i n e l

Sentinel High Availability Network Support (HANS)

Sentinel's new High Availability Network Support (HANS) offers an enhanced level of support to supplement Cisco's Smartnet coverage. Sentinel's HANS program is designed to keep your Cisco network at the highest level of availability by ensuring that your network is monitored and repaired in a timely and comprehensive manner. From initial problem notification through complete restore, Sentinel takes an active role in ensuring the highest availability of your network.

Feature	Cisco Smartnet	Sentinel HANS	Details
Access to Cisco TAC (Technical Assistance Center)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Gives access to call in for technical assistance at no extra charge to you, the customer.
Advance Replacement of failed hardware	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Resolves issues quickly and time to repair with the right parts at the right time.
Registered access to Cisco.com	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Provides access to online tools and technical assistance.
Software Updates and Patches	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Keeps software up to date with the latest software features and improvements.
Onsite Service	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Cisco will provide onsite installation of failed equipment. Sentinel will not only replace failed hardware, but also restore network to previous state.
Sentinel Customer Service Center First Call	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	All calls placed to, monitored by and escalated by Sentinel. Whether it be accessing Cisco TAC or arriving onsite to provide a solution, Sentinel will take the initiative to solve your problem.
Priority Access to TAC	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	As a Cisco Gold Partner, Sentinel receives priority service when accessing Cisco TAC.
System Restoration	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	To ensure complete functionality, Sentinel with reload/reconfigure system components as required.
Remote diagnosis and repair	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sentinel Leverages remote tools to ensure service is delivered quickly and efficiently.
"No Fault" Troubleshooting	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sentinel with perform fault isolation and anomaly identification for problems caused by carriers, environment, or other manufacturers equipment.
End-to-end Problem Management	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sentinel will provide maintenance management services and act as the customer's agent in attempting to resolve issues with other vendors/suppliers if needed.
Continuous Effort	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Service extends beyond hours of coverage window when necessary.
Loaner equipment availability	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	Sentinel will supply loaner equipment on a best effort basis in emergency situations for non-core network equipment.

COMMITTEE AGENDA ITEM VILLAGE OF HOFFMAN ESTATES

SUBJECT: 2008 Comprehensive Annual Financial Report
MEETING DATE: June 22, 2009
COMMITTEE: Finance
FROM: Michael DuCharme, Director of Finance

PURPOSE: To present the Comprehensive Annual Financial Report for the fiscal year ended December 31, 2008. The report is included herewith.

BACKGROUND: Each year the Village retains a CPA firm to perform an audit of the Village's annual financial statements. This year, the firm of Sikich performed the audit.

DISCUSSION: Sikich has given the 2008 Comprehensive Annual Financial Report (CAFR) their "unqualified opinion." This means that the financial statements are fairly presented and are prepared in accordance with generally accepted accounting principles.

A detailed summary of the Village's financial condition can be found in the Management's Discussion and Analysis (MD&A) within the CAFR. This analysis has been reprinted and attached to this agenda item for your review.

The Village's overall financial condition has improved over the last year. The *statement of net assets* (page 3 of the CAFR) presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

In the case of the Village of Hoffman Estates (excluding EDA TIF activity), assets exceeded liabilities by \$104,313,794 as of December 31, 2008 compared to \$100,032,195 as of December 31, 2007.

Related specifically to the General Fund, the fund balance decreased by \$1,174,184 during the current fiscal year, which was primarily a planned drawdown for one-time projects due to the health of the General Fund. At the end of 2008, unreserved fund balance of the General Fund was \$12,370,115, while total fund balance equaled \$12,839,752. The Village's fund balance policy states that the Village will strive to maintain an unallocated/unreserved fund balance within the General Fund equal to 25 percent of the preceding year's annual operating budget. Unreserved fund balance as of December 31, 2008 represents 26.1 percent of the total budgeted General Fund expenditures.

The residents of Hoffman Estates should take comfort in the overall financial condition of the Village. The Village Board continues to establish

conservative fiscal policies and prudent spending plans, while addressing service and capital needs. The Management Team continues to efficiently and effectively utilize the resources provided by the Village Board.

RECOMMENDATION: Request acceptance of the Comprehensive Annual Financial Report for the year ended December 31, 2008.

ATTACHMENTS

**COMMITTEE AGENDA ITEM
VILLAGE OF HOFFMAN ESTATES**

SUBJECT: 2008 Management Letter
MEETING DATE: June 22, 2009
COMMITTEE: Finance
FROM: Michael DuCharme, Director of Finance

PURPOSE: Request acceptance of the management letter prepared by the Village's financial auditors, Sikich, for the year ended December 31, 2008.

BACKGROUND: As part of the annual independent audit of the Village's financial statements, the auditors are asked to report to the Village Board any recommendations for improvement in accounting controls discovered during the course of their audit. These findings are presented in an annual management letter.

Attached is a copy of the management letter prepared by Sikich for the year ended December 31, 2008. The report includes the auditors' comments and their recommendations. It also includes a section on our response to their recommendations from the prior year.

DISCUSSION: The first management letter comment for 2008 relates to the Village's collateral agreements. All of the Village's collateral was in compliance with the Village's investment policy as of December 31, 2008. However, the auditors have recommended a modification to our agreement with Citibank that will ensure the Village's investments are secure.

The second management letter comment for 2008 refers to upcoming accounting pronouncements that the Village will be required to implement. None of the future pronouncements are cause for concern and we predict that each one will be implemented effortlessly when required.

Staff concurs with the report and appreciates the valuable input provided.

RECOMMENDATION: Request acceptance of the Auditor's Management Letter for the Year Ended December 31, 2008.

ATTACHMENT

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2008

As management of the Village of Hoffman Estates (the "Village"), we offer readers of the Village's financial statements this narrative overview and analysis of the financial activities of the Village for the fiscal year ended December 31, 2008. 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 Transmittal Letter (beginning on page IV) and the Village's financial statements (beginning on page 3).

Overview of the Financial Statements

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

Government-Wide Financial Statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities reflect the Village's basic services, including general government, public safety, highways and streets, sanitation, health and welfare, economic development, and culture and recreation. The business-type activities include the water and sewer operations.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The government-wide financial statements can be found on pages 3 through 5 of this report.

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

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, 2005 EDA TIF Refunding Bond Fund, and 2008 Capital Project Fund, all of which are considered to be major funds. Data from the other 27 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Village adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 6 through 9 of this report.

Proprietary Funds. The Village maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses an enterprise fund to account for its water and sewer system. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for the costs of property and casualty insurance, workers' compensation insurance, and its information systems. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Waterworks and Sewerage Fund, which is considered to be a major fund of the Village. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

The basic proprietary fund financial statements can be found on pages 10 through 13 of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village maintains two different types of fiduciary funds: pension trust funds and agency funds.

The basic fiduciary fund financial statements can be found on pages 14 and 15 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 16 through 61 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's progress in funding its obligation to provide pension to its employees. Required supplementary information can be found on pages 62 through 71 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 72 through 149 of this report.

Financial Analysis of the Village as a Whole

Beyond presenting current-year financial information in the government-wide and major individual fund formats, the Village also presents comparative information from the prior years in the Management's Discussion and Analysis. By doing so, the Village believes that it is providing the best means of analyzing its financial condition and position as of December 31, 2008.

Net Assets. The table on the following page reflects the condensed Statement of Net Assets.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 1
Statement of Net Assets
As of December 31, 2008

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2007	2008	2007	2008	2007	2008
Current and Other Assets	\$ 86,675,599	\$ 92,357,410	\$ 10,513,767	\$ 16,279,810	\$ 97,189,366	\$ 108,637,220
Capital Assets	107,343,328	125,550,313	25,020,589	26,267,955	132,363,917	151,818,268
Total Assets	194,018,927	217,907,723	35,534,356	42,547,765	229,553,283	260,455,488
Long-Term Liabilities	230,502,970	235,215,226	269,143	6,946,733	230,772,113	242,161,959
Other Liabilities	23,882,179	27,451,097	787,419	928,256	24,669,598	28,379,353
Total Liabilities	254,385,149	262,666,323	1,056,562	7,874,989	255,441,711	270,541,312
Net Assets:						
Invested in Capital Assets,						
Net of Debt	92,578,328	100,289,513	25,020,589	26,267,955	117,598,917	126,557,468
Restricted	34,874,359	37,276,155	-	-	34,874,359	37,276,155
Unrestricted	(187,818,909)	(182,324,268)	9,457,205	8,404,821	(178,361,704)	(173,919,447)
Total Net Assets	\$ (60,366,222)	\$ (44,758,600)	\$ (34,177,994)	\$ (34,672,776)	\$ (25,888,428)	\$ (10,083,824)

The deficit in unrestricted net assets is primarily the result of the Village sponsoring one of the largest economic development area (EDA) tax increment financing (TIF) districts in the State of Illinois to induce the relocation of the headquarters of a major retailer to the Village and keeping the jobs within the State. As part of the inducement, the Village issued \$65,400,000 Senior Lien Tax Increment Revenue Bonds, Series 2005, \$68,947,092 Junior Lien Tax Increment Revenue Bonds, Series 1991 (expired in 2007), and Tax Increment Revenue Notes in the amount of \$109,391,730 (as of December 31, 2008). These bonds and notes did not produce a capital asset that is owned by the Village, and even though the Village is not generally obligated for the retirement of the debt as it is payable solely from the incremental taxes generated by the EDA, the bonds and notes are, nonetheless, required to be reported as a liability of the Village. If sufficient funds are not available in the EDA TIF to pay the debt as of the end of the useful life of the EDA in 2012, then the obligations would be cancelled and the Village would report a gain on the cancellation of said debt. Therefore, the deficit will be reduced and eliminated over the remaining life of the EDA TIF.

Since the EDA TIF distorts the financial position and results of operations of the ongoing operations of the Village, the table on the following page displays the Village's net assets without the EDA TIF activity, which is a better measure of the financial position of the Village.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 1-a
Statement of Net Assets Excluding EDA TIF Activity
As of December 31, 2008

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2007	2008	2007	2008	2007	2008
Current and Other Assets	\$ 57,325,854	\$ 62,026,800	\$ 10,513,767	\$ 16,279,810	\$ 67,839,621	\$ 78,306,610
Capital Assets	107,343,328	125,550,313	25,020,589	26,267,955	132,363,917	151,818,268
Total Assets	164,669,182	187,577,113	35,534,356	42,547,765	200,203,538	230,124,878
Long-Term Liabilities	75,721,843	90,923,496	269,143	6,946,733	75,990,986	97,870,229
Other Liabilities	23,392,938	27,012,599	787,419	928,256	24,180,357	27,940,855
Total Liabilities	99,114,781	117,936,095	1,056,562	7,874,989	100,171,343	125,811,084
Net Assets:						
Invested in Capital Assets,						
Net of Debt	92,578,328	100,289,513	25,020,589	26,267,955	117,598,917	126,557,468
Restricted	6,013,855	8,028,531	-	-	6,013,855	8,028,531
Unrestricted	(33,037,782)	(38,677,026)	9,457,205	8,404,821	(23,580,577)	(30,272,205)
Total Net Assets	\$ 65,554,401	\$ 69,641,018	\$ 34,477,794	\$ 34,672,776	\$ 100,032,495	\$ 104,313,794

As you can see, although the deficit in unrestricted net assets is reduced by not including the EDA financial information, a deficit is still present. This is due to the Village's issuance of the General Obligation Taxable Bond Series of 2005A. As an inducement to construct an entertainment and sports arena within Hoffman Estates, the Village issued \$54,935,000 in taxable bonds. Like the EDA bonds and notes, these bonds did not produce a capital asset that is owned by the Village and are required to be reported as a liability of the Village. Revenues from the operation of the arena will be used to pay for the 2005A debt service payments.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village of Hoffman Estates (excluding EDA TIF activity), assets exceeded liabilities by \$104,313,794 as of December 31, 2008. The increase in net assets from 2007 shows that the Village's overall financial position has improved. The largest portion of the Village's net assets is its investment in capital assets (e.g., land, infrastructure, buildings, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The Village uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. As was mentioned above, the General Obligation Taxable Bond Series 2005A did not produce a capital asset, so that debt is not included in the calculation of Net Assets Invested in Capital Assets, Net of Related Debt, as can be seen in the table on the following page.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 2
Net Assets Invested in Capital Assets, Net of Related Debt
As of December 31, 2008

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
Capital Assets	\$ 107,343,328	\$ 125,550,313	\$ 25,020,589	\$ 26,267,955	\$ 132,363,917	\$ 151,818,268
Less Outstanding Related Debt:						
1997A G.O. Bonds	(2,405,000)	(1,970,000)	-	-	(2,405,000)	(1,970,000)
2001 G.O. Bonds	(4,720,000)	(3,230,000)	-	-	(4,720,000)	(3,230,000)
2003 G.O. Bonds	(3,285,000)	(2,485,000)	-	-	(3,285,000)	(2,485,000)
2004 G.O. Bonds	(4,355,000)	(3,545,000)	-	-	(4,355,000)	(3,545,000)
2008 G.O. Bonds	-	(19,983,750)	-	-	-	(19,983,750)
Less Outstanding Premiums	-	(87,438)	-	-	-	(87,438)
Plus Outstanding Discounts	-	230,070	-	-	-	230,070
Plus Unamortized Loss on Refunding	-	298,684	-	-	-	298,684
Plus Unspent '08 Bond Proceeds	-	5,511,634	-	-	-	5,511,634
Total	92,578,328	100,289,513	25,020,589	26,267,955	117,598,917	126,557,468

The second portion of the Village's net assets in the amount of \$8,028,531 represents resources that are subject to external restrictions on how they may be used. The final portion of the Village's net assets is the unrestricted deficit in the amount of \$30,272,205. This deficit is solely due to the 2005A bonds discussed previously.

For more detailed information, see the Statement of Net Assets on page 3.

Activities. The table on the following page summarizes the revenue and expenses of the Village's activities.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 3
Changes in Net Assets
For the Fiscal Year Ended December 31, 2008

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total Primary Government</i>	
	2007	2008	2007	2008	2007	2008
REVENUES						
Program Revenues:						
Charges for Services	\$ 29,037,008	\$ 11,587,849	\$ 10,378,340	\$ 9,989,993	\$ 39,415,348	\$ 21,577,842
Operating Grants	2,129,235	1,959,997	-	-	2,129,235	1,959,997
Capital Grants	3,928,216	7,097,285	1,448,966	2,146,311	5,377,182	9,243,596
General Revenues:						
Property Taxes	35,690,272	36,232,247	-	-	35,690,272	36,232,247
Other Taxes	23,847,459	24,459,959	-	-	23,847,459	24,459,959
Other	3,173,821	2,344,833	513,435	407,178	3,687,256	2,752,011
Total Revenues	97,806,041	83,682,170	12,340,741	12,543,482	110,146,782	96,225,632
EXPENSES						
General Government	6,900,227	7,649,033	-	-	6,900,227	7,649,033
Public Safety	29,298,255	32,630,767	-	-	29,298,255	32,630,767
Highways and Streets	10,578,402	12,635,002	-	-	10,578,402	12,635,002
Sanitation	1,126,761	1,190,250	-	-	1,126,761	1,190,250
Health and Welfare	1,741,403	1,959,118	-	-	1,741,403	1,959,118
Culture and Recreation	251,527	277,806	-	-	251,527	277,806
Economic Development	16,627,938	2,156,338	-	-	16,627,938	2,156,338
Water and Sewer	-	-	11,453,322	12,364,630	11,453,322	12,364,630
Interest on Long-Term Debt	9,576,815	9,560,104	-	-	9,576,815	9,560,104
Total Expenses	76,101,323	68,058,418	11,453,322	12,364,630	87,554,650	80,423,048
Excess (Deficiency) Before Transfers	21,704,683	15,623,752	887,419	178,852	22,592,102	15,802,604
Transfers In (Out)	9,850	(16,130)	(9,850)	16,130	-	-
Change in Net Assets	\$ 21,714,533	\$ 15,607,622	\$ 877,569	\$ 194,982	\$ 22,592,102	\$ 15,802,604
Net Assets (Deficit), January 1	\$ (82,380,022)	\$ (60,366,222)	\$ 33,600,225	\$ 34,477,794	\$ (48,779,797)	\$ (25,888,428)
Prior Period Adjustment	\$ 299,267	\$ -	\$ -	\$ -	\$ 299,267	\$ -
Net Assets (Deficit), January 1 Restated	\$ (82,080,755)	\$ (60,366,222)	\$ 33,600,225	\$ 34,477,794	\$ (48,480,530)	\$ (25,888,428)
Net Assets (Deficit), December 31	\$ (60,366,222)	\$ (44,758,600)	\$ 34,477,794	\$ 34,672,776	\$ (25,888,428)	\$ (10,085,824)

The Prior Period Adjustment in 2007 noted above resulted from the fund balance in the Capital Improvements Fund and Net Assets of Governmental Activities being restated by \$299,267 as of January 1, 2007. This was due to emergency service fee revenues previously recorded in escrow

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

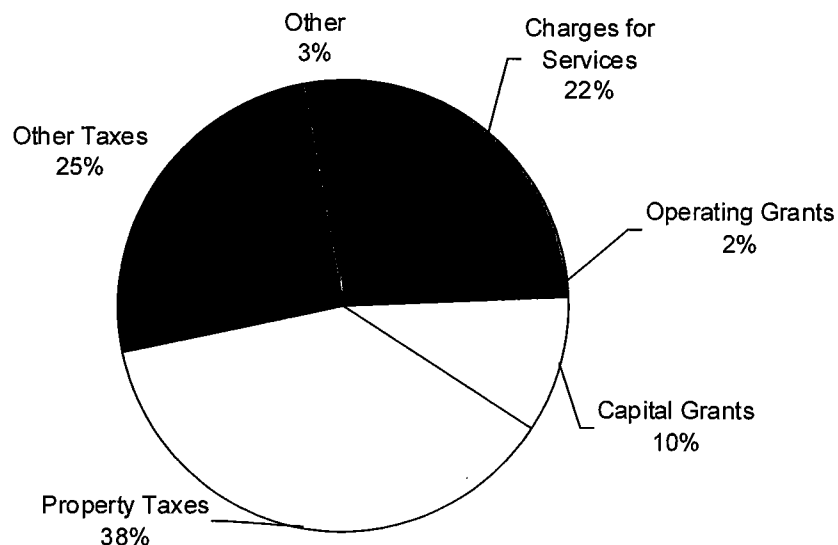
as a liability but determined to be revenue of the Village during the year ended December 31, 2007.

For the fiscal year ended December 31, 2008, revenues from governmental activities totaled \$83.7 million. The Village benefits from a highly diversified revenue base. Revenues from the Village's largest single source, property taxes, amounted to over \$36 million. Property taxes support governmental activities and include the Village's contribution to the Police Pension Fund and Firefighters' Pension Fund.

The "other taxes" classification includes a number of different revenue sources. Among those are sales taxes, income taxes, and telecommunications taxes. The two major types of sales taxes are the retailer's occupation tax (ROT) and the home-rule sales tax. Both of these sales taxes are collected by the State of Illinois. A portion of the ROT is shared by the state with its municipalities based upon the point of sale. While the ROT is an 8.75 percent tax, the equivalent of a 1 percent tax is remitted to Hoffman Estates. The home-rule sales tax for 2008 was 1 percent and all of its proceeds were remitted to Hoffman Estates.

In 2008, state-shared sales tax revenues were \$6,990,526 compared to \$6,619,848 in 2007. Home-rule sales tax revenues increased from \$3,476,984 to \$3,938,726 between the two years, due to an increase in the overall economy as well as an increase in commercial retailers within the Village, such as Cabela's, which opened in the fall of 2007.

Chart 1
Revenues by Source – Primary Government
For the Fiscal Year Ended December 31, 2008



(See independent auditor's report.)

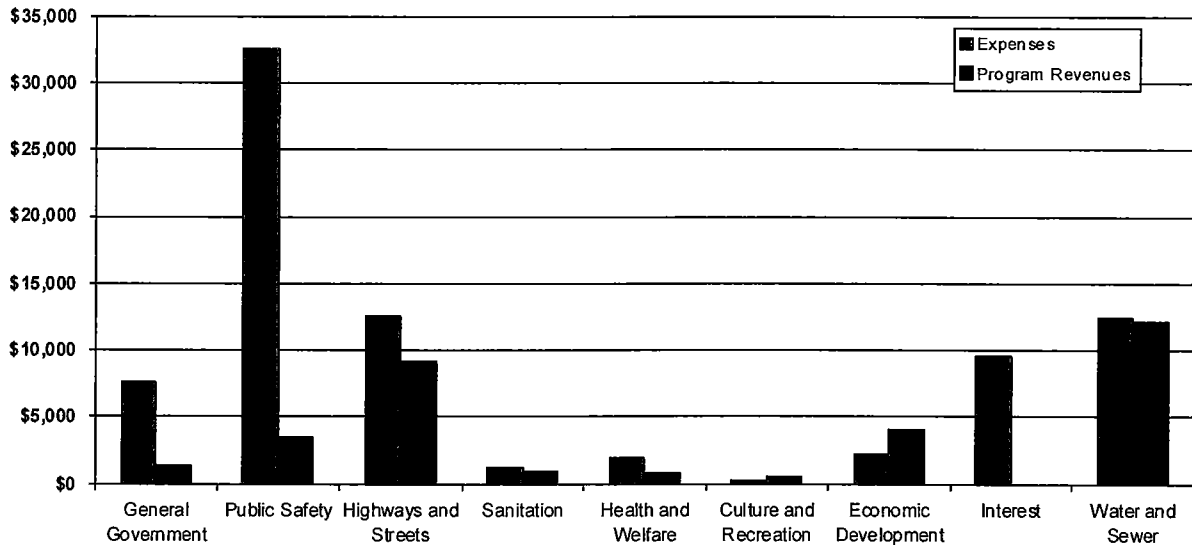
VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Income and local use taxes are also shared by the state, but on a per-capita basis. Between 2007 and 2008, the Village's income and local use tax revenues increased from \$5,147,174 to \$5,529,993 reflecting an overall increase in the economy.

A major revenue component of the "charges for services" classification is fees from the Village's water and sewer utility. Water and sewer fee revenue was \$9,989,993 in 2008 compared to \$10,378,340 in 2007. The decrease in these revenues is somewhat due to the fact that 2007 was a high demand year in terms of water usage when compared to 2008. There was a 5.8 percent rate increase on December 1, 2007 and another similar increase on December 1, 2008.

As you can see by the chart below, very few Village programs are self-funded through program revenues. This is where general revenues like property taxes and sales taxes come in. These non-program revenues are what make it possible to fund necessary functions within the Village.

Chart 2
Expenses and Program Revenues
For the Fiscal Year Ended December 31, 2008
(Dollars in Thousands)



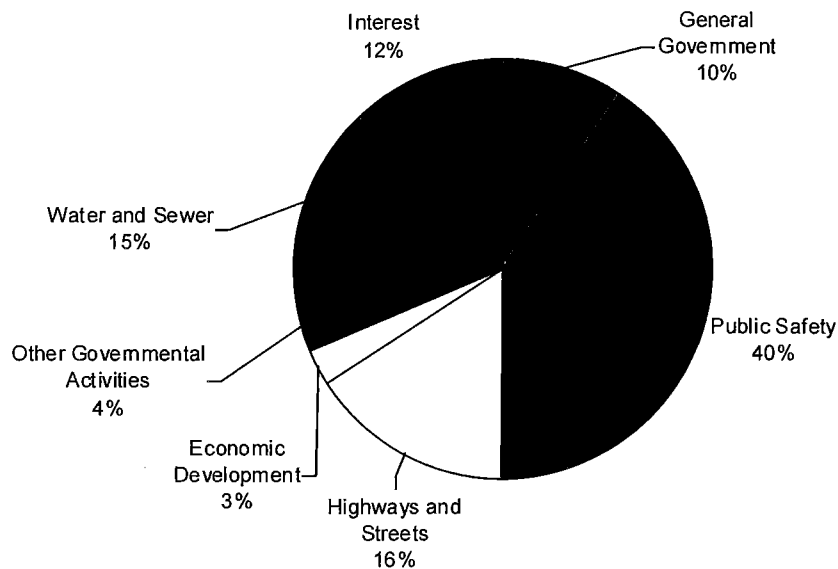
Village expenses amounted to \$80.4 million in 2008. Accounting for the largest share of the total expenses are public safety expenses related to the operations of the Police and Fire Departments. In 2008, due to strained financial resources, no new personnel was added to any Village department.

With historically low unemployment levels and high demand for skilled employees in both the public and private sectors in this region, it is important that the Village provide competitive compensation levels for our employees. The 2008 expenses included funding for the Village's performance based employee compensation package with an average 3.9 percent increase and a 2.0 cost of living adjustment. Several collective bargaining agreements established salary

(See independent auditor's report.)

increases during 2008. Those agreements provided for various step (seniority) and general cost of living increases.

Chart 3
Expenses by Function
For the Fiscal Year Ended December 31, 2008



Once again, it needs to be mentioned that the inclusion of the EDA TIF debt distorts the results of operations of the governmental activities. In the current year, incremental taxes in the EDA were \$20,320,661, which represents general revenue to the governmental activities. There is also some miscellaneous and investment income in the amount of \$696,245. On the expense side, the Village recognized interest expense of \$5,237,684 related to the Senior Lien Bonds as well as \$4,162,626 of general government, public safety and infrastructure improvements for the EDA. Removing this activity from the governmental activities results in the following positive picture:

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Table 3-a
Changes in Net Assets Excluding EDA TIF Activity
For the Fiscal Year Ended December 31, 2008

	Governmental Activities		Business-Type Activities		Total/Primary Government	
	2007	2008	2007	2008	2007	2008
REVENUES						
Program Revenues:						
Charges for Services	\$ 12,160,603	\$ 11,538,724	\$ 10,378,340	\$ 9,989,993	\$ 22,538,943	\$ 21,528,717
Operating Grants	2,129,235	1,959,997	-	-	2,129,235	1,959,997
Capital Grants	3,928,216	7,097,285	1,448,966	2,146,311	5,377,182	9,243,596
General Revenues:						
Property Taxes	17,979,463	15,911,586	-	-	17,979,463	15,911,586
Other Taxes	23,847,459	24,459,959	-	-	23,847,459	24,459,959
Other	2,386,581	1,697,713	513,435	407,178	2,900,016	2,104,891
Total Revenues	62,431,557	62,665,264	12,340,741	12,543,482	74,772,298	75,208,746
EXPENSES						
General Government	6,900,227	7,429,416	-	-	6,900,227	7,429,416
Public Safety	29,298,255	29,333,107	-	-	29,298,255	29,333,107
Highways and Streets	10,113,187	12,059,057	-	-	10,113,187	12,059,057
Sanitation	1,126,761	1,190,250	-	-	1,126,761	1,190,250
Health and Welfare	1,741,403	1,959,118	-	-	1,741,403	1,959,118
Culture and Recreation	251,527	277,806	-	-	251,527	277,806
Economic Development	2,008,387	1,991,344	-	-	2,008,387	1,991,344
Water and Sewer	-	-	11,453,322	12,364,630	11,453,322	12,364,630
Interest on Long-Term Debt	3,695,876	4,322,420	-	-	3,695,876	4,322,420
Total Expenses	55,135,623	58,562,518	11,453,322	12,364,630	66,588,945	70,927,148
Excess (Deficiency)						
Before Transfers	7,295,934	4,102,746	887,419	178,852	8,183,353	4,281,598
Transfers In (Out)	9,850	(16,130)	(9,850)	16,130	-	-
Change in Net Assets	\$ 7,305,784	\$ 4,086,216	\$ 877,569	\$ 194,982	\$ 8,183,353	\$ 4,281,598

Financial Analysis of the Village's Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

For the fiscal year ended December 31, 2008, the governmental funds reported combined ending fund balances of over \$60 million. The General Fund is the chief operating fund of the Village. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$12,370,115, while total fund balance equaled \$12,839,752. Unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year and as a measure of the General Fund's liquidity. It may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

balance represents 26.1 percent of budgeted General Fund expenditures, while total fund balance represents 27.1 percent of that same amount.

Table 4
General Fund Budgetary Highlights
For the Fiscal Year Ended December 31, 2008

	<i>Original Budget</i>	<i>Amended Budget</i>	<i>Actual 2008</i>	<i>Actual 2007</i>
REVENUES				
Taxes	\$24,418,054	\$24,418,054	\$22,702,394	\$21,710,526
Inter-Governmental	14,200,950	14,269,550	13,474,956	12,713,142
Other	9,378,590	9,378,590	8,296,650	9,821,385
Total Revenues	47,997,594	48,066,194	44,474,000	44,245,053
EXPENDITURES AND TRANSFERS				
Expenditures	(45,717,914)	(47,374,404)	(43,244,975)	(40,619,223)
Transfers Out	(3,145,145)	(3,145,145)	(2,403,209)	(4,623,790)
Total Expenditures and Transfers	(48,863,059)	(50,519,549)	(45,648,184)	(45,243,013)
Change in Fund Balance	(\$865,465)	(\$2,453,355)	(\$1,174,184)	(\$997,960)

As 2008 got underway, it became clear that revenues were coming in under projections; especially in the areas of building permits and sales taxes, and that expenses in the Snow & Ice Division were exceeding budgeted amounts. At mid-year, a budget reduction plan was implemented in the amount of almost \$4.4 million. Even with this significant budget reduction plan, the fund balance of the Village's General Fund decreased by \$1,174,184 during the current fiscal year. This decrease was slightly above the planned drawdown for one-time projects due to the health of the General Fund fund balance. The additional overage was due to an increase in fuel consumption and overtime costs related to even more snow and ice events late in 2008.

The Village's fund balance policy states that the Village will strive to maintain an unallocated/unreserved fund balance within the General Fund equal to 25 percent of the preceding year's annual operating budget. While the General Fund is above this level of fund balance, any year where year-end revenues exceed expenditures, the amount of surplus will be transferred to other funds to address known future financial needs. This allocation will be 50 percent to the Capital Improvements Fund for street improvements and 50 percent to remain within the General Fund or other funds as needed based on the annual recommendation of the Village Manager and approval by the Village Board.

Actual General Fund revenues were below final budgeted revenues by \$3,591,594 during fiscal year 2008, primarily due to sales taxes and building permits coming in under budget. It should be noted that sales taxes for 2008 were budgeted high based on estimates received from a new large retail store in the Village. The actual shortfall was offset by a reduction in the amount of sales tax incentives that had to be paid out to the developer for the year. Actual General Fund expenditures and transfers were under the original budget by \$3,214,875 and were less than the amended budget by \$4,871,365.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The 2005 EDA TIF Refunding Bond Fund has a total fund balance of \$24,298,810. All of this fund balance is reserved for the payment of debt service. This amount includes a debt service reserve investment contract in the amount of \$12,098,000, which will only be utilized in the event of default. This fund contributed to the combined fund balance of the governmental funds with an increase of \$614,050 which is primarily interest income.

The 2008 Capital Project Fund has a total fund balance of \$2,687,546. All of this fund balance is reserved for capital development. This fund is used to account for bond proceeds of the Village's 2008 General Obligation Bonds, which are being used for the remodeling of the Village Hall, the construction of a new fire station, and the purchase of land and design for a new police station. It should be noted that this bond issue is also funding the construction of a new water tower, but those proceeds are included in the Waterworks & Sewerage Fund. The 2008 Capital Project Fund contributed to the combined fund balance of the governmental funds with an increase of \$3,741,321.

With respect to the business-type activities, the Waterworks and Sewerage Fund recorded an increase in net assets in the amount of \$194,982, which was significantly higher than the \$3.9 million decrease that was originally projected. This more positive outcome is due to significant reductions of budgeted projects which were unable to be completed during 2008. Unrestricted net assets of the Waterworks and Sewerage Fund at the end of the year amounted to \$8,404,821.

The Village Board amended the fiscal year 2008 budget once. This budget amendment was primarily for the following purposes related to the General Fund:

- The Public Works Department had to increase their budget for overtime wages and salt in the amount of \$910,000 due to above average snow and ice events in 2008.
- The Public Works Department also had to increase their gas & oil budget in the amount of \$284,000 due to market increases.

Of the total increases of \$8,933,040, \$3,368,640 was to be funded from available fund balance in various funds; \$4,487,300 represented EDA incremental property taxes used to pay interest related to the 2005 EDA TIF bonds and some outstanding EDA revenue notes; \$958,000 was related to the new 2008 bond issue; and the remaining \$119,100 was funded out of miscellaneous increases in various revenues.

Capital Asset and Debt Administration

Capital Assets. The Village's investment in capital assets for both its governmental and business type activities as of December 31, 2008 amounts to \$151,818,268 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, vehicles, roads, bridges, and storm sewers. The total investment in capital assets for the current fiscal year increased 14.7 percent from 2007.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
 MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

Major capital asset events during 2008 included the following:

- One street was reconstructed as part of the 2008 Street Revitalization Program. This resulted in \$557,902 being added to infrastructure assets.
- The White Oaks, Unit 4 subdivision was accepted into the Village, adding \$4,387,253 to land right of way and infrastructure assets and \$1,151,184 to water main and sanitary sewer assets.
- The Canterbury Fields subdivision was accepted into the Village, adding \$2,090,670 to land right of way and infrastructure assets and \$549,690 to water main and sanitary sewer assets.
- The land for the future Police Station was purchased in 2008 for \$2,822,964.
- The Police Department purchased eleven new vehicles, totaling \$247,973.
- The Fire Department purchased two new ambulances for \$362,638, a new pumper for \$536,075 and 2 new vehicles for a total of \$45,536.
- The new salt storage dome was constructed in 2008, adding \$591,649 to Capital Assets.
- The Public Works Department purchased four trucks, a brush chipper and a backhoe loader, for a total of \$245,478.
- Construction in Progress was recorded for the remodeling and renovation of Village Hall for \$4,810,240; the relocation of Fire Station 24 for \$2,709,829; and construction of the new Police Station for \$2,802,158.

The following schedule reflects the Village's capital asset balances as of December 31, 2008.

Table 5
Capital Assets
As of December 31, 2008

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
Land and Land Right of Way	\$ 40,352,312	\$ 45,378,685	\$ 474,000	\$ 474,000	\$ 40,826,312	\$ 45,852,685
Buildings and Improvements	17,487,004	17,977,298	43,191,032	45,355,143	60,678,036	63,332,441
Machinery, Vehicles and Equipment	10,829,133	11,907,218	1,653,744	1,800,539	12,482,877	13,707,757
Infrastructure	89,192,053	93,921,472	-	-	89,192,053	93,921,472
Construction in Progress	138,037	10,460,263	-	-	138,037	10,460,263
Less:						
Accumulated Depreciation	(50,655,211)	(54,094,623)	(20,298,187)	(21,361,727)	(70,953,398)	(75,456,350)
Total	107,343,328	125,650,313	25,020,589	26,267,955	132,363,917	151,918,268

Additional information on the Village's capital assets can be found in note 4 on pages 30 and 31 of this report.

Long-Term Debt. The table on the following page summarizes the Village's bonded and similar indebtedness.

Table 6
Bonded and Similar Indebtedness
As of December 31, 2008

	<i>Governmental Activities</i>		<i>Business-Type Activities</i>		<i>Total</i>	
	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>	<i>2007</i>	<i>2008</i>
General Obligation Bonds	\$ 68,670,000	\$ 84,043,750	\$ -	\$ 6,661,250	\$ 68,670,000	\$ 90,705,000
TIF Revenue Bonds	45,600,000	34,900,000	-	-	45,600,000	34,900,000
TIF Revenue Notes	113,624,749	112,976,570	-	-	113,624,749	112,976,570
<i>Total</i>	<i>\$ 227,894,749</i>	<i>\$ 231,920,320</i>	<i>\$ -</i>	<i>\$ 6,661,250</i>	<i>\$ 227,894,749</i>	<i>\$ 238,581,570</i>

At the end of the current fiscal year, the Village had total debt outstanding of \$238,581,570 (excluding compensated absences, Net Pension Obligation, and Net Other Post-Employment Benefit Obligations). Of this amount, \$90,705,000 comprises general obligation bonds backed by the full faith and credit of the Village. The Village also issues bonds and notes where the Village pledges incremental tax income derived from a separately created tax increment financing district. These bonds and notes are not obligations of the Village and are secured only by the incremental revenues generated by the EDA TIF district.

In 2008, the Village's total debt increased by \$10,686,821 which was 4.7 percent. During 2008, the Village issued the 2008 General Obligation bonds in the amount of \$26,645,000 to fund, as was mentioned previously, the remodeling of the Village Hall, the construction of a new fire station, the design of a new police station, and the construction of a new water tower.

As an Illinois home-rule community, the Village is not subject to any debt limitation. The Village's general obligation bonds have been given a credit rating of Aa2 from Moody's Investors Services and AA+ from Standard and Poor's. Moody's reported that the high-grade Aa2 rating reflects the long-term trend of growth expected in the Village's large economic base, the tax base concentration created by the presence of two large corporate office complexes, sound and well-managed financial operations that derive flexibility from home rule status and an above average debt burden that remains manageable.

Additional information on the Village's long-term debt can be found in note 5 on pages 32 through 42 of this report.

Economic Factors and Next Year's Budgets and Rates

Property taxes imposed on property within the Village's corporate limits provide a stable revenue source. The Village also receives revenue from a variety of other sources, and a significant increase in one of these revenues occurred early in 2008. The hotel tax was increased by 1.0 percent to a total of 6.0 percent, effective January 1, 2008.

The unemployment rate for the Village is currently 5.5 percent, which compares favorably to the county's average unemployment rate of 7.1 percent and the state's average rate of 7.4 percent.

(See independent auditor's report.)

VILLAGE OF HOFFMAN ESTATES, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

The 2000 census found that the median household income was \$73,685 and the median home value was \$181,700. The Village undertook a special census in 2003. The census found that the population of Hoffman Estates was 50,573, which was an increase from the 2000 census figure of 49,495. Putting the increased population on record means that the Village will be entitled to larger portions of state-shared revenue such as income taxes and motor fuel taxes.

All of these factors were considered in preparing the Village's budget for the 2009 fiscal year.

During the current fiscal year, unreserved fund balance in the General Fund decreased from \$13,608,472 to \$12,370,115 due to planned drawdowns as well as an increase in snow removal and fuel expenses. The Village does not plan on spending any of this fund balance in the 2009 fiscal year budget.

The water and sewer rates were increased in December 2007 by an average of 5.8 percent for all customers, and again in December 2008 by the same amount. These rate increases were necessary in order to fund future water and sewer system improvements. This rate is expected to continue to minimally increase every year to fund improvements that must be made to the water and sewer systems.

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 of the money it receives. Questions concerning this report or requests for additional financial information should be directed to Michael F. DuCharme, Director of Finance/Village Treasurer, Village of Hoffman Estates, 1900 Hassell Road, Hoffman Estates, IL 60169.

VILLAGE OF HOFFMAN ESTATES, ILLINOIS

MANAGEMENT LETTER

December 31, 2008



Certified Public Accountants & Advisors



998 Corporate Boulevard • Aurora, IL 60502

Members of American Institute of
Certified Public Accountants &
Illinois CPA Society

The Honorable Village President
Members of the Board of Trustees
Village of Hoffman Estates, Illinois

Ladies and Gentlemen,

In planning and performing our audit of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Village of Hoffman Estates, Illinois as of and for the year ended December 31, 2008, which collectively comprise the Village's basic financial statements, in accordance with auditing standards generally accepted in the United States of America, we considered its internal controls as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, as described below, we identified certain matters that are opportunities for strengthening internal controls and operating efficiency, of which management should be aware. In addition we reviewed the status of the recommendations dated March 14, 2008 in Appendix A.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

This report is intended solely for the information and use of the Board of Trustees, management and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads 'Sikich LLP'.

Aurora, Illinois
March 13, 2009

OTHER COMMENTS

During our audit of the financial statements, we noted the following additional comments:

1. Collateral Agreements

During our review of the Village's investments we noted there is an agreement with one of the Village's brokers in which the broker has entered into collateral agreements on their behalf. As of December 31, 2008 the collateral pledged through these agreements was earmarked by the broker for the Village, but the custodian of the collateral was not specifically holding the collateral in the Village's name. Due to the way the agreement was written, the collateral is still in compliance with the Village's investment policy; however, we recommend the Village review the agreement with the broker to ensure that the custodian identifies the Village as the pledge to the collateral. In addition, we recommend the Village receive monthly statements of collateral from the custodian. This will help perfect the Village's claim on these amounts and provide for a greater level of assurance that in the case of the bank's failure the Village's deposits would be secure.

2. Future Accounting Pronouncements

The Governmental Accounting Standards Board has issued a number of pronouncements that may impact the Village in the future.

GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, defines an intangible asset's required characteristics, and generally requires that they be treated as capital assets. Intangible assets acquired or created primarily for the purpose of directly obtaining income or profit, however, would be treated as investments. Statement No. 51 offers specific guidance regarding internally generated software and intangible assets with indefinite useful lives. Statement No. 51 is effective for the fiscal year ending December 31, 2010.

GASB Statement No. 52, *Land and Other Real Estate Held as Investments by Endowments*, establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. Statement No. 52 is effective for the fiscal year ending December 31, 2009.

GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, requires governments to measure most derivative instruments at fair value in their financial statements that are prepared using the economic resources measurement focus and the accrual basis of accounting. The guidance in this Statement also addresses hedge accounting requirements and is effective for the Village's fiscal year ending December 31, 2010.

GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, is designed to improve fund balance and governmental fund type reporting by providing clearer, more structured fund balance classifications and by clarifying the definitions of existing governmental fund types. The guidance in this Statement is effective for the Village's fiscal year ending December 31, 2011.

We will advise the Village of any progress made by GASB in developing this and other future pronouncements that may have an impact on the financial position and changes in financial position of the Village.

APPENDIX A
STATUS OF COMMENTS FROM DECEMBER 31, 2007

OTHER COMMENTS

During our audit of the financial statements, we noted the following additional comments:

1. Accounts Payable and Prepaid Expenditures

During our testing of accounts payable we noted amounts that were both inappropriately included and inappropriately excluded from the accounts payable liability as of December 31, 2007. There were two main issues that were detected.

The first issue noted related to invoices which had been identified to the appropriate fiscal year but input incorrectly into the accounting system, resulting in the expenditure being charged to the incorrect fiscal year. The second issue was related to invoices which were posted to both accounts payable and prepaid expenditures. This arose due to errors in processing at year end, and the corrections of these errors being posted incorrectly. In this case the expenditures are in the correct fiscal year, but the Village's assets and liabilities are both equally overstated. Adjusted entries were recommended and posted to correct these misstatements.

We recommend an additional step is put in place at year end to separate the prior year and current year invoices into separate batches to ensure they are processed into the appropriate year. In addition a safeguard should be put in place that would prevent an invoice from being input as both an accounts payable and a prepaid expenditure.

Status – Comment has been implemented as of December 31, 2008. No issues were noted during current year testing.

2. Payroll Processing

During our review of the internal controls and processing of the Village's payroll we noted that the payroll clerk manually inputs time from Police, Fire and Public works into the payroll system after the applicable department approved time sheets are submitted to her. Subsequent to this the payroll edit reports are run and the payroll clerk reviews and compares to time sheets and approves. There is no independent check of the manual items entered outside of the payroll clerk, who is responsible for entering the time. This poses a potential for input errors that might not be detected or manual inflation of time for certain employees. Due to this we recommend the individual departments that are submitting their time to the payroll clerk provide a separate report with a check figure, i.e., total hours worked for the department, to a separate employee in the finance department. This employee can then review the payroll edit reports and verify that total hours input agree to the total hours approved by the department, which will provide additional control over this process.

Status – Comment implemented as of December 31, 2008.



HOFFMAN ESTATES

GROWING TO GREATNESS

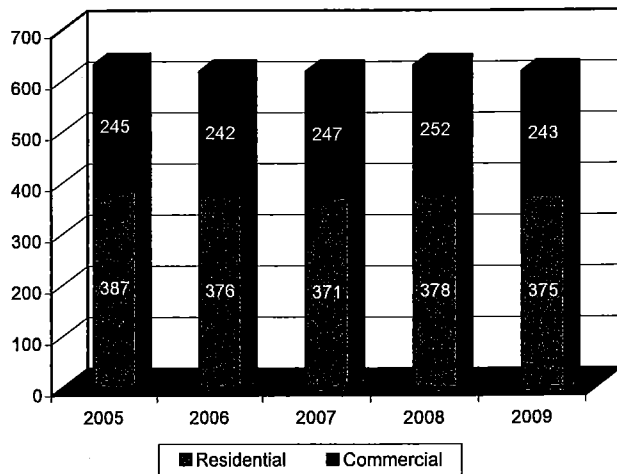
June 22, 2009

DEPARTMENT OF FINANCE MONTHLY REPORT MAY 2009

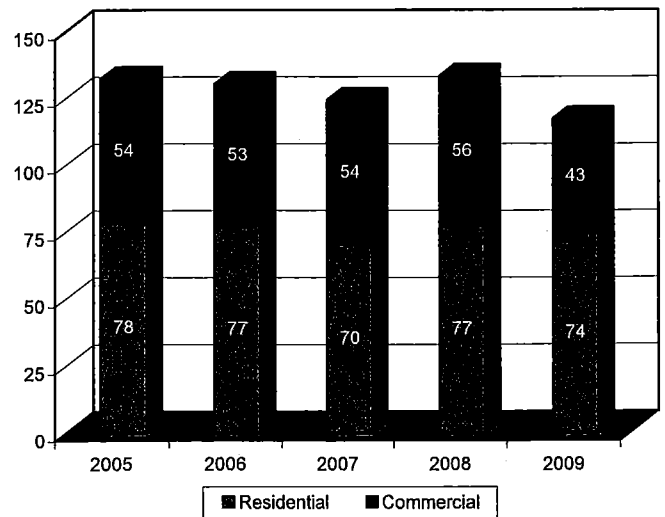
Water Billing

A total of 14,549 residential water bills were mailed in May. Average consumption was 5,057 gallons, resulting in an average residential water bill of \$30.18. Total consumption for all customers, for the May billing, was 117 million gallons, with 74 million gallons attributable to residential consumption. When compared to the May 2008 billing, residential consumption decreased by 3.9%.

Total Water Usage
Year-To-Date Comparison
As of May 31, 2009



Total Water Usage
Month of May 2009



1900 Hassell Road
Hoffman Estates, Illinois 60169
www.hoffmanestates.org

Phone: 847-882-9100
Fax: 847-843-4822

William D. McLeod
MAYOR

Raymond M. Kincaid
TRUSTEE

Gary J. Pilafas
TRUSTEE

Karen V. Mills
TRUSTEE

Jacquelyn Green
TRUSTEE

Bev Romanoff
VILLAGE CLERK

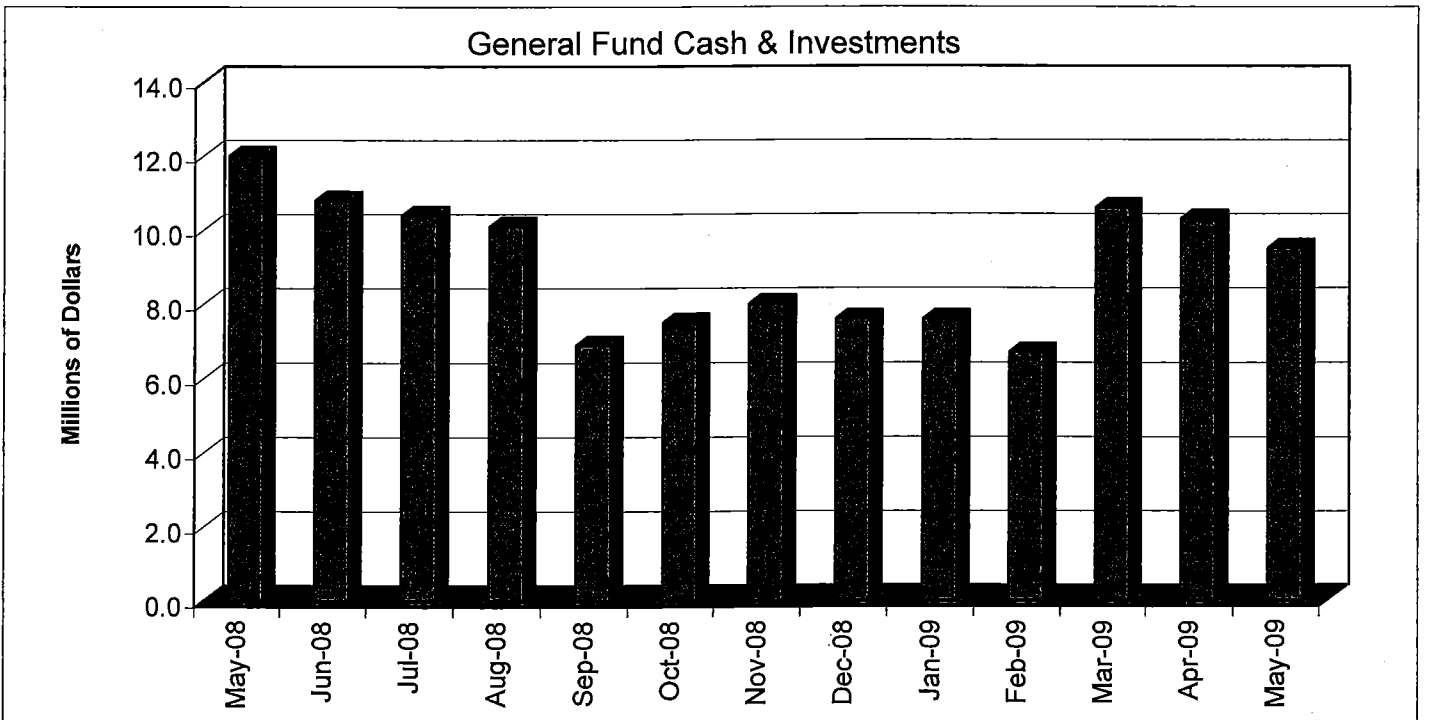
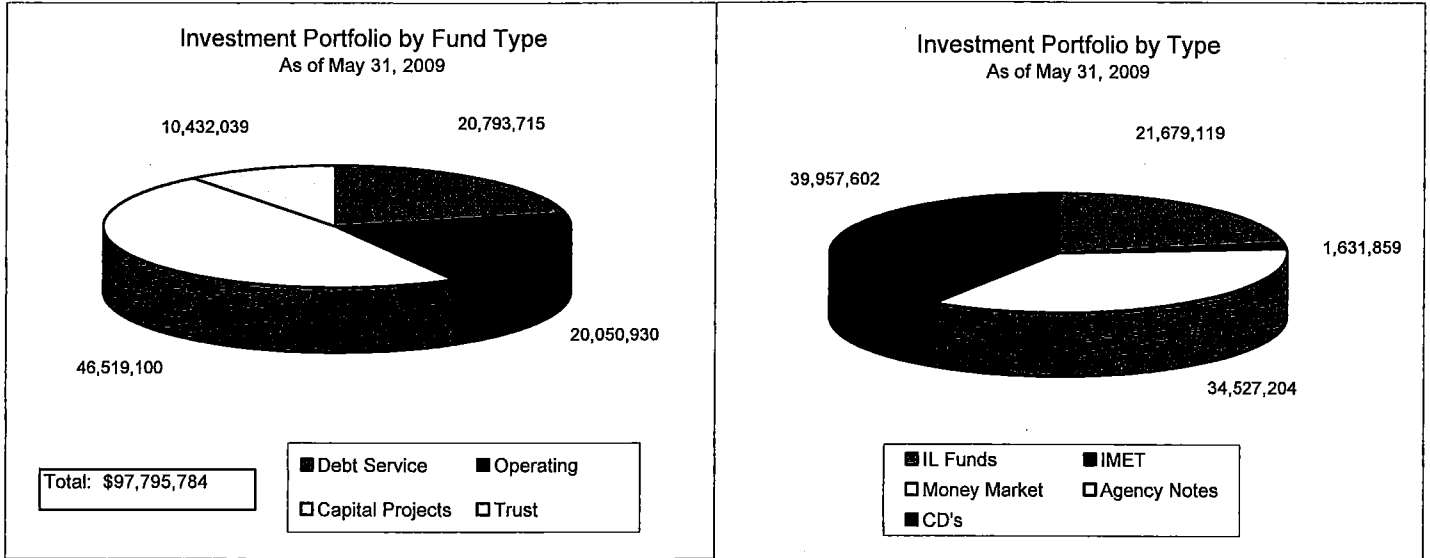
Cary J. Collins
TRUSTEE

Anna Newell
TRUSTEE

James H. Norris
VILLAGE MANAGER

Investments - Village

As of May 31, 2009, the Village's investment portfolio totaled \$97.8 million. Of this amount, \$20.1 million pertained to the various operating funds. As can be seen in the following graphs, the remaining \$77.7 million related to debt service, capital projects, and trust funds.



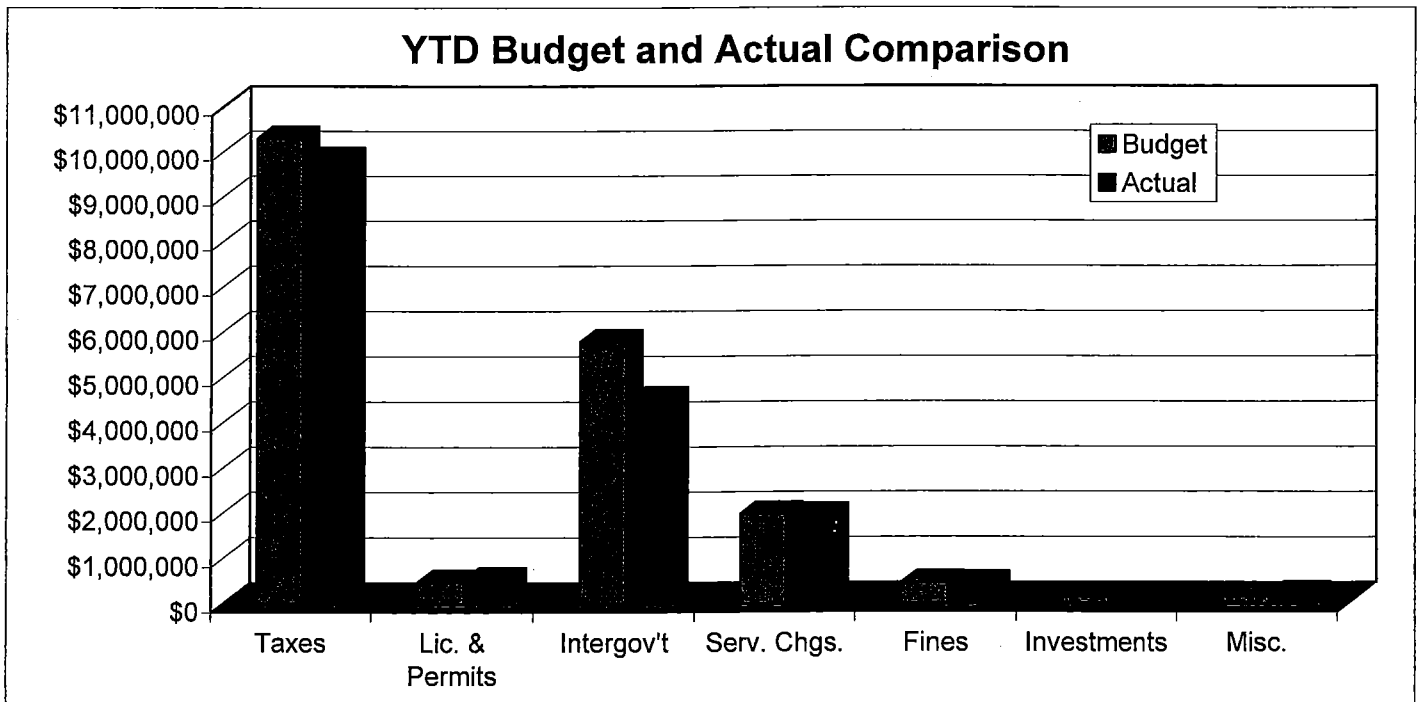
Operating Funds

General Fund

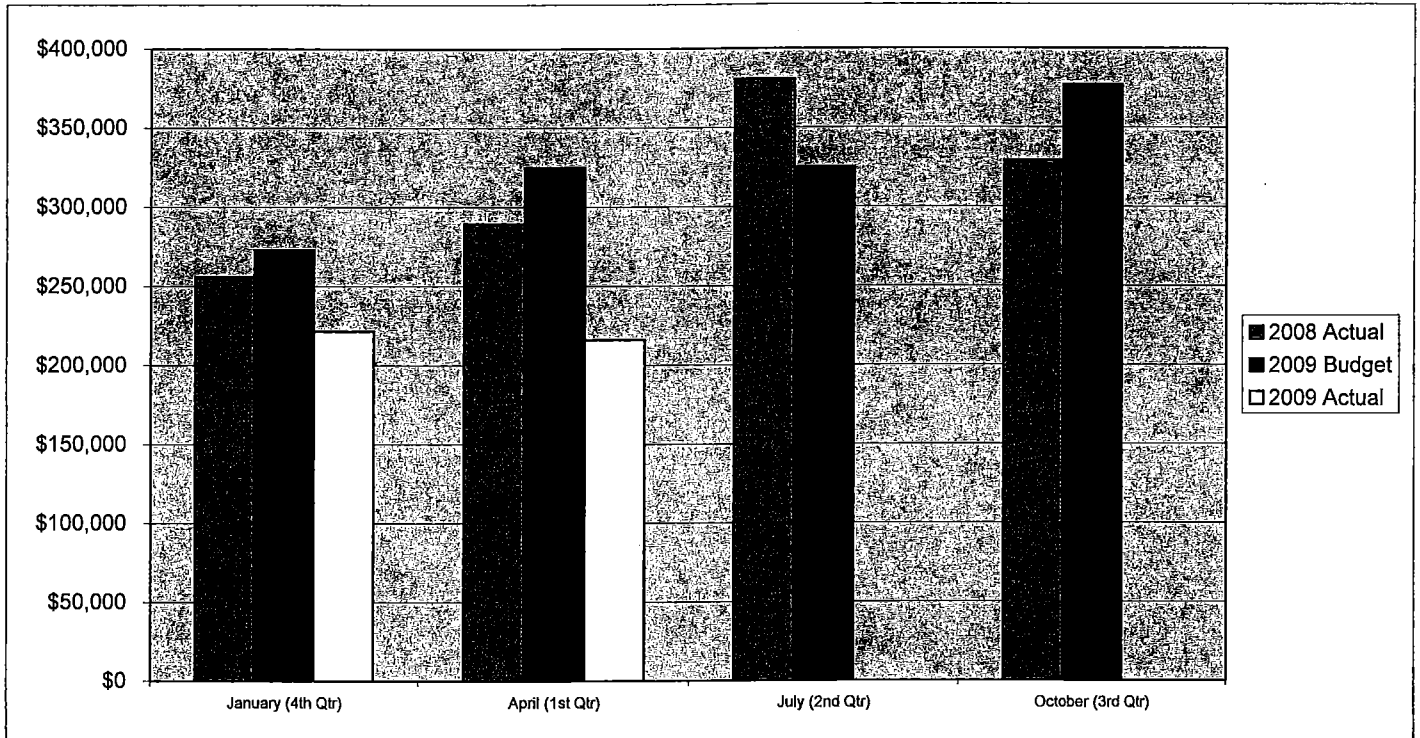
For the month of May, revenues totaled \$2,006,890 and expenditures totaled \$3,147,972 resulting in a deficit of \$1,141,082. It should be noted that the receipt of Income Tax in the amount of \$492,675 which would normally have been recorded to May revenue was not received from the State until June 1st.

Revenues: May year-to-date figures are detailed in the table below.

REVENUES	YEAR-TO-DATE	YEAR-TO-DATE	VARIANCE
	BUDGET	ACTUAL	
Taxes	\$ 10,300,359	\$ 9,836,644	-4.5%
Licenses & Permits	482,267	536,081	11.2%
Intergovernmental	5,786,513	4,514,779	-22.0%
Charges for Services	1,974,333	1,944,506	-1.5%
Fines & Forfeits	457,292	439,299	-3.9%
Investments	145,833	25,904	-82.2%
Miscellaneous	160,263	217,516	35.7%
TOTAL	\$ 19,306,859	\$ 17,514,729	-9.3%

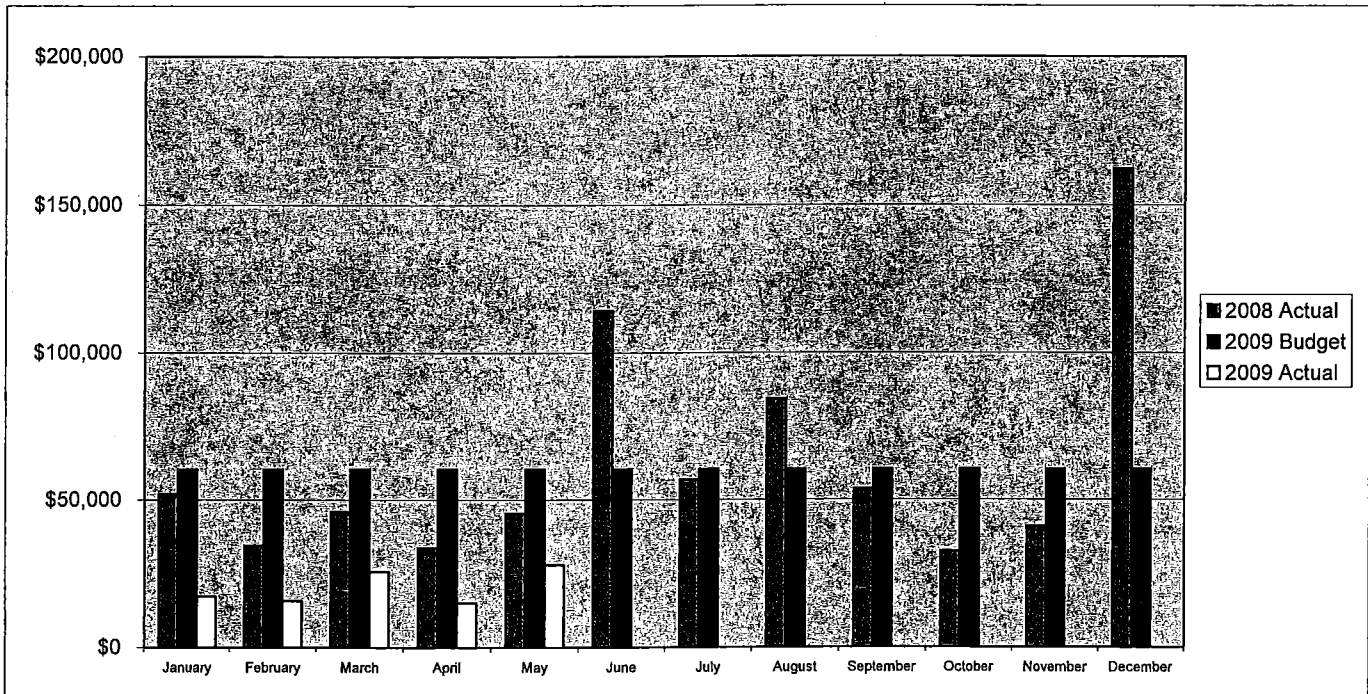


Hotel Tax



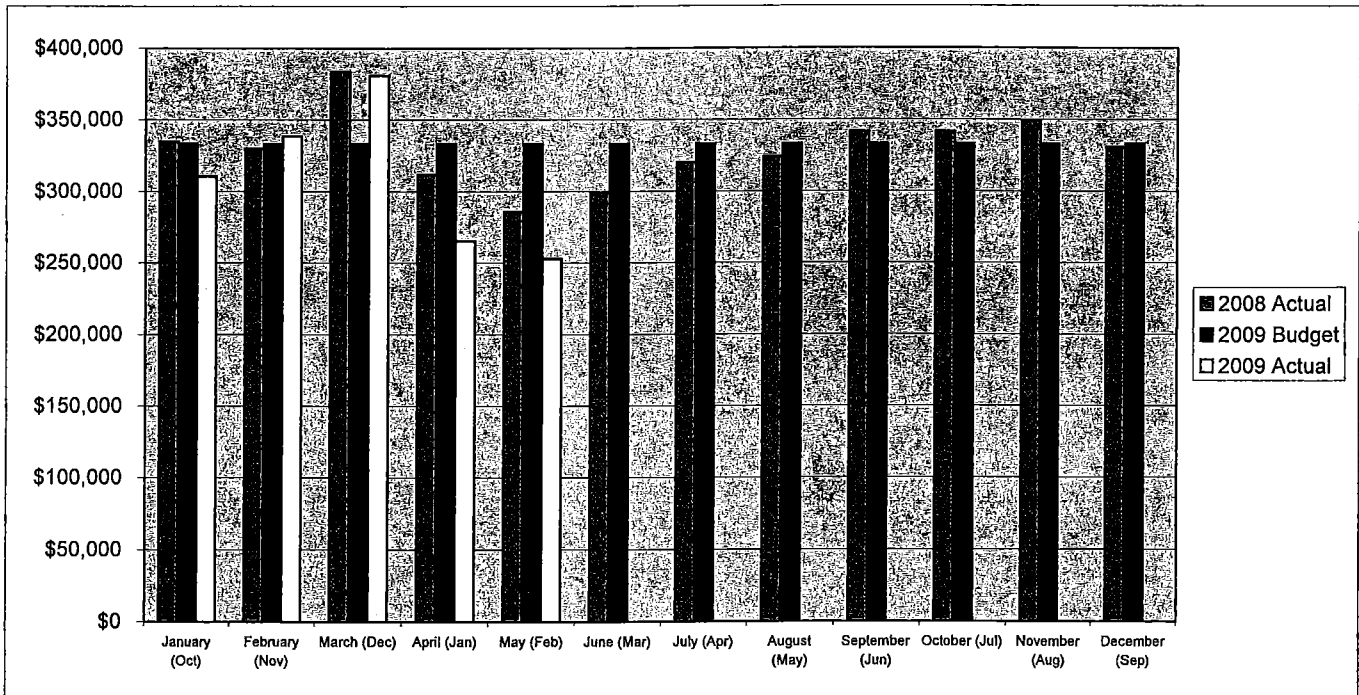
Quarter Received (Liability Period)	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	Cumulative Variance 2009 Actual vs. Budget
January (4th Qtr)	\$ 255,836	\$ 272,915	\$ 221,466	\$ (51,449)
April (1st Qtr)	289,468	325,001	216,033	(160,416)
July (2nd Qtr)	380,723	325,001		
October (3rd Qtr)	329,159	377,083		
YTD Totals	<u>\$ 1,255,188</u>	<u>\$ 1,300,000</u>	<u>\$ 437,499</u>	

Real Estate Transfer Tax



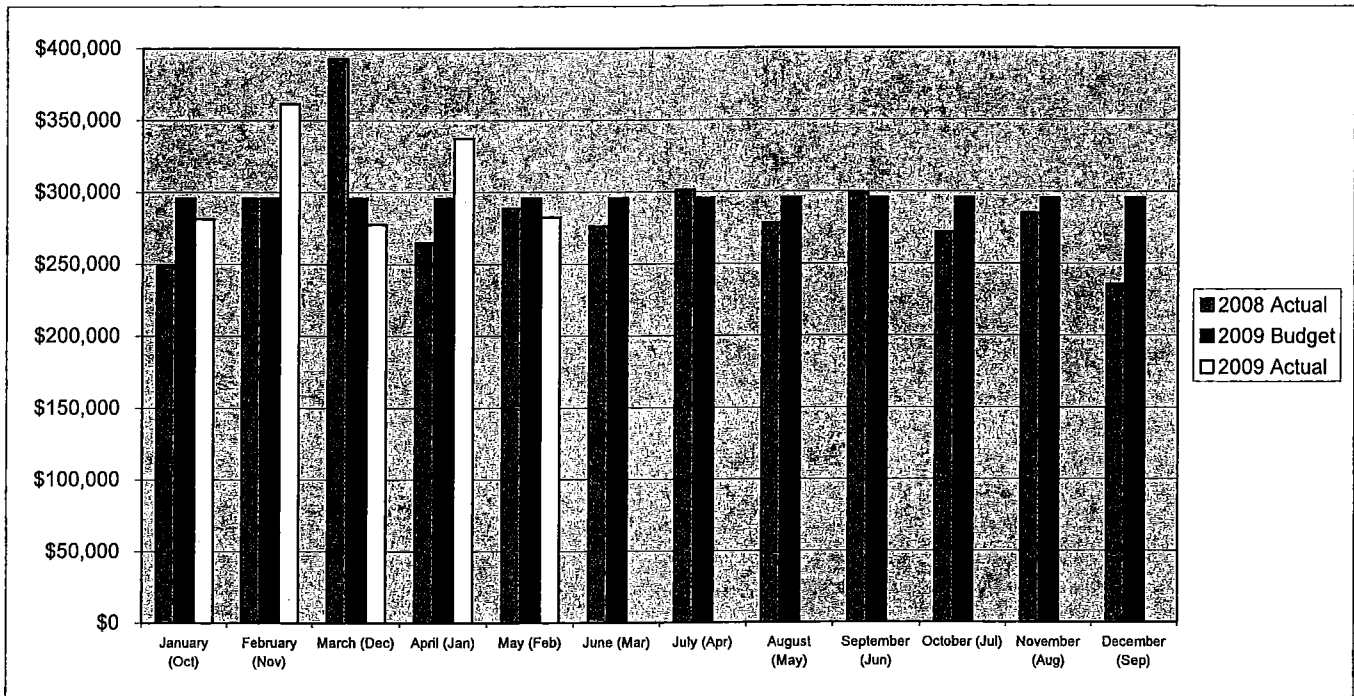
<u>Month Received</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January	\$ 51,897	\$ 60,417	\$ 17,250	\$ (43,167)
February	34,524	60,417	15,766	(87,817)
March	45,956	60,417	25,647	(122,586)
April	33,768	60,417	15,085	(167,917)
May	45,368	60,417	27,905	(200,428)
June	114,283	60,417		
July	56,781	60,417		
August	84,321	60,417		
September	53,686	60,417		
October	32,518	60,417		
November	40,883	60,417		
December	162,350	60,413		
YTD Totals	\$ 756,333	\$ 725,000	\$ 101,653	

Home Rule Sales Tax



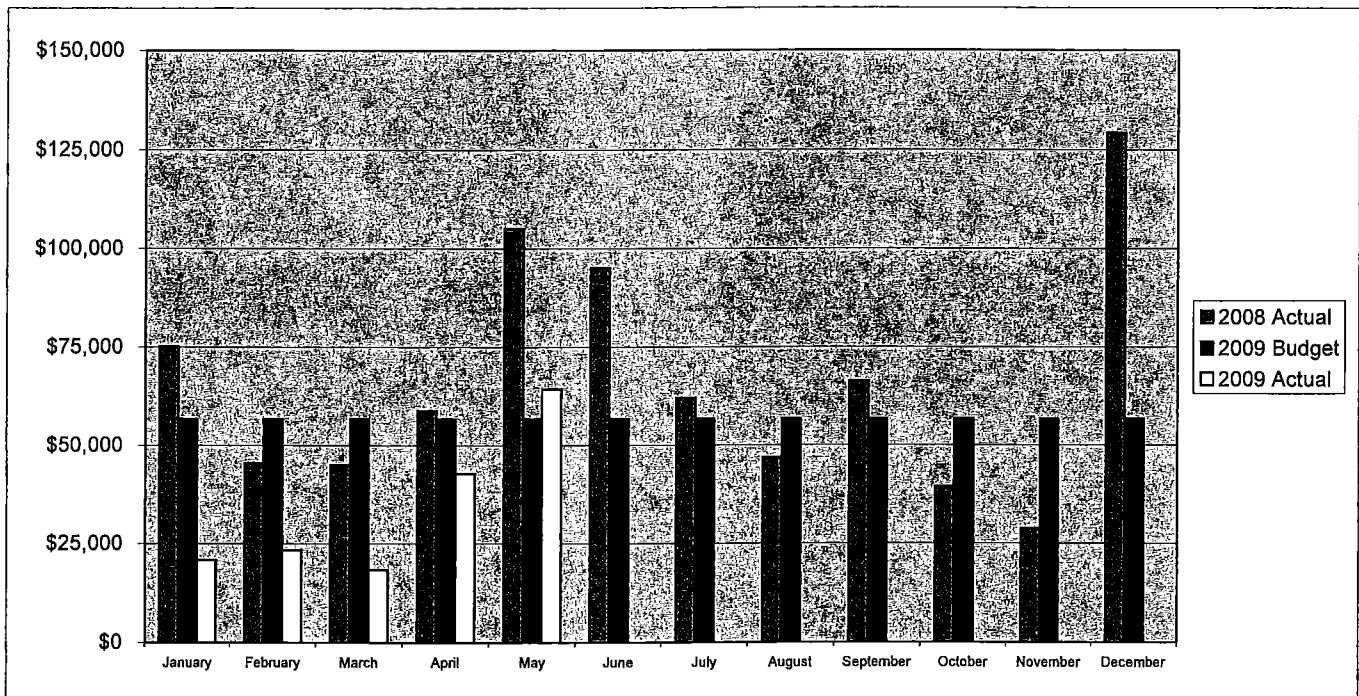
<u>Month Received (Liability Period)</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January (Oct)	\$ 334,762	\$ 333,333	\$ 310,368	\$ (22,965)
February (Nov)	330,135	333,333	338,610	(17,689)
March (Dec)	383,795	333,333	381,069	30,046
April (Jan)	311,781	333,333	265,394	(37,894)
May (Feb)	285,826	333,333	252,890	(118,338)
June (Mar)	299,470	333,333		
July (Apr)	320,295	333,333		
August (May)	324,084	333,333		
September (Jun)	341,857	333,333		
October (Jul)	341,887	333,333		
November (Aug)	349,666	333,333		
December (Sep)	331,086	333,333		
YTD Totals	<u>\$ 3,954,646</u>	<u>\$ 4,000,000</u>	<u>\$ 1,548,331</u>	

Telecommunications Tax



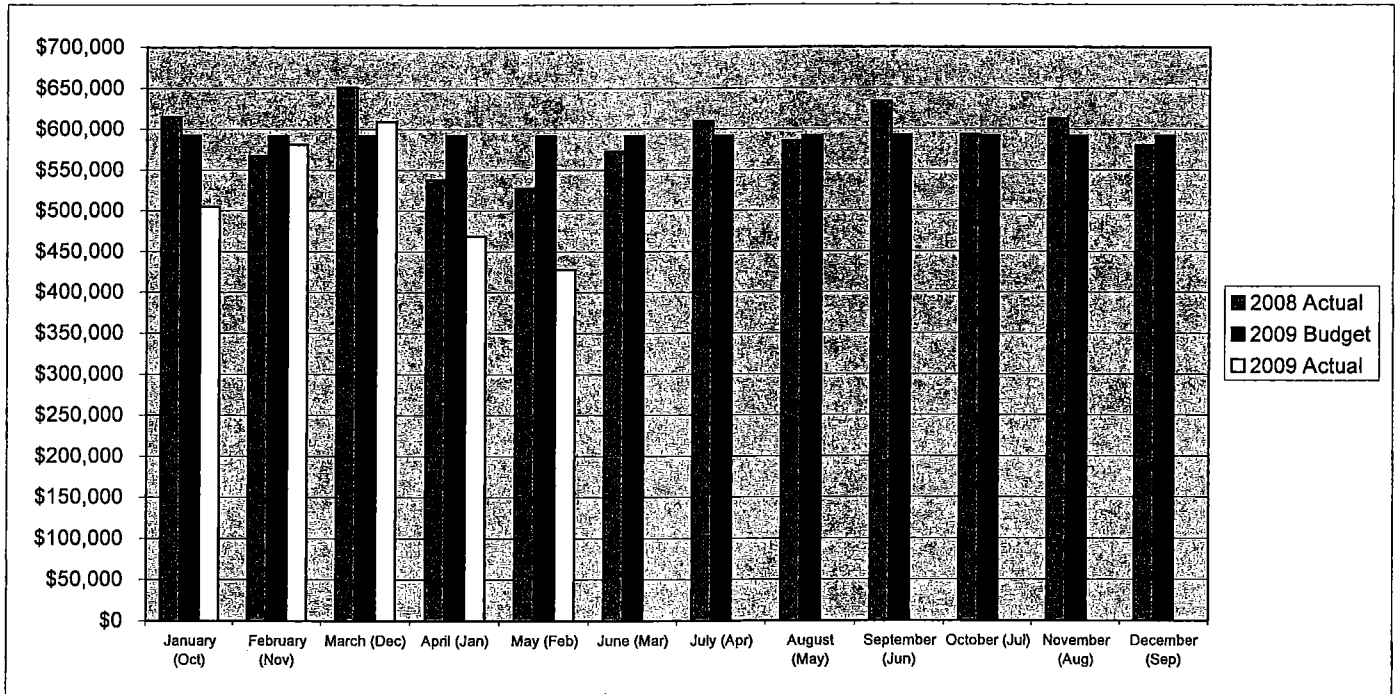
<u>Month Received (Liability Period)</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January (Oct)	\$ 248,327	\$ 295,833	\$ 281,491	(14,342)
February (Nov)	295,742	295,833	361,585	51,409
March (Dec)	392,817	295,833	277,719	33,294
April (Jan)	264,935	295,833	337,456	74,916
May (Feb)	288,782	295,833	282,440	61,522
June (Mar)	276,369	295,833		
July (Apr)	301,554	295,833		
August (May)	278,251	295,833		
September (Jun)	298,754	295,833		
October (Jul)	271,743	295,833		
November (Aug)	285,161	295,833		
December (Sep)	235,802	295,837		
YTD Totals	\$ 3,438,237	\$ 3,550,000	\$ 1,540,691	

Building Permits



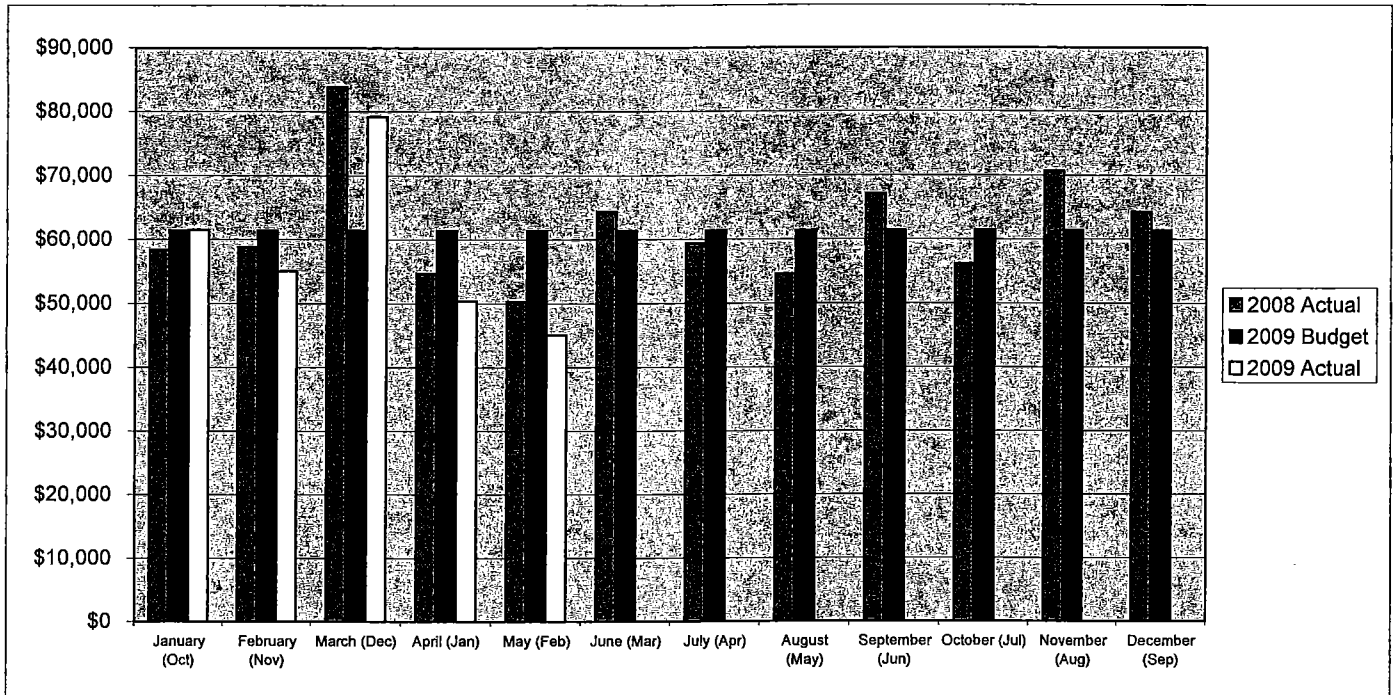
<u>Month Received</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January	\$ 75,235	\$ 56,745	\$ 20,843	\$ (35,902)
February	45,474	56,745	23,319	(69,328)
March	44,995	56,745	18,356	(107,717)
April	58,869	56,745	42,857	(121,605)
May	105,165	56,745	64,371	(113,979)
June	95,125	56,745	56,745	
July	62,088	56,745	56,745	
August	46,856	56,745	56,745	
September	66,307	56,745	56,745	
October	39,402	56,745	56,745	
November	28,792	56,745	56,745	
December	129,259	56,745	56,745	
YTD Totals	\$ 797,568	\$ 680,940	\$ 169,747	

State Sales Tax



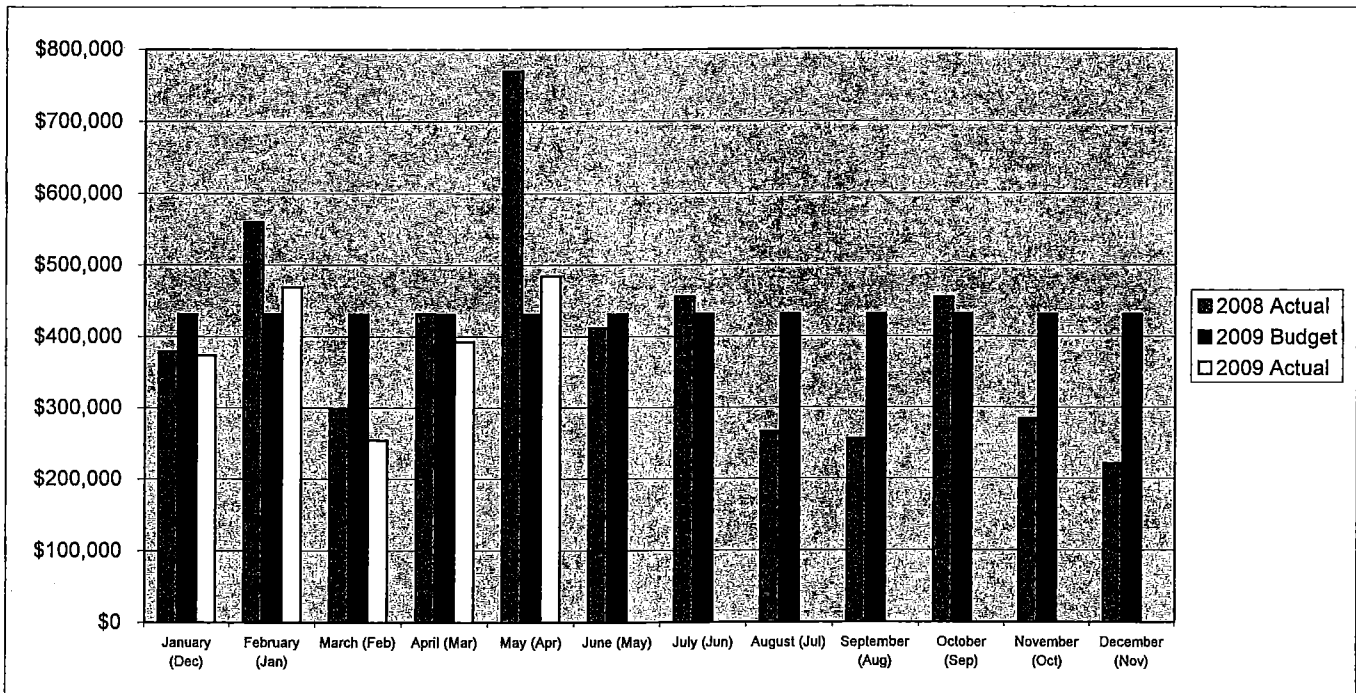
<u>Month Received (Liability Period)</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January (Oct)	\$ 614,831	\$ 591,667	\$ 505,056	\$ (86,611)
February (Nov)	567,087	591,667	581,207	(97,071)
March (Dec)	651,535	591,667	609,438	(79,300)
April (Jan)	537,730	591,667	468,904	(202,063)
May (Feb)	527,687	591,667	428,140	(365,590)
June (Mar)	572,460	591,667		
July (Apr)	609,868	591,667		
August (May)	585,116	591,667		
September (Jun)	633,604	591,667		
October (Jul)	592,928	591,667		
November (Aug)	613,051	591,667		
December (Sep)	580,285	591,663		
YTD Totals	<u>\$ 7,086,180</u>	<u>\$ 7,100,000</u>	<u>\$ 2,592,744</u>	

Local Use Tax



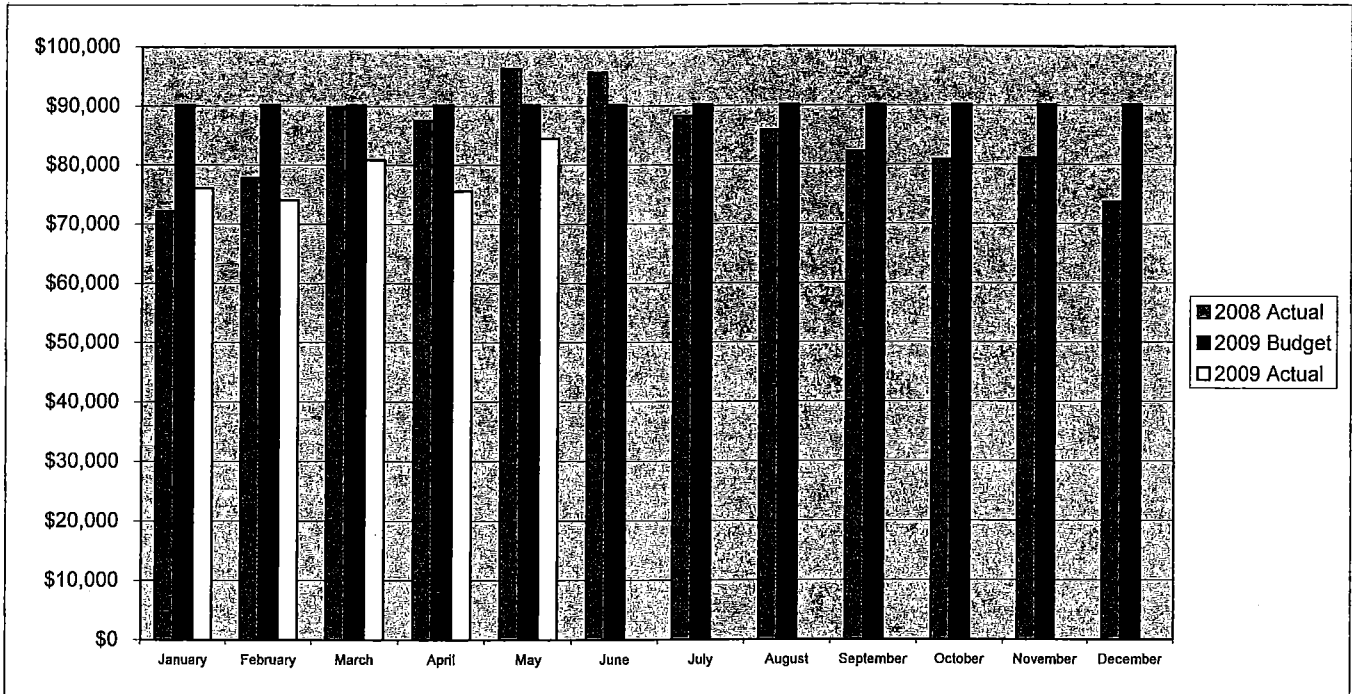
<u>Month Received (Liability Period)</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January (Oct)	\$ 58,370	\$ 61,417	\$ 61,533	\$ 116
February (Nov)	58,818	61,417	55,056	(6,245)
March (Dec)	83,848	61,417	79,199	11,537
April (Jan)	54,715	61,417	50,414	534
May (Feb)	50,308	61,417	45,077	(15,806)
June (Mar)	64,412	61,417		
July (Apr)	59,396	61,417		
August (May)	54,618	61,417		
September (Jun)	67,127	61,417		
October (Jul)	56,191	61,417		
November (Aug)	70,765	61,417		
December (Sep)	64,286	61,413		
YTD Totals	\$ 742,855	\$ 737,000	\$ 291,278	

Income Tax



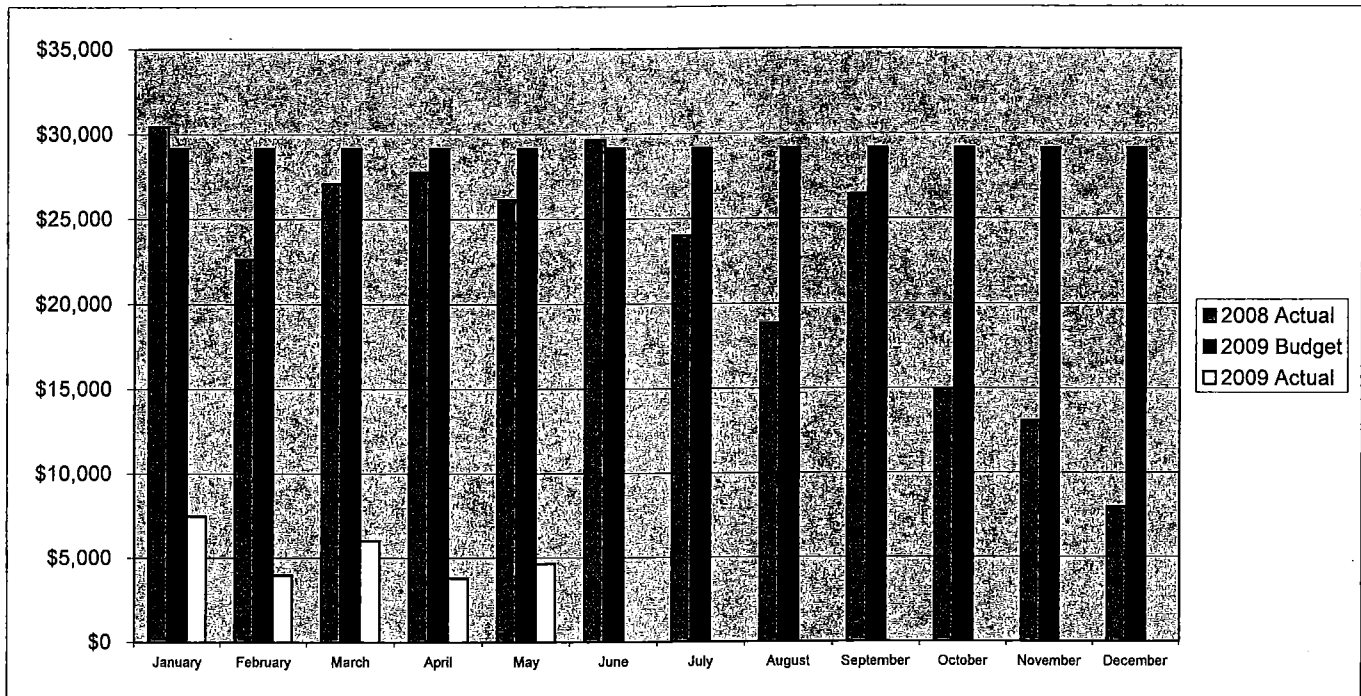
<u>Month Received</u> <u>(Liability Period)</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative</u> <u>Variance</u> <u>2009 Actual</u> <u>vs. Budget</u>
January (Dec)	\$ 378,871	\$ 431,135	\$ 373,258	\$ (57,877)
February (Jan)	559,867	431,135	469,315	(19,697)
March (Feb)	298,905	431,135	254,353	(196,479)
April (Mar)	431,429	431,135	392,675	(234,939)
May (Apr)	770,081	431,135	484,264	(181,810)
June (May)	411,651	431,135		
July (Jun)	455,704	431,135		
August (Jul)	265,716	431,135		
September (Aug)	255,467	431,135		
October (Sep)	454,368	431,135		
November (Oct)	283,776	431,135		
December (Nov)	221,038	431,135		
YTD Totals	\$ 4,786,874	\$ 5,173,620	\$ 1,973,865	

Fines



<u>Month Received</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January	\$ 72,146	\$ 90,208	\$ 76,095	\$ (14,113)
February	77,791	90,208	74,078	(30,244)
March	89,650	90,208	80,869	(39,584)
April	87,550	90,208	75,607	(54,186)
May	96,303	90,208	84,510	(59,885)
June	95,642	90,208		
July	88,261	90,208		
August	85,891	90,208		
September	82,258	90,208		
October	80,859	90,208		
November	81,210	90,208		
December	73,750	90,212		
YTD Totals	\$ 1,011,309	\$ 1,082,500	\$ 391,159	

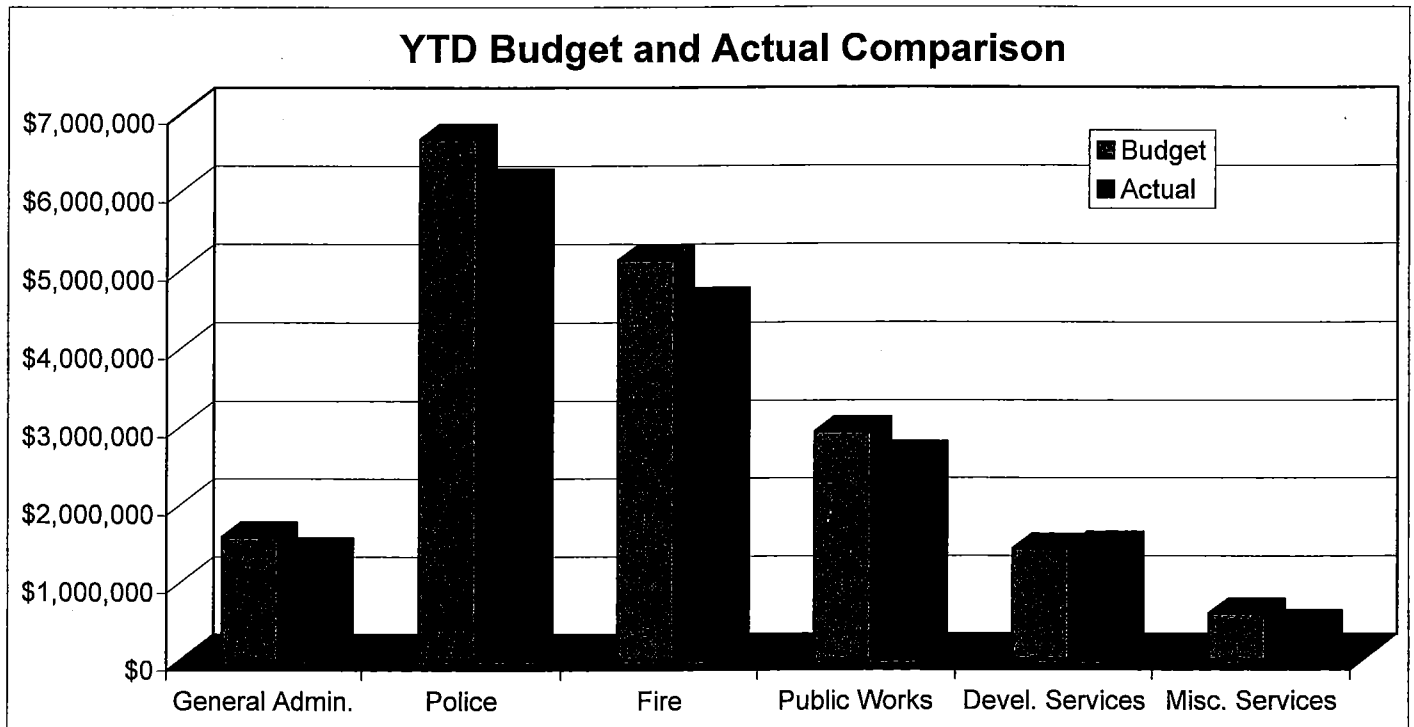
Interest Income



<u>Month Received</u>	<u>2008 Actual</u>	<u>2009 Budget</u>	<u>2009 Actual</u>	<u>Cumulative Variance 2009 Actual vs. Budget</u>
January	\$ 30,437	\$ 29,167	\$ 7,473	\$ (21,694)
February	22,639	29,167	3,981	(46,879)
March	27,119	29,167	6,015	(70,030)
April	27,761	29,167	3,788	(95,408)
May	26,154	29,167	4,651	(119,923)
June	29,661	29,167		
July	24,026	29,167		
August	18,853	29,167		
September	26,452	29,167		
October	14,947	29,167		
November	13,073	29,167		
December	7,971	29,163		
YTD Totals	\$ 269,093	\$ 350,000	\$ 25,908	

Expenditures: General Fund expenditures in May were \$465,670 below the budgeted figure of \$3,613,642. The summary of year-to-date actuals versus budgeted expenditures shown below reflects mainly positive variances for the Village departments for the year.

EXPENDITURES	YEAR-TO-DATE	YEAR-TO-DATE	VARIANCE
	BUDGET	ACTUAL	
Legislative	\$ 143,783	\$ 103,291	28.2%
Administration	303,013	274,816	9.3%
Legal	185,200	175,394	5.3%
Finance	350,671	324,064	7.6%
Village Clerk	76,417	67,816	11.3%
HRM	217,504	188,159	13.5%
Communications	91,879	54,746	40.4%
Cable TV	148,761	137,436	7.6%
Emergency Operations	66,983	52,894	21.0%
Police	6,668,312	6,098,055	8.6%
Fire	5,122,935	4,579,924	10.6%
Public Works	2,925,483	2,610,833	10.8%
Development Services	1,419,892	1,449,037	-2.1%
H&HS	294,629	245,035	16.8%
Miscellaneous	295,148	198,489	32.7%
TOTAL	\$ 18,310,609	\$ 16,559,991	9.6%



Other Funds - Revenues

Community Development Block Grant Fund: Expenditures for the Street Light Improvements program total over \$228,000. The revenue is recorded upon reimbursement from HUD as expenditures are made, resulting in 83.5% attainment of the annual budget through May.

EDA Administration Fund: In March, \$3,995,853 in Property Tax Revenue was recorded in this fund. This represents the property tax expected for the year, resulting in year-to-date revenue at 98.4% of the annual budget through May.

2009 Capital Project Fund: The closing of the 2009 bonds were recorded in April. The Bond Proceeds were higher than the budgeted amount, resulting in 111.8% attainment of the annual budget through May.

Other Funds - Expenditures

Community Development Block Grant Fund: See comment above in Revenue section.

2005 EDA TIF Bond Fund: A Bond and Interest payment was booked in January. This payment represents the entire amount of principal (\$11,100,000) due for the year. There will continue to be monthly interest payments made throughout 2009.

Capital Vehicle & Equipment Fund: The expense for the two new public information message signs was recorded in April but was originally in the 2008 Budget. A 2009 Budget adjustment will be made later in the year. This fund has attained 394.2% of the annual budget through May.

Capital Replacement Fund: The expense for a new dump truck was recorded in April but was originally in the 2008 Budget. A 2009 Budget adjustment will be made later in the year. This fund has attained 106.1% of the annual budget through May.

Roselle Road TIF Fund: This fund has attained 130.6% of the annual budget due to \$2.6M paid out in January and February for the Hoffman Plaza TIF Reimbursements.

DEPARTMENT NEWS

The 2010-2014 Capital Improvements Program has begun. Worksheets were distributed to departments in May and are due back in mid-June.

In May, the Director of Finance attended a bank credit seminar. The seminar focused on the importance of understanding creditworthiness of investments including the form of security on those investments.

Respectfully Submitted,



Michael DuCharme
Director of Finance

MONTHLY REPORT STATISTICS

MAY 2009

	May-09	YTD May-09	May-08	YTD May-08	% Inc / Dec	
					Month	Year
Credit Card Transactions						
Finance and Code Front Counter						
Number	293	1,240	249	966	17.7%	28.4%
Amount	\$ 30,109	\$ 115,019	\$ 24,997	\$ 103,987	20.5%	10.6%
Internet Sales						
Number	1,115	6,067	1,001	4,566	11.4%	32.9%
Amount	\$ 46,571	\$ 292,769	\$ 48,572	\$ 205,471	-4.1%	42.5%
Total						
Number	1,408	7,307	1,250	5,532	12.6%	32.1%
Amount	\$ 76,680	\$ 407,788	\$ 73,570	\$ 309,457	4.2%	31.8%
Credit Card Company Fees						
General Fund	\$ 728.65	\$ 2,851.52	\$ 668.06	\$ 3,091.54	9.1%	-7.8%
Municipal Waste Fund	-	-	0.12	2.89	-100.0%	-100.0%
Water Fund	842.77	4,430.20	688.33	3,301.39	22.4%	34.2%
Total Fees	\$ 1,571.42	\$ 7,281.72	\$ 1,356.51	\$ 6,395.82	15.8%	13.9%
Passport Applications						
Number	42	256	30	319	40.0%	-19.7%
Revenue	\$ 1,000	\$ 6,375	\$ 750	\$ 8,425	33.3%	-24.3%
Accounts Receivable						
Invoices Mailed						
Number	34	246	49	348	-30.6%	-29.3%
Amount	\$ 45,535	\$ 283,887	\$ 142,403	\$ 534,748	-68.0%	-46.9%
Invoices Paid						
Number	65	416	65	436	0.0%	-4.6%
Amount	\$ 79,458	\$ 308,216	\$ 103,116	\$ 495,058	-22.9%	-37.7%
Reminders Sent						
Number	16	162	10	97	60.0%	67.0%
Amount	\$ 5,460	\$ 138,284	\$ 17,854	\$ 84,147	-69.4%	64.3%
Accounts Payable						
Checks Issued						
Number	367	2,698	357	2,277	2.8%	18.5%
Amount	\$ 2,167,203	\$ 22,151,819	\$ 1,479,477	\$ 16,521,674	46.5%	34.1%
Manual Checks Issued						
Number	35	262	38	159	-7.9%	64.8%
As % of Total Checks	9.54%	9.71%	10.64%	6.98%	-10.4%	39.1%
Amount	\$ 51,554	\$ 4,248,745	\$ 22,599	\$ 6,521,022	128.1%	-34.8%
As % of Total Checks	2.38%	19.18%	1.53%	39.47%	55.7%	-51.4%
Utility Billing						
New Utility Accounts	93	421	102	451	-8.8%	-6.7%
Bills Mailed / Active Accounts	15,442	77,215	15,390	76,860	0.3%	0.5%
Final Bills Mailed	92	414	95	419	-3.2%	-1.2%
Shut-Off Notices	1,286	6,722	727	3,942	76.9%	70.5%
Actual Shut-Offs	89	479	59	388	50.8%	23.5%
Total Billings	\$ 756,530	\$ 3,979,399	\$ 774,533	\$ 3,681,858	-2.3%	8.1%
Direct Debit (ACH) Program						
New Accounts	22	77	11	81	100.0%	-4.9%
Closed Accounts	22	72	-	88	N/A	-18.2%
Total Accounts	1,932		1,892		2.1%	
As % of Active Accounts	12.51%		12.29%		1.8%	
Water Payments Received in Current Month						
Total Bills Mailed	15,442	77,215	15,390	76,858		
ACH Payments	1,939	9,698	1,858	9,346		
ACH Payments-% of Total Bills	12.56%	12.56%	12.07%	12.16%		
On-line Payments (Internet Sales)	882	4,441	696	3,348		
On-line Payments-% of Total Bills	5.71%	5.75%	4.52%	4.36%		
Mail-in Payments	11,653	59,820	11,994	59,102		
Mail-in Payments-% of Total Bills	75.46%	77.47%	77.93%	76.90%		

WATER BILLING ANALYSIS

May 31, 2009

**Residential Billings
Average Monthly Consumption/Customer**

<u>Month Billed</u>	<u>2006-2007</u>	<u>2007-2008</u>	<u>2008-2009</u>
December	5,201	5,438	4,928
January	5,440	5,535	5,447
February	5,566	5,268	5,486
March	5,450	5,249	5,007
April	4,655	4,779	4,764
May	4,924	5,279	5,057
Six Month Average -	5,206	5,258	5,115
% Change -	-2.6%	1.0%	-2.7%

Total Water Customers

<u>Customer Type</u>	<u>May-08</u>	<u>May-09</u>	<u>% Change</u>
Residential	14,505	14,549	0.3%
Commercial	885	893	0.9%
Total	15,390	15,442	0.3%

Average Bill

<u>Customer Type</u>	<u>May-08</u>	<u>May-09</u>	<u>% Change</u>
Residential	\$ 29.81	\$ 30.18	1.2%

Total Consumption - All Customers (000,000's)

	<u>Month-To-Date</u>			<u>Year-To-Date</u>		
	<u>May-08</u>	<u>May-09</u>	<u>% Change</u>	<u>May-08</u>	<u>May-09</u>	<u>% Change</u>
Residential	77	74	-3.9%	378	375	-0.8%
Commercial	56	43	-23.2%	252	243	-3.6%
Total	133	117	-12.0%	630	618	-1.9%

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<u>General Fund</u>						
Illinois Funds - General	09/30/86		1,345,217.00			0.209
Illinois Funds - Veterans Memorial	05/01/92		293.30			0.209
IMET	05/12/97		500,000.00	1,293,447.45		
HE Community Bank-Municipal Now	07/13/04		156,169.25			0.271
Citibank Savings Deposit Account	11/07/08		5,807,774.07			0.520
State Bank of the Lakes - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
St. Charles B&TC - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
Wheaton B&T - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
Old Plank Trail Community Bank NA - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
Hinsdale B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
North Shore Community B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
Libertyville B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
Barrington B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
American Enterprise Bank	05/01/09	08/04/09	49,500.00		49,595.66	0.743
M&I Bank FSB	05/01/09	08/04/09	49,500.00		49,595.66	0.720
M&I Marshall & Ilsley Bank	05/01/09	08/04/09	66,000.00		66,123.68	0.720
Southwest Bank, An M&I Bank	05/01/09	08/04/09	49,500.00		49,595.66	0.720
Financial Federal Savings Bank	05/01/09	08/04/09	249,500.00		249,922.11	0.650
			<u>9,473,453.62</u>			
*Interest-bearing Sweep account at Charter with ending balance of \$720,571.47 earned \$387.03 for May with an average daily interest rate of 0.430%.						
<u>Motor Fuel Tax</u>						
Illinois Funds	09/30/86		171,036.22			0.209
<u>EDA Administration</u>						
Illinois Funds	01/02/91		2,899,622.72			0.209
<u>E-911</u>						
Illinois Funds	07/01/00		158,661.90			0.209
Citibank Savings Deposit Account	01/07/09		300,965.74			0.520
Keybank - C	08/08/08	11/03/09	500,000.00		524,395.62	3.940
			<u>959,627.64</u>			
<u>Asset Seizure - Federal</u>						
Illinois Funds	06/09/99		3,472.50			0.209
<u>Asset Seizure - State</u>						
Illinois Funds	11/30/98		92,052.12			0.209
<u>Asset Seizure - KCAT</u>						
Illinois Funds	07/10/08		34,667.70			0.209
<u>Municipal Waste System</u>						
Illinois Funds	08/31/98		10,430.74			0.209
<u>2001 G.O. Debt Serv.</u>						
Illinois Funds	07/31/01		246,508.44			0.209
American Enterprise Bank	05/01/09	08/04/09	200,000.00		200,386.51	0.743
			<u>446,508.44</u>			
<u>1997A&B G.O. Debt Serv.</u>						
Illinois Funds	01/01/98		5,652.03			0.209

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<u>2003 G.O. Debt Serv.</u>						
Illinois Funds	09/04/03		13,098.09			0.209
M&I Bank FSB	05/01/09	08/04/09	200,000.00		200,386.51	0.720
M&I Marshall & Ilsley Bank	05/01/09	08/04/09	100,000.00		100,187.40	0.720
Southwest Bank, An M&I Bank	05/01/09	08/04/09	200,000.00		200,386.51	0.720
			<u>513,098.09</u>			
<u>2004 G.O. Debt Serv.</u>						
Illinois Funds	11/30/04		144,401.73			0.209
<u>2005A G.O. Debt Serv.</u>						
Wells Fargo	11/01/06		52.57			
<u>2008 G.O. Debt Serv.</u>						
Citibank Savings Deposit Account	03/20/08		1,160.31			0.520
Keybank - C	03/26/08	11/30/09	372,794.98		389,683.12	2.693
Keybank - C	03/26/08	05/28/10	365,935.50		389,683.12	2.987
Keybank - C	03/26/08	11/30/10	367,925.03		398,694.87	3.118
			<u>1,107,815.81</u>			
<u>2009 G.O. Debt Serv.</u>						
Illinois Funds	04/01/09		54,810.03			0.209
Citibank Savings Deposit Account	04/01/09		1,989.78			0.520
RBS Citizens Bank, NA/Charter One Bank	04/01/09	11/30/09	751,000.00		757,894.74	1.379
Private Bank - MI	04/01/09	05/28/10	98,000.00		99,783.41	1.574
Home State Bank NA	04/01/09	05/28/10	96,000.00		97,726.21	1.569
First Bank of Ohio	04/01/09	05/28/10	96,000.00		97,601.06	1.450
M&I Marchall & Ilsley Bank	04/01/09	05/28/10	81,000.00		82,432.84	1.530
Morton Community Bank	04/01/09	05/28/10	91,000.00		92,529.41	1.467
Zions First National Bank-Q	04/01/09	05/28/10	95,000.00		96,477.29	1.345
Central Bank of Stillwater	04/01/09	05/28/10	95,000.00		96,427.87	1.300
Cumberland Bank & Trust	04/01/09	05/28/10	92,000.00		93,321.61	1.250
Keybank - C	04/01/09	11/30/10	644,500.00		657,726.48	1.232
Enterprise Bank & Trust	04/01/09	11/30/10	97,000.00		99,181.31	1.350
Keybank - C	04/01/09	05/31/11	730,000.00		757,966.00	1.770
Keybank - C	04/01/09	11/30/11	719,000.00		757,007.70	1.983
Keybank - C	04/01/09	05/31/12	356,000.00		379,959.29	2.125
			<u>4,098,299.81</u>			
<u>Central Road Corridor Improv.</u>						
Illinois Funds	12/15/88		252,940.77			0.209
<u>Hoffman Blvd Bridge Maintenance</u>						
Illinois Funds	07/01/98		392,535.39			0.209
<u>Western Corridor</u>						
Illinois Funds	06/30/01		78,159.14			0.209
Citibank Savings Deposit Account	01/07/09		501,609.58			0.520
			<u>579,768.72</u>			
<u>Traffic Improvement</u>						
Illinois Funds	03/24/89		233,444.11			0.209
Citibank Savings Deposit Account	11/07/08		502,977.62			0.520
			<u>736,421.73</u>			
<u>EDA Series 1991 Project</u>						
Illinois Funds	08/22/91		2,576,485.16			0.209
Bank of New York Money Market	12/11/06		1,875,478.11			
			<u>4,451,963.27</u>			
<u>Central Area Road Improvement</u>						
Illinois Funds	03/29/91		181,132.35			0.209

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<u>2008 Capital Project</u>						
Citibank Savings Deposit Account	03/20/08		0.00			0.520
Crystal Lake B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
Northbrook B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
Lake Forest B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
North Shore Community B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
Libertyville B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
Barrington B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.71		74,054.67	3.250
Hinsdale B&TC, NA - Wintrust	06/11/08	06/01/09	71,785.75		74,054.70	3.250
Citibank	06/11/08	07/06/09	297,196.45		308,028.86	3.410
Citibank	06/11/08	08/03/09	296,400.00		308,027.48	3.420
Southwest Bank/Southwest Bank of St. Louis	06/11/08	09/08/09	295,200.00		307,986.23	3.490
Southwest Bank/Southwest Bank of St. Louis	06/11/08	10/05/09	294,450.00		307,980.11	3.490
Southwest Bank/Southwest Bank of St. Louis	06/11/08	11/02/09	293,700.00		308,000.74	3.490
Southwest Bank/Southwest Bank of St. Louis	06/11/08	12/07/09	292,575.00		307,963.69	3.520
			<u>2,272,021.46</u>			
<u>2009 Capital Project</u>						
Citibank Savings Deposit Account	04/01/09		3,908,139.24		3,908,139.24	0.520
RBS Citizens Bank, NA/Charter One Bank	04/01/09	07/06/09	1,895,100.00		1,898,888.12	0.760
Republic Bank of Chicago	04/01/09	07/06/09	249,400.00		249,957.57	0.850
Bank of the Sierra	04/01/09	07/06/09	249,000.00		249,534.95	0.824
RBS Citizens Bank, NA/Charter One Bank	04/01/09	08/03/09	1,886,100.00		1,892,398.65	0.983
Coastalstates Bank	04/01/09	08/03/09	249,100.00		249,939.92	1.000
Pacific Commerce Bank	04/01/09	08/03/09	100,000.00		100,336.33	0.990
Bankdirect/Texas Capital Bank NA	04/01/09	08/03/09	249,100.00		249,940.20	0.993
RBS Citizens Bank, NA/Charter One Bank	04/01/09	09/04/09	2,531,000.00		2,543,504.95	1.156
RBS Citizens Bank, NA/Charter One Bank	04/01/09	10/05/09	2,032,000.00		2,045,408.76	1.288
Republic First Bank	04/01/09	10/05/09	246,900.00		248,531.77	1.290
Copper Star Bank	04/01/09	10/05/09	248,200.00		249,840.37	1.290
RBS Citizens Bank, NA/Charter One Bank	04/01/09	11/02/09	2,379,000.00		2,398,324.33	1.379
RBS Citizens Bank, NA/Charter One Bank	04/01/09	12/07/09	2,376,100.00		2,398,542.76	1.379
RBS Citizens Bank, NA/Charter One Bank	04/01/09	01/04/10	2,115,000.00		2,137,213.99	1.379
RBS Citizens Bank, NA/Charter One Bank	04/01/09	02/01/10	1,736,000.00		1,758,136.43	1.521
Cole Taylor Bank (N)	04/01/09	02/01/10	98,000.00		99,257.04	1.530
RBS Citizens Bank, NA/Charter One Bank	04/01/09	03/01/10	978,000.00		991,611.99	1.521
RBS Citizens Bank, NA/Charter One Bank	04/01/09	04/05/10	462,000.00		469,104.04	1.521
Royal Banks of Missouri	04/01/09	04/05/10	95,000.00		96,690.33	1.760
University NB	04/01/09	04/05/10	95,000.00		96,469.43	1.530
Fifth Third Bank-MI Charter	04/01/09	05/03/10	97,900.00		99,976.43	1.950
First National Community Bank	04/01/09	05/03/10	98,100.00		99,967.26	1.750
Sonabank, NA	04/01/09	05/03/10	98,100.00		99,913.91	1.700
TD Bank, NA	04/01/09	05/03/10	98,600.00		99,985.60	1.292
M & T Bank, NA	04/01/09	05/03/10	98,700.00		99,922.76	1.139
			<u>24,669,539.24</u>			
<u>Western Area Traffic Improvement</u>						
Illinois Funds	11/01/92		40,291.77			0.209
Citibank Savings Deposit Account	01/07/09		300,965.74			0.520
			<u>341,257.51</u>			
<u>Arena Reserve</u>						
Wells Fargo	12/04/06		685,316.45			
<u>Western Area Rd Impr Impact Fees</u>						
Illinois Funds	08/01/98		24,744.46			0.209
Citibank Savings Deposit Account	01/07/09		1,407,242.93			0.520
Citibank	06/17/08	09/08/09	400,000.00		417,723.62	3.610
Keybank - C	08/08/08	11/03/09	300,000.00		314,637.37	3.940
			<u>2,131,987.39</u>			
<u>Capital Improvements</u>						
Illinois Funds	12/31/96		797,008.84			0.209

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<u>Capital Vehicle & Equipment</u>						
Illinois Funds	12/31/96		12,023.44			0.209
HE Community Bank-Municipal Now	07/13/04		34,881.24			0.271
			46,904.68			
<u>Capital Replacement</u>						
Illinois Funds	02/01/98		327,505.49			0.209
HE Community Bank-Municipal Now	07/13/04		352,987.63			0.271
Citibank Savings Deposit Account	11/07/08		2,011,910.54			0.520
Citibank	06/17/08	09/08/09	600,000.00		626,585.42	3.610
Abbybank	07/17/08	10/06/09	1,000,000.00		1,042,644.93	3.490
Keybank - C	08/08/08	11/03/09	300,000.00		314,637.37	3.940
			4,592,403.66			
<u>Water and Sewer</u>						
Illinois Funds	09/30/86		793,997.43			0.209
HE Community Bank-Municipal Now	04/02/04		590,602.90			0.271
Citibank Savings Deposit Account	11/07/08		62,241.54			0.520
IMET Convenience Fund	10/20/05		1,131,858.67	1,131,858.67		3.750
Village Bank and Trust-Wintrust	05/01/09	07/15/09	100,000.00		100,156.68	0.763
Advantage National Bank - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
Beverly Bank & Trust Co, NA - Wintrust	05/01/09	07/15/09	150,000.00		150,235.03	0.763
Crystal Lake B&TC, NA - Wintrust	05/01/09	07/29/09	100,000.00		100,185.93	0.763
Northbrook B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
Lake Forest B&TC, NA - Wintrust	05/01/09	07/29/09	150,000.00		150,278.89	0.763
Discover Bank (T)	07/17/08	10/06/09	1,000,000.00		1,043,393.41	3.554
Keybank - C	08/08/08	11/03/09	400,000.00		419,516.49	3.940
			4,778,700.54			
*Interest-bearing Sweep account at Charter with ending balance of \$1,583,074.16 earned \$850.28 for May with an average daily interest rate of 0.430%.						
<u>Water and Sewer-Debt Service</u>						
Citibank Savings Deposit Account	03/20/08		53.55			0.520
Keybank - C	03/26/08	11/30/09	124,264.99		129,894.37	2.693
Keybank - C	03/26/08	05/28/10	121,978.50		129,894.37	2.987
Keybank - C	03/26/08	11/30/10	122,641.68		132,898.29	3.118
			368,938.72			
<u>Water and Sewer-Capital Projects</u>						
Citibank Savings Deposit Account	03/20/08		1,144,757.79			0.520
Crystal Lake B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
Northbrook B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
Lake Forest B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
North Shore Community B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
Libertyville B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
Barrington B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.89	3.250
Hinsdale B&TC, NA - Wintrust	06/11/08	06/01/09	23,928.57		24,684.90	3.250
Chickasha B&TC	10/08/08	06/01/09	100,000.00		102,122.06	3.282
Peoples Bank, National Association	10/08/08	06/01/09	100,000.00		102,122.10	3.282
National Bank of Georgia	10/08/08	06/01/09	100,000.00		102,099.12	3.247
WashingtonFirst Bank	10/08/08	06/01/09	97,800.00		99,852.94	3.247
Oxford Bank and Trust	10/08/08	06/01/09	100,000.00		102,196.07	3.396
Citibank	06/11/08	07/06/09	99,065.50		102,676.29	3.410
Business First Bank	10/08/08	07/06/09	97,000.00		99,643.11	3.670
State Bank of India (CA)	10/08/08	07/06/09	97,000.00		99,527.86	3.510
East Carolina Bank	10/08/08	07/06/09	97,000.00		99,532.22	3.516
Valley Community Bank	10/08/08	07/06/09	97,000.00		99,520.68	3.500
Enterprise Bank	10/08/08	07/06/09	100,000.00		102,410.76	3.247
Citibank	06/11/08	08/03/09	98,800.00		102,675.83	3.420
State Bank of India (CA)	11/07/08	08/03/09	145,000.00		148,470.94	3.248
West Pointe Bank	11/07/08	08/03/09	143,000.00		146,372.45	3.200
Peoples Bank, National Association	11/07/08	08/03/09	143,000.00		146,358.06	3.186
Leaders Bank	11/07/08	08/03/09	153,000.00		156,500.89	3.105
Banco Popular North America	11/07/08	08/03/09	166,000.00		169,792.54	3.100

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
<u>Water and Sewer-Capital Projects (continued)</u>						
Southwest Bank/Southwest Bank of St. Louis	06/11/08	09/08/09	98,400.00		102,662.08	3.490
Orrstown Bank	11/07/08	09/08/09	242,800.00		249,796.05	3.448
United Commercial Bank/Concord Bank, NA	11/07/08	09/08/09	243,000.00		249,802.34	3.350
Cole Taylor Bank	11/07/08	09/08/09	143,000.00		147,003.03	3.350
East Carolina Bank	11/07/08	09/08/09	121,200.00		124,542.15	3.300
Southwest Bank/Southwest Bank of St. Louis	06/11/08	10/05/09	98,150.00		102,660.04	3.490
Southwest Bank/Southwest Bank of St. Louis	06/11/08	11/02/09	97,900.00		102,666.91	3.490
Southwest Bank/Southwest Bank of St. Louis	06/11/08	12/07/09	97,525.00		102,654.56	3.520
			<u>4,387,898.28</u>			
<u>Insurance</u>						
Illinois Funds	11/10/87		221,560.74			0.209
Citibank Savings Deposit Account	11/07/08		605,600.83			0.520
Keybank - C	08/08/08	11/03/09	500,000.00		524,395.62	3.940
			<u>1,327,161.57</u>			
<u>Information Systems</u>						
Illinois Funds	02/01/98		89,312.11			0.209
Citibank Savings Deposit Account	01/07/09		200,915.16			0.520
			<u>290,227.27</u>			
<u>EDA Special Tax Alloc.</u>						
Illinois Funds	05/15/92		9,490,804.69			0.209
<u>Roselle Road TIF</u>						
Illinois Funds	09/30/03		6,505.80			0.209
Citibank Savings Deposit Account	11/07/08		3,971.48			0.520
			<u>10,477.28</u>			
<u>Barr./Higgins TIF</u>						
Illinois Funds	08/26/91		941,234.26			0.209
<u>2005 EDA TIF Bond & Int.</u>						
Illinois Funds	11/07/02		39,508.71			0.209
Bank of New York Money Market	12/11/06		1,805,426.05			
			<u>1,844,934.76</u>			
<u>2005 EDA TIF Debt Service Reserve</u>						
Investment Contract			12,098,000.00			
Bank of New York Money Market	12/11/06		18.47			
			<u>12,098,018.47</u>			
<u>2005 EDA TIF Program Expense</u>						
Bank of New York Money Market	12/11/06		165,995.07			
Total Investments						
			<u>\$ 97,795,784.11</u>			

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value Percent Invested	Maturity Value	Rate of Interest
Total Invested Per Institution						
Illinois Funds			21,679,119.18	22.17		
IMET			500,000.00	0.51		
IMET Convenience Fund			1,131,858.67	1.16		
Republic Bank of Chicago			249,400.00	0.26		
Bank of the Sierra			249,000.00	0.25		
Coastalstates Bank			249,100.00	0.25		
Pacific Commerce Bank			100,000.00	0.10		
Bankdirect/Texas Capital Bank NA			249,100.00	0.25		
Republic First Bank			246,900.00	0.25		
Copper Star Bank			248,200.00	0.25		
Cole Taylor Bank (N)			98,000.00	0.10		
Royal Banks of Missouri			95,000.00	0.10		
University NB			95,000.00	0.10		
Fifth Third Bank-MI Charter			97,900.00	0.10		
First National Community Bank			98,100.00	0.10		
Sonabank, NA			98,100.00	0.10		
TD Bank NA			98,600.00	0.10		
M & T Bank, NA			98,700.00	0.10		
Keybank - C			5,925,040.67	6.06		
Hoffman Estates Community Bank			1,134,641.02	1.16		
Bank of New York Trust Company, N.A.			15,944,917.70	16.30		
Oxford Bank and Trust			100,000.00	0.10		
Private Bank - MI			98,000.00	0.10		
Home State Bank NA			96,000.00	0.10		
Citibank			18,553,737.85	18.97		
First Bank of Ohio			96,000.00	0.10		
M&I Marshall & Ilsley Bank			81,000.00	0.08		
Morton Community Bank			91,000.00	0.09		
Zions First National Bank-Q			95,000.00	0.10		
Central Bank of Stillwater			95,000.00	0.10		
Cumberland Bank & Trust			92,000.00	0.09		
Enterprise Bank & Trust			97,000.00	0.10		
Orrstown Bank			242,800.00	0.25		
United Commercial Bank/Concord Bank, NA			243,000.00	0.25		
Leaders Bank			153,000.00	0.16		
Banco Popular North America			166,000.00	0.17		
RBS Citizen Bank, NA/Charter One Bank			19,141,300.00	19.57		
Southwest Bank, AN M&I Bank/Southwest Bank of St. Louis			1,567,900.00	1.60		
Cole Taylor Bank			143,000.00	0.15		
Discover Bank (T)			1,000,000.00	1.02		
Abbybank			1,000,000.00	1.02		
Village Bank and Trust-Wintrust			100,000.00	0.10		
Advantage National Bank - Wintrust			150,000.00	0.15		
Beverly Bank & Trust Co, NA - Wintrust			150,000.00	0.15		
St. Charles B&TC - Wintrust			150,000.00	0.15		
Wheaton B&T - Wintrust			150,000.00	0.15		
Old Plank Trail Community Bank NA - Wintrust			150,000.00	0.15		
State Bank of the Lakes - Wintrust			150,000.00	0.15		
West Pointe Bank			143,000.00	0.15		
Crystal Lake B&TC, NA - Wintrust			195,714.28	0.20		
Northbrook B&TC, NA - Wintrust			245,714.28	0.25		
Lake Forest B&TC, NA - Wintrust			245,714.28	0.25		
North Shore Community B&TC, NA - Wintrust			245,714.28	0.25		
Libertyville B&TC, NA - Wintrust			245,714.28	0.25		
Barrington B&TC, NA - Wintrust			245,714.28	0.25		
Hinsdale B&TC, NA - Wintrust			245,714.32	0.25		
Chickasha B&TC			100,000.00	0.10		
American Enterprise Bank			249,500.00	0.26		
M&I Bank FSB			249,500.00	0.26		
M&I Marshall & Ilsley Bank			166,000.00	0.17		
Southwest Bank, An M&I Bank			249,500.00	0.26		
Financial Federal Savings Bank			249,500.00	0.26		
Peoples Bank, National Association			243,000.00	0.25		
National Bank of Georgia			100,000.00	0.10		

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
Total Invested Per Institution (continued)				Percent Invested		
WashingtonFirst Bank			97,800.00	0.10		
Business First Bank			97,000.00	0.10		
State Bank of India (CA)			242,000.00	0.25		
East Carolina Bank			218,200.00	0.22		
Valley Community Bank			97,000.00	0.10		
Enterprise Bank			100,000.00	0.10		
Wells Fargo			685,369.02	0.70		
			\$97,795,784.11	100.00		
Total Invested Per Institution Excluding all Trust Funds, EDA Series 91 Funds & 05 Funds				Percent Invested		
Illinois Funds			8,631,086.36	12.54		
IMET			1,631,858.67	2.37		
Republic Bank of Chicago			249,400.00	0.36		
Bank of the Sierra			249,000.00	0.36		
Coastalstates Bank			249,100.00	0.36		
Pacific Commerce Bank			100,000.00	0.15		
Bankdirect/Texas Capital Bank NA			249,100.00	0.36		
Republic First Bank			246,900.00	0.36		
Copper Star Bank			248,200.00	0.36		
Cole Taylor Bank (N)			98,000.00	0.14		
Royal Banks of Missouri			95,000.00	0.14		
University NB			95,000.00	0.14		
Fifth Third Bank-MI Charter			97,900.00	0.14		
First National Community Bank			98,100.00	0.14		
Sonabank, NA			98,100.00	0.14		
TD Bank NA			98,600.00	0.14		
M & T Bank, NA			98,700.00	0.14		
Keybank - C			5,925,040.67	8.61		
Hoffman Estates Community Bank			1,134,641.02	1.65		
First Sound Bank			100,000.00	0.15		
Private Bank - MI			98,000.00	0.14		
Home State Bank NA			96,000.00	0.14		
Citibank			18,553,737.85	26.97		
First Bank of Ohio			96,000.00	0.14		
M&I Marshall & Ilsley Bank			81,000.00	0.12		
Morton Community Bank			91,000.00	0.13		
Zions First National Bank-Q			95,000.00	0.14		
Central Bank of Stillwater			95,000.00	0.14		
Cumberland Bank & Trust			92,000.00	0.13		
Enterprise Bank & Trust			97,000.00	0.14		
Orrstown Bank			242,800.00	0.35		
United Commercial Bank/Concord Bank, NA			243,000.00	0.35		
Leaders Bank			153,000.00	0.22		
Banco Popular North America			166,000.00	0.24		
RBS Citizen Bank, NA/Charter One Bank			19,141,300.00	27.82		
Southwest Bank, AN M&I Bank/Southwest Bank of St. Louis			1,567,900.00	2.28		
Cole Taylor Bank			143,000.00	0.21		
Discover Bank (T)			1,000,000.00	1.45		
Abbybank			1,000,000.00	1.45		
Village Bank and Trust-Wintrust			100,000.00	0.15		
Advantage National Bank - Wintrust			150,000.00	0.22		
Beverly Bank & Trust Co, NA - Wintrust			150,000.00	0.22		
St. Charles B&TC - Wintrust			150,000.00	0.22		
Wheaton B&T - Wintrust			150,000.00	0.22		
Old Plank Trail Community Bank NA - Wintrust			150,000.00	0.22		
State Bank of the Lakes - Wintrust			150,000.00	0.22		
West Pointe Bank			143,000.00	0.21		
Crystal Lake B&TC, NA - Wintrust			195,714.28	0.28		
Northbrook B&TC, NA - Wintrust			245,714.28	0.36		
Lake Forest B&TC, NA - Wintrust			245,714.28	0.36		
North Shore Community B&TC, NA - Wintrust			245,714.28	0.36		
Libertyville B&TC, NA - Wintrust			245,714.28	0.36		
Barrington B&TC, NA - Wintrust			245,714.28	0.36		
Hinsdale B&TC, NA - Wintrust			245,714.32	0.36		
Chickasha B&TC			100,000.00	0.15		

STATEMENT OF INVESTMENTS-VILLAGE

As of May 31, 2009

Fund	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
Total Invested Per Institution Excluding all Trust Funds, EDA Series 91 Funds & 05 Funds (continued)				Percent Invested		
American Enterprise Bank			249,500.00	0.36		
M&I Bank FSB			249,500.00	0.36		
M&I Marshall & Ilsley Bank			166,000.00	0.24		
Southwest Bank, An M&I Bank			249,500.00	0.36		
Financial Federal Savings Bank			249,500.00	0.36		
Peoples Bank, National Association			243,000.00	0.35		
National Bank of Georgia			100,000.00	0.15		
WashingtonFirst Bank			97,800.00	0.14		
Business First Bank			97,000.00	0.14		
State Bank of India (CA)			242,000.00	0.35		
East Carolina Bank			218,200.00	0.32		
Valley Community Bank			97,000.00	0.14		
Enterprise Bank			100,000.00	0.15		
Wells Fargo			685,369.02	1.00		
			<hr/> \$68,802,833.59	100.00		
Total Invested Per Fund						
Total Investments - Operating Funds				\$20,050,929.92		
Total Investments - Debt Service Funds				\$20,793,715.50		
Total Investments - Trust Funds				\$10,432,038.95		
Total Investments - Capital Projects Funds				\$46,519,099.74		
Total Investments - All Funds				<hr/> \$97,795,784.11		

STATEMENT OF INVESTMENTS-POLICE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
Illinois Funds	09/30/86		1,636,806.36			0.209
Fidelity Investments						
Vanguard Institutional Index Fund	06/15/05		9,805,525.61	7,733,227.44		
Vanguard Mid-Cap Index Fund Signal Shares	10/05/07		4,827,916.57	3,203,309.62		
Vanguard Small-Cap Index Fund Signal Share	10/05/07		4,728,401.40	3,147,614.39		
Vanguard International Index Fund	12/16/03		1,715,009.88	2,304,618.39		
			21,076,853.46			
Fifth Third Bank						
Money Market	12/02/03		887,577.15	887,577.15		
FHLB, 2.73%	06/12/08	06/10/09	200,000.00	200,126.00	200,000.00	2.700
Freddie Mac, 4.375%	12/29/06	07/30/09	267,977.12	273,700.00	272,000.00	4.300
Treasury Note, 6%	07/19/00	08/15/09	275,725.42	252,970.00	250,000.00	5.900
Treasury Note, 3.375%	12/23/05	10/15/09	241,123.05	252,870.00	250,000.00	3.300
Treasury Note, 3.625%	01/28/05	01/15/10	99,492.18	102,020.00	100,000.00	3.600
Treasury Note, 6.5%	08/15/01	02/15/10	69,300.00	62,573.40	60,000.00	6.200
FHLB, 4.0%	04/13/05	02/25/10	135,324.13	135,416.33	139,840.90	4.100
FG M80806, 4.0%	02/21/08	03/01/10	126,859.09	126,831.40	125,102.48	3.900
Treasury Note, 4.0%	12/23/05	04/15/10	245,976.56	257,772.50	250,000.00	3.900
FN 254931, 4.5%	04/24/08	09/01/10	277,434.03	281,736.68	273,652.97	4.400
Treasury Note, 3.875%	12/23/05	09/15/10	244,414.06	260,527.50	250,000.00	3.700
Fannie Mae, 4.75%	01/23/07	12/15/10	198,157.80	212,062.00	200,000.00	4.500
Fed Natl Mtg Assn, 6.08%	01/12/05	12/15/10	109,219.00	107,723.00	100,000.00	5.600
Fannie Mae, 6.25%	07/21/06	02/01/11	359,922.85	368,627.00	350,000.00	5.900
Freddie Mac, 5.875%	05/13/08	03/21/11	317,829.00	315,750.00	300,000.00	5.600
Treasury Note, 4.875%	12/23/05	02/15/12	409,812.50	438,968.00	400,000.00	4.400
Fannie Mae, 5.25%	11/07/05	08/01/12	497,206.50	521,885.00	500,000.00	5.000
Treasury Note, 4.0%	12/23/05	11/15/12	244,042.97	270,762.50	250,000.00	3.700
Treasury Note, 4.25%	10/27/04	08/15/13	409,968.75	436,908.00	400,000.00	3.900
Treasury Infl IX N/B, 2.0%	09/18/08	01/15/14	243,554.65	237,700.68	200,000.00	1.700
Treasury Note, Zero Coupon	02/26/09	01/31/14	238,275.00	235,032.00	240,000.00	1.800
Treasury Note, 4.0%	03/26/04	02/15/14	306,468.75	323,415.00	300,000.00	3.700
FHLB, 5.25%	06/01/05	06/18/14	345,556.90	359,736.00	325,000.00	4.700
Treasury Infl IX N/B, 2.0%	12/24/07	07/15/14	284,960.73	291,788.08	250,000.00	1.700
FHLB, 4.75%	09/19/05	02/13/15	251,817.75	270,937.50	250,000.00	4.400
Treasury Note, 4.0%	03/04/05	02/15/15	633,701.17	697,274.50	650,000.00	3.700
Treasury Note, 9.875%	05/17/06	11/15/15	168,813.48	176,953.75	125,000.00	7.000
Freddie Mac, 4.75%	11/21/05	11/17/15	460,412.38	516,709.75	475,000.00	4.400
GNMA #142495	07/22/87	12/15/15	5,333.30	6,337.59	5,836.63	7.400
FHLB, 5.625%	11/22/06	06/13/16	103,946.90	95,625.00	100,000.00	5.900
FHR, 4.0%	04/19/05	01/15/17	287,812.50	310,695.00	300,000.00	3.900
GNMA #197505	06/23/87	03/15/17	4,077.15	4,605.00	4,216.26	7.300
Treasury Note, 4.75%	08/29/07	08/15/17	908,356.25	985,879.70	890,000.00	4.300
GNMA #223913	10/29/87	09/15/17	326.71	367.73	330.43	9.400
Treasury Note, 4.25%	08/28/08	11/15/17	453,234.35	466,163.40	435,000.00	4.000
Treasury Note, 2.75%	04/17/09	02/15/19	248,526.38	234,942.50	250,000.00	2.900
GNR 2004-25AC	05/23/07	01/16/23	47,597.56	51,751.11	51,550.58	3.400
GNR 2005-90A	05/03/07	09/16/28	3,601.80	3,830.93	3,761.01	3.700
GNR 2007-27 CL A	04/30/09	02/16/35	99,881.34	97,554.10	99,881.34	3.400
GNR 2003-72D	05/25/07	12/16/36	482,996.09	513,280.00	500,000.00	5.000
			11,196,613.30			
Bank One						
Money Market	12/08/03		237,264.33	237,264.33		
Treasury Note, 6.0%	01/14/04	08/15/09	264,729.53	252,970.00	250,000.00	5.900
FG E65213, 5.5%	03/16/06	09/01/09	19.20	40.88	40.65	5.500
FNMA, 6.625%	11/25/03	09/15/09	85,359.75	76,335.75	75,000.00	6.500
Treasury Note, 6.5%	01/14/04	02/15/10	558,085.94	521,445.00	500,000.00	6.200
Fannie Mae, 4.125%	03/15/06	05/12/10	45,299.54	48,498.36	47,000.00	4.000
Federal Farm Cr, 6.9%	01/20/04	09/01/10	117,335.00	107,313.00	100,000.00	6.400
FG M80854, 3.5%	03/22/06	10/01/10	40,197.37	43,967.78	43,756.44	3.500
Freddie Mac, 6.135%	11/03/05	02/15/11	126,801.60	130,312.80	120,000.00	5.600
Fannie Mae, 6.0%	03/10/06	05/15/11	103,919.40	109,500.00	100,000.00	5.500
FNMA 254031, 5.5%	01/20/04	09/01/11	8,240.65	5,663.62	5,537.75	5.400
Treasury Note, 4.5%	11/22/06	09/30/11	1,006,728.51	1,078,440.00	1,000,000.00	4.200
FNMA 254186, 5.5%	01/20/04	01/01/12	9,746.12	7,137.16	6,959.89	5.400
Fed Natl Mtg Assn Pool 254455, 5.5%	01/20/04	08/01/12	13,692.21	10,640.80	10,340.91	5.300
FNMA 254470, 5.5%	01/20/04	09/01/12	9,299.82	7,227.18	7,020.22	5.300

STATEMENT OF INVESTMENTS-POLICE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
FNMA 254488, 6%	02/18/04	09/01/12	20,532.05	15,610.47	15,084.33	5.800
FNMA 254640, 5.5%	03/16/06	01/01/13	18,460.53	19,056.76	18,486.45	5.300
FNMA 254659, 4.5%	10/30/07	02/01/13	18,038.31	18,855.62	18,408.12	4.400
FG E95562, 4.5%	08/18/08	04/01/13	72,926.74	74,800.96	72,926.74	4.400
GNMA 780769, 7.5%	01/20/04	04/15/13	6,442.04	1,336.50	1,328.53	7.500
FG E96436, 4.5%	04/30/07	05/01/13	30,780.28	32,848.53	32,024.23	4.400
FNMA 254757, 5%	01/20/04	05/01/13	40,896.82	35,896.97	34,931.12	4.900
FHLMC Note, 4.0%	07/08/03	06/12/13	69,633.00	78,492.00	75,000.00	3.800
FNMA 254806, 4.5%	01/20/04	07/01/13	61,040.61	61,164.75	59,643.25	4.400
Federal Farm Cr, 3.88%	11/15/06	07/08/13	47,033.50	52,578.00	50,000.00	3.700
FNMA 254882, 5.0%	10/18/05	08/01/13	50,452.80	50,850.06	49,451.57	4.900
FHLB, 5.125%	11/15/06	08/14/13	126,916.68	137,773.75	125,000.00	4.700
FG E99429, 4.0%	10/26/07	09/01/13	55,699.78	59,283.47	58,043.09	3.900
FNMA 254958, 4.5%	11/30/06	09/01/13	19,149.90	20,567.78	20,040.51	4.400
FG G10839, 5.5%	10/16/07	10/01/13	46,283.14	48,468.26	46,162.01	5.200
FNMA 254959, 5.0%	03/18/08	10/01/13	52,529.31	52,581.01	51,090.69	4.900
FNMA 254971, 5.5%	01/20/04	10/01/13	18,313.79	15,403.15	14,896.81	5.300
FG G11470, 4.5%	12/18/06	11/01/13	35,952.43	38,398.74	37,383.77	4.400
FNMA	01/24/03	11/15/13	301,515.00	427,740.00	500,000.00	-
Treasury Note, 2.0%	02/27/09	11/30/13	165,257.81	163,942.35	165,000.00	2.000
FNMA 255040, 4.5%	10/30/07	12/01/13	32,444.58	34,039.34	33,150.57	4.400
FNMA 255041, 5%	02/23/04	12/01/13	17,612.33	15,812.83	15,356.29	4.900
FHLMC Pool E00617, 5.5%	03/18/04	01/01/14	12,297.21	10,306.79	9,921.06	5.300
FNMA 255117, 5%	02/18/04	02/01/14	20,944.51	18,951.83	18,395.37	4.900
FNMA 255148, 5.5%	02/18/04	02/01/14	20,383.60	17,447.60	16,842.61	5.300
Treasury Note, 1.875%	05/21/09	02/28/14	746,015.63	736,642.50	750,000.00	1.900
FNMA 340901, 6%	01/15/04	03/01/14	33,006.77	28,840.03	27,298.74	5.700
FG B14039, 4.0%	10/19/07	05/01/14	13,223.34	14,265.60	13,955.92	3.900
Treasury Note, 4.75%	06/21/07	05/15/14	196,218.75	222,626.00	200,000.00	4.300
Zero Coupon Strips	01/12/09	05/15/14	446,714.50	438,995.00	500,000.00	-
FG E00678, 6.5%	11/19/07	06/01/14	46,006.82	46,377.45	44,243.16	6.200
FN 255290, 4.0%	11/18/08	06/01/14	46,497.90	48,044.97	47,049.41	3.900
FN 255431, 4.5%	03/14/07	09/01/14	25,553.08	27,341.52	26,574.84	4.400
FN 535170, 5.50%	03/16/06	09/01/14	29,872.72	31,430.28	29,872.72	5.200
FNMA 735023, 4.50%	10/28/05	11/01/14	14,478.34	15,471.30	15,067.49	4.400
Federal Farm Cr, 4.625%	10/20/05	11/03/14	49,177.50	53,422.00	50,000.00	4.300
FG B17493, 4.0%	05/31/06	12/01/14	21,669.84	24,707.72	24,195.74	3.900
FN 255574, 4.50%	03/09/06	12/01/14	32,311.78	34,819.42	33,832.85	4.400
FG B18639, 4.0%	10/19/07	01/01/15	18,625.99	20,076.15	19,670.54	3.900
Federal Farm Cr, 4.450%	02/22/06	06/01/15	95,736.00	104,656.00	100,000.00	4.300
Federal Farm Cr, 5.08%	01/09/08	10/05/15	79,292.25	80,883.00	75,000.00	4.700
FNMA 255938, 4.50%	11/17/05	11/01/15	22,262.62	24,245.32	23,530.69	4.400
Treasury Note, 9.875%	05/01/09	11/15/15	144,234.38	141,563.00	100,000.00	7.000
FG E82733, 5.5%	07/17/07	03/01/16	37,255.68	39,863.91	37,955.87	5.200
FNMA 303771, 6.5%	10/29/04	03/01/16	27,060.82	25,382.89	23,724.77	6.100
FN 745444, 5.5%	10/28/08	04/01/16	43,925.10	44,771.48	43,003.60	5.300
Treasury Note, 7.25%	11/18/04	05/15/16	791,288.67	821,236.00	650,000.00	5.700
FG G11187, 5.5%	02/19/08	09/01/16	75,420.21	76,284.95	72,633.66	5.200
GNMA 781407, 7%	01/21/04	11/15/16	9,760.17	4,108.79	4,085.95	7.000
FN 995656, 7.0%	04/13/09	11/15/16	79,460.68	81,020.32	73,976.30	6.400
FN 615017, 5.0%	06/19/06	12/01/16	42,299.99	46,619.88	44,687.16	4.800
GNMA 781403, 6%	03/18/04	02/15/17	17,733.56	15,112.10	14,363.61	5.700
Fed Home Ln Mtg Corp Pool E01411, 7%	04/17/07	03/01/17	43,250.58	42,794.15	40,266.61	6.600
Fed Home Ln Mtg Corp Pool E01156, 6.5%	11/19/07	05/01/17	55,771.67	56,590.62	53,590.62	6.200
FG E89857, 5.5%	07/24/08	05/01/17	75,763.43	79,560.13	75,707.38	5.200
FN 254342, 6.0%	01/29/08	06/01/17	86,645.09	87,463.81	82,443.80	5.700
FN 725510, 6.5%	11/19/07	07/01/17	59,389.67	60,108.14	56,709.54	6.100
FN 658867, 6.0%	07/17/07	08/01/17	24,624.38	25,924.15	24,436.23	5.700
Treasury Note, 8.875%	11/15/07	08/15/17	973,177.93	975,842.00	700,000.00	6.400
Fed Natl Mtg Assn Pool 676674, 5%	11/19/07	12/01/17	31,433.83	33,148.09	31,773.87	4.800
FG E01307, 5%	03/19/07	02/01/18	47,371.92	49,995.10	48,027.42	4.800
FN 254631, 5.0%	11/19/07	02/01/18	21,392.36	22,553.40	21,618.40	4.800
Fed Natl Mtg Assn Pool 681347, 5%	11/19/07	02/01/18	44,751.46	47,128.57	45,201.62	4.800
GNMA 781567, 5%	02/18/04	02/15/18	15,280.44	14,605.59	13,972.90	4.800
FG E01345, 5.5%	02/15/07	04/01/18	30,942.42	32,437.69	30,965.29	5.300
FNMA 695871, 4.5%	10/31/07	04/01/18	36,403.06	39,011.98	37,727.36	4.400
FG G11606, 4.5%	03/16/06	05/01/18	28,858.93	32,005.79	30,951.88	4.400
FNCI Pool 704460, 6%	01/20/04	05/01/18	16,166.40	13,344.52	12,597.13	5.700
FNMA 251818, 6%	09/30/04	06/01/18	48,787.59	44,799.49	42,244.94	5.700

STATEMENT OF INVESTMENTS-POLICE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
FNMA 708760, 4.5%	03/16/04	06/01/18	28,531.66	28,635.08	27,692.16	4.400
FNMA 709028, 5.0%	03/16/06	06/01/18	38,893.46	42,116.87	40,394.84	4.800
FNMA 254802, 4.5%	10/31/05	07/01/18	37,530.39	41,008.34	39,657.99	4.400
FNMA 709122, 4.5%	08/20/07	07/01/18	36,244.41	39,653.11	38,347.38	4.400
FNMA 721608, 4.0%	05/29/07	07/01/18	32,474.02	35,997.97	35,314.29	3.900
FNMA 729347, 4.0%	03/13/06	07/01/18	31,250.75	35,383.83	34,711.81	3.900
FG E01424, 4.0%	10/20/08	08/01/18	83,660.08	88,797.91	86,937.45	3.900
FG E01426, 5.0%	03/16/06	08/01/18	40,720.42	43,226.67	41,671.89	4.800
FNMA 731190, 4.5%	08/20/07	08/01/18	33,099.65	36,436.57	35,236.76	4.400
FNMA 736541, 4%	02/16/05	08/01/18	12,359.54	13,011.77	12,790.37	3.900
FG E98992, 4.5%	06/18/07	09/01/18	53,886.80	58,329.21	56,476.77	4.400
FHLMC Pool C90230, 6.5%	06/14/04	09/01/18	18,036.80	16,961.94	15,726.33	6.000
FNMA 744316, 5%	02/18/09	09/01/18	73,733.08	74,552.23	71,504.01	4.800
FG E01488, 5%	05/19/08	10/01/18	49,761.97	51,171.01	49,391.44	4.800
FNMA 734741, 4%	08/17/04	10/01/18	4,646.97	5,100.45	5,003.58	3.900
FN 748682, 4.5%	03/19/07	10/01/18	30,326.52	32,746.19	31,667.90	4.400
FG E01490, 5%	02/18/04	11/01/18	29,574.74	28,796.09	27,811.02	4.800
FN 725045, 4.5%	11/30/06	11/01/18	41,498.33	44,821.71	43,345.79	4.400
FG B11231, 4.5%	04/20/04	12/01/18	23,412.25	23,244.49	22,506.28	4.400
FG B11429, 4.5%	03/16/06	12/01/18	42,973.06	47,412.09	45,906.36	4.400
FN 254987, 5.0%	02/18/09	12/01/18	28,172.82	28,525.76	27,359.43	4.800
FN 555969, 4.0%	04/18/06	12/01/18	17,451.65	19,439.95	19,070.74	3.900
FN 735522, 4.0%	05/17/05	12/01/18	38,751.40	41,592.08	40,802.15	3.900
FN 888889, 4.5%	12/17/07	12/01/18	73,762.22	78,436.24	75,853.43	4.400
FG E01544, 4.5%	03/18/04	01/01/19	23,473.67	23,337.81	22,655.21	4.400
FG C90247, 6.5%	06/25/04	01/01/19	24,207.68	22,776.53	21,171.72	6.000
FG E01590, 5.0%	07/17/08	02/01/19	51,158.00	53,443.68	51,422.77	4.800
FN 725352, 4.5%	09/18/07	04/01/19	34,764.15	37,695.90	36,498.74	4.400
FG E01647 4%	08/17/04	05/01/19	7,610.26	8,299.52	8,210.92	4.000
FN 725876, 5%	05/26/06	10/01/19	40,607.19	44,533.00	42,814.84	4.800
FN 735727, 6%	04/17/08	01/01/20	77,118.06	77,732.24	73,335.07	5.700
FG G11707, 6.0%	06/18/07	03/01/20	30,643.62	31,851.07	30,040.53	5.700
FN 745017, 4.5%	05/19/09	07/01/20	50,936.45	50,774.52	49,162.00	4.400
FNMA 888250, 5.5%	09/16/08	01/01/21	54,721.60	56,604.34	53,863.24	5.200
Treasury Note, 7.875%	12/04/08	02/15/21	429,803.93	407,484.00	300,000.00	5.800
FG C90438, 6.5%	06/14/04	04/01/21	16,363.31	14,833.46	13,776.65	6.000
Fed Natl Mtg Assn Pool 253946, 7%	07/15/04	08/01/21	22,479.67	19,834.28	18,138.18	6.400
FG C90481, 6%	02/24/04	09/01/21	13,470.44	12,151.25	11,508.61	5.700
FN 545696, 6.0%	05/19/09	06/01/22	52,883.16	52,933.59	50,052.09	5.700
FG C90686, 4.5%	04/13/05	06/01/23	33,159.96	35,885.66	35,332.70	4.400
FG C90698, 4.5%	08/20/07	08/01/23	41,755.81	45,788.57	45,083.02	4.400
FNMA 254908, 5%	04/15/04	09/01/23	34,886.34	34,477.18	33,455.46	4.900
FG C90808, 6.5%	11/15/04	01/01/24	10,741.20	10,179.97	9,477.05	6.100
FN 255271, 5%	04/12/06	06/01/24	29,526.22	32,074.83	31,164.82	4.900
FN 779774, 5%	03/16/06	07/01/24	47,737.82	51,686.65	50,220.22	4.900
FG G30290, 6.5%	05/14/07	03/01/26	50,972.71	52,104.01	48,391.87	6.000
FG C80398, 6.5%	01/13/05	05/01/26	43,364.01	40,683.33	37,745.94	6.000
Fed Natl Mtg Assn Pool 545639, 6.5%	03/13/06	04/01/32	34,026.18	35,207.76	32,780.07	6.100
FHLMC Pool C01371, 7.0%	02/12/04	06/01/32	24,986.39	20,870.70	19,353.75	6.500
FG A11312, 6.0%	12/12/06	07/01/33	67,878.84	70,565.30	66,999.58	5.700
FNMA 555591, 5.5%	02/12/04	07/01/33	34,653.43	34,747.69	33,464.98	5.300
FNMA 730675, 4.5%	12/13/05	08/01/33	31,170.36	34,480.77	34,086.39	4.400
FNMA 759424, 5.5%	01/14/04	01/01/34	25,617.21	25,641.90	24,695.33	5.300
FN 763860, 4.0%	03/13/06	03/01/34	19,118.12	22,282.80	22,502.88	4.000
FN 976871, 6.5%	05/12/09	08/01/36	61,814.42	62,489.86	57,804.25	6.000
			11,235,773.17			
Total Investments			\$ 45,146,046.29			

STATEMENT OF INVESTMENTS-POLICE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
				<u>Percent</u>		
Total Invested Per Institution				<u>Invested</u>		
Illinois Funds			1,636,806.36	3.63		
Money Market			1,124,841.48	2.49		
International Mutual Fund			1,715,009.88	3.80		
Mutual Funds			19,361,843.58	42.89		
GNMA			693,030.16	1.54		
Treasury Notes			11,001,287.33	24.37		
FNMA			7,102,588.24	15.73		
FHLMC Bonds			223,975.65	0.50		
FHLB Agency Bonds			1,451,374.86	3.21		
Federal Farm Cr Bonds			388,574.25	0.86		
Zero Coupon Bonds			446,714.50	0.99		
			<u>\$45,146,046.29</u>	<u>100.00</u>		

STATEMENT OF INVESTMENTS-FIRE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
Illinois Funds	09/30/86		1,122,278.29			0.209
<u>Vanguard International Value Fund</u>						
Mutual Funds	06/15/05		4,891,418.89	3,721,890.93		
<u>US Bank - US Real Estate JP Morgan</u>						
Real Estate	12/31/07		1,500,000.00	773,074.14		
Money Market	12/28/07		0.00			
Total US Bank-Real Estate			1,500,000.00			
<u>Mesirow Financial</u>						
Equities	01/18/07		6,921,404.33	5,844,124.00		
Money Market	01/18/07		270,071.19			
Total Mesirow Financial			7,191,475.52			
<u>Oak Ridge</u>						
Equities	09/08/03		4,180,138.57	3,708,579.00		
Money Market	09/08/03		240,952.40			
Total Oak Ridge			4,421,090.97			
<u>Mitchell Vaught & Taylor</u>						
Money Market	05/01/07		196,328.16	196,328.16		
Treasury Note, 4.25%	08/29/08	01/15/10	159,875.66	155,021.00	151,701.60	4.160
FHLB DEB, 4.375%	05/08/07	03/17/10	177,838.56	185,344.00	180,000.00	4.250
FNMA MTN, 5.125%	02/18/09	04/15/11	155,702.02	155,966.00	145,000.00	4.760
Treasury Note, 2.375%	05/30/08	04/15/11	89,992.72	88,137.00	85,725.60	2.310
Treasury Note, 4.75%	03/29/07	01/31/12	606,562.50	655,830.00	600,000.00	4.350
FNMA MTN, 4.75%	10/18/07	11/19/12	109,635.90	120,141.00	110,000.00	4.350
FNMA MTN, 4.75%	08/29/08	02/21/13	154,719.30	162,000.00	150,000.00	4.400
Treasury Note, 2.5%	03/31/08	03/31/13	129,583.59	133,514.00	130,000.00	2.430
FNMA MTN, 4.375%	05/15/07	07/17/13	179,233.74	198,181.00	185,000.00	4.080
FNMA MTN, 3.0%	01/22/09	01/13/14	130,780.00	129,107.00	130,000.00	3.020
FNMA MTN, 4.125%	05/10/07	04/15/14	181,184.19	202,171.00	190,000.00	3.880
FHLMC MTN, 4.75%	05/14/07	11/17/15	177,398.10	195,806.00	180,000.00	4.370
FHLB DEB, 4.75%	05/15/07	12/16/16	176,194.44	193,556.00	180,000.00	4.420
Treasury Bond, 9.125%	05/08/07	05/15/18	172,167.97	179,766.00	125,000.00	6.340
Treasury Note, 4.0%	10/16/08	08/15/18	150,000.60	156,597.00	150,000.00	3.830
FNMA MTN, 5.5%	07/23/08	12/14/22	128,830.00	130,365.00	130,000.00	5.480
FNMA MTN, 6.25%	05/14/07	05/15/29	174,979.81	179,946.00	155,000.00	5.380
Total Mitchell Vaught & Taylor			3,251,007.26			
<u>US Bank - Fixed Income</u>						
Money Market	07/31/99		1,183,344.29	1,183,344.29		
FHLMC GD E00329, 8.0%	03/18/04	06/01/09	7,976.36	376.00	373.90	7.980
FHLMC Pool, 6.625%	08/15/01	09/15/09	1,278,220.80	1,221,756.00	1,200,000.00	6.510
Zero Coupon Bond	04/10/96	11/15/09	1,243,147.24	1,995,620.00	2,000,000.00	-
FNMA #250285	06/25/01	06/01/10	7,761.73	1,321.00	1,266.18	7.650
FHLMC GD M80828, 4.0%	12/22/05	07/01/10	78,979.28	85,144.00	83,718.26	3.930
FNMA #253507	03/28/07	09/01/10	28,960.23	26,892.00	26,237.22	7.320
Treasury Note, 2.375%	09/19/08	04/15/11	274,329.13	275,428.00	267,892.50	2.310
Treasury Note, 4.75%	12/24/08	01/31/12	776,838.28	765,135.00	700,000.00	4.350
FNMA Deb	11/15/02	09/15/12	488,594.00	537,970.00	500,000.00	4.070
FNMA #535710	01/18/02	11/01/12	21,588.68	8,097.00	7,666.74	7.570
FNMA #251338	03/18/04	12/01/12	10,893.47	7,835.00	7,401.07	6.140
FNMA #254584	11/19/02	12/01/12	78,593.72	62,859.00	61,249.97	4.870
FNMA #254646	01/21/03	01/01/13	41,240.75	37,540.00	36,660.38	4.400
FNMA Deb	07/30/03	03/15/13	191,554.40	216,376.00	200,000.00	4.040
FNMA #424335	06/22/01	05/01/13	7,774.10	4,958.00	4,677.92	6.130
FHLMC GD E00567, 7.0%	05/23/06	08/01/13	63,766.33	64,117.00	60,725.87	6.630
FNMA #254863	09/19/05	08/01/13	35,112.62	37,377.00	36,631.44	3.920
FNMA #768005	03/17/05	09/01/13	140,804.75	154,905.00	151,839.20	3.920
FHLMC Pool 90036, 6%	06/18/01	10/01/13	5,689.33	6,188.00	5,847.62	5.670
FNMA #254958	04/18/06	10/01/13	81,021.41	89,984.00	87,677.26	4.380
FHLMC Pool 90037, 6%	03/15/04	11/01/13	50,524.63	44,016.00	41,592.41	5.670
FNMA #255013	12/31/03	11/01/13	117,199.63	107,882.00	104,794.51	4.860
FNMA #445355	04/23/04	12/01/13	17,453.31	14,076.00	13,280.45	6.130
Zero Coupon Bond	01/05/06	02/15/14	839,856.00	1,063,788.00	1,200,000.00	-
FHLMC GD B14730, 4%	09/19/05	05/01/14	50,443.83	53,360.00	52,202.03	3.910
FNMA #491365	04/23/04	06/01/14	18,028.75	14,505.00	13,685.26	6.140
FNMA #534998	06/21/01	06/01/14	10,491.72	10,391.00	9,803.45	5.660

STATEMENT OF INVESTMENTS-FIRE PENSION FUND
As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
FNMA #598032	08/16/01	08/01/14	5,807.92	4,829.00	4,684.10	5.820
Treasury Bond, 12.5%	06/07/01	08/15/14	1,468,398.44	1,024,610.00	1,000,000.00	12.200
FNMA #633688	04/16/02	09/01/14	60,446.65	65,552.00	62,303.55	5.230
FNMA #735023	08/17/05	11/01/14	105,011.78	111,393.00	108,485.81	4.380
Treasury Security	12/23/05	11/15/14	502,185.00	645,375.00	750,000.00	-
FHLMC GD P60089, 7%	07/20/04	12/01/14	10,341.76	8,372.00	7,999.37	6.690
FNMA #535219	08/20/04	03/01/15	55,981.95	45,014.00	42,362.25	7.060
Treasury Bond, 9.875% Coupon	10/03/94	11/15/15	780,572.24	983,863.00	695,000.00	6.980
Zero Coupon Bond	05/29/03	11/15/15	350,086.75	481,221.00	585,000.00	-
GNMA #142495	07/22/87	12/15/15	5,333.33	6,338.00	5,836.61	7.370
FHLMC Pool GD C90124, 7%	04/15/04	01/01/16	41,848.56	35,613.00	32,463.18	6.380
FNMA #725382	07/20/04	01/01/16	32,104.36	19,344.00	18,358.06	7.590
Treasury Note, 2.0%	09/11/08	01/15/16	275,876.33	274,185.00	267,905.00	1.950
FHLMC Pool GD P60090, 7%	07/20/04	03/01/16	7,690.22	6,035.00	5,766.80	6.690
Treasury Bond, 7.25% Coupon	12/02/04	05/15/16	619,550.78	631,720.00	500,000.00	5.740
Zero Coupon Bond	01/19/06	05/15/16	50,564.80	63,638.00	80,000.00	-
FNMA #253846	04/23/04	06/01/16	15,478.57	13,390.00	12,640.08	6.140
Zero Coupon Bond	10/04/02	07/15/16	246,197.14	388,440.00	520,000.00	5.070
Treasury Bond, 7.5% Coupon	04/23/93	11/15/16	785,627.89	963,045.00	750,000.00	5.840
GNMA #197505	06/23/87	03/15/17	4,077.14	4,605.00	4,216.28	7.320
FNMA #254308	04/17/07	05/01/17	261,945.37	265,645.00	251,181.87	6.150
FHLMC Pool GD G11426, 7%	04/28/04	07/01/17	21,863.04	16,240.00	15,373.80	6.630
FNMA #251342	04/15/04	11/01/17	59,927.34	51,905.00	47,375.01	6.390
FHLMC Pool GD E93732, 5%	11/17/05	01/01/18	89,368.57	96,592.00	92,602.27	4.790
FNMA #681270	11/20/07	01/01/18	35,799.41	37,619.00	36,059.75	4.790
FNMA #695812	03/18/03	03/01/18	91,605.31	86,876.00	83,324.06	4.800
FNMA #251692	03/15/04	04/01/18	31,559.35	27,155.00	25,261.92	6.050
FNMA #625609	11/18/04	04/01/18	26,135.52	25,925.00	24,850.59	4.790
FHLMC Pool GD E96427, 5%	02/19/08	04/01/18	109,416.54	111,737.00	107,121.79	4.790
FNMA #695910	11/18/04	05/01/18	28,088.59	27,917.00	26,788.33	4.800
Treasury Bond, 9.125%	06/07/01	05/15/18	677,226.57	719,065.00	500,000.00	6.350
FNMA #251787	01/20/04	06/01/18	28,106.44	24,805.00	23,075.22	6.050
FNMA #682424	03/17/05	07/01/18	30,279.43	32,685.00	32,064.18	3.930
FNMA #713804	03/27/06	07/01/18	50,945.43	57,611.00	56,517.18	3.920
FNMA #720393	10/19/04	07/01/18	66,312.54	67,984.00	65,745.59	4.350
FNMA #721545	04/18/05	07/01/18	46,301.45	51,289.00	50,315.06	3.920
FNMA #721608	03/17/05	07/01/18	57,436.55	63,526.00	62,319.30	3.920
FNMA #722477	04/18/05	07/01/18	53,127.42	58,574.00	57,461.30	3.920
FNMA #726128	03/17/05	07/01/18	55,441.72	61,644.00	60,473.14	3.920
FNMA #729347	03/17/05	07/01/18	69,653.81	77,672.00	76,196.58	3.920
FNMA #682450	03/17/05	09/01/18	6,218.09	6,736.00	6,608.17	3.920
FNMA #252104	08/20/04	11/01/18	24,047.46	22,199.00	20,651.45	6.050
FNMA #735522	05/17/05	12/01/18	103,337.04	110,912.00	108,805.70	3.920
FHLMC GD C90250, 6.5%	05/16/06	02/01/19	94,596.40	98,996.00	91,812.14	6.030
FNMA #545970	07/29/05	02/01/19	68,033.12	67,189.00	62,210.68	6.020
FNMA #323603	08/20/04	03/01/19	51,081.77	46,938.00	43,664.88	6.050
FHLMC GD E01647, 4.0%	08/17/04	05/01/19	30,441.09	33,198.00	32,843.72	3.960
Zero Coupon Bond	03/11/94	05/15/19	609,920.80	1,008,765.00	1,500,000.00	-
FHLMC Pool C90265, 6.5%	03/11/04	06/01/19	109,383.27	93,297.00	86,527.38	6.030
FNMA #252499	03/18/04	06/01/19	37,096.75	32,656.00	30,335.67	6.040
FNMA #252573	08/22/03	06/01/19	58,951.62	57,071.00	53,863.69	5.660
Zero Coupon Bond	01/29/03	05/15/20	426,995.00	627,720.00	1,000,000.00	-
Zero Coupon Bond	06/27/03	05/15/20	223,540.00	313,320.00	500,000.00	-
Treasury Bond, 7.875%	05/22/07	02/15/21	3,289,116.49	3,327,786.00	2,450,000.00	5.800
FNMA #253708	08/20/04	03/01/21	29,726.06	26,911.00	24,937.04	6.020
FNMA #745406	05/20/08	03/01/21	105,986.67	108,442.00	102,217.73	5.660
FHLMC GD D95476, 6.0%	09/20/04	02/01/22	9,960.23	7,265.00	6,864.95	5.670
FNMA #254193	06/13/05	02/01/22	154,961.79	157,962.00	149,282.90	5.670
FNMA #254231	09/13/06	03/01/22	84,305.20	87,720.00	82,944.47	5.670
FNMA #254305	09/14/05	05/01/22	27,473.78	27,233.00	25,329.26	6.040
FHLMC GD D96094, 4.5%	11/14/05	07/01/23	81,011.49	87,090.00	85,747.94	4.430
FHLMC GD G30290, 6.5%	08/14/07	03/01/26	55,291.87	57,893.00	53,768.72	6.040
FNMA #450847	01/14/02	12/01/28	3,149.41	8,087.00	7,739.60	5.270
FNMA #481427	05/18/01	01/01/29	3,170.30	26,269.00	24,799.30	5.660
FNMA #483802	12/12/02	02/01/29	75,859.86	77,809.00	74,465.28	5.260
GNMA #2783	07/22/99	07/20/29	33,737.15	37,596.00	34,550.27	6.430
Treasury Bond, 5.375%	05/19/09	02/15/31	587,150.44	570,705.00	500,000.00	4.710
FHLMC Pool C01292F, 6.0%	02/13/02	02/01/32	34,737.66	51,653.00	48,956.41	5.690
FNMA #685962	09/15/03	02/01/32	44,313.35	51,749.00	50,047.13	4.830
FHLMC C66034, 6.5%	05/13/02	04/01/32	55,014.59	51,089.00	47,510.28	6.040
FNMA #254310	03/14/05	05/01/32	113,153.68	112,843.00	106,780.67	5.680

STATEMENT OF INVESTMENTS-FIRE PENSION FUND

As of May 31, 2009

Investment	Investment Date	Maturity Date	Book Value	Market Value	Maturity Value	Rate of Interest
FNMA #545782	12/31/04	07/01/32	24,762.10	23,867.00	21,729.67	6.370
FNMA #813818	05/12/05	07/01/32	14,211.35	9,407.00	8,608.19	6.410
FNMA #725350	10/30/06	01/01/33	49,864.66	52,909.00	50,007.15	5.670
FNMA #702435	05/14/03	05/01/33	279,400.97	275,428.00	265,260.34	5.300
FNMA #702901	09/14/05	05/01/33	53,579.14	54,134.00	51,286.38	5.680
FNMA #711215	08/14/07	06/01/33	133,780.64	146,000.00	139,901.43	5.270
FHLMC GD A11312, 6.0%	12/12/06	07/01/33	67,878.81	70,565.00	66,999.55	5.700
FNMA #726912	05/13/04	08/01/33	55,785.10	64,664.00	65,257.44	4.040
FNMA #729379	09/14/05	08/01/33	7,980.57	8,007.00	7,585.49	5.680
FNMA #738348	03/15/04	09/01/33	12,327.93	11,907.00	11,280.99	5.690
FNMA #725017	02/12/04	12/01/33	49,287.84	49,507.00	47,280.39	5.250
FHLMC GD G01864, 5.0%	08/14/07	01/01/34	60,037.03	66,107.00	64,383.62	4.870
FNMA #759893	03/15/04	01/01/34	4,689.99	4,472.00	4,244.02	5.700
FNMA #751182	03/15/04	03/01/34	45,139.27	44,924.00	43,291.47	5.300
FNMA #767378	04/15/04	03/01/34	103,162.49	100,601.00	96,945.14	5.300
FNMA #801357	07/14/05	08/01/34	36,409.88	36,714.00	35,326.31	5.290
FNMA #796295	11/14/05	12/01/34	103,127.58	114,886.00	113,676.05	4.450
FNMA #888568	08/14/07	12/01/34	76,721.12	84,592.00	82,302.38	4.860
FNMA #809159	02/10/05	01/01/35	136,641.33	141,258.00	137,558.74	4.870
FNMA #815426	11/14/05	02/01/35	88,881.30	100,476.00	99,418.31	4.450
FHLMC GD A46987, 5.5%	12/13/05	07/01/35	94,200.47	100,208.00	96,562.61	5.300
FHLMC GD C02660, 6.5%	12/12/06	11/01/36	58,069.08	59,633.00	55,968.12	6.100
Total US Bank			22,651,611.86			
Total Investments			\$ 45,028,882.79			

Total Invested Per Institution	Percent Invested
Illinois Funds	1,122,278.29 2.49
Equities	11,101,542.90 24.65
Money Market	1,890,696.04 4.20
International Mutual Fund	4,891,418.89 10.86
GNMA	43,147.62 0.10
Treasury Bonds	8,379,810.82 18.61
Treasury Notes	2,463,058.81 5.47
FNMA	6,051,943.68 13.44
FHLMC Bonds	2,738,460.01 6.08
FHLB Agency Bonds	354,033.00 0.79
Zero Coupon Bonds	4,492,492.73 9.98
Real Estate	1,500,000.00 3.33
	\$45,028,882.79 100.00

OPERATING REPORT SUMMARY

REVENUES

May 31, 2009

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
General Fund							
Property Taxes	9,380	9,378	4,683,390	4,683,385	10,543,180	44.4%	
Hotel Tax	39,280	27,055	661,107	453,894	1,300,000	34.9%	
Real Estate Transfer Tax	60,417	27,905	302,083	101,653	725,000	14.0%	
Home Rule Sales Tax	333,333	252,890	1,666,667	1,548,331	4,000,000	38.7%	
Telecommunications Tax	295,833	282,440	1,479,167	1,540,691	3,550,000	43.4%	
Property tax - Fire	2,440	2,436	579,400	579,397	1,407,885	41.2%	
Property tax - Police	5,060	5,061	783,920	783,919	1,772,548	44.2%	
Entertainment	20,833	5,454	104,167	145,375	250,000	58.1%	
Other Taxes	-	-	40,458	-	485,500	0.0%	
Total Taxes	766,577	612,620	10,300,359	9,836,644	24,034,113	40.9%	
Business Licenses	22,917	22,862	114,583	165,541	275,000	60.2%	
Liquor Licenses	14,167	5,028	70,833	184,782	170,000	108.7%	
Building Permits	56,745	64,371	283,725	169,747	680,940	24.9%	
Other Licenses & Permits	2,625	1,901	13,125	16,011	31,500	50.8%	
Total Licenses & Permits	96,453	94,161	482,267	536,081	1,157,440	46.3%	
Sales Tax	591,667	428,140	2,958,333	2,592,744	7,100,000	36.5%	
Local Use Tax	61,417	45,077	307,083	291,278	737,000	39.5%	
State Income Tax	431,135	254,353	2,155,675	1,317,964	5,173,620	25.5%	
Replacement Tax	29,167	55,073	145,833	155,116	350,000	44.3%	
Other Intergovernmental	43,918	7,843	219,588	157,676	527,010	29.9%	
Total Intergovernmental	1,157,303	790,485	5,786,513	4,514,779	13,887,630	32.5%	
Engineering Fees	8,333	-	41,667	16,670	100,000	16.7%	
Ambulance Fees	79,167	107,986	395,833	428,631	950,000	45.1%	
Police Hireback	28,333	10,417	141,667	49,133	340,000	14.5%	
Lease Payments	54,167	42,572	270,833	353,643	650,000	54.4%	
Cable TV Fees	44,167	79,000	220,833	259,167	530,000	48.9%	
4th of July Proceeds	4,850	4,850	8,875	8,875	85,000	10.4%	
Employee Payments	83,333	82,178	416,667	405,543	1,000,000	40.6%	
Hireback - Arena	22,917	11,976	114,583	98,467	275,000	35.8%	
Other Charges for Services	72,675	49,091	363,375	324,377	872,100	37.2%	
Total Charges for Services	397,942	388,069	1,974,333	1,944,506	4,802,100	40.5%	
Court Fines-County	29,167	31,598	145,833	145,755	350,000	41.6%	
Ticket Fines-Village	60,417	52,002	302,083	243,209	725,000	33.5%	
Overweight Truck Fines	625	910	3,125	2,140	7,500	28.5%	
Towing Fee Revenues	1,250	-	6,250	48,195	15,000	321.3%	
Red Light Camera Revenue	-	-	-	-	65,180	0.0%	
Total Fines & Forfeits	91,458	84,510	457,292	439,299	1,162,680	37.8%	
Total Investment Earnings	29,167	4,696	145,833	25,904	350,000	7.4%	
Reimburse/Recoveries	6,250	15,897	31,250	115,510	75,000	154.0%	
Industrial Developer's Bond Fee	-	-	-	-	25,000	0.0%	
Annexation Fees Univ Place	8,333	-	41,667	6,266	100,000	6.3%	
South Barrington Fuel Reimbursement	5,844	2,190	29,221	9,382	70,130	13.4%	
Other Miscellaneous	11,625	14,262	58,125	86,358	139,500	61.9%	
Total Miscellaneous	32,053	32,349	160,263	217,516	409,630	53.1%	
Total General Fund	2,570,952	2,006,890	19,306,859	17,514,729	45,803,593	38.2%	41.7%

OPERATING REPORT SUMMARY

REVENUES

May 31, 2009

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Water & Sewer Fund							
Water Sales	800,000	723,167	4,000,000	3,793,491	9,600,000	39.5%	
Connection Fees	12,500	503	62,500	21,973	150,000	14.6%	
Cross Connection Fees	3,083	3,136	15,417	15,719	37,000	42.5%	
Penalties	5,417	5,303	27,083	25,964	65,000	39.9%	
Investment Earnings	27,083	6,202	135,417	88,514	325,000	27.2%	
Other Revenue Sources	36,827	27,787	184,133	148,817	441,920	33.7%	
Total Water Fund	884,910	766,098	4,424,550	4,094,478	10,618,920	38.6%	41.7%
Motor Fuel Tax Fund	120,949	101,030	604,746	571,486	1,478,390	38.7%	
Community Dev. Block Grant Fund	176,508	176,508	259,315	259,314	310,480	83.5%	
EDA Administration Fund	3,750	521	4,039,450	3,999,511	4,065,700	98.4%	
E-911 Surcharge	5,083	15,432	25,417	79,194	61,000	129.8%	
Asset Seizure Fund	20,461	23	102,304	21,293	245,530	8.7%	
Municipal Waste System	110,558	83,627	552,788	392,139	1,326,690	29.6%	
Sears EDA Gen Account	-	-	-	10,181,363	-	N/A	
Insurance Fund	152,735	150,159	763,675	752,243	1,832,820	41.0%	
Information Systems	103,019	101,089	528,396	519,210	1,249,530	41.6%	
Roselle Road TIF	12,568	4	512,287	495,193	850,820	58.2%	
Total Spec Rev. & Int. Svc. Fund	705,631	628,393	7,388,377	17,270,947	11,420,960	151.2%	
TOTAL OPERATING FUNDS	4,161,493	3,401,381	31,119,785	38,880,154	67,843,473	57.3%	41.7%
2001 G.O. Debt Service	85,023	71,851	606,947	543,296	1,597,675	34.0%	
1997 A & B G.O. Debt Service	17	8	46,083	46,015	546,600	8.4%	
2003 G.O. Debt Service	1,428	1,094	392,554	390,173	882,300	44.2%	
2004 G.O. Debt Service	538	282	124,264	123,014	916,860	13.4%	
2005A G.O. Debt Service	249,655	565	1,248,275	1,603,430	3,995,860	40.1%	
2005 EDA TIF Bond Fund	45,833	40,556	1,224,137	1,199,068	11,983,490	10.0%	
2008 G.O.D.S. Fund	7,500	3,408	37,500	17,089	90,000	19.0%	
2009 G.O.D.S. Fund	-	45,679	-	4,404,912	-	N/A	
TOTAL DEBT SERV. FUNDS	389,994	163,443	3,679,759	8,326,996	20,012,785	41.6%	41.7%
Central Rd. Corridor Fund	515	45	2,575	374	6,180	6.1%	
Hoffman Blvd Bridge Maintenance	798	70	3,988	580	9,570	6.1%	
Western Corridor Fund	3,624	268	18,121	4,193	43,490	9.6%	
Traffic Improvement Fund	1,529	296	7,646	1,959	18,350	10.7%	
EDA Series 1991 Project	15,640	463	78,200	7,379	187,680	3.9%	
Central Area Rd. Impr. Imp. Fee	6,628	32	33,142	268	79,540	0.3%	
2008 Capital Project Fund	20,833	10,708	104,167	52,626	250,000	21.1%	
Western Area Traffic Impr.	709	159	3,546	1,048	8,510	12.3%	
2009 Capital Project Fund	-	24,223	28,320,000	31,664,795	28,320,000	111.8%	
Arena Reserve Fund	21,743	5,542	108,717	146,288	260,920	56.1%	
Western Area Traffic Impr. Impact Fee	10,643	2,946	53,213	15,445	127,710	12.1%	
Capital Improvements Fund	223,895	211,832	1,074,475	985,814	2,781,740	35.4%	
Capital Vehicle & Equipment Fund	2,369	10	28,846	17,123	45,430	37.7%	
Capital Replacement Fund	12,500	6,959	62,500	38,631	150,000	25.8%	
TOTAL CAP. PROJECT FUNDS	321,427	263,553	29,899,133	32,936,523	32,289,120	102.0%	41.7%
Police Pension Fund	202,819	287,557	1,772,713	1,783,007	4,176,108	42.7%	
Fire Pension Fund	232,543	203,999	1,729,917	625,350	4,189,075	14.9%	
TOTAL TRUST FUNDS	435,363	491,556	3,502,630	2,408,356	8,365,183	28.8%	41.7%
TOTAL ALL FUNDS	5,308,276	4,319,934	68,201,307	82,552,030	128,510,561	64.2%	41.7%

OPERATING REPORT SUMMARY
EXPENDITURES
May 31, 2009

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL</u>	<u>%</u>	<u>BENCH- MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>		
General Fund							
General Admin.							
Legislative	28,757	22,891	143,783	103,291	345,080	29.9%	
Administration	60,603	57,884	303,013	274,816	727,230	37.8%	
Legal	29,661	27,807	185,200	175,394	431,060	40.7%	
Finance	70,134	82,507	350,671	324,064	841,610	38.5%	
Village Clerk	15,283	13,220	76,417	67,816	183,400	37.0%	
Human Resource Mgmt.	43,501	35,548	217,504	188,159	522,010	36.0%	
Communications	18,376	8,511	91,879	54,746	220,510	24.8%	
Cable TV	12,143	10,968	148,761	137,436	261,620	52.5%	
Emergency Operations	13,397	10,209	66,983	52,894	160,760	32.9%	
Total General Admin.	291,855	269,547	1,584,210	1,378,617	3,693,280	37.3%	41.7%
Police Department							
Administration	151,520	129,326	757,600	694,017	1,818,240	38.2%	
Juvenile Investigations	62,753	44,823	313,763	261,847	753,030	34.8%	
Problem Orient. Police	21,036	17,670	105,179	97,502	252,430	38.6%	
Tactical	65,423	47,419	327,117	275,542	785,080	35.1%	
Patrol and Response	660,422	537,070	3,302,108	3,081,765	7,925,058	38.9%	
Traffic	74,321	58,816	371,604	328,539	891,850	36.8%	
Investigations	93,066	79,521	465,329	430,853	1,116,790	38.6%	
Community Relations	21,753	17,728	108,763	100,914	261,030	38.7%	
Communications	49,853	-	249,263	243,611	598,230	40.7%	
Canine	12,528	16,704	62,642	93,800	150,340	62.4%	
Special Services	20,713	7,889	103,563	61,113	248,550	24.6%	
Records	32,895	28,717	164,475	139,150	394,740	35.3%	
Administrative Services	67,382	57,048	336,908	289,401	808,580	35.8%	
Total Police	1,333,662	1,042,732	6,668,312	6,098,055	16,003,948	38.1%	41.7%
Fire Department							
Administration	61,403	61,601	307,017	320,411	736,840	43.5%	
Public Education	10,092	10,184	50,458	38,363	121,100	31.7%	
Suppression	514,628	376,216	2,573,140	2,179,757	6,175,535	35.3%	
Emer. Med. Serv.	389,962	311,137	1,949,808	1,782,172	4,679,540	38.1%	
Prevention	42,318	24,411	211,592	241,671	507,820	47.6%	
ESDA	-	(16)	-	-	-	N/A	
Fire Stations	6,184	1,499	30,921	17,550	74,210	23.6%	
Total Fire	1,024,587	785,032	5,122,935	4,579,924	12,295,045	37.3%	41.7%
Public Works Department							
Administration	26,791	27,462	133,954	131,375	321,490	40.9%	
Snow/Ice Control	148,288	133,176	741,442	925,237	1,779,460	52.0%	
Pavement Maintenance	30,923	31,829	154,617	140,100	371,080	37.8%	
Forestry	84,355	65,222	421,775	292,741	1,012,260	28.9%	
Facilities	79,893	68,601	399,467	327,437	958,720	34.2%	
Fleet Services	122,703	72,964	613,517	407,126	1,472,440	27.6%	
F.A.S.T.	23,873	28,855	119,367	81,022	286,480	28.3%	
Storm Sewers	16,858	14,676	84,292	75,286	202,300	37.2%	
Traffic Control	51,411	60,047	257,054	230,510	616,930	37.4%	
Total Public Works	585,097	502,831	2,925,483	2,610,833	7,021,160	37.2%	41.7%

OPERATING REPORT SUMMARY

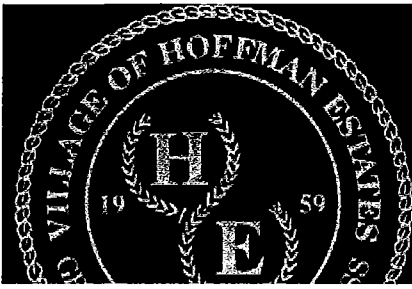
EXPENDITURES

May 31, 2009

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Development Services							
Administration	17,246	13,455	86,229	66,042	206,950	31.9%	
Planning	40,950	41,516	204,750	200,019	491,400	40.7%	
Code Enforcement	98,729	87,406	493,646	434,738	1,184,750	36.7%	
Transportation & Engineering	92,798	80,164	463,988	406,341	1,113,570	36.5%	
Economic Development	34,256	257,388	171,279	341,898	1,319,070	25.9%	
Total Development Services	283,978	479,929	1,419,892	1,449,037	4,315,740	33.6%	41.7%
Health & Human Services	58,926	52,524	294,629	245,035	707,110	34.7%	41.7%
Miscellaneous							
4th of July	405	405	23,235	23,011	155,520	14.8%	
Police & Fire Comm.	3,577	159	17,883	1,887	42,920	4.4%	
Misc. Boards & Comm.	26,375	10,016	131,875	53,602	316,500	16.9%	
Misc. Public Improvements	5,181	4,797	122,154	119,990	1,245,200	9.6%	
Total Miscellaneous	35,538	15,378	295,148	198,489	1,760,140	11.3%	41.7%
Total General Fund	3,613,642	3,147,972	18,310,609	16,559,991	45,796,423	36.2%	41.7%
Water & Sewer Fund							
Water Department	904,719	765,733	4,523,596	3,486,987	10,856,630	32.1%	
Sewer Department	271,993	150,579	1,359,967	696,377	3,263,920	21.3%	
Billing Division	72,213	66,035	361,067	281,823	866,560	32.5%	
Bond & Interest Division	-	146,548	-	146,548	-	N/A	
Debt Service Division	129,895	129,894	129,895	129,894	333,310	39.0%	
Capital Projects Division	-	-	-	-	2,830,000	0.0%	
Total Water & Sewer	1,378,821	1,258,788	6,374,524	4,741,629	18,150,420	26.1%	41.7%
Motor Fuel Tax	109,000	104,456	429,500	414,719	1,495,730	27.7%	
Community Dev. Block Grant Fund	176,555	176,555	259,362	259,361	310,480	83.5%	
EDA Administration Fund	376,951	303,244	1,884,753	1,611,648	4,523,410	35.6%	
Asset Seizure Fund	15,378	9,636	92,261	70,877	258,530	27.4%	
Municipal Waste System	100,486	99,267	502,429	560,137	1,205,830	46.5%	
Sears EDA General Account	-	-	-	10,181,363	-	N/A	
Insurance	148,916	153,123	744,579	1,124,635	1,786,990	62.9%	
Information Systems	116,628	92,533	583,138	753,381	1,399,530	53.8%	
Roselle Road TIF	-	2,327	2,048,750	2,675,736	2,048,750	130.6%	
TOTAL OPERATING FUNDS	6,036,376	5,347,902	31,229,904	38,953,476	76,976,093	50.6%	41.7%
2001 G.O. Debt Service	72,675	72,675	72,975	72,975	1,765,950	4.1%	
1997 A & B G.O. Debt Service	45,705	45,701	45,705	45,701	547,010	8.4%	
2003 G.O. Debt Service	38,265	38,261	38,265	38,261	967,130	4.0%	
2004 G.O. Debt Service	63,210	63,206	63,460	63,456	961,920	6.6%	
2005A G.O. Debt Service	-	-	-	-	3,905,860	0.0%	
2005 EDA TIF Bond Fund	73,624	64,199	11,460,621	11,499,831	11,983,490	96.0%	
2008 G.O.D.S. Fund	499,600	389,683	499,600	389,933	999,200	39.0%	
2009 G.O. Debt Service	-	252,309	-	252,309	-	N/A	
TOTAL DEBT SERV. FUNDS	793,079	926,036	12,180,626	12,362,467	21,130,560	58.5%	41.7%

OPERATING REPORT SUMMARY
EXPENDITURES
May 31, 2009

	<u>CURRENT MONTH</u>		<u>YEAR-TO-DATE</u>		<u>ANNUAL BUDGET</u>	<u>%</u>	<u>BENCH-MARK</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>BUDGET</u>	<u>ACTUAL</u>			
Hoffman Blvd Bridge Maintenance	625	-	3,125	-	7,500	0.0%	
Traffic Improvement Fund	8,333	-	41,667	-	100,000	0.0%	
EDA Series 1991 Project	174,785	14,533	873,925	72,665	2,097,420	3.5%	
Central Area Rd. Impr. Imp. Fee	6,250	-	31,250	-	75,000	0.0%	
2008 Capital Project	1,137,865	1,181,430	2,274,281	2,317,846	6,010,850	38.6%	
2009 Capital Project	2,031	2,031	6,329,777	6,329,777	15,290,000	41.4%	
Western Area Rd Improve Imp. Fee	6,250	-	31,250	324	75,000	0.4%	
Capital Improvements Fund	-	5,313	-	13,560	3,250,540	0.4%	
Capital Vehicle & Equipment Fund	-	-	31,400	123,769	31,400	394.2%	
Capital Replacement Fund	16,682	301	83,408	212,326	200,180	106.1%	
TOTAL CAP. PROJECT FUNDS	1,352,821	1,203,609	9,700,084	9,070,268	27,137,890	33.4%	41.7%
Police Pension Fund	203,456	207,016	1,017,279	1,023,076	2,441,470	41.9%	
Fire Pension Fund	190,698	207,482	953,492	1,016,324	2,288,380	44.4%	
TOTAL TRUST FUNDS	394,154	414,498	1,970,771	2,039,399	4,729,850	43.1%	41.7%
TOTAL ALL FUNDS	8,576,430	7,892,045	55,081,385	62,425,610	129,974,393	48.0%	41.7%



Village of Hoffman Estates Information Systems Department

2009 MAY MONTHLY REPORT

Contents

Geographic Information System Monthly Review.....	2
SPS Monthly Review	3
eGovPLUS Update	4
Technical Support Hardware & Software Activities	5
Total Work Orders by Priority by Month.....	7
Toner Usage by Department	9
System and Data Functions.....	10
Virus and Spam Report	11

Geographic Information System Monthly Review

Clerk's Office

Provided a map showing municipalities around the Village of Hoffman Estates with a 20 mile buffer line around the Village boundaries to identify valid locations for liquor licensing.

Transportation & Engineering

Cropped segments of the current aerial photo and selected GIS data layers for use by Christopher B Burke Engineering, LTD. The photo and data include portions of Salem Drive and Bode Road for which there is a joint road reconstruction project with the Village of Schaumburg.

Miscellaneous

Created base map documents to illustrate the wireless access range at the various Village buildings where wireless access points are installed. Access range locations were plotted at Fire Station 21.

The street name and type validation project is complete. The parcel, address point, and street centerline files have been updated as were various street index lists for use with Police and Village maps, and street name label files for all maps. The list of parks within the Village and the identification of private streets were updated for inclusion in the street index lists.

After completion of the street name index file for the Village map, a new version is available, updated for 2009.

SPS Monthly Review

Several meetings were held beginning with the kickoff meeting on May 8 for the Automated Ticket Writer implementation. We determined that several adjustments to the custom request for the upload to Citations in CommunityPLUS would be necessary. During the kickoff meeting, it was explained that the upload to Citations from the APS Auto-ticket software would require an interface application screen that would be used to determine the match to existing entities or the creation of a new entity for each violation. This application screen would be on a per violation basis. The next three meetings were held to discuss technical details and determine data needed in both software applications. The table data for our locations, statutes, violations, and various other tables that will become the lookup tables in APS's software were provided to APS. Still remaining is to determine how the log file used to capture the query data from NWCD to populate APS and, subsequently, Citations in CommunityPLUS will be created and what happens when the new client is installed in the next year.

In order to standardize our data with the Post Office, we converted all "Avenue" addresses in CommunityPLUS and FinancePLUS to have the abbreviation of AVE instead of the legacy abbreviation AV that originally came from NWCD. New documentation was sent to all users advising of the change and the new method going forward.

A survey was sent to the village staff that regularly uses SPS applications to determine if there is interest in forming a User Group for the purposes of sharing information regarding the use and business processes related to those applications. Of the 44 sent, 19 responses (43%) were returned. Of those 19, 15 (79%) expressed an interest in participating in such a group, either on a monthly or quarterly basis. In light of recent staff reductions, going forward with this group may not be possible for the foreseeable future. We will revisit this idea as time permits.

Entity Training was provided to several users this month.

New license categories for the Park District were added to the Business Licensing application.

Business process analysis of the current method of tracking Elevator Inspections was performed. Then, we researched the viability of the variety of inspection options available in CommunityPLUS to determine the best fit for tracking and billing semi-annual elevator inspections and new and remodeled elevator permits. Of the options available, it seems that either Fire & Safety Inspections or Business Licensing Inspections would be the most useful for this purpose. The goal is to have a process flow that would end with notification to Accounts Receivable of the proper amounts to be billed on a timely basis.

Permit Type and Fee Tables were modified to provide for categorization of Permit Fees collected for New and Existing, Residential and Commercial Permits for reporting purposes and to provide a more user-friendly selection process when applying for permits. This will flow through to the eGovPLUS Permitting application, once it is made available to our constituents.

eGovPLUS Update

A presentation was made to the TAG group of the look and functionality of the eGovPLUS Constituent Portal. The possible uses of each application were reviewed and sample accounts were displayed so that they would see what a constituent will see.

Testing continues on the UB application in eGovPLUS and several issues were identified and resolved in May. Resolved are the thirty-character Entity Name activation limitation, issues with lengthy email addresses, the handling of address ranges in the service address field in the bill file that will be utilized for account activation by account holders. Some data issues were also identified and one that had to do with old batch files that were creating pending payments on some accounts was resolved and we continue to work on several others. Our goal is to present an accurate, understandable account summary for UB account holders and a simplified activation process.

We are working with SPS and Illinois ePay to create the Payment Gateway that will enable their ePay process to be integrated with eGovPLUS and thereby flow into our Cash Receipts application electronically and eliminate the need for Illinois ePay payments to be entered one at a time into Cash Receipts as is currently done.

One of the next steps is to work with Vision Internet, our Hoffman Estates Web Developer to create links and customize the eGov portal to our preferences.

Technical Support Hardware & Software Activities

Project – Wireless

The Dragon Wave wireless radios and transmitters were installed and configured on the Beverly, Stonington and Westbury Water towers. Our switches were also installed and configured and we were able to maintain a valid connection between each of the towers.

We secured a vendor who is able to install fiber as well as terminate and test the end to end connections. Pirtano Construction Company will perform the following:

- Install, terminate and test 24 fibers between the Westbury water tower and Fire Station 23.
- Install, terminate and test 24 fibers between the Public Works facility on Pembroke Ave. to the 96 fiber installed running beneath the toll way and connecting to the NIU fiber.
- Install, terminate and test 96 fibers from the handhold outside the new Fire Station 24 on Beacon Pointe to the inside of the station in the computer room.

Once complete, each fire station will have true high speed access back to the Village Hall's data center. In addition, the phone system that was installed over a year ago at each station will be reconfigured function as it was originally designed.

Project – Fiber Bid

We received four bid proposals for the fiber optic run from the current Police Department location to the new location on Higgins Rd. Bids will be evaluated for the criteria we stipulated and awarded sometime in June.

Project – Wireless Access Points

Information Systems Department continued to map and plot the range of the various Village access points. The maps have been created in our Wireless Control Software giving us the ability to visually see what ranges we can expect from our access points and where to better place future access points for better coverage.

Department Meeting - Police

John Peebles met with Lt. Rich Russo and ASO Bob Kravetz to discuss issues revolving around the RMS program and permission problems. He was able to sit with Lt Russo and speak with the vendor technician to see the problem.

Department Meeting – Fire

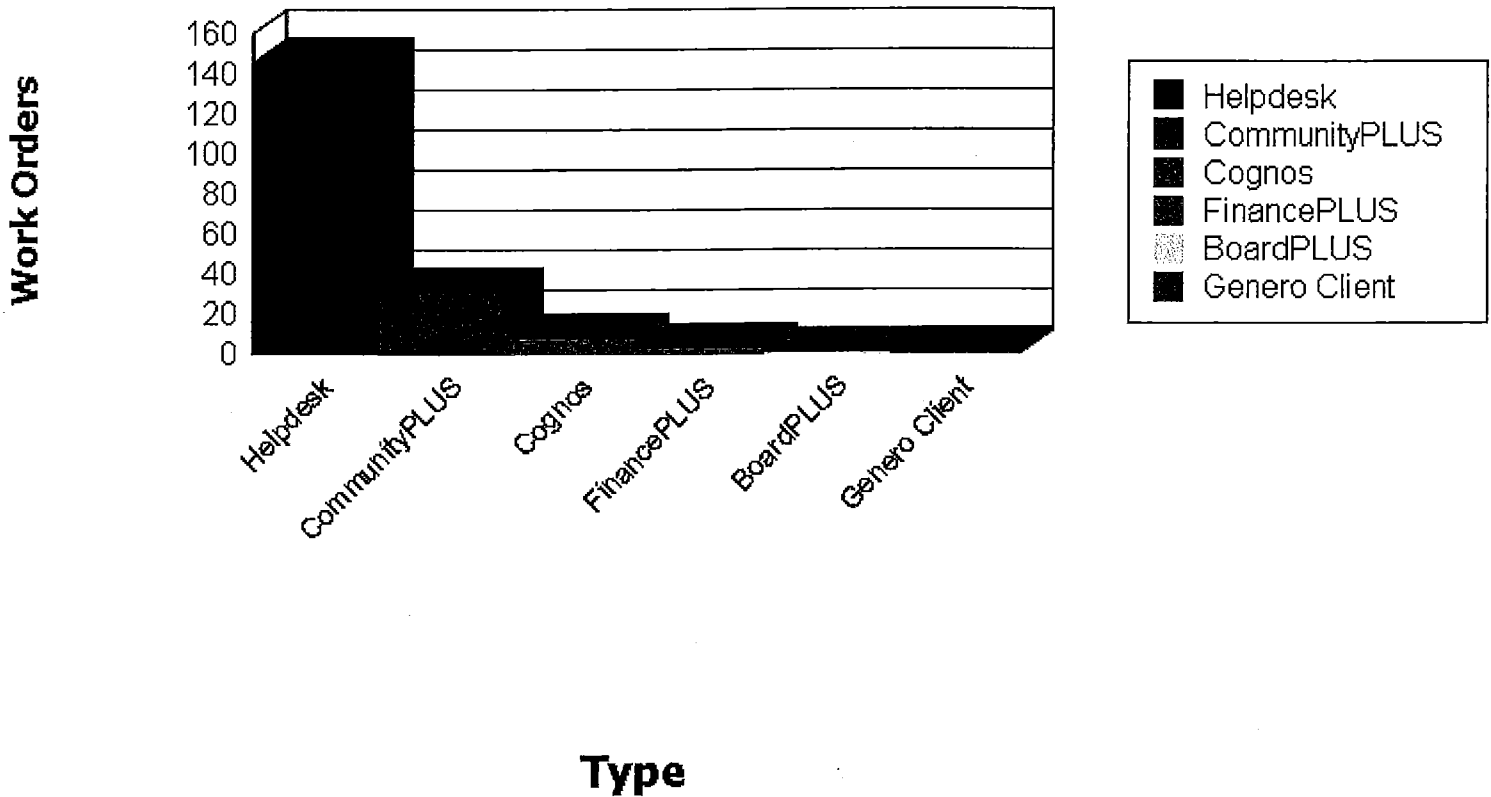
There were no department meetings with Fire personnel due to scheduling conflicts.

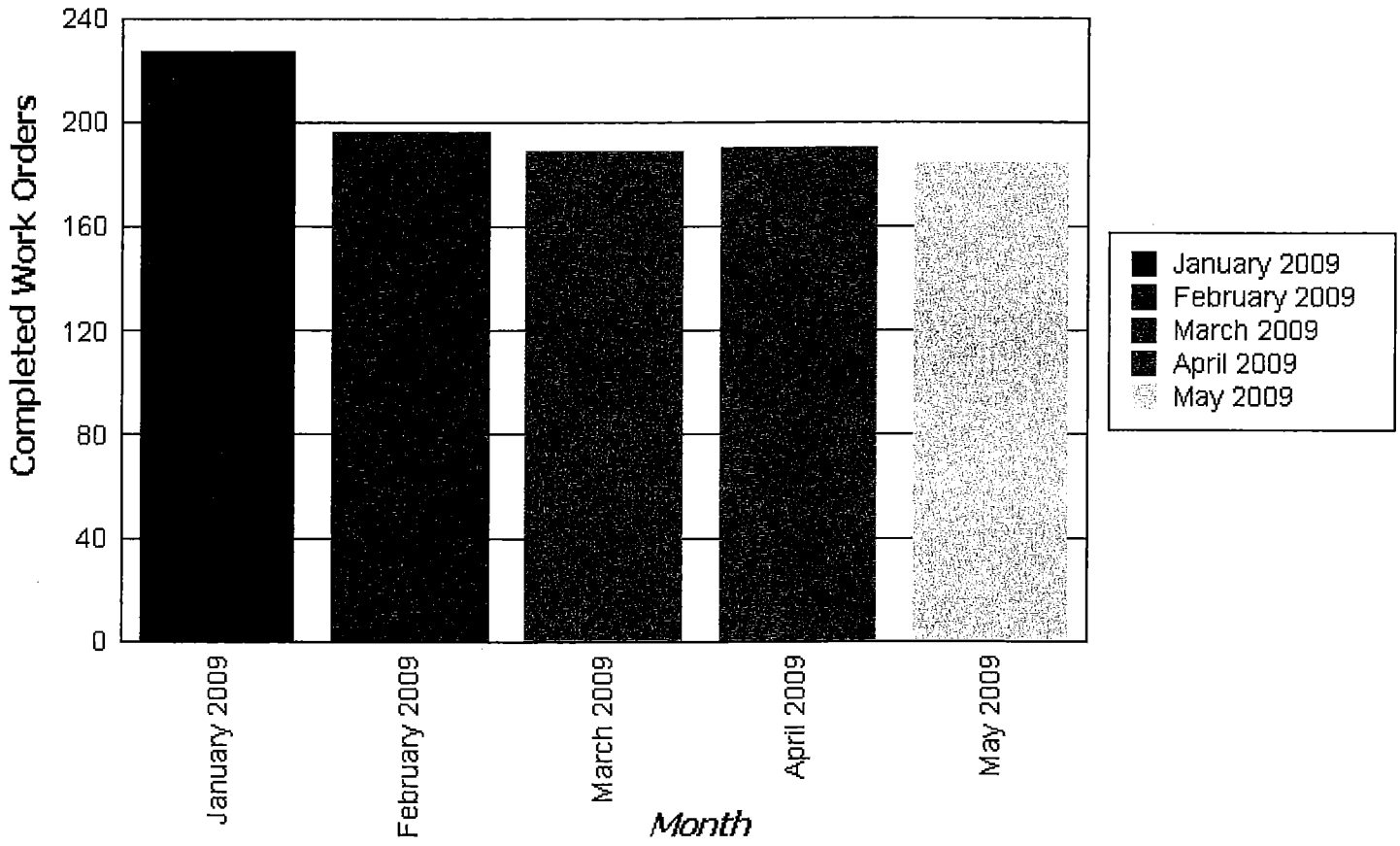
Training

Darek Raszka attended the Cisco Certified Network Associate (CCNA®) boot camp. This set of curriculum validates the ability to install, configure, operate, and troubleshoot medium-size route and switched networks, including implementation and verification of connections to remote sites in a WAN. CCNA curriculum includes basic mitigation of security threats, introduction to wireless networking concepts and terminology, and performance-based skills.

Total Work Orders by Priority by Month

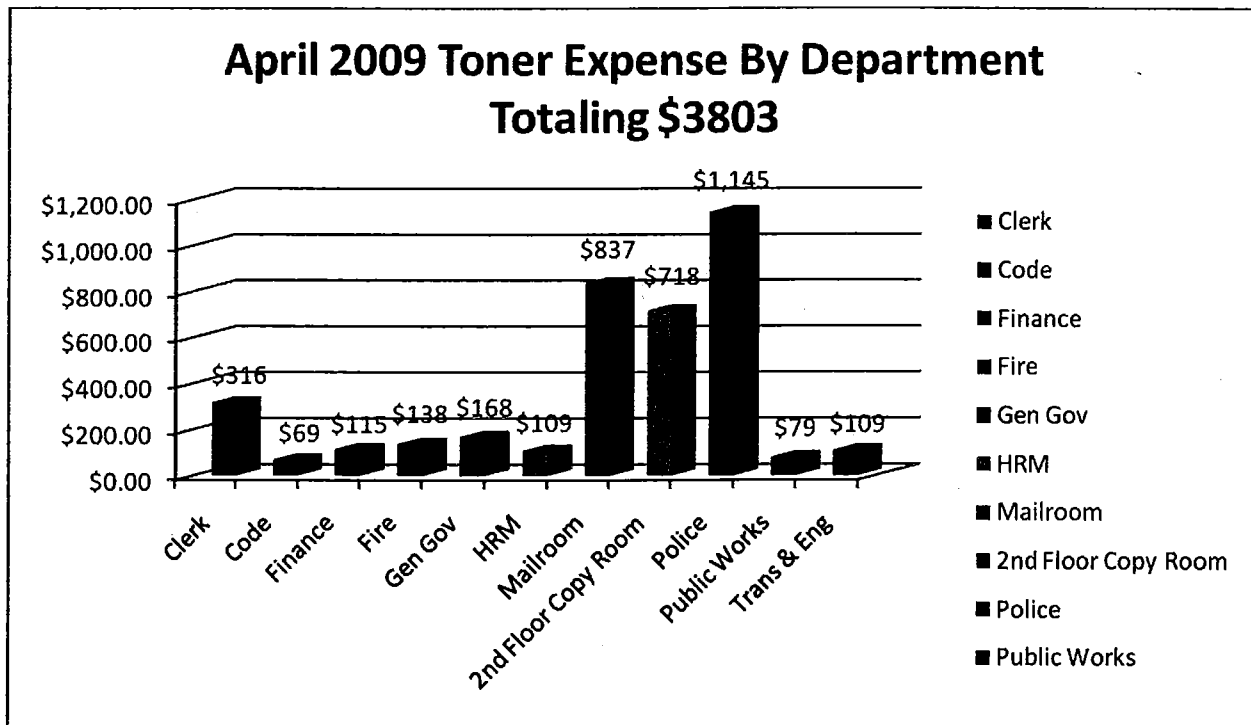
1 - Urgent	13
2 - High	7
3 - Medium	8
4 - Normal	141
Project	4
Scheduled Event	10
Vendor intervention required	7
Total for Month	190





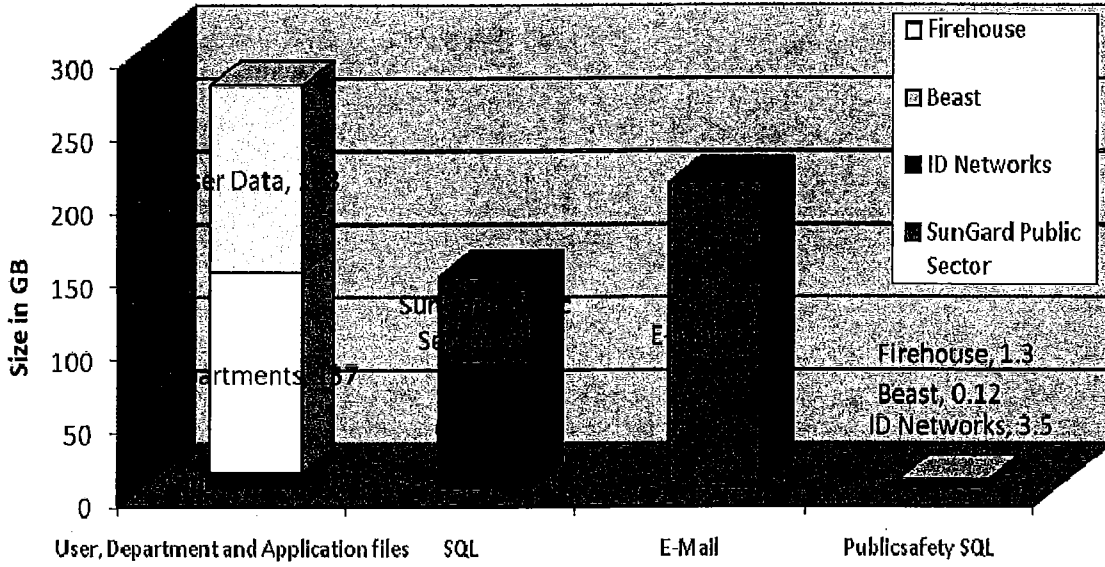
Toner Usage by Department

The following chart shows the toner usage for the month of May, 2009. The cost of toner usage totals approximately \$3803 for the period. The cost associated with these replaced toner cartridges is displayed below by department:



System and Data Functions

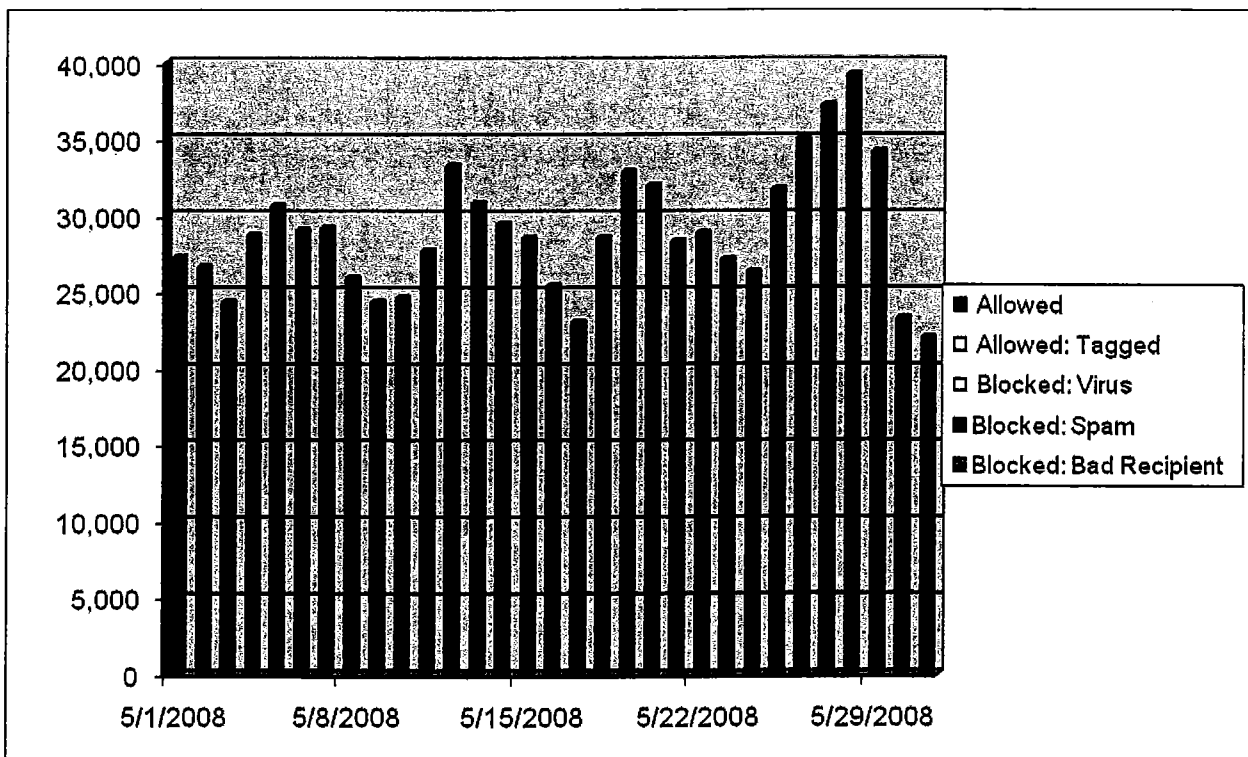
Disk Usage



Virus and Spam Report

In the month of May the Barracuda blocked over 845,000 spam emails from entering the Village of Hoffman Estates email system. The use of the Barracuda keeps our Exchange server running efficiently.

Of all the email trying to get into our system this month, 95% consisted of spam and viruses.



Blocked: Bad Recipient	Blocked: Spam	Blocked: Virus	Allowed: Tagged	Allowed	Total Received
2,023	845,408	583	1,163	44,703	893,880

John G. Shaw