

Village of Franklin Park, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2016



Village of Franklin Park, Illinois

**Comprehensive Annual Financial Report
with Supplemental Information
For the Fiscal Year Ended April 30, 2016**

Village of Franklin Park, Illinois

Contents

Introductory Section

List of Principal Officials	i
Letter of Transmittal	ii-v
Organization Chart	vi
Certificate of Achievement for Excellence in Financial Reporting	vii

Financial Section

Report Letter	1-3
Management's Discussion and Analysis	4-18
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	19-20
Statement of Activities	21-22
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet	23
Reconciliation of the Balance Sheet to the Statement of Net Position	24
Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	25
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) to the Statement of Activities	26
Proprietary Funds:	
Statement of Net Position	27-28
Statement of Revenue, Expenses, and Changes in Net Position	29
Statement of Cash Flows	30-31
Fiduciary Funds:	
Statement of Fiduciary Net Position	32
Statement of Changes in Fiduciary Net Position - Pension Trust Funds	33
Notes to Financial Statements	34-82

Village of Franklin Park, Illinois

Contents (Continued)

Required Supplemental Information	83
Budgetary Comparison Schedule - General Corporate Fund	84
Notes to Required Supplemental Information	85
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund Regular Plan	86
Schedule of Village Contributions - Illinois Municipal Retirement Fund Regular Plan	87
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)	88
Schedule of Village Contributions - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)	89
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Police Pension Fund	90
Schedule of Village Contributions - Police Pension Fund	91
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Firefighters' Pension Fund	92
Schedule of Village Contributions - Firefighters' Pension Fund	93
OPEB System Schedule	94
Other Supplemental Information	95
Nonmajor Governmental Funds:	
Combining Balance Sheet	96-98
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	99-101
Budgetary Comparison Schedules	102-114
Fiduciary Funds:	
Statement of Assets and Liabilities	115
Combining Statement of Changes in Fiduciary Net Position	116
Statement of Changes in Assets and Liabilities	117

Village of Franklin Park, Illinois

Contents (Continued)

Statistical Section

Description of Statistical Section	118
Financial Trend Information:	119
Statement of Net Position by Component - Last Ten Fiscal Years	120
Changes in Net Position - Last Ten Fiscal Years	121-124
Governmental Fund Balances - Last Ten Fiscal Years	125
Changes in Fund Balances - Last Ten Fiscal Years	126-127
Revenue Capacity Information:	128
Assessed Value and Actual Value of Taxable Property - Last Ten Calendar (Tax) Years	129
Representative Property Tax Rates - All Direct and Overlapping Governments - Last Ten Calendar (Tax) Years	130
Principal Taxpayers - Calendar (Tax) Years 2015 and 2005	131
Property Tax Levies and Collections - Last Ten Fiscal Years	132
Sales Tax Receipt Analysis by Sector - Last Ten Calendar Years	133
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	134
Debt Capacity Information:	135
Ratio of Total Debt to Equalized Assessed Valuation and Personal Income and Total Debt Per Capita - Last Ten Fiscal Years	136
Schedule of Bonded Debt Retirement	137
Schedule of Direct and Overlapping Debt	138
Debt Limit	139
Demographics and Economic Information:	140
Demographic Statistics	141
Major Employers Located Within Village Limits	142
Operating Information:	143
Operating Information and Indicators	144
Capital Assets Statistics	145
Full-time Equivalent Employees	146

Introductory Section

PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2016

BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Barrett F. Pedersen	President	2017
Tommy Thomson	Clerk	2017
Karen Special	Trustee	2017
John Johnson	Trustee	2017
Cheryl McLean	Trustee	2019
Jimmy Caporusso	Trustee	2019
Andy Ybarra	Trustee	2017
Bill Ruhl	Trustee	2019

VILLAGE DEPARTMENT HEADS

Lisa Anthony	Health Department
John Schneider	Community and Economic Development Department
Lisa Manzo	Building Department
Ron Heller	Administration and Finance Department
William Brehm	Fire Chief
Joe Lauro	Public Works Department
Thomas Dailly	Information Technology
Michael Witz	Chief of Police

OFFICIAL ISSUING REPORT

Ron Heller	Comptroller
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DIVISION ISSUING REPORT

Administration and Finance Department



**VILLAGE OF FRANKLIN PARK
RONALD I. HELLER, COMPTROLLER**

October 25, 2016

To the Mayor, Village Board and Citizens of Franklin Park:

This is the village's sixth Comprehensive Annual Financial Report (CAFR) and, like its predecessors, is being submitted to the GFOA for consideration under its prestigious *Certificate of Achievement for Excellence in Financial Reporting* program. We were both pleased and gratified to have earned this award with our first five CAFR's. Simply put, it means that we have achieved ".....the highest standards in government accounting and financial reporting" over the past three fiscal years.

It should be noted that this CAFR consists of management's representations concerning the village's finances, and that management assumes full responsibility for its completeness, accuracy and reliability.

To assure a reasonable basis for making these representations, the village has established an internal control framework that is designed to both protect village assets from theft, loss and/or misuse, and to retain sufficiently reliable information to allow for the preparation of its financial statements in accordance with *Generally Accepted Accounting Principles (GAAP)*.

With respect to these internal controls and the retention of information, the village's goal is to provide reasonable, rather than absolute assurances that the financial statements are free of misstatements. This is based on the principle that the cost of internal controls should not exceed their intended benefits.

Plante & Moran PLLC, independent certified public accountants, has issued an unmodified opinion on the Village's financial statements for the fiscal year ended April 30, 2016. Their opinion is presented at the beginning of this report's financial section.

Management's Discussion and Analysis (MD&A) immediately follows the auditor's opinion and provides a narrative overview and analysis of the village's basic financial statements and complements this letter of transmittal. Thus this letter of transmittal and MD&A should be read and considered together.

VILLAGE GOVERNMENT PROFILE

General Description

The Village of Franklin Park, incorporated in 1892, is located in western Cook County, approximately 15 miles northwest of Chicago's Loop. The village is bordered on the north by the Village of Schiller Park, and Chicago - O'Hare International Airport; on the east by the Village of River Grove and several Cook County Forest Preserve facilities; on the south by the Village of Melrose Park, the City of Northlake and portions of unincorporated Leyden Township; and to the west by the Village of Bensenville.

Form of Government

The village operates under a mayor/village board form of government in which the village president, or mayor, presides over a six-member board of trustees. The mayor and board of trustees determine the compensation of all village officers and employees, levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and general affairs of the village.

The mayor is also the chief executive officer of the village and possesses the power to appoint officers, and to veto ordinances, resolutions and any expenditure. The village clerk is the administrative official responsible for daily operations in the Village Hall. The mayor, clerk and trustees are all elected at large to four-year terms.

Village Services

The village provides the following services: public safety (consisting of police, fire and emergency medical transportation), highways and streets, sanitation, health and social services, public improvement, planning and zoning, and general administrative services. Police protection is provided by the village's police department. Paramedic and fire protection is provided by the village's fire department. The village currently employs approximately 170 full-time employees.

The village owns and operates its water distribution and sanitary sewer collection system. Lake Michigan water is purchased from Chicago, while sanitary sewerage disposal service is provided by the Metropolitan Water Reclamation District of Greater Chicago. School facilities are provided by school district Nos. 81, 83, 84, 84½ and Community High School District No. 212. The village is also served by Triton Community College District No. 504.

Budgeting

The annual appropriation ordinance is the legal document under which village resources are generated and expended. This document is based on an annual budget, which is developed at the department level, reviewed by administration and then becomes the subject of public hearings by the full board and/or its finance committee. Once the budget has been developed, the appropriation ordinance is derived from it and voted upon by the board in open session. It is the budget, however, that village administration uses as its principal management tool and standard by which to measure financial performance.

ECONOMIC AND FINANCIAL NEXUS

Economic Base

Because of its proximity to Chicago – O'Hare International Airport and the presence of one of the nation's largest rail freight yards, the village has long been an important industrial center; traditionally ranked the third or fourth largest in Illinois. Indeed, over the past ten years, industrial property has accounted for an average 56.7% of the village's equalized assessed value (EAV): When combined with commercial and railroad property, the three classes have averaged 67.8% of the village's EAV over the same period. Of some note, the village is the only place on the planet where Baby Ruth and Butterfinger candy bars are manufactured.

Economic Condition

Despite the presence of this inherent and powerful economic engine, or, perhaps because of it, the village is subject to economic cyclicity and has been affected in no small way by recent economic trends.

As an essentially blue collar community, the village is subjected to the more or less natural ups and downs of the national, regional and local economies.

That said, I am pleased to note several signs of improvement. Specifically, the unemployment rate, which peaked at 13.8% in CY10, has since receded to 5.1%. At the same time, sales tax revenue, which, in FY14, hit its lowest point in the previous ten years, rebounded nicely in FY15, but fell off a bit in FY16. Still, we feel the sales tax trend remains positive. (Additionally, the village's one percent non-home rule sales tax (all proceeds of which are dedicated to road repair), produced \$1.5 million in FY16.

Village Finances

Despite the recent economy, its effect on our residents and its constraints on economically sensitive revenues such as sales and income taxes, in FY16 the village's general fund balance grew by \$1.1 million, and remains strong and stable at 25.0% of general fund expenditures.

Despite these positive signs, we still face significant challenges.

Infrastructure replacement and renewal, a nationally significant issue, continues to require a strong commitment, and will remain a challenge for the foreseeable future. Fortunately, village management has shown its commitment by providing both plans and dedicated funding sources.

- The FY 14 and 15 implementation of water and sewer rates is projected to provide sufficient cash flow to sustain a capital replacement program of between four and six million dollars annually over the next ten years.
- The FY15 referendum-approved one percent non-home rule sales tax is expected to generate approximately \$1.5 million annually and is fully dedicated to pay-as-you go road renewal and replacement.

Having made a very good beginning at these infrastructure issues, pension funding remains a challenge, consuming an ever-increasing share of village resources. As it is clear that no outside parties are likely to intervene in this growing problem, the village continues to search for ways to manage it, and expects to make a significant beginning at this during the coming year.

In the end, the Village's financial position has improved dramatically over the past five years, as evidenced not only by its capacity to address its infrastructure needs, but also by its ample reserves, financial flexibility and stability.

While this improvement is really its own reward, its acknowledgement by nationally recognized institutions is gratifying as well. First, Standard & Poor's awarded the village's general obligation its first ever investment grade rating ("BBB") in 2011 and then upgraded its GO rating two categories in November 2012 (to "A-") and then to "A+" in August 2014, where it remains today.

Second, the GFOA awarded our 2011 CAFR, the village's first, the Certificate of Excellence in Financial Reporting. Our four subsequent CAFR's have been similarly commended.

In sum, the village has been fortunate to have ridden out the recent recession without an inordinate amount of pain and sacrifice. To this we owe a solid core of active and involved residents, a workforce of well qualified employees fully dedicated to their jobs, a mayor and village board with a vision and a willingness to take the necessary risks and measures to advance the village's long-term interests.

THE FUTURE

Overall, it is expected that the village's financial health will continue to improve over the next several years as the economic recovery continues. Overall, village management anticipates that the economy will grow slowly for the foreseeable future.

Though overall revenue projections appear less constrained than in recent years, the village appears to be at the forefront, at least with respect to its local peers, in rationally addressing its infrastructure needs. Indeed, infrastructure renewal is and will be the major focus of village management for some time to come.

In sum, those responsible for the village's direction believe the new paradigm for municipal government lies somewhere between doing *more* with less and doing *less* with less. Accordingly, village administration and the board of trustees are focused not only on cost saving measures, but also on the proper and appropriate role of village government with an eye toward distilling services down to an optimal array.

ACKNOWLEDGEMENTS

The preparation of this report, indeed, the substantive results achieved in FY16 would not have been possible without the dedication, cooperation and assistance provided by all village personnel.

Deserving of special note, particularly in the preparation of this document are Deputy Comptroller Cynthia Perez, Health and Human Resources Director Lisa Anthony, Fire Chief Bill Brehm, Police Chief Michael Witz, Utilities Commissioner Joseph Lauro, Community Development Director John Schneider, Village Clerk Tommy Thomson and IT Manager Tom Dailly. Additionally, consultant Rob Romo was invaluable in this process.

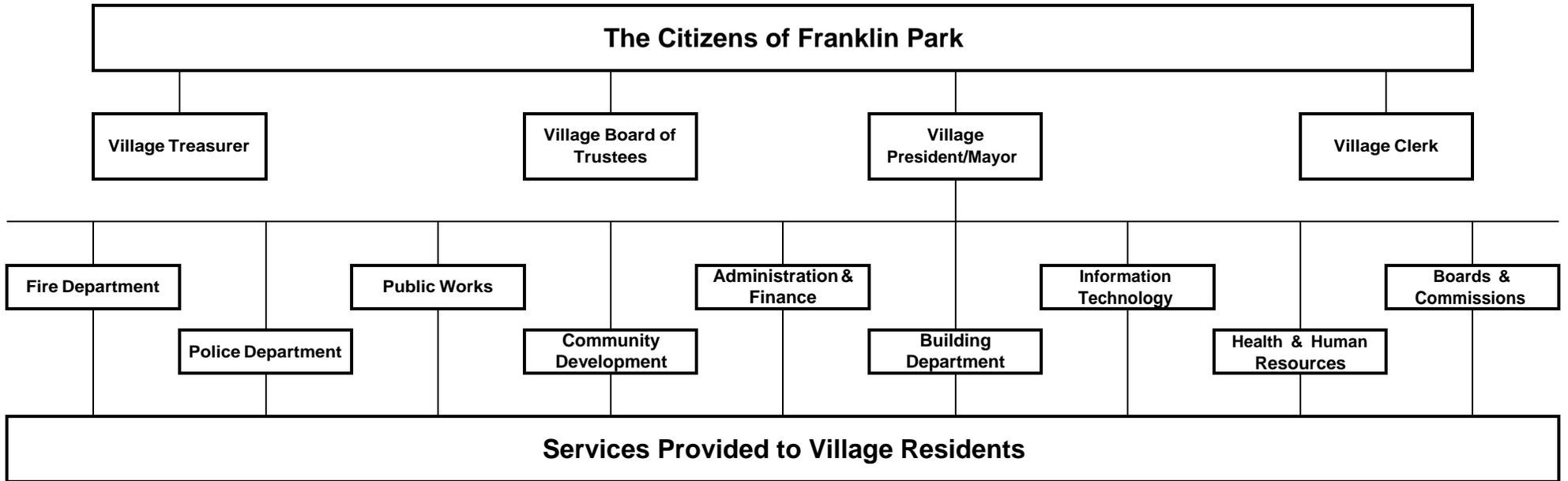
Finally, the financial results achieved this past year would not have been possible without the leadership of Village President Barrett Pedersen and the village trustees who collectively have chosen a direction that has allowed these achievements.

Respectfully submitted,



Ronald I. Heller
Village Comptroller

Village of Franklin Park, Illinois
Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Village of Franklin Park
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2015

Executive Director/CEO

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois (the "Village"), as of and for the year ended April 30, 2016, and the related notes to the financial statements, which collectively comprise the Village of Franklin Park, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represent all of the financial balances and activity of the Pension Trust Funds. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois as of April 30, 2016 and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, in fiscal year 2016, the Village adopted GASB Statement Number 68, *Accounting and Financial Reporting for Pensions*, which establishes accounting and financial reporting standards for defined benefit pensions provided to the employees of governmental employers through pension plans. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplemental information, as identified on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Franklin Park, Illinois' basic financial statements. The other supplemental information, introductory section, and statistical section schedules, as identified in the table of contents, are presented for the purpose of additional analysis and are not a required part of the basic financial statements.

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

The other supplemental information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplemental information is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2016 on our consideration of the Village of Franklin Park, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Village of Franklin Park, Illinois' internal control over financial reporting and compliance.

Plante & Moran, PLLC

October 25, 2016

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

As management of the Village of Franklin Park ("the village"), we are pleased to provide readers of the village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the village for the fiscal year ended April 30, 2016. As the MD&A is designed to focus on FY 16's activities, resulting changes and currently known facts, it should be read in conjunction with the village's financial statements. Comparative analysis with respect to the prior fiscal year is provided so that the reader may better discern the village's financial dynamics.

FINANCIAL HIGHLIGHTS

Among the more noteworthy changes to emerge from the FY16 audit are the following:

At the entity-wide level:

- Assets employed in governmental activities plus deferred outflows related to pensions increased \$17.3 million, while liabilities plus deferred inflows¹ increased \$71.9 million (\$70.9 million of which was due to the inclusion of the village's full net pension liability, per GASB 68). This resulted in a decrease in net position of \$54.6 million (of which \$52.1 million was adjusted through a restatement of beginning of year net position when implementing GASB 68).
- Revenues supporting governmental activities increased by \$4.4 million from FY15 while expenditures grew by \$2.3 million.
- Assets employed in business-type activities plus deferred outflows related to pensions increased \$5.0 million as liabilities plus deferred inflows increased \$5.5 million. As a result, business-type activities' net position fell by \$500 thousand.
- Business-type activity revenues increased \$1.8 million from FY15 while expenditures increased \$448 thousand.
- Total village assets plus deferred outflows increased \$22.4 million, and total liabilities plus deferred inflows increased \$77.5 million. As a result, total net position declined \$55.1 million. As noted above, this was mainly due to the implementation of GASB 68.
- Total village revenue increased \$6.2 million and total expenditures increased \$2.8 million.

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

- General fund assets increased \$1.4 million while liabilities plus deferred inflows increased by \$257 thousand, resulting in a \$1.1 million increase in fund balance.
- Governmental funds' assets increased by \$6.6 million, while liabilities and deferred inflows increased by \$3.5 million. Accordingly, governmental fund balances increased by \$3.2 million.
- General fund revenues increased by \$2.2 million from FY15 levels, while expenditures grew by about \$2.5 million. A net change in other sources of \$1.3 million resulted in a \$1.2 million fund balance increase.

¹ For the purpose of this presentation, deferred outflows and inflows are considered non-current assets and non-current liabilities, respectively.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

- Total governmental fund revenues increased \$4.2 million, while expenditures increased by \$6.3 million. There was a net positive swing of \$5.9 million in other sources, all of which resulted in a fund balance increase of \$3.2 million.
- Proprietary fund assets and deferred outflows grew by \$4.1 million, while liabilities and deferred inflows increased by \$4.6 million. Accordingly, net position decreased \$500 thousand.
- Proprietary fund operating revenues increased \$542 thousand while operating expenses grew by \$408 thousand, resulting in an operating loss of \$461 thousand. After giving effect to a net \$935 thousand in non-operating expenses, a \$1.2 million capital contribution and a transfer out of \$337 thousand, net position declined by \$516 thousand.

These results are described in more detail further below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the village's finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the village's assets and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

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

FUND FINANCIAL STATEMENTS

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

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

The village maintains 21 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 Corporate Fund, Corporate Bond and Interest Fund, and the Cullerton Avenue Fund. Information from the village's 18 other governmental funds is combined into a single column presentation. Individual fund information for these non-major governmental funds is provided elsewhere in the report.

The village maintains three types of proprietary, or enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The village uses enterprise funds to account for its water and sanitary sewer, garbage collection and commuter parking operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water and sanitary sewer, garbage collection and commuter parking funds. The village also maintains an internal service fund, which is considered a proprietary fund.

Fiduciary funds are used to account for resources held for the benefit of parties outside the village. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

OTHER INFORMATION

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the village's progress in funding its obligation to provide pension benefits to its employees. Non-major fund information can be found immediately following the required supplementary information.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET POSITION

The following table presents the condensed *Statement of Net position* (in millions of dollars) at April 30, 2016, with comparisons to April 30, 2015. The FY 15 figures do not include the impact of GASB 68.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>
<u>Assets:</u>						
Current Assets	\$15.6	\$19.0	\$0.7	\$1.7	\$16.3	\$20.7
Non-Current, Non-Capital Assets	1.0	1.3	5.5	0.0	6.5	1.3
Capital Assets	54.4	58.1	39.5	48.7	93.9	106.8
<u>Deferred Outflows Related to Pensions</u>	<u>0.0</u>	<u>9.9</u>	<u>0.0</u>	<u>0.4</u>	<u>0.0</u>	<u>10.3</u>
Total Assets	\$71.0	\$88.3	\$45.7	\$50.8	\$116.7	\$139.1
<u>Liabilities:</u>						
Current Liabilities	5.2	5.7	5.6	5.1	10.8	10.8
Non-Current Liabilities	56.0	126.8	21.9	28.1	77.9	154.9
<u>Deferred Inflows</u>	<u>7.5</u>	<u>8.1</u>	<u>0.7</u>	<u>0.5</u>	<u>8.2</u>	<u>8.6</u>
Total Liabilities and Deferred Inflows	\$68.7	\$140.6	\$28.2	\$33.7	\$96.9	\$174.3
<u>Net position:</u>						
Invested in Capital Assets, Net	13.3	14.4	21.5	20.0	34.8	34.4
Restricted	8.0	12.0	0.0	0.0	8.0	12.0
Unrestricted	<u>(19.0)</u>	<u>(78.7)</u>	<u>(4.0)</u>	<u>(2.9)</u>	<u>(23.0)</u>	<u>(81.6)</u>
Total Net Position	<u>\$2.3</u>	<u>(\$52.3)</u>	<u>\$17.5</u>	<u>\$17.1</u>	<u>\$19.8</u>	<u>(\$35.2)</u>

Total village assets plus deferred outflows grew by \$22.4 million (19.2%). Total village liabilities plus deferred net inflows increased by \$77.5 million (80.1%). Accordingly, total net position declined by \$55 million, to negative \$35.2 million. As noted above, this was primarily related to the implementation of GASB 68.

Governmental assets plus deferred outflows grew \$17.3 million (24.4%) due to a \$3.4 million increase in current assets and a \$13.9 million increase in non-current assets and deferred outflows.

The \$3.4 million increase in current governmental assets was entirely due to a 62.9% increase in cash, attributable to several increases in cash balances. Among the notable changes:

- The village received its first full year of non-home rule sales tax revenue, increasing this fund's cash balances by \$1.5 million.
- One of the village's TIF's experienced an increase of \$1.3 million, as \$825 thousand due from the water and sewer fund was liquidated.
- A \$1.2 million increase in bond and interest fund cash was due to not having made a correcting payment to the water and sewer fund in FY 16, as was the case in FY 15.

The \$13.9 million increase in non-current assets was largely due to the addition of \$9.9 million in deferred outflows associated with pensions, resulting from the implementation of GASB 68. Additionally, \$5.0 million in construction in progress was added in FY 16.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

Liabilities flowing from governmental activities grew \$71.9 million (4.9%) as current liabilities grew by \$441 thousand (8.4%) and non-current liabilities plus deferred inflows grew \$71.5 million, or 112.9%.

Current liabilities increased by \$441 thousand, largely driven by a \$260 thousand (12.9%) increase in payables as well as a \$109 thousand increase in the current portion of loans payable, and an \$85 thousand increase in the current portion of long-term debt.

Noncurrent liabilities more than doubled (\$71.6 million, 112.9%), which was principally driven by a \$66.4 million (1449.7%) increase in net pension liability due to the implementation of GASB 68. Two loans, totaling \$4.2 million, were incurred; \$2.9 in the form of a Department of Housing and Urban Development (HUD) loan, and \$1.3 million for equipment financing. The former funded a public/private project to renew and replace critical infrastructure in an industrial portion of the village. It is to be paid down by the affected property owners via special assessment (*not* by the village, which funded a \$300 thousand debt service reserve).

The \$1.3 million equipment financing funded the purchase of several trucks and various pieces of equipment, principally for the street department. Finally, the village's net OPEB obligation increased by \$1.8 million. This was partially offset by a \$1.4 million reduction in long-term debt.

STATEMENT OF ACTIVITIES

The following table presents the condensed *Statement of Activities* (in millions of dollars) at April 30, 2016, with comparisons to April 30, 2015. The FY 15 figures do not include the impact of GASB 68.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>
<u>Revenues</u>						
Program Revenues:						
Charges for Services						
General Government	\$1.2	\$1.1	\$0.0	\$0.0	\$1.2	\$1.1
Public Safety	1.6	1.6	0.0	0.0	1.6	1.6
Community Development	0.0	0.1	0.0	0.0	0.0	0.1
Building Department	1.0	1.8	0.0	0.0	1.0	1.8
Water & Sewer	0.0	0.0	11.1	11.6	11.1	11.6
Garbage	0.0	0.0	1.1	1.2	1.1	1.2
Commuter Parking Lot	0.0	0.0	0.1	0.1	0.1	0.1
Operating Grants/Contributions	0.3	0.5	0.0	0.0	0.3	0.5
Capital Grants/Contributions	0.4	2.3	0.0	1.2	0.4	3.5
General Revenues:						
Property Taxes	15.8	16.8	0.1	0.0	15.9	16.8
Unrestricted Intergovernmental Revenue ²	5.4	5.4	0.0	0.0	5.4	5.4
Public Service and State- Shared Taxes ³	4.6	4.9	0.0	0.0	4.6	4.9
<u>Other</u>	<u>1.1</u>	<u>1.3</u>	<u>0.0</u>	<u>0.1</u>	<u>1.1</u>	<u>1.4</u>
Total Revenues	\$31.4	\$35.8	\$12.4	\$14.2	\$43.8	\$50.0
<u>Expenses</u>						
General Government	7.4	6.8	0.0	0.0	7.4	6.8
Public Safety	16.6	19.4	0.0	0.0	16.6	19.4
Highways and Streets	6.0	6.5	0.0	0.0	6.0	6.5
Public Health	0.3	0.3	0.0	0.0	0.3	0.3

² Consists of sales and income taxes, both of which are collected and disbursed by the State. Although the village has some insight into the underlying dynamics of the sales tax, it has none into the workings of the income tax.

³ Consists of utility and other taxes

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

<u>Revenues</u>	Governmental Activities		Business-type Activities		Primary Government	
	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>
Community Development	1.0	1.2	0.0	0.0	1.0	1.2
Building Department	0.6	0.7	0.0	0.0	0.6	0.7
Interest on Long-Term Debt	2.2	1.5	0.0	0.0	2.2	1.5
Water & Sewer	0.0	0.0	12.0	12.6	12.0	12.6
Garbage	0.0	0.0	1.8	1.7	1.8	1.7
<u>Commuter Parking Lot</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>	<u>0.1</u>
Total Expenses	\$34.1	\$36.4	\$13.9	\$14.4	\$48.0	\$50.8
Transfers	(1.8)	0.3	1.8	(0.3)	0.0	0.0
Change in Net Position	<u>(\$4.5)</u>	<u>(\$0.3)</u>	<u>\$0.3</u>	<u>(\$0.5)</u>	<u>(\$4.2)</u>	<u>(\$0.8)</u>
Ending Net Position	<u>\$2.3</u>	<u>(\$52.3)</u>	<u>\$17.6</u>	<u>\$17.1</u>	<u>\$19.9</u>	<u>(\$35.2)</u>

Governmental Activities

Governmental activity revenues before transfers increased from FY 15 levels by \$4.4 million, or 13.8%, mostly due to several sources:

- Capital grant receipts grew by \$1.9 million, or almost fivefold, as two large grants (\$950 thousand and \$886 thousand) were awarded the village to undertake two significant projects; one was the reconstruction of a portion of the village's industrial area, the other was construction to accommodate new tollway activity.
- Property tax revenue increased by \$1.0 million (6.4%) due to large increases in police and fire protection revenues of \$475 thousand and \$548 thousand (25.8%, collectively), respectively.
- Building department revenue increased by \$820 thousand (84.1%) on the strength of several major private development projects and the resulting permitting activity.
- State shared revenue, excluding sales and income taxes grew \$264 thousand (5.7%) on increases in personal property replacement and telecommunications tax receipts, which increased by \$170 thousand (43.3%) and \$145 thousand (15.6%), respectively. The former was due to an accounting correction that occurred in FY15 that did not recur (actual amounts received were essentially flat), while the latter simply is, as the state collects and disburses state shared revenue without village input or participation.
- Operating grant revenue also increased, by \$250 thousand (91.5%), as stepped-up enforcement resulted in a \$305 thousand (more than sevenfold) increase in confiscated assets conveyed to the village via grant.

These gains were slightly offset by small declines in general government charges for services and (combined) sales and income tax revenues. The former declined by \$72 thousand (6.3%), the latter by \$28 thousand (0.5%).

Governmental activity expenditures grew by \$2.3 million (6.6%), led by public safety and highways and streets.

- Public safety expenditures increased by \$2.8 million (16.8%), almost all of which can be ascribed to increased pension expense (\$2.7 million, or 77.9%) resulting from the implementation of GASB 68. Additionally, salary expense grew by \$501

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

thousand (6.9%) due to both negotiated wage increases and higher police and fire staffing levels. This was offset by a reduction of \$586 thousand in compensated absence expense, due to the fact that the liability increase from FY15 to FY16 was not as significant as the prior year.

- Highway and street expenditures grew by \$507 thousand (8.5%) as the village made several equipment purchases totaling \$750 thousand. Other expenditures increased significantly as well, including new construction of \$3.7 million, street patching (\$966 thousand, 392.1%) and design & engineering costs of \$752 thousand (920.0%). Offsetting much of these increases was the capitalization of a number of projects, which decreased total expenditures by \$5.7 million.
- Community development expenses increased by \$202 thousand (20.6%) due to a one-time \$200 thousand payment to an overlapping government within a TIF district.
- Building department expenditures grew \$70 thousand (10.9%) due to increased review and inspection costs attributable to significant new private development.

On the other side of the ledger, general government expenditures declined \$632 thousand (8.5%) due largely to a \$342 thousand (18.8%) decrease in health insurance costs due to reallocation, and a \$341 thousand (94.5%) decline in several capital expenditure categories. Additionally, interest on long-term debt declined by \$743 thousand (33.5%) due both to debt retirements and refundings.

FINANCIAL ANALYSIS OF VILLAGE FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance* (in millions of dollars) at April 30, 2016, with comparisons to April 30, 2015.

	General Corporate Fund		Other Governmental Funds		Total Governmental Funds	
	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>
<u>Revenues</u>						
Property Taxes	\$10.9	\$11.7	\$4.9	\$5.1	\$15.8	\$16.8
Intergovernmental Revenue						
Sales Tax	3.4	3.5	0.0	0.0	3.4	3.5
Income Tax	1.9	1.9	0.0	0.0	1.9	1.9
Utility Taxes	3.2	3.3	0.0	0.0	3.2	3.3
Other Taxes	0.9	1.1	0.5	0.5	1.4	1.6
Licenses, Permits, Fees	1.7	2.6	0.0	0.0	1.7	2.6
Grants	0.4	0.4	0.3	1.8	0.7	2.2
Other Revenue	1.1	1.2	0.0	0.1	1.1	1.3
Fines and Forfeitures	0.6	0.7	0.1	0.3	0.7	1.0
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<u>Charges for Services</u>	<u>1.2</u>	<u>1.1</u>	<u>0.2</u>	<u>0.2</u>	<u>1.4</u>	<u>1.3</u>
Total Revenues	25.3	27.5	6.0	8.0	31.3	35.5

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

	General Corporate Fund		Other Governmental Funds		Total Governmental Funds	
	FY15	FY16	FY15	FY16	FY15	FY16
	Expenditures					
General Government	\$6.6	\$6.2	\$0.1	\$0.1	\$6.7	\$6.3
Public Safety	13.4	14.1	0.3	0.3	13.7	14.4
Highways and Streets	2.8	4.1	1.2	1.2	4.0	5.3
Public Health	0.4	0.4	0.0	0.0	0.4	0.4
Community Development	0.4	0.4	0.6	0.8	1.0	1.2
Building Department	0.6	0.7	0.0	0.0	0.6	0.7
Debt Service	0.2	0.1	3.1	3.0	3.3	3.1
Capital Outlay	<u>0.7</u>	<u>1.6</u>	<u>0.1</u>	<u>3.9</u>	<u>0.8</u>	<u>5.5</u>
Total Expenditures	25.1	27.6	5.4	9.3	30.5	36.9
Excess (Deficiency) of Revenues Over (Under) Expenditures	0.2	(0.1)	0.6	(1.3)	0.8	(1.4)
Other Sources (Uses), Net	0.0	1.3	(1.4)	3.3	(1.4)	4.6
Change in Fund Balance	<u>\$0.2</u>	<u>\$1.2</u>	<u>(\$0.8)</u>	<u>\$2.0</u>	<u>(\$0.6)</u>	<u>\$3.2</u>

Governmental fund revenues increased \$4.2 million (13.6%) from FY 15 levels as a \$2.1 million (8.5%) increase in general fund revenues was combined with a \$2.0 million (34.3%) increase in non-major fund revenues.

General Fund Revenues

The \$2.1 million general fund revenue increase was due to several factors.

- Property tax revenue grew \$885 thousand (8.1%), though this was distributed unevenly across levy categories. Specifically, while combined police and fire protection receipts increased \$1.0 million (25.8%), the total of all other non-debt service levies actually *declined* by \$138 thousand (2.0%). As property tax receipts are calculated and disbursed by Cook County, the reason for this is not readily apparent.
- License, permit and fee receipts increased dramatically (\$824 thousand, or 47.6%), almost exclusively due to a significant increase in the number of permits pulled for various commercial and industrial projects currently underway within the village.
- While sales tax revenue increased \$125 thousand, there is mixed news on this front. The village's sales tax receipts emanate from two streams: a one percent levy collected and distributed by the state to all municipalities, and one percent levied by the village pursuant to a 2014 authorizing referendum. The former was down \$180 thousand (8.2%) from FY15, despite the same retail base. The latter increased by \$305 thousand (25.7%) due to the fact that the tax did not go into effect until mid-FY15. Thus FY16 was the first full year during which these amounts were received.
- Fine and forfeiture revenue increased by \$114 thousand (20.4%) on the strength of an \$83 thousand (58.2%) increase in red light photo enforcement receipts spurred by the installation of cameras at an additional intersection. To this was added a \$35 thousand (23.7%) increase in local parking tickets and a \$14 thousand (21.9%) increase in vehicle release revenue, both of which were due to stepped-up enforcement efforts.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

- Other taxes were up \$182 thousand (20.6%) largely on a \$170 thousand (43.3%) increase in the personal property replacement tax (PPRT) due to an accounting correction to this account from FY15 that did not recur, mentioned earlier.

The only significant general fund revenue category to decline was *charges for services*, which fell \$117 thousand (9.6%) largely due to a \$73 thousand (13.4%) falloff in ambulance user revenue caused by a combination of lower call volume and different case mix.

Declines in event-related revenue occurred as well, as sponsorships and related revenues fell by a combined \$48 thousand (55.3%).⁴ Additionally, false alarm fees fell significantly (\$15 thousand, or 62.4%) as the function was inadvertently discontinued early in the year and has since been reinstated. These revenues appear to have rebounded to previous levels.

General Fund Expenditures

General fund expenditures increased as well, by \$2.5 million (10.2%), led by capital outlay, highways & streets and public safety.

- Capital outlay more than doubled, increasing by \$820 thousand (113.6%). The long-delayed purchase of various capital equipment items caused a \$1.3 million increase, all of which was funded under an equipment purchase line of credit provided by the village's lead bank. Further, an additional \$220 thousand was expended for safety and handicap accessibility improvements at a village intersection. Partially offsetting these increased expenditures were several FY 15 expenditures not incurred in FY 16. Totaling \$365 thousand, these included a reduction of \$145 thousand for a roof replacement, \$96 thousand for a new telephone system, \$82 thousand in capital lease payments, \$26 thousand to upgrade the financial accounting system and \$16 thousand in hardware purchases.
- Street and Highway expenditures increased by \$774 thousand (23.2%) principally due to a quadrupling of street reconstruction (\$1.0 million) funded by the village's non-home rule sales tax revenue which was, as mentioned earlier, available for the first time for the entire fiscal year. On the other hand, street and highway expenditures not funded by the non-home rule sales tax declined by \$276 thousand (9.0%). This reallocation of expenditures was the intention of this tax's imposition.
- Public safety expenditures increased \$619 thousand (4.6%) over FY 15, \$582 thousand of which was due to increased personnel costs (7.1%), principally due to contract requirements and staffing additions. Building maintenance and repair expenses increased dramatically (\$120 thousand, or 137.7%), as a substantial fire station remodeling required \$104 thousand, and police station warranties expired. Declines in vehicle maintenance costs of \$105 thousand (33.3%) were slightly offsetting.

Other Major Funds

The Village presents two additional major funds other than the General Fund, including the Corporate Bond and Interest Fund and the Cullerton Avenue Fund. The fund balance of the Corporate Bond and Interest Fund increased by \$1.4 million (51.9%) in FY 16. The Cullerton Avenue Fund was a new fund in FY 16 and had an ending fund balance of \$381.

⁴ As a portion of this revenue is accounted for under a component unit, "adjusted" event-related receipts fell by \$13 thousand (38.2%), the seven thousand dollar difference appearing.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

PROPRIETARY FUNDS

The following table presents the condensed *Statement of Revenues, Expenditures and Changes in Net Position* for the village's proprietary funds (in millions of dollars) at April 30, 2016, with comparisons to 2015. The FY 15 figures do not include the impact of GASB 68..

<u>Operating Revenues</u>	<u>Water & Sewer Fund</u>		<u>Garbage Fund</u>		<u>Parking Fund</u>		<u>Total</u>	
	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>	<u>FY15</u>	<u>FY16</u>
Charges for Services	\$11.1	\$11.5	\$1.1	\$1.2	\$0.1	\$0.1	\$12.3	\$12.8
<u>Other Revenue</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Operating Revenues	11.1	11.5	1.1	1.2	0.1	0.1	12.3	12.8
<u>Operating Expenses</u>								
Administration	1.6	1.9	0.2	0.1	0.0	0.0	1.8	2.0
Water Purchases	4.4	3.7	0.0	0.0	0.0	0.0	4.4	3.7
Repairs and Maintenance	1.5	1.9	0.1	0.0	0.2	0.1	1.8	2.0
Supplies and Services	2.4	2.8	1.5	1.6	0.0	0.0	3.9	4.4
<u>Depreciation</u>	<u>1.1</u>	<u>1.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.1</u>	<u>1.2</u>
Total Operating Expense	11.0	11.5	1.8	1.7	0.2	0.1	13.0	13.3
Operating Income (Loss)	0.1	(0.0)	(0.7)	(0.5)	(0.1)	0.0	(0.7)	(0.5)
<u>Non-Operating Revenues (Expenses)</u>								
Interest Expense	(0.7)	(0.7)	0.0	0.0	0.0	0.0	(0.7)	(0.7)
<u>Other, Net</u>	<u>(0.2)</u>	<u>(0.2)</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.2)</u>	<u>(0.2)</u>
Total Non-Operating Revenue (Expense)	(0.9)	(0.9)	0.0	0.0	0.0	0.0	(0.9)	(0.9)
Transfers/Contributions, Net	1.8	0.9	0.0	0.0	0.0	0.0	1.8	0.9
Change in Net Position	1.0	0.0	(0.7)	(0.5)	(0.1)	(0.0)	0.2	(0.5)
Net Position	\$19.6	\$19.6	(\$2.0)	(\$2.4)	\$0.1	\$0.1	\$17.7	\$17.3

Proprietary fund operating revenues increased \$542 thousand (4.4%) from FY 15, while operating expenses increased by \$353 thousand (2.7%), resulting in an operating loss of \$461 thousand. After giving effect to net non-operating expenses, contributions and transfers, the funds' collective net position declined by \$516 thousand.

Proprietary Fund Revenues

Water and sewer fund revenues grew by \$449 thousand (4.0%) despite a significant falloff in consumption.⁵ Though undoubtedly also constraining consumption, the two significant rate increases imposed in FY 14 and 15 provided some measure of revenue resiliency.

Refuse fund revenue grew by \$88 thousand (8.2%), as several multi-family residences began participating in the village's collection services. Commuter parking fund revenues increased by four thousand dollars (6.2%) due to both increased capacity and utilization.

Proprietary Fund Expenses

Water and sewer fund expenditures grew by \$547 thousand (5.0%) despite a \$624 thousand (14.3%) drop in water purchase expenses, consistent (but for timing) with the drop-off in consumption mentioned earlier. Supply and service costs increased \$459 thousand (19.5%), and repair and maintenance expenditures increased by \$387 thousand (25.4%), reflecting the village's stepped-up activities in maintaining, repairing and renewing its water and sewer

⁵ Total billed pumpage decreased by 4.6% from FY 15 levels due to several factors, including the rate increases, customers' adoption of water conservation measures and a particularly wet summer.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

infrastructure. Also consistent with these enhanced activities are the increased labor costs of \$171 thousand (49.9%).

The village's refuse fund saw an expenditure decrease of \$59 thousand (3.4%). While contract collection service expenses increased \$69 thousand (4.7%) due to the addition of several multifamily residences, administrative and repair costs declined \$128 thousand (50.1%).

Commuter parking fund expenditures declined by \$80 thousand (60.0%) as several maintenance expenditures incurred in FY 15 were not incurred in FY 16.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Property Taxes	\$11.8	\$11.7	(\$0.1)
Sales Taxes	4.0	3.5	(0.5)
Income Taxes	1.3	1.8	0.5
Utility Taxes	3.2	3.3	0.1
Other Taxes	1.0	1.1	0.1
Licenses, Permits, Fees	2.0	2.6	0.6
Fines & Forfeitures	0.5	0.7	0.2
Charges for Services	1.0	1.1	0.1
<u>Other Revenue</u>	<u>1.2</u>	<u>1.6</u>	<u>0.4</u>
Total	\$26.0	\$27.4	\$1.4
<u>Expenditures</u>			
General Government	\$5.6	\$6.2	(\$0.6)
Public Safety	13.8	14.1	(0.3)
Highway & Street	4.9	4.1	0.8
Public Health	0.3	0.4	(0.1)
Community Development	0.6	0.4	0.2
Building	0.8	0.7	0.1
Debt Service	0.1	0.1	(0.0)
<u>Capital</u>	<u>2.4</u>	<u>1.5</u>	<u>0.9</u>
Total	\$28.5	\$27.5	1.0
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2.5)	(0.1)	2.4
Other Sources (Uses), Net	1.8	1.3	(0.5)
Change in Fund Balance	<u>(\$0.7)</u>	<u>\$1.2</u>	<u>\$1.9</u>

Actual revenues exceeded budget by almost \$1.4 million (5.4%), while actual expenditures came in better than budget by \$970 thousand (3.4%). Taken together with other financing sources coming in \$504 thousand under budget, this resulted in an overall positive variance of \$1.9 million. Budgeted net transfers of \$493 thousand were deemed unnecessary and thus did not occur. The net effect was to increase fund balance by \$1.2 million, as opposed to a budgeted reduction of \$0.7 million.

Property taxes came in at a slightly weaker rate than anticipated for the fourth year in a row, falling short of budget by \$48 thousand (0.4%). Sales tax revenue also fell short by \$480 thousand (12.0%), in spite of a stable retail base. All other revenue sources came in over budget.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

License, permit and fee revenue produced the largest positive variance at \$598 thousand (30.6%) due to the previously discussed large private developments underway within the village. Income tax revenue produced the second largest positive variance, of \$497 thousand (36.5%),⁶ as the village had cut its budget estimate for this category by 25% in anticipation of state cuts in income tax distribution, which did not occur.

Other positive revenue variances occurred in the following categories:

- Other revenue - \$233 thousand, 25.3%
- Fines and forfeitures - \$213 thousand, 46.4%
- Grant revenue - \$171 thousand, 70.3%
- Utility taxes - \$99 thousand, 3.1%
- Other taxes - \$96 thousand, 9.9%
- Charges for service - \$70 thousand, 6.8%

Results were a bit more mixed on the expenditure side, but nevertheless resulted in a net positive variance of \$970 thousand. The most significant positive variances occurred in highways and streets (\$839 thousand, 17.0%) and capital outlay (\$808 thousand, 34.4%) reflecting the postponement of several scheduled projects. Finally, community development expenses came in under budget as well, by \$231 thousand (35.9%) due to several activities that came in at significantly lower costs than anticipated.

General government expenditures came in over budget by \$614 thousand (11.0%) largely due to increased worker compensation and liability insurance costs (collectively \$545 thousand, 69.1%). An additional \$76 thousand was spent on telephone service (50.5%) for enhanced services and increased capacity (\$45 thousand). Additional service charges were also incurred during a change in vendors, as there was a fair amount of overlap between the two providers.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2016, the village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities

Change in Capital Assets
(in millions of dollars)

	<u>Balance at</u> <u>May 1, 2015</u>	<u>Net Additions</u> <u>(Deletions)</u>	<u>Balance at</u> <u>April 30, 2016</u>
<u>Non-Depreciable Assets:</u>			
Land/CIP	\$13.5	\$5.0	\$18.5
<u>Depreciable Assets:</u>			
Infrastructure	131.2	0.0	131.2
Buildings/Improvements	21.5	0.3	21.8
Vehicles/Equipment	6.8	1.0	7.8
<u>Accumulated Depreciation</u>	<u>(118.7)</u>	<u>(2.5)</u>	<u>(121.2)</u>
Net Capital Assets	\$54.4	3.8	\$58.1

Assets deployed in governmental activities increased \$3.8 million, after giving effect to \$5.0 million in construction in progress (including a \$163 thousand reclassification) and a net \$1.0 million in additional vehicles and equipment. The former consisted of two main projects; one in a tax increment financing (TIF) district, the other in a special service area (SSA). The latter was

⁶ As previously mentioned, the state shares its income tax revenue with local governmental entities on a per capita basis, thus the village has no particular insight into the dynamic underlying these numbers nor into telecom, local use and personal property replacement taxes.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

due to a major equipment purchasing program conducted during the year. Accumulated depreciation increased by \$2.5 million.

Business-Type Activities

Change in Capital Assets
(in millions of dollars)

	<u>Balance at May 1, 2015</u>	<u>Net Additions (Deletions)</u>	<u>Balance at April 30, 2016</u>
<u>Non-Depreciable Assets:</u>			
Land/CIP	\$3.6	\$3.5	\$7.1
<u>Depreciable Assets:</u>			
Water/Sewer System	51.7	6.5	58.2
Storage/Pumps	5.7	0.0	5.7
Buildings/Improvements	2.1	0.0	2.1
Vehicles/Equipment	3.0	0.4	3.4
<u>Accumulated Depreciation</u>	<u>(26.6)</u>	<u>(1.2)</u>	<u>(27.8)</u>
Totals	\$39.5	\$9.2	\$48.7

Business-type net assets grew by \$9.2 million, \$3.5 million due to net CIP additions, as various water and sewer projects both began and ended. Depreciable capital assets increased \$6.5 million as previous CIP projects as well as new water and sewer facilities were brought online as part of the village's increased efforts in this area. Approximately \$400 thousand of machinery and equipment was added as part of the capital equipment financing program discussed earlier. Finally, accumulated depreciation increased by \$1.2 million.

For more detailed information regarding capital assets, see Note 3 to the Notes to the Financial Statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

DEBT ADMINISTRATION

At April 30, 2016, the village had outstanding \$158,727,907 in total long-term debt, allocated as follows:

<u>Item</u>	<u>Governmental</u>	<u>Business</u>
G.O. Alternate Revenue Bonds of 2006	\$ 9,280,000	\$ -
G.O. Alternate Revenue Bonds of 2007	5,375,000	-
G.O. Alternate Revenue Bonds of 2011	9,145,000	-
G.O. Limited Tax Debt Certificates of 2013	4,760,000	8,740,000
G.O. Alternate Revenue Bonds of 2014A	-	9,070,000
G.O. Alternate Revenue Bonds of 2014B	3,085,000	-
G.O. Alternate Revenue Bonds of 2015A	6,140,000	-
G.O. Limited Tax Debt Certificates of 2015	-	6,855,000
Deferred Premium (Discount), Net	854,015	1,519,508
Loans Payable	4,294,442	1,936,352
Leases Payable	242,776	-
Compensated Absences	1,273,164	60,734
Net Pension Liability	70,944,753	357,352
Net OPEB Obligation	<u>13,285,693</u>	<u>1,509,118</u>
Totals	<u>\$128,679,843</u>	<u>\$30,048,064</u>

Net governmental debt increased \$71.1 million, \$66.4 million of which is attributable to the implementation of new GASB rules pertaining to pension reporting, and \$1.9 million in other employee-related obligations accrued during the year. The village incurred \$2.8 million in net new debt, as a \$4.2 million increase in loans payable was partially offset by \$1.4 million in bonded debt and loan retirements.

Net business related debt increased \$5.9 million, as the village issued \$6.9 million of debt certificates for various water and sewer projects, retired \$1.9 million of bonded debt and loans payable and saw employee-related obligations increase by \$656 thousand.

<u>Item</u>	<u>Governmental</u>	<u>Business</u>	<u>Total</u>
Net change in bonded debt	(\$1,350,170)	\$5,581,798	\$4,231,628
Net change in leases/loans payable	4,177,252	(281,746)	3,895,506
<u>Net change in employee-related debt</u>	<u>68,255,369</u>	<u>656,447</u>	<u>68,911,816</u>
Totals	<u>\$71,082,451</u>	<u>\$5,956,499</u>	<u>\$77,038,950</u>

For more detailed information regarding the village's debt position, see Note 4 to the Notes to the Financial Statements.

ECONOMIC FACTORS

With more than half its tax base comprised of industrial property, the village is the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes it highly susceptible to economic cyclicity. It is not surprising then to note that the recent economic environment has had important effects on the village over the past several years.

That said, there are several signs of improvement. Specifically, the unemployment rate, which peaked at 13.8% in CY10, has since receded to 5.1%. At the same time, sales tax revenue, which, in FY15, hit its lowest point in the previous ten years, has rebounded over the past two years. (Additionally, the village's one percent non-home rule sales tax (all proceeds of which are dedicated to road repair), produced \$1.5 million in FY16, its first full year in effect. Finally, we believe that the village's tax base, which had contracted by 38.6% from its 2008 peak, has begun to stabilize, despite a small downward tick in tax year 2015.

At this writing, management anticipates that sluggish economic growth will persist over the coming several years, though it is also clear that revenue declines have ended, and possibly reversed. Unfortunately, the state's financial plight, which imparts a significant level of

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2016

uncertainty to the village's financial fortunes, and the widely perceived "jobless" nature of the recovery, will continue to affect our residents' financial stability

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

FURTHER INFORMATION

This financial report is designed to provide our residents, vendors, investors and creditors with a general overview of the village's finances. Questions concerning this report or requests for additional financial information should be directed to the Office of the Comptroller, Village of Franklin Park, 9500 Belmont Avenue, Franklin Park, IL 60131.

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

Village of Franklin Park, Illinois

Statement of Net Position April 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 8,849,276	\$ 984,071	\$ 9,833,347	\$ 539
Receivables:				
Property taxes receivable	7,369,504	-	7,369,504	-
Receivables from sales to customers on account	-	3,473,427	3,473,427	-
Due from other governmental units	270,147	-	270,147	-
Other taxes receivable	2,297,294	-	2,297,294	-
Allowance for doubtful accounts	(498,263)	(2,026,221)	(2,524,484)	-
Internal balances	715,509	(715,509)	-	-
Prepaid expenses and other assets	-	30	30	1,550
IPBC reserve	1,274,448	-	1,274,448	-
Capital assets (Note 3):				
Assets not subject to depreciation	18,519,873	7,111,317	25,631,190	-
Assets subject to depreciation	39,609,121	41,592,174	81,201,295	-
Total assets	78,406,909	50,419,289	128,826,198	2,089
Deferred Outflows of Resources - Deferred outflows related to pensions	9,907,057	405,996	10,313,053	-
Liabilities				
Accounts payable	2,272,367	2,711,007	4,983,374	-
Due to other governmental units	22,151	-	22,151	-
Refundable deposits, bonds, etc.	11,000	-	11,000	-
Accrued liabilities and other:				
Accrued salaries and wages	630,588	50,153	680,741	-
Accrued interest payable	509,455	376,664	886,119	-
Unearned revenue	214,810	-	214,810	-
Due to pension funds	207,791	-	207,791	-
Noncurrent liabilities:				
Due within one year (Note 4):				
Compensated absences	254,633	60,734	315,367	-
Current portion of loans payable	109,291	621,060	730,351	-
Current portion of leases payable	82,108	-	82,108	-
Current portion of long-term debt	1,365,000	1,250,000	2,615,000	-
Due in more than one year (Note 4):				
Compensated absences	1,018,531	-	1,018,531	-
Loans payable	4,185,151	1,315,292	5,500,443	-
Leases payable	160,668	-	160,668	-
Net OPEB obligation (Note 4)	13,285,693	1,509,118	14,794,811	-
Net pension liability	70,944,753	357,352	71,302,105	-
Long-term debt (Note 4)	37,274,015	24,934,508	62,208,523	-
Total liabilities	132,548,005	33,185,888	165,733,893	-
Deferred Inflows of Resources				
Property taxes levied for the following year	6,815,608	-	6,815,608	-
Deferred charges on refunding	584,910	549,638	1,134,548	-
Deferred inflows related to pensions	714,952	-	714,952	-
Total deferred inflows of resources	8,115,470	549,638	8,665,108	-

Village of Franklin Park, Illinois

Statement of Net Position (Continued) April 30, 2016

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 14,367,851	\$ 20,032,993	\$ 34,400,844	\$ -
Restricted for:				
Public safety	452,200	-	452,200	-
TIF development	3,931,161	-	3,931,161	-
Debt service	5,889,413	-	5,889,413	-
Highways and streets	1,765,716	-	1,765,716	-
Unrestricted	(78,755,850)	(2,943,234)	(81,699,084)	2,089
Total net position	\$ (52,349,509)	\$ 17,089,759	\$ (35,259,750)	\$ 2,089

Village of Franklin Park, Illinois

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,781,421	\$ 1,080,167	\$ -	\$ 238,851
Public safety	19,363,330	1,579,121	523,197	-
Highway and street	6,496,078	-	-	2,102,361
Public health	305,170	-	-	-
Community development	1,181,574	68,876	-	-
Building department	706,794	1,793,971	-	-
Interest on long-term debt	1,478,077	-	-	-
Total governmental activities	36,312,444	4,522,135	523,197	2,341,212
Business-type activities:				
Water and Sewer	12,612,949	11,572,648	-	1,216,820
Garbage	1,676,440	1,163,229	-	-
Commuter Parking Lot	53,407	73,091	-	-
Total business-type activities	14,342,796	12,808,968	-	1,216,820
Total primary government	<u>\$ 50,655,240</u>	<u>\$ 17,331,103</u>	<u>\$ 523,197</u>	<u>\$ 3,558,032</u>
Component units	<u>\$ 4,923</u>	<u>\$ -</u>	<u>\$ 7,012</u>	<u>\$ -</u>

General revenue:

Property taxes

Unrestricted intergovernmental revenue - Sales tax and income tax

Intergovernmental revenue - Public service taxes and state shared taxes - Utility tax and other taxes

Investment income

Other revenue

Total general revenue

Transfers

Change in Net Position

Net Position - Beginning of year - As restated (Note 15)

Net Position - End of year

**Statement of Activities
Year Ended April 30, 2016**

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (5,462,403)	\$ -	\$ (5,462,403)	\$ -
(17,261,012)	-	(17,261,012)	-
(4,393,717)	-	(4,393,717)	-
(305,170)	-	(305,170)	-
(1,112,698)	-	(1,112,698)	-
1,087,177	-	1,087,177	-
(1,478,077)	-	(1,478,077)	-
(28,925,900)	-	(28,925,900)	-
-	176,519	176,519	-
-	(513,211)	(513,211)	-
-	19,684	19,684	-
-	(317,008)	(317,008)	-
(28,925,900)	(317,008)	(29,242,908)	-
-	-	-	2,089
16,789,148	-	16,789,148	-
5,384,885	-	5,384,885	-
4,890,844	-	4,890,844	-
10,236	594	10,830	-
1,245,586	105,538	1,351,124	-
28,320,699	106,132	28,426,831	-
337,499	(337,499)	-	-
(267,702)	(548,375)	(816,077)	2,089
(52,081,807)	17,638,134	(34,443,673)	-
\$ (52,349,509)	\$ 17,089,759	\$ (35,259,750)	\$ 2,089

Village of Franklin Park, Illinois

Governmental Funds Balance Sheet April 30, 2016

	General Corporate Fund	Corporate Bond and Interest Fund	Cullerton Ave.	Nonmajor Funds	Total
Assets					
Cash and investments (Note 2)	\$ 2,877,540	\$ 2,716,990	\$ 121,379	\$ 6,842,386	\$ 12,558,295
Receivables:					
Property taxes receivable	5,893,929	1,469,493	-	6,082	7,369,504
Due from other governmental units	-	-	270,147	-	270,147
Other taxes receivable	2,255,572	-	-	41,722	2,297,294
Allowance for doubtful accounts	(346,352)	(151,911)	-	-	(498,263)
Due from other funds (Note 7)	930,187	531,234	-	175,000	1,636,421
Advances to other funds (Note 7)	1,956,126	833,627	-	1,294,842	4,084,595
IPBC reserve	1,274,448	-	-	-	1,274,448
Total assets	\$ 14,841,450	\$ 5,399,433	\$ 391,526	\$ 8,360,032	\$ 28,992,441
Liabilities					
Accounts payable	\$ 758,348	\$ -	\$ 125,009	\$ 1,387,843	\$ 2,271,200
Bank overdraft	-	-	-	2,871,603	2,871,603
Due to other governmental units	22,151	-	-	-	22,151
Due to other funds (Note 7)	-	-	-	1,096,208	1,096,208
Advances from other funds (Note 7)	173,459	20,344	-	3,862,107	4,055,910
Refundable deposits, bonds, etc.	11,000	-	-	-	11,000
Accrued salary and wages	623,927	-	-	57	623,984
Unearned revenue	214,810	-	-	-	214,810
Due to pension funds	207,791	-	-	-	207,791
Total liabilities	2,011,486	20,344	125,009	9,217,818	11,374,657
Deferred Inflows of Resources					
Unavailable revenue	423,027	-	266,136	-	689,163
Property taxes levied for the following year	5,507,584	1,308,024	-	-	6,815,608
Total deferred inflows of resources	5,930,611	1,308,024	266,136	-	7,504,771
Fund Balances (Deficit)					
Nonspendable	3,230,574	-	-	-	3,230,574
Restricted:					
Public safety	-	-	-	452,200	452,200
TIF development	-	-	-	3,931,161	3,931,161
Debt service	-	4,071,065	-	1,818,348	5,889,413
Highways and streets	1,139,897	-	381	234,824	1,375,102
Assigned - Subsequent year's budget	699,631	-	-	-	699,631
Unassigned	1,829,251	-	-	(7,294,319)	(5,465,068)
Total fund balances (deficit)	6,899,353	4,071,065	381	(857,786)	10,113,013
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 14,841,450	\$ 5,399,433	\$ 391,526	\$ 8,360,032	\$ 28,992,441

The Notes to Financial Statements are an
Integral Part of this Statement.

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position April 30, 2016

Fund Balance Reported in Governmental Funds	\$ 10,113,013
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	58,128,994
Tax and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	689,163
Long-term debt payable, loan payable, and capital lease obligations are not due and payable in the current period and are not reported in the funds	(42,091,791)
Unamortized bond premiums associated with long-term debt payable are not reported in the funds	(1,084,442)
Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds	(584,910)
Accrued interest is not due and payable in the current period and is not reported in the funds	(509,455)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,273,164)
Net pension obligation is payable over a long period of years and does not represent a claim on current financial resources; therefore, it is not reported as a fund liability	(70,876,181)
Deferred outflows of resources and deferred inflows of resources related to pensions are not reported in the funds	9,114,199
Net OPEB obligation is payable over a long period of years and does not represent a claim on current financial resources; therefore, it is not reported as a fund liability	(13,285,693)
Internal Service Funds are included as part of governmental activities	<u>(689,242)</u>
Net Position of Governmental Activities	<u>\$ (52,349,509)</u>

Village of Franklin Park, Illinois

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Year Ended April 30, 2016

	General Corporate Fund	Corporate Bond and Interest Fund	Cullerton Ave.	Nonmajor Funds	Total
Revenue					
Property taxes	\$ 11,745,955	\$ 3,076,366	\$ -	\$ 1,966,827	\$ 16,789,148
Intergovernmental revenue - Sales tax	3,520,123	-	-	-	3,520,123
Intergovernmental revenue - Income tax	1,858,279	-	-	-	1,858,279
Intergovernmental revenue - Utility tax	3,324,013	-	-	-	3,324,013
Intergovernmental revenue - Other taxes	1,063,858	-	-	517,991	1,581,849
Licenses, permits, and fees	2,555,694	-	-	-	2,555,694
Grant revenue	413,795	-	950,000	886,225	2,250,020
Charges for services	1,094,485	-	-	198,763	1,293,248
Fines and forfeitures	673,193	-	-	348,253	1,021,446
Investment income	6,185	23	-	4,028	10,236
Other revenue	1,155,604	89,499	-	483	1,245,586
Total revenue	27,411,184	3,165,888	950,000	3,922,570	35,449,642
Expenditures					
Current:					
General government	6,196,330	2,627	-	142,723	6,341,680
Public safety	14,057,099	-	-	358,783	14,415,882
Highway and streets	4,102,151	-	42,000	1,111,742	5,255,893
Public Health	416,657	-	-	-	416,657
Community development	412,127	-	-	787,722	1,199,849
Building department	699,738	-	-	-	699,738
Capital outlay	1,542,886	-	3,907,619	48,803	5,499,308
Debt service	133,594	2,964,613	-	-	3,098,207
Total expenditures	27,560,582	2,967,240	3,949,619	2,449,773	36,927,214
Excess of Revenue (Under) Over Expenditures	(149,398)	198,648	(2,999,619)	1,472,797	(1,477,572)
Other Financing Sources (Uses)					
Face value of debt issue	1,294,442	-	3,000,000	-	4,294,442
Transfers in (Note 7)	-	1,191,828	-	337,499	1,529,327
Transfers out (Note 7)	-	-	-	(1,191,828)	(1,191,828)
Total other financing sources (uses)	1,294,442	1,191,828	3,000,000	(854,329)	4,631,941
Net Change in Fund Balances	1,145,044	1,390,476	381	618,468	3,154,369
Fund Balances (Deficit) - Beginning of year	5,754,309	2,680,589	-	(1,476,254)	6,958,644
Fund Balances (Deficit) - End of year	<u>\$ 6,899,353</u>	<u>\$ 4,071,065</u>	<u>\$ 381</u>	<u>\$ (857,786)</u>	<u>\$ 10,113,013</u>

The Notes to Financial Statements are an Integral Part of this Statement.

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities Year Ended April 30, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ 3,154,369
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	6,324,409
Depreciation expense	(2,559,509)
Net book value of assets disposed of	(8,430)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	257,601
Proceeds from the issuance of debt provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(4,294,442)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	1,280,000
Repayment of principal on capital leases is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	117,190
Change in unamortized bond premium	70,170
Change in deferred charges on refunding	50,432
Change in accrued interest payable	102,338
Increase in accumulated employee sick and vacation pay reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	(65,026)
Increase in the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	(2,744,466)
Increase in the net OPEB obligations reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	(1,823,684)
Internal Service Funds are included as part of governmental activities	<u>(128,654)</u>
Change in Net Position of Governmental Activities	<u>\$ (267,702)</u>

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position April 30, 2016

	Major Funds		Nonmajor Funds		Total Enterprise Funds	Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund			Fleet Maintenance Fund
Assets						
Current assets:						
Cash and cash equivalents (Note 2)	\$ 2,953,554	\$ -	\$ 137,161	\$ 3,090,715	\$ -	
Receivables:						
Receivables from sales to customers on account	2,847,128	626,299	-	3,473,427	-	
Allowance for doubtful accounts	(1,661,348)	(364,873)	-	(2,026,221)	-	
Due from other funds (Note 7)	-	-	9,962	9,962	-	
Prepaid expenses and other assets	30	-	-	30	-	
Total current assets	4,139,364	261,426	147,123	4,547,913	-	
Noncurrent assets:						
Advances to other funds (Note 7)	400,000	-	-	400,000	-	
Capital assets (Note 3):						
Assets not subject to depreciation	7,111,317	-	-	7,111,317	-	
Assets subject to depreciation	41,576,053	-	16,121	41,592,174	-	
Total noncurrent assets	49,087,370	-	16,121	49,103,491	-	
Total assets	53,226,734	261,426	163,244	53,651,404	-	
Deferred Outflows of Resources -						
Deferred outflows related to pensions	393,471	12,525	-	405,996	77,906	
Liabilities						
Current liabilities:						
Accounts payable	2,445,902	263,359	1,746	2,711,007	1,167	
Bank overdraft	-	2,106,644	-	2,106,644	837,415	
Due to other funds (Note 7)	531,234	-	18,941	550,175	-	
Accrued liabilities and other:						
Accrued salaries and wages	47,836	2,317	-	50,153	6,604	
Accrued interest payable	376,664	-	-	376,664	-	
Compensated absences	60,734	-	-	60,734	-	
Current portion of loans payable	621,060	-	-	621,060	-	
Current portion of bonds payable (Note 4)	1,250,000	-	-	1,250,000	-	
Total current liabilities	5,333,430	2,372,320	20,687	7,726,437	845,186	
Noncurrent liabilities:						
Advances from other funds (Note 7)	-	350,545	-	350,545	78,140	
Loans payable	1,315,292	-	-	1,315,292	-	
Net OPEB obligation (Note 14)	1,509,118	-	-	1,509,118	-	
Net pension liability	346,327	11,025	-	357,352	68,572	
Bonds payable (Note 4)	24,934,508	-	-	24,934,508	-	
Total noncurrent liabilities	28,105,245	361,570	-	28,466,815	146,712	
Total liabilities	33,438,675	2,733,890	20,687	36,193,252	991,898	

The Notes to Financial Statements are an
Integral Part of this Statement.

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position (Continued) April 30, 2016

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund		Fleet Maintenance Fund
Deferred Inflows of Resources - Deferred charges on refunding	\$ 549,638	\$ -	\$ -	\$ 549,638	\$ -
Net Position					
Net investment in capital assets	20,016,872	-	16,121	20,032,993	-
Unrestricted	(384,980)	(2,459,939)	126,436	(2,718,483)	(913,992)
Total net position	<u>\$ 19,631,892</u>	<u>\$ (2,459,939)</u>	<u>\$ 142,557</u>	17,314,510	<u>\$ (913,992)</u>
Amounts reported for business-type activities in the statement of net position are different because a portion of the Internal Service Fund is included as business-type activities				<u>(224,751)</u>	
Net Position of Business-type Activities				<u>\$ 17,089,759</u>	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended April 30, 2016

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
Operating Revenue					
Sale of water	\$ 7,418,436	\$ -	\$ -	\$ 7,418,436	\$ -
Sewage disposal charges	4,141,204	-	-	4,141,204	-
Other sales to customers	-	1,162,490	73,091	1,235,581	-
Other revenue	13,008	739	-	13,747	-
Charges to other funds	-	-	-	-	193,705
Total operating revenue	11,572,648	1,163,229	73,091	12,808,968	193,705
Operating Expenses					
Water purchases	3,730,339	-	-	3,730,339	-
Repairs and maintenance	1,913,028	21,243	38,390	1,972,661	-
Billing and administrative costs	1,866,710	106,940	12,259	1,985,909	283,047
Supplies and services	2,809,357	1,544,774	-	4,354,131	71,475
Depreciation	1,223,847	-	2,758	1,226,605	-
Total operating expenses	11,543,281	1,672,957	53,407	13,269,645	354,522
Operating Income (Loss)	29,367	(509,728)	19,684	(460,677)	(160,817)
Nonoperating Revenue (Expenses)					
Investment income	378	-	216	594	-
Interest expense	(762,183)	-	-	(762,183)	-
Debt issuance costs	(278,805)	-	-	(278,805)	-
Other nonoperating general revenue	105,538	-	-	105,538	-
Total nonoperating (expenses) revenue	(935,072)	-	216	(934,856)	-
(Loss) Income - Before transfers	(905,705)	(509,728)	19,900	(1,395,533)	(160,817)
Capital Contributions - Capital grants	1,216,820	-	-	1,216,820	-
Transfers Out	(337,499)	-	-	(337,499)	-
Change in Net Position	(26,384)	(509,728)	19,900	(516,212)	(160,817)
Net Position - Beginning of year	19,658,276	(1,950,211)	122,657	17,830,722	(753,175)
Net Position - End of year	<u>\$ 19,631,892</u>	<u>\$ (2,459,939)</u>	<u>\$ 142,557</u>	<u>\$ 17,314,510</u>	<u>\$ (913,992)</u>
Net Change in Net Position - Total Enterprise Funds				\$ (516,212)	
Amounts reported for business-type activities in the statement of activities are different because the Internal Service Fund is allocated partially to business-type activities				(32,163)	
Change in Net Position of Business-type Activities				<u>\$ (548,375)</u>	

The Notes to Financial Statements are an Integral Part of this Statement.

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows Year Ended April 30, 2016

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Funds	Fleet Maintenance Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 11,610,611	\$ 1,171,860	\$ 73,091	\$ 12,855,562	\$ -
Receipts from interfund services	-	-	-	-	193,705
Payments to suppliers	(7,717,216)	(1,575,213)	(124,603)	(9,417,032)	(73,622)
Payments to employees	(1,378,423)	(78,903)	-	(1,457,326)	(279,652)
Internal activity - (Payments to receipts from other funds)	(198,846)	-	24,003	(174,843)	-
Net cash provided by (used in) operating activities	2,316,126	(482,256)	(27,509)	1,806,361	(159,569)
Cash Flows from Noncapital Financing Activities					
Advances received from other funds	-	911,246	-	911,246	-
Transfers to other funds	(337,499)	-	-	(337,499)	-
Repayments of loans from other funds	(825,000)	-	-	(825,000)	-
Implied bank financing	-	(428,990)	-	(428,990)	159,569
Net cash (used in) provided by noncapital financing activities	(1,162,499)	482,256	-	(680,243)	159,569
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds	7,329,000	-	-	7,329,000	-
Receipt of capital grants	1,216,820	-	-	1,216,820	-
Other miscellaneous revenue	105,538	-	-	105,538	-
Purchase of capital assets	(10,427,329)	-	-	(10,427,329)	-
Principal and interest paid on capital debt	(3,306,679)	-	-	(3,306,679)	-
Bond issuance costs	(278,805)	-	-	(278,805)	-
Net cash used in capital and related financing activities	(5,361,455)	-	-	(5,361,455)	-
Cash Flows from Investing Activities -					
Interest received on investments	378	-	216	594	-
Net Decrease in Cash and Cash Equivalents	(4,207,450)	-	(27,293)	(4,234,743)	-
Cash and Cash Equivalents - Beginning of year - As restated (Note 15)	7,161,004	-	164,454	7,325,458	-
Cash and Cash Equivalents - End of year	<u>\$ 2,953,554</u>	<u>\$ -</u>	<u>\$ 137,161</u>	<u>\$ 3,090,715</u>	<u>\$ -</u>

The Notes to Financial Statements are an Integral Part of this Statement.

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows (Continued) Year Ended April 30, 2016

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ 2,953,554	\$ -	\$ 137,161	\$ 3,090,715	\$ -
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 29,367	\$ (509,728)	\$ 19,684	\$ (460,677)	\$ (160,817)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,223,847	-	2,758	1,226,605	-
Changes in assets and liabilities:					
Receivables	37,963	8,631	-	46,594	-
Accounts payable	910,178	20,647	(73,954)	856,871	(1,891)
Due to others	(198,846)	-	24,003	(174,843)	-
Accrued and other liabilities	313,617	(1,806)	-	311,811	3,139
Net cash provided by (used in) operating activities	<u>\$ 2,316,126</u>	<u>\$ (482,256)</u>	<u>\$ (27,509)</u>	<u>\$ 1,806,361</u>	<u>\$ (159,569)</u>

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Fiduciary Net Position April 30, 2016

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 31,030	\$ 19,961
Investments:		
Certificates of deposit	1,967,844	-
U.S. government and agency obligations	8,696,222	-
Money market mutual funds	1,897,937	-
Equity securities	2,092,198	-
Corporate bonds	9,592,855	-
Insurance company contracts	5,708,924	-
Equity mutual funds	18,862,378	-
Receivables - Accrued interest receivable	157,369	-
Due from Village	207,791	-
Prepaid expenses	3,733	-
	<hr/>	<hr/>
Total assets	49,218,281	<u>\$ 19,961</u>
Liabilities		
Accounts payable	10,833	\$ -
Refundable deposits, bonds, etc.	-	19,961
	<hr/>	<hr/>
Total liabilities	10,833	<u>\$ 19,961</u>
Net Position Restricted for Pension and Other Employee Benefits	<u>\$ 49,207,448</u>	

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Changes in Fiduciary Net Position - Pension Trust Funds Year Ended April 30, 2016

	Pension Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 890,810
Net decrease in fair value of investments	(363,406)
Investment-related expenses	(104,332)
Net investment income	423,072
Contributions:	
Employer	3,583,425
Employee	760,196
Total contributions	4,343,621
Total additions	4,766,693
Deductions	
Benefit payments	4,938,199
Administrative expenses	122,057
Total deductions	5,060,256
Net Decrease in Net Position Held in Trust	(293,563)
Net Position Restricted for Pension and Other Employee Benefits - Beginning of year	49,501,011
Net Position Restricted for Pension and Other Employee Benefits - End of year	\$ 49,207,448

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies

The accounting policies of the Village of Franklin Park, Illinois (the "Village") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Village of Franklin Park, Illinois:

Reporting Entity

The Village of Franklin Park, Illinois is a municipal corporation governed by an elected board. The accompanying financial statements present the Village and its component units, entities for which the Village is considered to be financially accountable. Although blended component units are legal separate entities, in substance, they are part of the Village's operations (see discussion below for description).

Blended Component Units

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Firefighters' Pension Fund - The Village's fire department employees participate in the Firefighters' Pension Fund. The Firefighters' Pension Fund functions for the benefit of these employees and is governed by a nine-member pension board. The Village's president, treasurer, clerk, attorney, and fire chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighters' Pension Fund costs based on actuarial valuations. The nature of the Firefighters' Pension Fund dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighters' Pension Fund can be obtained from the Village by contacting the Village controller.

Discretely Presented Component Units - The Franklin Community Fund was created for charitable and educational purposes and for the specific purpose of lessening the burdens of government for the benefit of the general public. The Fund's governing body is appointed by the Village. The Village also has the ability to impose its will on the component unit. The Franklin Community Fund is reported within the component units column in the government-wide financial statements and does not issue a separate financial statement.

Accounting and Reporting Principles

The Village follows accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board.

Fund Accounting

The Village accounts for its various activities in several different funds in order to demonstrate accountability for how we have spent certain resources - separate funds allow us to show the particular expenditures for which specific revenue was used. The various funds are aggregated into three broad fund types:

Governmental funds include all activities that provide general governmental services that are not business-type activities. This includes the General Corporate Fund, special revenue funds, debt service funds, and capital project funds. The Village reports the following funds as "major" governmental funds:

- *General Corporate Fund* - The primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

- *Corporate Bond and Interest Fund* - A debt service fund used to account for resources utilized for payment of principal and interest of the Village's long-term debt.
- *Cullerton Avenue* - A capital projects fund used to account for the improvements made to the Cullerton Street Industrial Area.

Proprietary funds include enterprise funds (which provide goods or services to users in exchange for charges or fees) and an internal service fund (which provides goods or services to other funds of the Village). The Village reports the following fund as a "major" enterprise fund:

- *Water and Sewer Fund* - This fund provides water to customers and disposes of sanitary sewage in exchange for monthly user charges.

The Village's internal service fund is used to allocate fleet maintenance services to the various funds on a full accrual basis, so that the full costs are recognized and allocated to the various funds in the year that the costs are incurred. In the current and prior years, the full cost has not been charged to the various funds.

Fiduciary funds include amounts held in a fiduciary capacity for others. These amounts will not be used to operate our government's programs. Activities that are reported as fiduciary include:

- *Police Pension Fund and Firefighters' Pension Fund* - These funds accumulate resources for pension benefit payments to retirees under these plans.
- *Agency Funds* - These funds are custodial in nature (assets equal liabilities) and relate to funds held in escrow. They do not involve measurement of results of operations.

Interfund activity: During the course of operations, the Village has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

Basis of Accounting

The Village funds use the current financial resources measurement focus and the modified accrual basis of accounting. This basis of accounting is intended to better demonstrate accountability for how the government has spent its resources.

Expenditures are reported when the goods are received or the services are rendered. Capital outlays are reported as expenditures (rather than as capital assets) because they reduce the ability to spend resources in the future; conversely, employee benefit costs that will be funded in the future (such as retiree healthcare related costs, or sick and vacation pay) are not counted until they come due for payment. In addition, debt service expenditures, claims, and judgments are recorded only when payment is due.

Revenue is not recognized until it is collected, or collected soon enough after the end of the year that it is available to pay for obligations outstanding at the end of the year. For this purpose, the Village considers amounts collected within 60 days of year end to be available for recognition. The following major revenue sources meet the availability criterion: intergovernmental revenue, charges for services, licenses and permits, fines and forfeitures, investment earnings, property taxes, sales taxes, and income taxes associated with the current fiscal period. Conversely, certain intergovernmental revenue will be collected after the period of availability; receivables have been recorded for these, along with a "deferred inflow of resources."

Proprietary funds and fiduciary funds use the economic resources measurement focus and the full accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Report Presentation

Governmental accounting principles require that financial reports include two different perspectives - the government-wide perspective and the fund-based perspective. The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. The government-wide financial statements are presented on the economic resources measurement focus and the full accrual basis of accounting. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. The statements also present a schedule reconciling these amounts to the modified accrual-based presentation found in the fund-based statements.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes: (1) charges to customers or applicants for goods, services, or privileges provided; (2) operating grants and contributions; and (3) capital grants and contributions. Property taxes, intergovernmental revenue, and other items not properly included among program revenue are reported instead as general revenue.

For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges between the Village's water and sewer and nonmajor enterprise functions and various other functions of the Village. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned. Interfund services provided and used are not eliminated in the process of consolidation.

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

Specific Balances and Transactions

Cash, Cash Equivalents, and Investments - Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with a maturity of three months or less when acquired. Investments are stated at fair value. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Inventories and Prepaid Items - Inventories are valued at cost, on a first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Immaterial inventory balances are not reflected in the financial statements. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets - Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$10,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Interest incurred during the construction of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Infrastructure, intangibles, buildings, equipment, and vehicles are depreciated using the straight-line method over the following useful lives:

Capital Asset Class	Lives
Buildings	40 years
Infrastructure	20-75 years
Water and sewer system	10-75 years
Vehicles and equipment	5-10 years

Long-term Obligations - In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund-type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method; bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time they are incurred. In the fund financial statements, governmental fund types recognize bond issuances as an "other financing source," as well as bond premiums and discounts. The Corporate Bond and Interest Fund is generally used to liquidate governmental long-term debt and the Water and Sewer Fund is used to liquidate business-type long-term debt.

Note I - Summary of Significant Accounting Policies (Continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred outflows of resources related to the defined benefit pension plan. The deferred outflows of resources related to the defined benefit pension plan are reported in the government-wide financial statements and the applicable proprietary funds. The deferred outflows of resources result from (1) the variance between expected and actual experience, (2) changes in assumptions, (3) the variance between the plan's actual investment earnings compared to the plan's assumed investment earnings, and (4) employer contributions to the plan subsequent to the measurement date.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has four items that qualify for reporting in this category. The deferred inflows of resources related to deferred charges on bond refunding is reported only in the government-wide statement of net position. The deferred inflows of resources related to unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from certain intergovernmental revenue. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has property taxes receivable before the period levied. These property taxes are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of net position. Those property taxes will be recognized as revenue next year, as those amounts were levied for the subsequent year's budgeted operations. The Village also reports deferred inflows of resources related to the defined benefit pension plans. The deferred inflows of resources related to the defined benefit pension plans are reported in the government-wide financial statements and the applicable proprietary funds. The deferred inflows of resources result from the variance between projected and actual experience.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Net Position Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Village will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Village itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The Village board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. As of April 30, 2016, the Village does not have any commitments of fund balance.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as committed. The Village board of trustees may assign fund balance. The board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The governmental funds balance sheet reports \$452,200 of restricted fund balance for the function of public safety. Within this function, there are several purposes as follows: \$68,718 restricted for use within the fire department, \$319,299 restricted for use on law enforcement, and \$64,183 restricted for use related to the 911 emergency system.

Property Tax Revenue

Property taxes attach as an enforceable lien on January 1 of the levy year. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1 (or four weeks after the tax bills are actually mailed by the Cook County collector). The County collects such taxes and remits them periodically to the Village. Property taxes for debt service are levied when the related general obligation bonds are authorized and may be subsequently abated in whole or in part by the Village board based on the availability of other funds.

Property taxes receivable (net of allowance for uncollectible amounts based on prior history) are recorded at the time of the enforceable lien. The Village's property tax revenue is deemed to finance the current year to the extent collected within 60 days of year end and the subsequent year to the extent not collected within this period. The amount not collected within this period is reported as a deferred inflow of resources.

The Village also receives, but does not levy for, road and bridge and tax increment financing district property taxes. The Village does not record a receivable for property taxes related to the Tax Increment Financing (TIF) districts. Due to the nature of TIF revenue, the Village does not levy a direct tax upon the districts. Instead, the property taxes are based solely upon the incremental increase in the property value utilizing the tax rates of all the taxing bodies whose boundaries encompass the districts. As such, the Village cannot reasonably estimate the receivable and records the revenue on the cash basis.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note I - Summary of Significant Accounting Policies (Continued)

Pension - The Village offers defined benefit pension plans to its employees. The Village records a net pension liability for the difference between the total pension liability calculated by the actuaries and the pension plans' fiduciary net position. For purposes of measuring the net pension liability, deferred inflows of resources, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund Regular Plan, Illinois Municipal Retirement Fund SLEP Plan, Police Pension Fund, and Firefighters' Pension Fund and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Postemployment Benefit Costs - The Village offers retiree healthcare benefits to retirees. The Village receives an actuarial valuation to compute the annual required contribution (ARC) necessary to fund the obligation over the remaining amortization period. In the governmental funds, OPEB costs are recognized as contributions are made. For the government-wide statements and proprietary funds, the Village reports the full accrual cost equal to the current year required contribution, adjusted for interest and "adjustment to the ARC" on the beginning of year underpaid amount, if any.

Compensated Absences (Vacation and Sick Leave) - It is the Village's policy to permit employees to accumulate earned but unused sick and vacation pay benefits. All sick and vacation pay is accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements to the extent it will be paid out upon termination or retirement. A liability for these amounts is reported in governmental funds only for employee terminations as of year end. All other accrued compensated absences are reported in the government-wide financial statements; generally, the funds that report each employee's compensation (the General Corporate Fund and Water and Sewer Fund, primarily) are used to liquidate these obligations.

Proprietary Funds Operating Classification - Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund, nonmajor enterprise funds, and internal service funds are charges to customers for sales and services. The Water and Sewer Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 1 - Summary of Significant Accounting Policies (Continued)

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

Note 2 - Deposits and Investments

Deposits and investments of the Village, excluding the Pension Trust Funds, are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 6,054,591	\$ 685,056
Investments	2,868,494	225,206
Total	<u>\$ 8,923,085</u>	<u>\$ 910,262</u>

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 2 - Deposits and Investments (Continued)

The Village's cash and investments are subject to several types of risk, which are examined in more detail below:

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The carrying amount of cash, excluding the Pension Trust Funds, was \$6,739,647 at April 30, 2016, while the bank balances were \$6,979,673. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

At April 30, 2016, the Police Pension Fund's carrying amount of cash was \$7,215. The FDIC insures bank balances up to \$250,000. The entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

At April 30, 2016, the Firefighters' Pension Fund's carrying amount of cash was \$23,815. The entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy requires that all deposits in excess of FDIC insurable limits be secured by collateral in order to protect deposits from default.

Investments - The following schedule reports the fair values for the Village's investments (excluding Pension Trust Funds) as of April 30, 2016. All investments mature in less than one year:

Investment Type	Fair Value
Money market mutual fund	\$ 2,386,939
Treasurer Illinois Funds	591,203

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 2 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Village or the Police or Firefighters' Pension Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Village limits its exposure to custodial credit risk by utilizing independent, third-party institutions, selected by the Village, to act as custodians for its securities and collateral as described in the Village's investment policy. The Village's investments are fully collateralized as of April 30, 2016. Although not required by the Police or Firefighters' Pension Funds' investment policies, the Police and Firefighters' Pension Funds limit their exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Police or Firefighters' Pension Funds, to act as custodian for its securities and collateral.

Interest Rate Risk - The Village limits its exposure to interest rate risk by structuring its portfolio so that it does not invest any operating funds in any debt instruments other than U.S. agencies and Illinois Funds as described in the adopted Village investment policy.

The Police and Firefighters' Pension Funds' formal investment policies limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

The following schedule reports the fair values and maturities for the Police and Firefighters' Pension Funds' investments at April 30, 2016:

Police Pension Fund	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury Notes	\$ 4,072,821	\$ -	\$ 1,031,954	\$ 3,040,867	\$ -
U.S. Government Agency Securities	63,675	-	-	21,985	41,690
Corporate Bonds	5,541,520	560,185	4,904,917	-	76,418
Total	\$ 9,678,016	\$ 560,185	\$ 5,936,871	\$ 3,062,852	\$ 118,108

Firefighters' Pension Fund	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury Notes	\$ 2,540,117	\$ 611,514	\$ 1,044,997	\$ 883,606	\$ -
U.S. Government Agency Securities	2,019,609	-	539,243	1,429,083	51,283
Corporate Bonds	4,051,335	5,043	2,518,617	1,484,400	43,275
Total	\$ 8,611,061	\$ 616,557	\$ 4,102,857	\$ 3,797,089	\$ 94,558

Credit Risk - The Village (excluding Pension Trust Funds) limits its exposure to credit risk, the risk that the issuer of a debt security will not pay its par value upon maturity, by primarily investing in U.S. Agencies and Illinois Funds, as described in the adopted Village investment policy. The United States Agencies are implicitly guaranteed by the United States government. Illinois Funds are rated AAAM by Standard & Poor's.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 2 - Deposits and Investments (Continued)

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police and Firefighters' Pension Funds help limit their exposure to credit risk by primarily investing in securities issued by the United States government and/or its agencies that are implicitly guaranteed by the United States government. The Police and Firefighters' Pension Funds' investment policies established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Police and Firefighters' Pension Funds' investment policies also prescribes the "prudent person" rule.

For the Police Pension Fund, investments in state and local obligations were all rated AA or better, U.S. government agencies were all rated AAA, and corporate bonds were all rated BBB or better by Standard & Poor's or by Moody's Investors Services.

For the Firefighters' Pension Fund, U.S. government agencies were all rated AAA, and corporate bonds were rated BBB or better by Standard & Poor's or by Moody's Investors Services or were small issues that were unrated or underrated. Unrated (N/R) and underrated investments are listed in the table below.

Investment	Fair Value
Firefighters' Pension Fund - Unrated	\$ 407,853

Concentration of Credit Risk - The Village limits the amount the Village may invest in any one issuer; no more than 50 percent of the funds may be invested in a single institution as described in the adopted Village investment policy. More than 5 percent of the Village's investments (excluding Pension Trust Funds) are in the Amalgamated Bank money market mutual fund (24 percent).

The Police Pension Fund diversifies investments so as to minimize the risk of large losses and "the securities of any one company should not exceed 5 percent of the total fund and no more than 10 percent of the total fund should be invested in any one industry." At April 30, 2016, more than 5 percent of the Police Pension Fund's investments are in Voya/ING Life Insurance Contracts, Delaware Life Insurance Contracts, and Vanguard Total Stock Market Index Fund. These investments are 5 percent, 5 percent, and 24 percent, respectively, of the Police Pension Fund's total investments.

The Firefighters' Pension Fund's investment policy states the trustees seek to "optimize the asset allocation to best meet the actuarial and cash flow needs of the Pension Fund at a prudent level of risk." At April 30, 2016, more than 5 percent of the Firefighters' Pension Fund's investments are in Principal Life Financial Insurance Contract, Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, and Artisan International Investor Fund. These investments are 8 percent, 25 percent, 6 percent, and 5 percent, respectively, of the Firefighters' Pension Fund's total investments.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 3 - Capital Assets

Capital asset activity of the Village's governmental and business-type activities was as follows:

	Balance May 1, 2015	Reclassifications	Additions	Disposals	Balance April 30, 2016
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 13,342,586	\$ -	\$ -	\$ -	\$ 13,342,586
Construction in progress	174,883	162,615	4,839,789	-	5,177,287
Subtotal	13,517,469	162,615	4,839,789	-	18,519,873
Capital assets being depreciated:					
Infrastructure	131,198,274	-	-	-	131,198,274
Buildings and improvements	21,534,669	174,883	46,725	-	21,756,277
Machinery and equipment	6,848,983	-	1,100,397	(97,475)	7,851,905
Subtotal	159,581,926	174,883	1,147,122	(97,475)	160,806,456
Accumulated depreciation:					
Infrastructure	108,904,506	-	1,745,520	-	110,650,026
Buildings and improvements	4,280,444	-	509,601	-	4,790,045
Machinery and equipment	5,541,921	-	304,388	(89,045)	5,757,264
Subtotal	118,726,871	-	2,559,509	(89,045)	121,197,335
Net capital assets being depreciated	40,855,055	174,883	(1,412,387)	(8,430)	39,609,121
Net capital assets	\$ 54,372,524	\$ 337,498	\$ 3,427,402	\$ (8,430)	\$ 58,128,994
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000
Construction in progress	3,426,767	(3,426,766)	6,926,316	-	6,926,317
Subtotal	3,611,767	(3,426,766)	6,926,316	-	7,111,317
Capital assets being depreciated:					
Water and sewer lines	51,689,784	3,089,268	3,434,637	-	58,213,689
Drain rights	5,686,944	-	-	-	5,686,944
Buildings and improvements	2,109,296	-	-	-	2,109,296
Machinery and equipment	2,981,520	-	403,874	-	3,385,394
Subtotal	62,467,544	3,089,268	3,838,511	-	69,395,323
Accumulated depreciation:					
Water and sewer lines	19,351,684	-	952,640	-	20,304,324
Sidewalks and other intangible rights	3,283,585	-	161,348	-	3,444,933
Buildings and improvements	1,106,917	-	52,546	-	1,159,463
Machinery and equipment	2,834,358	-	60,071	-	2,894,429
Subtotal	26,576,544	-	1,226,605	-	27,803,149
Net capital assets being depreciated	35,891,000	3,089,268	2,611,906	-	41,592,174
Net capital assets	\$ 39,502,767	\$ (337,498)	\$ 9,538,222	\$ -	\$ 48,703,491

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 3 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 138,855
Public safety	590,639
Highway and streets	<u>1,830,015</u>
Total governmental activities	<u>\$ 2,559,509</u>

Business-type activities:

Water and sewer	\$ 1,223,847
Commuter parking lot	<u>2,758</u>
Total business-type activities	<u>\$ 1,226,605</u>

Construction Commitments - The Village has active construction projects at year end as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Cullerton Industrial Area	\$ 5,156,692	\$ 589,685
West Mannheim Redeveloping Area	1,978,211	466,755
Silver Creek Channel	3,480,631	758,092
Franklin Avenue	-	2,166,306
2016 Street Program	-	1,415,700
Scott Street Basin	<u>5,501,593</u>	<u>664,504</u>
Total	<u>\$ 16,117,127</u>	<u>\$ 6,061,042</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 4 - Long-term Debt

The Village issues long-term debt to provide for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the Village. Leases and loans are also general obligations of the Village.

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Bonds (Alternate Revenue Source) - Series 2006 - \$9,500,000 - payable through 2031	4.00%	\$50,000 - \$1,255,000	\$ 9,330,000	\$ -	\$ (50,000)	\$ 9,280,000	\$ 50,000
General Obligation Bonds (Alternate Revenue Source) - Series 2007 - \$8,155,000 - payable through 2023	4.20% - 5.50%	\$555,000 - \$975,000	5,930,000	-	(555,000)	5,375,000	580,000
General Obligation Bonds (Alternate Revenue Source) - Series 2011 - \$9,975,000 - payable through 2031	4.00% - 6.25%	\$425,000 - \$880,000	9,570,000	-	(425,000)	9,145,000	440,000
General Obligation Limited Tax Debt Certificates - Series 2013 - \$4,760,000 - payable through 2033	3.625% - 5.00%	\$68,738 - \$428,288	4,760,000	-	-	4,760,000	-
General Obligation Refunding Bonds (Alternate Revenue Source) - Series 2014B - \$3,335,000 - payable through 2023	3.00% - 5.00%	\$235,000 - \$430,000	3,335,000	-	(250,000)	3,085,000	295,000
General Obligation Refunding Bonds (Alternate Revenue Source) - Series 2015A - \$6,140,000 - payable through 2035	3.625% - 5.00%	\$230,000 - \$1,570,000	6,140,000	-	-	6,140,000	-
Plus deferred premium			1,169,782	-	(85,340)	1,084,442	-
Less deferred discount			(245,597)	-	15,170	(230,427)	-
Total bonds payable			39,989,185	-	(1,350,170)	38,639,015	1,365,000
Leases payable			359,966	-	(117,190)	242,776	82,108
Loans payable			-	4,294,442	-	4,294,442	109,291
Compensated absences			1,208,138	306,654	(241,628)	1,273,164	254,633
Net pension liability			4,578,094	66,366,659	-	70,944,753	-
Net OPEB obligation			11,462,009	1,823,684	-	13,285,693	-
Total governmental activities			\$ 57,597,392	\$ 72,791,439	\$ (1,708,988)	\$ 128,679,843	\$ 1,811,032

Compensated absences attributable to the governmental activities will be liquidated primarily by the General Corporate Fund. The net pension liability and the net OPEB obligation will be liquidated from the funds from which the individual employee's salaries are paid, generally the General Corporate Fund.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 4 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General Obligation Limited Tax							
Debt Certificates - Series							
2013 - \$8,740,000 - payable	3.625% -	\$126,263 -					
through 2033	5.00%	\$786,713	\$ 8,740,000	\$ -	\$ -	\$ 8,740,000	\$ -
Plus unamortized premium			371,069	-	(21,828)	349,241	-
Less unamortized discount			(89,816)	-	5,283	(84,533)	-
General Obligation Refunding							
Bonds (Alternate Revenue Source) - Series 2014A -							
\$10,445,000 - payable		\$780,000 -					
through 2022	2.00% - 5.00%	\$1,545,000	10,445,000	-	(1,375,000)	9,070,000	1,250,000
Plus unamortized premium			1,136,457	-	(189,410)	947,047	-
General Obligation Limited Tax							
Debt Certificates - Series							
2015 - \$6,855,000 - payable		\$260,000 -					
through 2036	4.00% - 5.00%	\$1,030,000	-	6,855,000	-	6,855,000	-
Plus unamortized premium			-	373,877	-	373,877	-
Less unamortized discount			-	(66,124)	-	(66,124)	-
Total bonds payable			20,602,710	7,162,753	(1,580,955)	26,184,508	1,250,000
Loans payable			2,218,098	474,000	(755,746)	1,936,352	621,060
Compensated absences			54,232	33,618	(27,116)	60,734	60,734
Net pension liability			-	357,352	-	357,352	-
Net OPEB obligation			1,216,525	292,593	-	1,509,118	-
Total business-type activities			\$ 24,091,565	\$ 8,320,316	\$ (2,363,817)	\$ 30,048,064	\$ 1,931,794

Compensated absences attributable to the business-type activities will be liquidated by the Water and Sewer Fund. The net OPEB obligation will be liquidated from the funds from which the individual employee's salaries are paid, generally the Water and Sewer Fund.

Total interest expense for the year was approximately \$2,630,000.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 4 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds, loans, and lease obligations (excluding unamortized premiums and discounts) are as follows. The governmental activities and business-type activities columns exclude loan payables in the amount of \$1,294,442 and \$474,000, respectively, that do not yet have a payment schedule.

Year Ending April 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2017	\$ 1,556,399	\$ 1,800,224	\$ 3,356,623	\$ 1,871,060	\$ 1,274,612	\$ 3,145,672
2018	1,667,160	1,741,244	3,408,404	1,767,145	1,053,576	2,820,721
2019	1,875,687	1,676,078	3,551,765	1,870,863	977,928	2,848,791
2020	1,973,810	1,602,557	3,576,367	1,955,140	891,062	2,846,202
2021	2,077,376	1,523,556	3,600,932	1,863,156	800,412	2,663,568
2022-2026	11,670,537	6,015,556	17,686,093	7,312,637	2,798,578	10,111,215
2027-2031	12,655,892	3,154,058	15,809,950	5,326,519	1,466,831	6,793,350
2032-2036	7,550,915	584,938	8,135,853	4,160,832	408,331	4,569,163
Total	\$ 41,027,776	\$ 18,098,211	\$ 59,125,987	\$ 26,127,352	\$ 9,671,330	\$ 35,798,682

Legal Debt Margin - The Village is subject to a legal debt margin of 8.625 percent of equalized assessed value (EAV) of property in the Village. As of April 30, 2016, the equalized assessed valuation of the Village using the tax year 2015 EAV is \$593,755,621 and the legal debt margin is \$51,211,422 while the equalized assessed valuation of the Village using the tax year 2014 EAV (which was also in effect during the fiscal year) is \$620,351,351 and the legal debt margin is \$53,505,304. Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2007 and 2014B are such bonds, therefore the Village is in compliance. The Series 2014A and 2014B bonds were also abated in April 2016.

Debt Covenants - The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year end. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings.

Note 5 - Short-term Debt

The Village maintains a \$4,000,000 revolving line of credit with one of its banks. The line provides a liquidity cushion for the Village, largely for use between the twice-yearly receipt of property tax revenue. The Village has maintained a liquidity facility since 2009, when it was \$2,000,000. During the intervening period, the facility has grown to its present \$4,000,000. The line is renewable annually at the end of June. As of April 30, 2016, there were no outstanding draws on the line of credit.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 6 - Noncommitment Debt

Tax increment financing notes outstanding as of April 30, 2016 total \$17,108,175. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of noncommitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project - \$2,400,000 note issued August 5, 2002, bearing interest at 9 percent. The final due date of the note was December 31, 2015 and at that time, all unpaid principal and interest due on the note were forfeited by the note holder. Principal and interest balance as of April 30, 2016 is \$0.

O'Hare East Industrial Complex Redevelopment Project - \$8,200,000 note issued November 1, 2000 bearing interest at 10 percent. Principal balance as of April 30, 2016 is \$8,200,000 plus accrued interest of \$8,908,175 for a total amount due of \$17,108,175. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Due to/from Other Funds		
General Corporate Fund	Nonmajor governmental funds	\$ 911,246
	Nonmajor enterprise fund	<u>18,941</u>
	Total General Corporate Fund	930,187
Corporate bond and interest	Water and Sewer Fund	531,234
Nonmajor governmental funds	Nonmajor governmental funds	175,000
Nonmajor enterprise fund	Nonmajor governmental funds	<u>9,962</u>
	Total	<u>\$ 1,646,383</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
General Corporate Fund	Corporate Bond and Interest Fund	\$ 20,344
	Nonmajor governmental funds	1,507,097
	Internal Service Fund	78,140
	Nonmajor enterprise fund	<u>350,545</u>
	Total General Corporate Fund	1,956,126
Corporate Bond and Interest Fund	Nonmajor governmental funds	833,627
Nonmajor governmental funds	General Corporate Fund	173,459
	Nonmajor governmental funds	<u>1,121,383</u>
	Total Nonmajor governmental funds	1,294,842
Water and Sewer Fund	Nonmajor governmental funds	<u>400,000</u>
	Total	<u>\$ 4,484,595</u>

The principal purposes of the interfund receivables and payables were purchases made with cash from a different fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Related to the interfund receivable and payable between the General Corporate Fund and the Downtown Franklin TIF Fund of \$1,312,966, the General Corporate Fund lent the Downtown Franklin TIF Fund money to cover initial costs.

Interfund transfers reported in the fund financial statements are comprised of the following:

Fund Transferred From	Fund Transferred To	Amount
Nonmajor governmental funds	Corporate Bond and Interest Fund	\$ 1,191,828
Water and Sewer Fund	Nonmajor governmental funds	<u>337,499</u>
	Total	<u>\$ 1,529,327</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 7 - Interfund Receivables, Payables, and Transfers (Continued)

The transfers between the nonmajor governmental funds and the Corporate Bond and Interest Fund are due to the fact that bond covenants require that the expenditures for debt service need to be shown in the Corporate Bond and Interest Fund; however, the payment related to TIF bonds. The transfer between the Water and Sewer Fund and the nonmajor governmental funds related to the movement of capital costs to the correct fund.

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan

Plan Description - The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided - IMRF provides two tiers of pension benefits. Employees hired before January 1, 2011 are eligible for Tier I benefits. Tier I employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier I employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier I, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount

Employees Covered by Benefit Terms - At the December 31, 2015 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	114
Inactive plan members entitled to but not yet receiving benefits	39
Active plan members	<u>65</u>
Total employees covered by IMRF	<u><u>218</u></u>

Contributions - As set by statute, the Village's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar years 2016 and 2015 was 10.30 percent and 18.74 percent, respectively. For the fiscal year ended June 30, 2016, the Village contributed \$604,304 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's board of trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The net pension liability reported at April 30, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2014	\$ 23,813,791	\$ 23,796,902	\$ 16,889
Service cost	351,910	-	351,910
Interest	1,742,327	-	1,742,327
Differences between expected and actual experience	158,282	-	158,282
Contributions - Employer	-	710,898	(710,898)
Contributions - Employee	-	168,390	(168,390)
Net investment income	-	117,389	(117,389)
Benefit payments, including refunds	(1,517,433)	(1,517,433)	-
Miscellaneous other charges	-	(73,663)	73,663
Net changes	735,086	(594,419)	1,329,505
Balance at December 31, 2015	<u>\$ 24,548,877</u>	<u>\$ 23,202,483</u>	<u>\$ 1,346,394</u>

Pension Expense and Deferred Outflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$622,520. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Difference between expected and actual experience	\$ 105,334
Net difference between projected and actual earnings on pension plan investments	<u>1,312,548</u>
Employer contributions to the plan subsequent to the measurement date	<u>111,789</u>
Total	<u>\$ 1,529,671</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$111,789), which will impact the net pension liability in fiscal year

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

2017, rather than pension expense.

Years Ending April 30	Amount
2017	\$ 381,085
2018	380,523
2019	328,137
2020	328,137

Actuarial Assumptions - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75 - 14.5% Including inflation
Investment rate of return	7.50% Net of pension plan investment expense, including inflation

Mortality rates for non-disabled retirees were based on the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return as of December 31, 2015, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17 %	7.59 %
Fixed Income	27 %	3.00 %
Real Estate	8 %	6.00 %
Alternative Investments	9 %	5.25 %
Cash Equivalents	1 %	2.25 %

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Village, calculated using the discount rate of 7.5 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1 Percent Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percent Increase (8.5%)
Net pension liability (asset) of the Village	\$ 4,272,718	\$ 1,346,394	\$ (1,057,326)

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 8 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)

Plan Description - The Village's defined benefit pension plan for sheriff's law enforcement personnel employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits Provided - The SLEP plan is for sheriffs, deputy sheriffs, and selected police chiefs. SLEP provides two tiers of pension benefits. Employees hired before January 1, 2011 are eligible for Tier I benefits. Tier I employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier I employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier I, the pension is increased by 3 percent of the original amount on January 1 every year after retirement.

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Employees hired on or after January 1, 2011 are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3 percent of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount

Employees Covered by Benefit Terms - At the December 31, 2015 measurement date, there were no employees covered by the benefit terms.

Contributions - As set by statute, the Village's SLEP plan members are required to contribute 7.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar years 2016 and 2015 was 13.35 percent and 13.75 percent. For the fiscal year ended April 30, 2016, the Village contributed \$0 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's board of trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Asset

The net pension asset reported at April 30, 2016 was determined using a measure of the total pension liability and the pension net position as of December 31, 2015. The December 31, 2015 total pension liability was determined by an actuarial valuation performed as of that date.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Changes in the net pension asset during the measurement year were as follows:

Changes in Net Pension Liability (Asset)	Increase (Decrease)		Net Pension Liability (Asset)
	Total Pension Liability	Plan Net Position	
Balance at December 31, 2014	\$ -	\$ 53,672	\$ (53,672)
Net investment income	-	268	(268)
Miscellaneous other charges	-	(7,050)	7,050
Net changes	-	(6,782)	6,782
Balance at December 31, 2015	<u>\$ -</u>	<u>\$ 46,890</u>	<u>\$ (46,890)</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$3,988. At April 30, 2016, the Village reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 2,794</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending April 30	Amount
2017	\$ 699
2018	699
2019	699
2020	697

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Actuarial Assumptions - The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.75 - 14.5% Including inflation
Investment rate of return	7.50% Net of pension plan investment expense, including inflation

Mortality rates for non-disabled retirees were based on the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table, applying the same adjustments that were applied for non-disabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2014). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Discount Rate - The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumes that employee contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return as of December 31, 2015, the measurement date, for each major asset class are summarized in the following table:

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Domestic Equity	38 %	7.39 %
International Equity	17	7.59
Fixed Income	27	3.00
Real Estate	8	6.00
Alternative Investments	9	5.25
Cash Equivalents	1	2.25

Sensitivity of the Net Pension Asset to Changes in the Discount Rate - The following presents the net pension liability (asset) of the Village, calculated using the discount rate of 7.5 percent, as well as what the Village's net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1 Percent Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percent Increase (8.5%)
Net pension liability (asset) of the Village	\$ (46,890)	\$ (46,890)	\$ (46,890)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position has been determined on the same basis as they are reported by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund

Pension Plan Description

Plan Description - The Police Pension Fund is a single-employer defined benefit pension plan that covers all sworn police personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/3-1) and may be amended only by the Illinois legislature. The Village accounts for the fund as a pension trust fund. The fund is governed by a five-member board of trustees. Two members of the board are appointed by the Village's mayor, one member is elected by pension beneficiaries, and two members are elected by active police employees

The Police Pension Fund issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Fund may be obtained by writing the Village.

Employees Covered by Benefit Terms - At April 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	43
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>48</u>
Total employees covered by the plan	<u>92</u>

Benefits Provided - The Police Pension Fund provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer salary for the pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2 percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1 after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or 1/2 of the change in the Consumer Price Index for the proceeding calendar year.

Contributions - Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2016, the Village's contribution was 42.08 percent of covered payroll.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes at April 30, 2016. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds, and variable annuities to 65 percent. Securities in any one company should not exceed 5 percent of the total fund.

Asset Class	Target Allocation
Domestic large cap equities	35.6 %
Domestic small cap equities	5.7
International equities	6.3
International small cap equities	0.5
Fixed income	44.3
Real estate	3.9
Cash or cash equivalents	3.7

Rate of Return - For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.28 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Village at April 30, 2016 were as follows:

Total pension liability	\$ 60,333,270
Plan fiduciary net position	<u>(23,445,339)</u>
Village's net pension liability	<u>\$ 36,887,931</u>

Plan fiduciary net position as a percentage of the total pension liability 38.9 %

The Village has chosen to use April 30, 2016 as its measurement date for the net pension liability. The April 30, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of April 30, 2016. The April 30, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2015	\$ 54,672,865	\$ 23,445,733	\$ 31,227,132
Service cost	804,105	-	804,105
Interest	3,609,252	-	3,609,252
Differences between expected and actual experience	(288,036)	-	(288,036)
Changes in assumptions	3,940,011	-	3,940,011
Contributions - Employer	-	1,769,378	(1,769,378)
Contributions - Employee	-	403,414	(403,414)
Net investment income	-	308,450	(308,450)
Benefit payments, including refunds	(2,404,927)	(2,404,927)	-
Administrative expenses	-	(76,709)	76,709
Net changes	5,660,405	(394)	5,660,799
Balance at April 30, 2016	<u>\$ 60,333,270</u>	<u>\$ 23,445,339</u>	<u>\$ 36,887,931</u>

Assumption Changes - The demographic assumptions were changed during the year ended April 30, 2016. The changes were made based on a study of police officers and police pension funds in Illinois. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include: mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$3,345,076. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (242,461)
Changes in assumptions	3,316,592	-
Net difference between projected and actual earnings on pension plan investments	1,010,970	-
Total	<u>\$ 4,327,562</u>	<u>\$ (242,461)</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2017	\$ 830,587
2018	830,587
2019	830,587
2020	830,586
2021	577,844
Thereafter	184,910

Actuarial Assumptions - The total pension liability in the April 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% - 20.82% Average, including inflation
Investment rate of return	6.75% Net of pension plan investment expense, including inflation

Mortality rates were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois police officers with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to five years past the valuation date.

Discount Rate - The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of April 30, 2016 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Domestic large cap equities	4.75 %
Domestic small cap equities	5.45
International equities	5.05
International small cap equities	5.80
Fixed income	1.55
Real estate	4.30
Cash or cash equivalents	0.35

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Village, calculated using the discount rate of 6.75 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	1 Percent Decrease (5.75%)	Current Discount Rate (6.75%)	1 Percent Increase (7.75%)
Net pension liability of the Village	\$ 45,545,381	\$ 36,887,931	\$ 29,806,601

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 10 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund

Pension Plan Description

Plan Description - The Firefighters' Pension Fund is a single-employer defined benefit pension plan that covers all sworn firefighter personnel. The defined benefits and employee and minimum employer contribution levels are governed by Illinois Compiled Statutes (40 ILCS 5/4-1) and may be amended only by the Illinois legislature. The Village accounts for the fund as a pension trust fund. The fund is governed by a five-member board of trustees. Two members of the board are appointed by the Village's mayor, one member is elected by pension beneficiaries, and two members are elected by active fire employees.

The Firefighters' Pension Fund issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighters' Pension Fund may be obtained by writing the Village.

Employees Covered by Benefit Terms - At April 30, 2016, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	50
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>43</u>
Total employees covered by the plan	<u>94</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Benefits Provided - The Firefighters' Pension Fund provides retirement benefits through two tiers of benefits as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1), attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a firefighter who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3 percent of the original pension and 3 percent compounded annually thereafter.

Covered employees hired on or after January 1, 2011 (Tier 2), attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighter salary for the pension purposes is capped at \$106,800, plus the lesser of 1/2 of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 1/2 percent for each month under 55). The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1 after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Non-compounding increases occur annually, each January thereafter. The increase is the lesser of 3 percent or 1/2 of the change in the Consumer Price Index for the preceding calendar year.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Contributions - Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2016, the Village's contribution was 51.63 percent of covered payroll.

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes at April 30, 2016. Illinois Compiled Statutes (ILCS) limit the fund's investments in equities, mutual funds and variable annuities to 65 percent. Securities in any one company should not exceed 5 percent of the total fund.

Asset Class	Target Allocation
Fixed income	45.0 %
Domestic equities	35.0 %
International equities	15.0 %
Real estate	5.0 %

Rate of Return - For the year ended April 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.40 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the Village at April 30, 2016 were as follows:

Total pension liability	\$ 58,876,780
Plan fiduciary net position	<u>(25,762,110)</u>
Village's net pension liability	<u>\$ 33,114,670</u>
Plan fiduciary net position as a percentage of the total pension liability	43.8 %

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

The Village has chosen to use April 30, 2016 as its measurement date for the net pension liability. The April 30, 2016 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of April 30, 2016. The April 30, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

Changes in the net pension liability during the measurement year were as follows:

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2015	\$ 54,038,018	\$ 26,055,278	\$ 27,982,740
Service cost	864,916	-	864,916
Interest	3,382,646	-	3,382,646
Differences between expected and actual experience	(562,489)	-	(562,489)
Changes in assumptions	3,686,959	-	3,686,959
Contributions - Employer	-	1,814,047	(1,814,047)
Contributions - Employee	-	356,782	(356,782)
Net investment income	-	114,621	(114,621)
Benefit payments, including refunds	(2,533,270)	(2,533,270)	-
Administrative expenses	-	(45,348)	45,348
Net changes	4,838,762	(293,168)	5,131,930
Balance at April 30, 2016	\$ 58,876,780	\$ 25,762,110	\$ 33,114,670

Assumption Changes - The demographic assumptions were changed during the year ended April 30, 2016. The changes were made based on a study of firefighters and fire pension funds in Illinois. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted include: mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended April 30, 2016, the Village recognized pension expense of \$2,965,442. At April 30, 2016, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (472,491)
Changes in assumptions	3,097,046	-
Net difference between projected and actual earnings on pension plan investments	1,355,980	-
Total	<u>\$ 4,453,026</u>	<u>\$ (472,491)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ending June 30	Amount
2017	\$ 838,910
2018	838,910
2019	838,910
2020	838,910
2021	499,915
Thereafter	124,980

Actuarial Assumptions - The total pension liability in the April 30, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.75% - 16.43% Average, including inflation
Investment rate of return	7.00% Net of pension plan investment expense, including inflation

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Mortality rates were based on the assumption study prepared by Lauterbach & Amen, LLP in 2016. The table combines observed experience of Illinois firefighters with the RP-2014 mortality table for blue collar workers. Mortality improvements have been made to five years past the valuation date.

Discount Rate - The discount rate used to measure the total pension liability was 6.41 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 3.32 percent. The source of that bond rate was the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date. The long-term expected rate of return was applied to projected benefit payments from years 1 through 47 and the municipal bond rate was applied to the remaining periods.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of April 30, 2016 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table.

Asset Class	Long-term Expected Real Rate of Return
Fixed income	0.20 %
Domestic equities	5.20
International equities	5.10
Real estate	6.30

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 11 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the Village, calculated using the discount rate of 6.41 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.41 percent) or 1 percentage point higher (7.41 percent) than the current rate:

	1 Percent Decrease (5.41%)	Current Discount Rate (6.41%)	1 Percent Increase (7.41%)
Net pension liability of the Village	\$ 41,411,699	\$ 33,114,670	\$ 26,302,917

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in the separately issued financial report. For the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows or resources related to pension and pension expense, information about the plan's fiduciary net position and addition to/deduction from fiduciary net position have been determined on the same basis as they are report by the plan. The plan uses the economic resources measurement focus and the full accrual basis of accounting. Investments are stated at fair value. Contribution revenue is recorded as contributions are due, pursuant to legal requirements. Benefit payments and refunds of employee contributions are recognized as expense when due and payable in accordance with the benefit terms.

Note 12 - Risk Management

The Village is exposed to various risks of loss related to property loss, torts, errors and omissions, natural disasters, and employee injuries (workers' compensation). The Village has purchased commercial insurance from private insurance companies for claims. Settled claims relating to the commercial insurance have not exceeded the amount of insurance coverage in any of the past three fiscal years. In addition, the Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village attorney, the resolution of these matters will not have a material adverse effect on the financial statements of the Village.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 13 - Tax Increment Revenue Pledged

The Village has pledged a portion of future property tax revenue to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenue were \$1,188,828 and \$1,966,827, respectively.

Note 14 - Other Postemployment Benefits

Plan Description - The Village provides full healthcare insurance for its eligible retired employees until age 65. Employees under IMRF who were enrolled in IMRF prior to January 1, 2011 must be at least 55 years old, have at least eight years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under IMRF who were enrolled in IMRF on or after January 1, 2011 must be at least 62 years old, have at least 10 years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under the Police Pension Fund and Firefighters' Pension Fund must be at least 50 years old and have at least 20 years of credited service. This is a single employer defined benefit plan administered by the Village. The benefits are provided under collective bargaining agreements. Currently, the plan has 184 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

Funding Policy - Employees under IMRF may continue medical and dental coverage into retirement on the Village plan on a retiree-pay-all basis. The Village pays 50 percent of the premium charged for retiree-only coverage and 40 percent of the premium charged for family coverage for Police Pension Fund employees. The Village pays 50 percent of the premium charged for retiree-only or family coverage for Firefighters' Pension Fund employees. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment (in other words, this may be financed on a "pay-as-you-go" basis). Funding is provided by the Village on a pay-as-you-go basis.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 14 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended April 30, 2016, the Village has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of May 1, 2015. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,588,781
Interest on the prior year's net OPEB obligation	443,748
Less adjustment to the annual required contribution	<u>(422,618)</u>
Annual OPEB cost	2,609,911
Amounts contributed - Payments of current premiums	<u>(493,634)</u>
Increase in net OPEB obligation	2,116,277
OPEB obligation - Beginning of year	<u>12,678,534</u>
OPEB obligation - End of year	<u><u>\$ 14,794,811</u></u>

The annual OPEB costs, the percentage contributed to the plan, and the net OPEB obligation for the current and two preceding years were as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
4/30/14	5/1/12	\$ 2,664,382	20.7 %	\$ 10,719,871
4/30/15	5/1/15	2,419,905	19.1	12,678,534
4/30/16	5/1/15	2,609,911	18.9	14,794,811

The funding progress of the plan is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
5/1/10	\$ -	\$ 22,505,725	\$ 22,505,725	-	\$ 9,153,019	245.9
5/1/12	-	26,907,472	26,907,472	-	9,242,824	291.1
5/1/15	-	24,710,141	24,710,141	-	10,171,789	242.9

Note 14 - Other Postemployment Benefits (Continued)

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented above, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

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

In the May 1, 2015 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.50 percent investment rate of return (net of administrative expenses) and an annual healthcare trend rate of 3.00 percent - 6.50 percent initially, reduced by decrements to an ultimate rate of 3.00 percent - 6.00 percent. Both rates included a 3.50 percent inflation rate. There was no actuarial value of assets of the retiree healthcare account as of May 1, 2015. The UAAL is being amortized as a level dollar on an open basis. The remaining amortization period at May 1, 2015 was 30 years.

Note 15 - Reporting Change

During the current year, the Village adopted Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As a result, the government-wide statements and the proprietary funds now include a liability for underfunded legacy costs. Some of the changes in this net pension liability will be recognized immediately as part of the pension expense measurement, and part will be deferred and recognized over future years. Refer to the pension footnotes for further details. This change does not impact the General Corporate Fund or any other governmental fund.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 15 - Reporting Change (Continued)

As a result of implementing this statement, the beginning net position of governmental activities, business-type activities, the Water and Sewer Fund, the Garbage Fund, and the Proprietary Internal Service Fund have been restated as follows:

	Governmental Activities	Business-type Activities	Water and Sewer Fund	Garbage Fund	Proprietary Internal Service Fund
Net position - April 30, 2015 - As previously reported	\$ 2,343,562	\$ 17,589,376	\$ 19,610,970	\$ (1,951,663)	\$ (767,229)
Adjustment for implementation of GASB Statement No. 68 and No. 71 - IMRF Regular Plan	152,737	48,758	47,306	1,452	14,054
Adjustment for implementation of GASB Statement No. 68 - IMRF SLEP Plan	53,672	-	-	-	-
Adjustment for implementation of GASB Statement No. 68 - Police Pension Plan	(28,680,924)	-	-	-	-
Adjustment for implementation of GASB Statement No. 68 - Firefighters' Pension Plan	(25,950,854)	-	-	-	-
Net position - April 30, 2015 - As restated	<u>\$ (52,081,807)</u>	<u>\$ 17,638,134</u>	<u>\$ 19,658,276</u>	<u>\$ (1,950,211)</u>	<u>\$ (753,175)</u>

Note 16 - Upcoming Accounting Pronouncements

In February 2015, the Governmental Accounting Standards Board issued GASB Statement No. 72, *Fair Value Measurement and Application*. The requirements of this statement will enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. This statement also will enhance fair value application guidance and related disclosures in order to provide information to financial statement users about the impact of fair value measurements on a government's financial position. GASB Statement No. 72 is required to be adopted for years beginning after June 15, 2015. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the Village's 2016-2017 fiscal year.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2016

Note 16 - Upcoming Accounting Pronouncements (Continued)

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which addresses reporting by governments that provide postemployment benefits other than pensions (OPEB) to their employees and for governments that finance OPEB for employees of other governments. This OPEB standard will require the Village to recognize on the face of the financial statements its net OPEB liability related to the OPEB plan. The statement also enhances accountability and transparency through revised note disclosures and required supplemental information (RSI). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2019.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement will require governments to disclose in their financial statements information related to tax abatement agreements. The Village is currently evaluating the impact this standard will have on the financial statements when adopted during the 2016-2017 fiscal year.

Note 17 - Subsequent Events

On October 14, 2016, the Village issued General Obligation Refunding Bonds (Alternate Revenue Source), Series 2016A in the amount of \$8,800,000. The proceeds of these bonds were used to advance refund \$9,280,000 of outstanding General Obligation Bonds (Alternate Revenue Source), Series 2006. The average interest rate ranges from 2.0 to 4.0 percent maturing through 2030.

Required Supplemental Information

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - General Corporate Fund Year Ended April 30, 2016

	Original and Final Budget	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 11,793,557	\$ 11,745,955	\$ (47,602)
Intergovernmental revenue - Sales tax	4,000,000	3,520,123	(479,877)
Intergovernmental revenue - Income tax	1,361,225	1,858,279	497,054
Utility tax	3,225,000	3,324,013	99,013
Other taxes	967,660	1,063,858	96,198
Licenses, permits, and fees	1,957,400	2,555,694	598,294
Grant revenue	243,000	413,795	170,795
Charges for services	1,024,485	1,094,485	70,000
Fines and forfeitures	459,800	673,193	213,393
Investment income	-	6,185	6,185
Other revenue	922,225	1,155,604	233,379
Total revenue	25,954,352	27,411,184	1,456,832
Expenditures			
Current:			
General government	5,582,578	6,196,330	(613,752)
Public safety	13,834,599	14,057,099	(222,500)
Highway and street	4,941,432	4,102,151	839,281
Public health	298,565	416,657	(118,092)
Community development	642,792	412,127	230,665
Building department	781,370	699,738	81,632
Capital outlay	2,350,476	1,542,886	807,590
Debt service	99,182	133,594	(34,412)
Total expenditures	28,530,994	27,560,582	970,412
Excess of Expenditures Over Revenue	(2,576,642)	(149,398)	2,427,244
Other Financing Sources			
Face value of debt issue	1,306,159	1,294,442	(11,717)
Transfers in	492,516	-	(492,516)
Total other financing sources	1,798,675	1,294,442	(504,233)
Net Change in Fund Balance	(777,967)	1,145,044	1,923,011
Fund Balance - Beginning of year	5,754,309	5,754,309	-
Fund Balance - End of year	\$ 4,976,342	\$ 6,899,353	\$ 1,923,011

Village of Franklin Park, Illinois

Notes to Required Supplemental Information Year Ended April 30, 2016

Budgetary Information - Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Corporate Fund and all special revenue funds. All annual appropriations lapse at fiscal year end. The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

The finance director submits to the board of trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.

Budget hearings are conducted.

The budget is legally enacted through passage of an ordinance.

Budgets are adopted for all funds with the exception of the following funds: Police Station Fund, Foreign Fire Insurance Premium Fund, Police Department 1505 Fund, 911 Emergency Surcharge Tax Fund, GARRA Alternate Refunding Bonds Series 2004A Fund, Waveland Mannheim TIF Fund, and Tollway Fund.

The budget may be amended by the board of trustees. The budget was not amended this year.

The budget document presents information by fund and function. The legal level of budgetary control adopted by the governing body is the fund level (i.e., the level at which expenditures may not legally exceed appropriations).

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Village Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund Regular Plan Fiscal Year

	2016
Total Pension Liability	
Service cost	\$ 351,910
Interest	1,742,327
Changes in benefit terms	-
Differences between expected and actual experience	158,282
Changes in assumptions	-
Benefit payments, including refunds	(1,517,433)
Net Change in Total Pension Liability	735,086
Total Pension Liability - Beginning of year	23,813,791
Total Pension Liability - End of year	\$ 24,548,877
Plan Fiduciary Net Position	
Contributions - Employer	\$ 710,898
Contributions - Member	168,390
Net investment income	117,389
Administrative expenses	-
Benefit payments, including refunds	(1,517,433)
Other	(73,663)
Net Change in Plan Fiduciary Net Position	(594,419)
Plan Fiduciary Net Position - Beginning of year	23,796,902
Plan Fiduciary Net Position - End of year	\$ 23,202,483
Village's Net Pension Liability - Ending	\$ 1,346,394
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.52 %
Covered Employee Payroll	\$ 3,742,009
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	36.0 %

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Illinois Municipal Retirement Fund Regular Plan Fiscal Year

	2016
Actuarially determined contribution	\$ 701,252
Contributions in relation to the actuarially determined contribution	710,898
Contribution deficiency (excess)	\$ (9,646)
Covered employee payroll	\$ 3,742,009
Contributions as a percentage of covered employee payroll	19.0 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	28-year closed period until remaining period reaches 15 years (then 15-year rolling period)
Asset valuation method	5-year smoothed market; 20% corridor
Inflation	3.0% - approximate
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates was used. For women, 92% of the table rates was used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other information	There were no benefit changes during the year

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Village Net Pension Liability and Related Ratios

Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) Fiscal Year

	2016
Total Pension Liability	
Service cost	\$ -
Interest	-
Changes in benefit terms	-
Differences between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds	-
Net Change in Total Pension Liability	-
Total Pension Liability - Beginning of year	-
Total Pension Liability - End of year	\$ -
Plan Fiduciary Net Position	
Contributions - Employer	\$ -
Contributions - Member	-
Net investment income	268
Administrative expenses	-
Benefit payments, including refunds	-
Other	(7,050)
Net Change in Plan Fiduciary Net Position	(6,782)
Plan Fiduciary Net Position - Beginning of year	53,672
Plan Fiduciary Net Position - End of year	\$ 46,890
Village's Net Pension Liability - Ending	\$ (46,890)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	- %
Covered Employee Payroll	\$ -
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	- %

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) Fiscal Year

	2016
Actuarially determined contribution	\$ -
Contributions in relation to the actuarially determined contribution	-
Contribution deficiency (excess)	\$ -
Covered employee payroll	\$ -
Contributions as a percentage of covered employee payroll	DIV/0 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Aggregate Entry Age Normal
Amortization method	Level Percentage of Payroll, Closed
Remaining amortization period	28-year closed period until remaining period reaches 15 years (then 15-year rolling period)
Asset valuation method	5-Year smoothed market; 20% corridor
Inflation	3.0% - Approximate
Salary increases	4.40% to 16.00% including inflation
Investment rate of return	7.5%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2011 valuation pursuant to an experience study of the period 2008-2010
Mortality	RP-2000 Combined Healthy Mortality Table, adjusted for mortality improvements to 2020 using projection scale AA. For men, 120% of the table rates was used. For women, 92% of the table rates was used. For disabled lives, the mortality rates are the rates applicable to non-disabled lives set forward 10 years.
Other information	There were no benefit changes during the year

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Village Net Pension Liability and Related Ratios Police Pension Fund Fiscal Year

	2016	2015
Total Pension Liability		
Service cost	\$ 804,105	\$ 914,123
Interest	3,609,252	3,474,363
Changes in benefit terms	-	-
Differences between expected and actual experience	(288,036)	-
Changes in assumptions	3,940,011	-
Benefit payments, including refunds	(2,404,927)	(2,375,322)
Net Change in Total Pension Liability	5,660,405	2,013,164
Total Pension Liability - Beginning of year	54,672,865	52,659,701
Total Pension Liability - End of year	\$ 60,333,270	\$ 54,672,865
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,769,378	\$ 1,881,099
Contributions - Member	403,414	443,000
Net investment income	308,450	1,442,872
Administrative expenses	(76,709)	(48,484)
Benefit payments, including refunds	(2,404,927)	(2,375,322)
Other	-	-
Net Change in Plan Fiduciary Net Position	(394)	1,343,165
Plan Fiduciary Net Position - Beginning of year	23,445,733	22,102,568
Plan Fiduciary Net Position - End of year	\$ 23,445,339	\$ 23,445,733
Village's Net Pension Liability - Ending	\$ 36,887,931	\$ 31,227,132
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	38.86 %	42.88 %
Covered Employee Payroll	\$ 4,204,830	\$ 4,022,813
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	877.3 %	776.3 %

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Police Pension Fund Fiscal Year

	2016	2015
Actuarially determined contribution	\$ 2,035,492	\$ 1,931,074
Contributions in relation to the actuarially determined contribution	1,769,378	1,881,099
Contribution deficiency	\$ 266,114	\$ 49,975
Covered employee payroll	\$ 4,204,830	\$ 4,022,813
Contributions as a percentage of covered employee payroll	42.1 %	46.8 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal (Level Percent Pay)
Amortization method	Level Percent at 3.0% (Layered)
Remaining amortization period	100% Funded by 2041
Asset valuation method	5-Year Smoothed Market Value
Inflation	3.00%
Salary increases	4.75% - 11.75%
Investment rate of return	6.75%
Retirement age	See Notes to the Financial Statements
Mortality	Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Police Officers
Other information	None

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Village Net Pension Liability and Related Ratios Firefighters' Pension Fund Fiscal Year

	2016	2015
Total Pension Liability		
Service cost	\$ 864,916	\$ 923,057
Interest	3,382,646	3,358,358
Changes in benefit terms	-	-
Differences between expected and actual experience	(562,489)	-
Changes in assumptions	3,686,959	-
Benefit payments, including refunds	(2,533,270)	(2,409,632)
Net Change in Total Pension Liability	4,838,762	1,871,783
Total Pension Liability - Beginning of year	54,038,018	52,166,235
Total Pension Liability - End of year	\$ 58,876,780	\$ 54,038,018
Plan Fiduciary Net Position		
Contributions - Employer	\$ 1,814,047	\$ 1,862,970
Contributions - Member	356,782	309,228
Net investment income	114,621	1,532,903
Administrative expenses	(45,348)	(50,421)
Benefit payments, including refunds	(2,533,270)	(2,409,632)
Other	-	-
Net Change in Plan Fiduciary Net Position	(293,168)	1,245,048
Plan Fiduciary Net Position - Beginning of year	26,055,278	24,810,230
Plan Fiduciary Net Position - End of year	\$ 25,762,110	\$ 26,055,278
Village's Net Pension Liability - Ending	\$ 33,114,670	\$ 27,982,740
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	43.76 %	48.22 %
Covered Employee Payroll	\$ 3,513,867	\$ 3,342,976
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	942.4 %	837.1 %

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Firefighters' Pension Fund Fiscal Year

	2016	2015
Actuarially determined contribution	\$ 1,976,128	\$ 1,781,597
Contributions in relation to the actuarially determined contribution	1,814,047	1,862,970
Contribution deficiency (excess)	\$ 162,081	\$ (81,373)
Covered employee payroll	\$ 3,513,867	\$ 3,342,976
Contributions as a percentage of covered employee payroll	51.6 %	55.7 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal (Level Percent Pay)
Amortization method	Level Percent Pay (Closed)
Remaining amortization period	100% Funded by 2040
Asset valuation method	5-Year Smoothed Market Value
Inflation	3.00%
Salary increases	4.75% - 12.75%
Investment rate of return	7.00%
Retirement age	See Notes to the Financial Statements
Mortality	Mortality rates are based on rates developed in the Lauterbach & Amen, LLP 2012 Mortality Table for Illinois Firefighters.
Other information	None

Village of Franklin Park, Illinois

Required Supplemental Information OPEB System Schedule Year Ended April 30, 2016

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
5/1/09	\$ -	\$ 18,816,415	\$ 18,816,415	-	\$ 9,153,019	205.6
5/1/10	-	22,505,725	22,505,725	-	9,153,019	245.9
5/1/12	-	26,907,472	26,907,472	-	9,242,824	291.1
5/1/15	-	24,710,141	24,710,141	-	10,171,789	242.9

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/12	5/1/10	\$ 2,181,584	17.5
4/30/13	5/1/12	2,693,069	19.2
4/30/14	5/1/12	2,693,069	20.4
4/30/15	5/1/15	2,588,781	17.8
4/30/16	5/1/15	2,588,781	19.1

Other Supplemental Information

Village of Franklin Park, Illinois

	Special Revenue Funds					
	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund
Assets						
Cash and investments	\$ 68,718	\$ 319,299	\$ 64,240	\$ -	\$ 79,805	\$ 3,541,460
Receivables:						
Property taxes receivable	-	-	-	-	-	2,592
Other taxes receivable	-	-	-	41,722	-	-
Due from other funds	-	-	-	-	-	-
Advances to other funds	-	-	-	173,459	-	-
Total assets	\$ 68,718	\$ 319,299	\$ 64,240	\$ 215,181	\$ 79,805	\$ 3,544,052
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ 8,579	\$ 79,805	\$ 1,744
Bank overdraft	-	-	-	1,180,322	-	-
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Accrued salary and wages	-	-	57	-	-	-
Total liabilities	-	-	57	1,188,901	79,805	1,744
Fund Balances (Deficit)						
Nonspendable -						
Restricted:						
Public safety	68,718	319,299	64,183	-	-	-
TIF development	-	-	-	-	-	3,542,308
Debt service	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Unassigned	-	-	-	(973,720)	-	-
Total fund balances (deficit)	68,718	319,299	64,183	(973,720)	-	3,542,308
Total liabilities and fund balances (deficit)	\$ 68,718	\$ 319,299	\$ 64,240	\$ 215,181	\$ 79,805	\$ 3,544,052

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2016**

Special Revenue Funds						Debt Service Funds		
Belmont/River TIF Fund	Mannheim/ Grand TIF Fund	Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour	Centrella- Seymour TIF	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund
\$ 289,983	\$ -	\$ 71,310	\$ -	\$ 84,415	\$ -	\$ 4,519,230	\$ 1,637,704	\$ 402,342
-	-	2,560	624	-	-	5,776	302	-
-	-	-	-	-	-	41,722	-	-
25,000	-	-	-	-	-	25,000	150,000	-
-	1,121,383	-	-	-	-	1,294,842	-	-
\$ 314,983	\$ 1,121,383	\$ 73,870	\$ 624	\$ 84,415	\$ -	\$ 5,886,570	\$ 1,788,006	\$ 402,342
\$ -	\$ 230,866	\$ -	\$ 125,085	\$ -	\$ -	\$ 446,079	\$ -	\$ 933,778
-	1,566,784	-	92,860	-	23,666	2,863,632	-	-
-	-	-	-	100,000	-	100,000	9,962	-
-	-	-	2,546,593	-	-	2,546,593	-	-
-	-	-	-	-	-	57	-	-
-	1,797,650	-	2,764,538	100,000	23,666	5,956,361	9,962	933,778
-	-	-	-	-	-	452,200	-	-
314,983	-	73,870	-	-	-	3,931,161	-	-
-	-	-	-	-	-	-	1,778,044	-
-	-	-	-	-	-	-	-	-
-	(676,267)	-	(2,763,914)	(15,585)	(23,666)	(4,453,152)	-	(531,436)
314,983	(676,267)	73,870	(2,763,914)	(15,585)	(23,666)	(69,791)	1,778,044	(531,436)
\$ 314,983	\$ 1,121,383	\$ 73,870	\$ 624	\$ 84,415	\$ -	\$ 5,886,570	\$ 1,788,006	\$ 402,342

Village of Franklin Park, Illinois

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds April 30, 2016

	Debt Service Funds			Capital Projects Funds			Total Nonmajor Governmental Funds
	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total	Police Station Fund	Tollway Fund	Total	
	Fund	TIF Fund		Station Fund	Fund		
Assets							
Cash and investments	\$ 40,300	\$ -	\$ 2,080,346	\$ -	\$ 242,810	\$ 242,810	\$ 6,842,386
Receivables:							
Property taxes receivable	4	-	306	-	-	-	6,082
Other taxes receivable	-	-	-	-	-	-	41,722
Due from other funds	-	-	150,000	-	-	-	175,000
Advances to other funds	-	-	-	-	-	-	1,294,842
Total assets	\$ 40,304	\$ -	\$ 2,230,652	\$ -	\$ 242,810	\$ 242,810	\$ 8,360,032
Liabilities							
Accounts payable	\$ -	\$ -	\$ 933,778	\$ -	\$ 7,986	\$ 7,986	\$ 1,387,843
Bank overdraft	-	7,971	7,971	-	-	-	2,871,603
Due to other funds	-	75,000	84,962	911,246	-	911,246	1,096,208
Advances from other funds	-	1,315,514	1,315,514	-	-	-	3,862,107
Accrued salary and wages	-	-	-	-	-	-	57
Total liabilities	-	1,398,485	2,342,225	911,246	7,986	919,232	9,217,818
Fund Balances (Deficit)							
Nonspendable -							
Restricted:							
Public safety	-	-	-	-	-	-	452,200
TIF development	-	-	-	-	-	-	3,931,161
Debt service	40,304	-	1,818,348	-	-	-	1,818,348
Highways and streets	-	-	-	-	234,824	234,824	234,824
Unassigned	-	(1,398,485)	(1,929,921)	(911,246)	-	(911,246)	(7,294,319)
Total fund balances (deficit)	40,304	(1,398,485)	(111,573)	(911,246)	234,824	(676,422)	(857,786)
Total liabilities and fund balances (deficit)	\$ 40,304	\$ -	\$ 2,230,652	\$ -	\$ 242,810	\$ 242,810	\$ 8,360,032

Village of Franklin Park, Illinois

	Special Revenue Funds						
	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/River TIF Fund
Revenue							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 572,727	\$ 19,043
Other taxes	49,053	-	-	468,938	-	-	-
Grant revenue	-	-	-	-	-	-	-
Charges for services	-	-	198,763	-	-	-	-
Fines and forfeitures	-	348,253	-	-	-	-	-
Investment income	175	47	162	615	-	1,133	292
Other revenue	479	-	-	-	-	-	-
Total revenue	49,707	348,300	198,925	469,553	-	573,860	19,335
Expenditures							
Current:							
General government	-	-	-	-	-	115,011	425
Public safety	29,780	84,934	244,069	-	-	-	-
Public works	-	-	-	204,595	-	-	-
Community and economic development	-	-	-	-	-	319	616
Capital outlay	23,833	24,970	-	-	-	-	-
Total expenditures	53,613	109,904	244,069	204,595	-	115,330	1,041
Excess of Revenue (Under) Over Expenditures	(3,906)	238,396	(45,144)	264,958	-	458,530	18,294
Other Financing Sources (Uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net Change in Fund Balances	(3,906)	238,396	(45,144)	264,958	-	458,530	18,294
Fund Balances (Deficit) - Beginning of year	72,624	80,903	109,327	(1,238,678)	-	3,083,778	296,689
Fund Balances (Deficit) - End of year	\$ 68,718	\$ 319,299	\$ 64,183	\$ (973,720)	\$ -	\$ 3,542,308	\$ 314,983

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended April 30, 2016

Special Revenue Funds						Debt Service Funds				
Mannheim/ Grand TIF Fund	Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour	Centrella- Seymour TIF	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total
\$ 130,774	\$ 25,226	\$ 156,042	\$ -	\$ -	\$ 903,812	\$ 737,982	\$ -	\$ 325,033	\$ -	\$ 1,063,015
-	-	-	-	-	517,991	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	198,763	-	-	-	-	-
-	-	-	-	-	348,253	-	-	-	-	-
8	-	-	109	-	2,541	1,410	-	-	77	1,487
1	-	-	-	-	480	-	-	1	2	3
<u>130,783</u>	<u>25,226</u>	<u>156,042</u>	<u>109</u>	<u>-</u>	<u>1,971,840</u>	<u>739,392</u>	<u>-</u>	<u>325,034</u>	<u>79</u>	<u>1,064,505</u>
-	-	-	19,884	-	135,320	171	-	-	7,232	7,403
-	-	-	-	-	358,783	-	-	-	-	-
-	-	-	-	-	204,595	-	-	-	-	-
13,880	676	205,865	-	6,593	227,949	288,650	-	270,854	269	559,773
-	-	-	-	-	48,803	-	-	-	-	-
<u>13,880</u>	<u>676</u>	<u>205,865</u>	<u>19,884</u>	<u>6,593</u>	<u>975,450</u>	<u>288,821</u>	<u>-</u>	<u>270,854</u>	<u>7,501</u>	<u>567,176</u>
116,903	24,550	(49,823)	(19,775)	(6,593)	996,390	450,571	-	54,180	(7,422)	497,329
-	-	-	-	-	-	-	-	-	-	-
(833,628)	-	(358,200)	-	-	(1,191,828)	-	-	-	-	-
<u>(833,628)</u>	<u>-</u>	<u>(358,200)</u>	<u>-</u>	<u>-</u>	<u>(1,191,828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
(716,725)	24,550	(408,023)	(19,775)	(6,593)	(195,438)	450,571	-	54,180	(7,422)	497,329
40,458	49,320	(2,355,891)	4,190	(17,073)	125,647	1,327,473	(531,436)	(13,876)	(1,391,063)	(608,902)
<u>\$ (676,267)</u>	<u>\$ 73,870</u>	<u>\$ (2,763,914)</u>	<u>\$ (15,585)</u>	<u>\$ (23,666)</u>	<u>\$ (69,791)</u>	<u>\$ 1,778,044</u>	<u>\$ (531,436)</u>	<u>\$ 40,304</u>	<u>\$ (1,398,485)</u>	<u>\$ (111,573)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Continued) Nonmajor Governmental Funds Year Ended April 30, 2016

	Capital Projects Fund			Total Nonmajor Governmental Funds
	Police Station Fund	Tollway Fund	Total	
Revenue				
Property taxes	\$ -	\$ -	\$ -	\$ 1,966,827
Other taxes	-	-	-	517,991
Grant revenue	-	886,225	886,225	886,225
Charges for services	-	-	-	198,763
Fines and forfeitures	-	-	-	348,253
Investment income	-	-	-	4,028
Other revenue	-	-	-	483
Total revenue	-	886,225	886,225	3,922,570
Expenditures				
Current:				
General government	-	-	-	142,723
Public safety	-	-	-	358,783
Public works	-	907,147	907,147	1,111,742
Community and economic development	-	-	-	787,722
Capital outlay	-	-	-	48,803
Total expenditures	-	907,147	907,147	2,449,773
Excess of Revenue (Under) Over Expenditures	-	(20,922)	(20,922)	1,472,797
Other Financing Sources (Uses)				
Transfers in	-	337,499	337,499	337,499
Transfers out	-	-	-	(1,191,828)
Total other financing sources (uses)	-	337,499	337,499	(854,329)
Net Change in Fund Balances	-	316,577	316,577	618,468
Fund Balances (Deficit) - Beginning of year	(911,246)	(81,753)	(992,999)	(1,476,254)
Fund Balances (Deficit) - End of year	\$ (911,246)	\$ 234,824	\$ (676,422)	\$ (857,786)

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Motor Fuel Tax Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Investment income	\$ -	\$ 615	\$ 615
Other taxes	530,000	468,938	(61,062)
Total revenue	530,000	469,553	(60,447)
Expenditures - Current - Public works	396,000	204,595	191,405
Net Change in Fund Balance	134,000	264,958	130,958
Fund Balance (Deficit) - Beginning of year	(1,238,678)	(1,238,678)	-
Fund Balance (Deficit) - End of year	<u>\$ (1,104,678)</u>	<u>\$ (973,720)</u>	<u>\$ 130,958</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - West Mannheim Redeveloping Area TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 750,000	\$ 572,727	\$ (177,273)
Investment income	-	1,133	1,133
Total revenue	750,000	573,860	(176,140)
Expenditures - Current			
General government	5,000	115,011	(110,011)
Community and economic development	602,500	319	602,181
Total expenditures	607,500	115,330	492,170
Other Financing Uses - Transfers out	(750,000)	-	750,000
Net Change in Fund Balance	(607,500)	458,530	1,066,030
Fund Balance - Beginning of year	3,083,778	3,083,778	-
Fund Balance - End of year	\$ 2,476,278	\$ 3,542,308	\$ 1,066,030

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Belmont/River TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 20,000	\$ 19,043	\$ (957)
Investment income	-	292	292
Total revenue	20,000	19,335	(665)
Expenditures - Current			
General government	17,500	425	17,075
Community and economic development	2,500	616	1,884
Total expenditures	20,000	1,041	18,959
Net Change in Fund Balance	-	18,294	18,294
Fund Balance - Beginning of year	296,689	296,689	-
Fund Balance - End of year	\$ 296,689	\$ 314,983	\$ 18,294

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Mannheim/Grand TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 100,000	\$ 130,774	\$ 30,774
Investment income	-	8	8
Other revenue	-	1	1
Total revenue	100,000	130,783	30,783
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	2,500	13,880	(11,380)
Total expenditures	5,000	13,880	(8,880)
Other Financing Uses - Transfers out	-	(833,628)	(833,628)
Net Change in Fund Balance	95,000	(716,725)	(811,725)
Fund Balance - Beginning of year	40,458	40,458	-
Fund Balance - End of year	<u>\$ 135,458</u>	<u>\$ (676,267)</u>	<u>\$ (811,725)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Milwaukee Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue - Property taxes	\$ 35,000	\$ 25,226	\$ (9,774)
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	2,500	676	1,824
Total expenditures	5,000	676	4,324
Net Change in Fund Balance	30,000	24,550	(5,450)
Fund Balance - Beginning of year	49,320	49,320	-
Fund Balance - End of year	\$ 79,320	\$ 73,870	\$ (5,450)

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Downtown Franklin Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue - Property taxes	\$ 150,000	\$ 156,042	\$ 6,042
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	8,000	205,865	(197,865)
Total expenditures	10,500	205,865	(195,365)
Other Financing Uses - Transfers out	(360,000)	(358,200)	1,800
Net Change in Fund Balance	(220,500)	(408,023)	(187,523)
Fund Balance (Deficit) - Beginning of year	(2,355,891)	(2,355,891)	-
Fund Balance (Deficit) - End of year	<u>\$ (2,576,391)</u>	<u>\$ (2,763,914)</u>	<u>\$ (187,523)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Life/Fitness Reebie Storage TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 500,000	\$ 737,982	\$ 237,982
Investment income	-	1,410	1,410
Total revenue	500,000	739,392	239,392
Expenditures - Current			
General government	5,000	171	4,829
Community and economic development	302,500	288,650	13,850
Total expenditures	307,500	288,821	18,679
Net Change in Fund Balance	192,500	450,571	258,071
Fund Balance - Beginning of year	1,327,473	1,327,473	-
Fund Balance - End of year	<u>\$ 1,519,973</u>	<u>\$ 1,778,044</u>	<u>\$ 258,071</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - O'Hare East Industrial TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 260,000	\$ 325,033	\$ 65,033
Other revenue	-		
Total revenue	260,000	325,034	65,034
Expenditures - Current			
General government	5,000	-	5,000
Community and economic development	236,500	270,854	(34,354)
Total expenditures	241,500	270,854	(29,354)
Net Change in Fund Balance	18,500	54,180	35,680
Fund Balance (Deficit) - Beginning of year	(13,876)	(13,876)	-
Fund Balance - End of year	\$ 4,624	\$ 40,304	\$ 35,680

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Resurrection TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Investment income	\$ -	\$ 77	\$ 77
Other revenue	-	2	2
Total revenue	-	79	79
Expenditures - Current			
General government	2,500	7,232	(4,732)
Community and economic development	2,500	269	2,231
Total expenditures	5,000	7,501	(2,501)
Net Change in Fund Balance	(5,000)	(7,422)	(2,422)
Fund Balance (Deficit) - Beginning of year	(1,391,063)	(1,391,063)	-
Fund Balance (Deficit) - End of year	<u>\$ (1,396,063)</u>	<u>\$ (1,398,485)</u>	<u>\$ (2,422)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Centrella-Seymour TIF Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Expenditures - Current			
General government	\$ 2,500	\$ -	\$ 2,500
Community and economic development	15,000	6,593	8,407
Total expenditures	<u>17,500</u>	<u>6,593</u>	<u>10,907</u>
Net Change in Fund Balance	(17,500)	(6,593)	10,907
Fund Balance (Deficit) - Beginning of year	<u>(17,073)</u>	<u>(17,073)</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ (34,573)</u></u>	<u><u>\$ (23,666)</u></u>	<u><u>\$ 10,907</u></u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - DHL Seymour Budgetary Comparison Year Ended April 30, 2016

	Original and Amended Budget	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 2,000	\$ -	\$ (2,000)
Investment income	-	109	109
Total revenue	2,000	109	(1,891)
Expenditures - Current - General government	2,000	19,884	(17,884)
Net Change in Fund Balance	-	(19,775)	(19,775)
Fund Balance - Beginning of year	4,190	4,190	-
Fund Balance (Deficit) - End of year	<u>\$ 4,190</u>	<u>\$ (15,585)</u>	<u>\$ (19,775)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Major Debt Service Fund - Corporate Bond and Interest Fund Budgetary Comparison Year Ended April 30, 2016

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 3,341,802	\$ 3,076,366	\$ (265,436)
Investment income	-	23	23
Other miscellaneous income	-	89,499	89,499
Total revenue	<u>3,341,802</u>	<u>3,165,888</u>	<u>(175,914)</u>
Expenditures			
Current - General government - Other	-	2,627	(2,627)
Debt service:			
Principal	2,541,664	1,280,000	1,261,664
Interest on long-term debt	568,131	1,684,613	(1,116,482)
Total expenditures	<u>3,109,795</u>	<u>2,967,240</u>	<u>142,555</u>
Excess of Revenue Over Expenditures	232,007	198,648	(33,359)
Other Financing Sources (Uses)			
Transfers in	1,191,828	1,191,828	-
Transfers out	(1,880,720)	-	1,880,720
Payment to bond refunding escrow agent	(224,101)	-	224,101
Net Change in Fund Balance	(680,986)	1,390,476	2,071,462
Fund Balance - Beginning of year	<u>2,680,589</u>	<u>2,680,589</u>	<u>-</u>
Fund Balance - End of year	<u><u>\$ 1,999,603</u></u>	<u><u>\$ 4,071,065</u></u>	<u><u>\$ 2,071,462</u></u>

Village of Franklin Park, Illinois

Other Supplemental Information Major Capital Project Fund - Cullerton Ave Budgetary Comparison Year Ended April 30, 2016

	Original and Amended Budget	Actual	Variance with Amended Budget
Revenue - Grant revenue	\$ -	\$ 950,000	\$ 950,000
Expenditures - Current			
Highways and streets	-	42,000	(42,000)
Capital outlay	<u>1,807,873</u>	<u>3,907,619</u>	<u>(2,099,746)</u>
Total expenditures	<u>1,807,873</u>	<u>3,949,619</u>	<u>(2,141,746)</u>
Excess of Expenditures Over Revenue	(1,807,873)	(2,999,619)	(1,191,746)
Other Financing Sources -			
Face value of debt issue	<u>1,807,873</u>	<u>3,000,000</u>	<u>1,192,127</u>
Net Change in Fund Balance	-	381	381
Fund Balance - Beginning of year	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - End of year	<u>\$ -</u>	<u>\$ 381</u>	<u>\$ 381</u>

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds April 30, 2016

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds	Village Escrow Funds	Special Assessments Fund	Total Agency Funds
Assets						
Cash and cash equivalents	\$ 7,215	\$ 23,815	\$ 31,030	\$ 19,961	\$ -	\$ 19,961
Investments:						
Certificates of deposit	445,753	1,522,091	1,967,844	-	-	-
U.S. government and agency obligations	4,136,496	4,559,726	8,696,222	-	-	-
Money market mutual funds	867,628	1,030,309	1,897,937	-	-	-
Equity securities	-	2,092,198	2,092,198	-	-	-
Corporate bonds	5,541,520	4,051,335	9,592,855	-	-	-
Insurance contracts	3,629,118	2,079,806	5,708,924	-	-	-
Equity mutual funds	8,641,475	10,220,903	18,862,378	-	-	-
Receivables - Accrued interest receivable	84,811	72,558	157,369	-	-	-
Due from Village	94,455	113,336	207,791	-	-	-
Prepaid expenses	2,313	1,420	3,733	-	-	-
Total assets	23,450,784	25,767,497	49,218,281	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ 19,961</u>
Liabilities						
Accounts payable	5,446	5,387	10,833	\$ -	\$ -	\$ -
Deposits payable	-	-	-	19,961	-	19,961
Total liabilities	5,446	5,387	10,833	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ 19,961</u>
Net Position Restricted for Pension and Other Employee Benefits	<u>\$ 23,445,338</u>	<u>\$ 25,762,110</u>	<u>\$ 49,207,448</u>			

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended April 30, 2016

	Pension Police Fund	Firefighters' Pension Fund	Total
Additions			
Investment income:			
Interest and dividends	\$ 483,017	\$ 407,793	\$ 890,810
Net decrease in fair value of investments	(151,263)	(212,143)	(363,406)
Investment-related expenses	(23,304)	(81,028)	(104,332)
Net investment income	308,450	114,622	423,072
Contributions:			
Employer	1,769,378	1,814,047	3,583,425
Employee	403,414	356,782	760,196
Net contributions	2,172,792	2,170,829	4,343,621
Total additions	2,481,242	2,285,451	4,766,693
Deductions			
Benefit payments	2,404,928	2,533,271	4,938,199
Administrative expenses	76,709	45,348	122,057
Total deductions	2,481,637	2,578,619	5,060,256
Net Decrease in Net Position Held in Trust	(395)	(293,168)	(293,563)
Net Position Restricted for Pension and Other Employee Benefits - Beginning of year	23,445,733	26,055,278	49,501,011
Net Position Restricted for Pension and Other Employee Benefits - End of year	\$ 23,445,338	\$ 25,762,110	\$ 49,207,448

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended April 30, 2016

	Balance at May 1, 2015	Additions	Reductions	Balance at April 30, 2016
<u>Village Escrow Funds</u>				
Assets - Cash and investments	\$ 19,961	\$ -	\$ -	\$ 19,961
Liabilities - Refundable deposits, bonds, etc.	\$ 19,961	\$ -	\$ -	\$ 19,961
<u>Special Assessments Fund</u>				
Assets				
Cash and investments	\$ 331,489	\$ -	\$ (331,489)	\$ -
Other receivable	419	-	(419)	-
Total assets	\$ 331,908	\$ -	\$ (331,908)	\$ -
Liabilities - Refundable deposits, bonds, etc.	\$ 331,908	\$ -	\$ (331,908)	\$ -

Statistical Section

Statistical Section

This part of the Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplemental information says about the Village's overall financial health.

The statistical section is organized into the following main categories:

- Financial trends
- Revenue capacity
- Debt capacity
- Demographics and economic information
- Operating information

Financial Trends

These schedules contain trend information to help the reader understand how the Village's financial performance and well-being have changed over time.

Village of Franklin Park, Illinois

STATEMENT OF NET POSITION BY COMPONENT Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	\$ 19,206,616	\$ 61,325,754	\$ 19,588,142	\$ 15,082,839	\$ 12,991,451	\$ 11,757,677	\$ 17,508,955	\$ 14,868,344	\$ 13,388,031	\$ 14,367,851
Restricted	12,375,428	11,321,795	7,684,461	7,834,608	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490
Unrestricted	<u>(21,022,797)</u>	<u>(27,106,796)</u>	<u>(6,101,927)</u>	<u>(8,443,822)</u>	<u>(4,667,352)</u>	<u>(6,909,672)</u>	<u>(13,619,431)</u>	<u>(15,782,479)</u>	<u>(19,038,997)</u>	<u>(78,755,850)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>10,559,247</u>	<u>45,540,753</u>	<u>21,170,676</u>	<u>14,473,625</u>	<u>19,215,270</u>	<u>8,647,432</u>	<u>10,723,778</u>	<u>8,409,703</u>	<u>2,343,562</u>	<u>(52,349,509)</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	9,551,252	11,046,893	12,389,459	15,183,634	16,153,802	17,398,876	19,658,946	20,235,039	21,548,646	20,032,993
Unrestricted	<u>3,952,294</u>	<u>5,801,193</u>	<u>1,120,905</u>	<u>(3,081,806)</u>	<u>(7,066,157)</u>	<u>1,305,343</u>	<u>(2,322,891)</u>	<u>(4,519,411)</u>	<u>(3,959,270)</u>	<u>(2,943,234)</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>13,503,546</u>	<u>16,848,086</u>	<u>13,510,364</u>	<u>12,101,828</u>	<u>9,087,645</u>	<u>18,704,219</u>	<u>17,336,055</u>	<u>15,715,628</u>	<u>17,589,376</u>	<u>17,089,759</u>
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	28,757,868	72,372,647	31,977,601	30,266,473	29,145,253	29,156,553	37,167,901	35,103,383	34,936,677	34,400,844
Restricted	12,375,428	11,321,795	7,684,461	7,834,608	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490
Unrestricted	<u>(17,070,503)</u>	<u>(21,305,603)</u>	<u>(4,981,022)</u>	<u>(11,525,628)</u>	<u>(11,733,509)</u>	<u>(5,604,329)</u>	<u>(15,942,322)</u>	<u>(20,301,890)</u>	<u>(22,998,267)</u>	<u>(81,699,084)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 24,062,793</u>	<u>\$ 62,388,839</u>	<u>\$ 34,681,040</u>	<u>\$ 26,575,453</u>	<u>\$ 28,302,915</u>	<u>\$ 27,351,651</u>	<u>\$ 28,059,833</u>	<u>\$ 24,125,331</u>	<u>\$ 19,932,938</u>	<u>\$ (35,259,750)</u>

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION Last Ten Fiscal Years

Fiscal Year	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016
GOVERNMENTAL ACTIVITIES										
Program revenues										
Charges for services										
General government	\$ -	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167
Public safety	587,716	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	-	810	514,558	-	-	-	-	-	-
Community development	-	-	25,550	22,828	12,530	21,520	48,000	41,966	43,646	68,876
Building department	-	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971
Operating grants	-	-	172,272	216,352	457,595	643,744	660,914	177,986	273,191	523,197
Capital grants	188,208	454,417	3,418,615	209,896	1,082,446	399,659	608,470	848,722	402,383	2,341,212
General revenues										
Property taxes	12,672,760	12,071,971	12,809,050	14,859,858	18,752,446	16,423,457	16,407,482	16,534,573	15,775,584	16,789,148
Gain on sale of fixed assets	-	-	109	-	-	81,129	-	-	-	-
Sales	2,920,751	3,097,488	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606
Income	1,619,459	2,024,807	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279
Utility	3,514,449	3,585,827	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785
Replacement	881,243	863,428	756,927	628,491	775,309	683,801	723,740	758,485	391,709	561,371
Hotel/Motel	147,476	102,819	127,202	38,784	7,807	9,118	19,403	13,125	29,492	20,500
Motor fuel	562,239	588,765	507,159	491,004	591,569	456,903	436,647	452,602	449,295	468,938
Other taxes	362,507	514,649	1,879,467	1,299,815	279,561	318,338	201,847	423,312	503,250	503,250
Investment	468,003	237,097	85,658	8,996	6,931	11,550	10,640	13,060	4,026	10,236
Miscellaneous	4,313,766	4,179,633	1,145,311	607,818	1,023,630	749,602	787,443	660,651	1,149,835	1,245,586
Transfers	(1,624,550)	(1,623,850)	-	-	1,024,992	(10,687,072)	-	-	(1,797,200)	337,499
Total revenues	<u>26,614,027</u>	<u>26,568,582</u>	<u>31,588,871</u>	<u>28,712,032</u>	<u>34,331,396</u>	<u>19,499,974</u>	<u>30,528,697</u>	<u>31,208,074</u>	<u>29,586,296</u>	<u>36,044,742</u>
Expenses										
General government	9,387,994	10,763,153	6,509,784	6,860,507	6,438,478	5,750,635	5,347,045	6,948,033	7,413,324	6,781,421
Public safety	12,312,699	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330
Highway and street	5,043,274	8,305,525	17,334,095	7,812,070	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078
Public health	-	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396	261,028	305,170
Community development	-	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574
Building department	-	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800	637,096	706,794
Interest on long-term debt	4,072,132	2,877,136	707,371	1,518,439	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077
Total expenses	<u>(30,816,099)</u>	<u>(33,876,045)</u>	<u>(43,881,431)</u>	<u>(36,126,070)</u>	<u>(31,183,566)</u>	<u>(30,067,812)</u>	<u>(28,452,351)</u>	<u>(32,496,003)</u>	<u>(34,077,437)</u>	<u>(36,312,444)</u>
(DECREASE) INCREASE IN NET POSITION	<u>\$ (4,202,072)</u>	<u>\$ (7,307,463)</u>	<u>\$ (12,292,560)</u>	<u>\$ (7,414,038)</u>	<u>\$ 3,147,830</u>	<u>\$ (10,567,838)</u>	<u>\$ 2,076,346</u>	<u>\$ (1,287,929)</u>	<u>\$ (4,491,141)</u>	<u>\$ (267,702)</u>

(1) In 2009, the Village changed account groupings at the suggestion of its new auditors, hence the difference in presentation

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION
Last Ten Fiscal Years
Continued

Fiscal Year	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014	2015	2016
BUSINESS-TYPE ACTIVITIES										
Program Revenues										
Charges for Services	\$ 5,830,298	\$ 7,153,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants	-	-	-	-	-	78,399	13,500	-	-	-
Capital Grants	-	565,305	-	-	-	-	-	275,000	-	1,216,820
Water ⁽²⁾	-	-	4,448,697	4,028,559	4,425,761	4,332,873	7,466,510	8,494,967	11,123,390	11,572,648
Sewer ⁽²⁾	-	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-	-	-
Garbage collection	-	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229
Commuter parking lot	-	-	31,386	53,717	63,255	62,131	68,342	64,735	68,817	73,091
General revenues										
Property taxes	-	-	-	-	-	-	-	162,455	128,174	-
Gain on sale of fixed assets	-	-	3,922	-	-	-	-	-	-	-
Unrestricted investment earnings	8,331	241,440	29,339	8,255	2,498	4,292	1,083	887	813	594
Transfers	1,624,550	1,623,850	-	-	(1,024,992)	10,687,072	-	-	1,797,200	(337,499)
Other	-	-	6,322	8,289	13,123	2,815	234,182	-	-	105,538
Total revenues	7,463,179	9,584,247	7,544,756	6,270,419	7,292,476	18,741,684	8,950,348	10,161,577	14,193,285	13,794,421
Expenses										
Water ⁽²⁾	-	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949
Sewer ⁽²⁾	-	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-	-	-
Garbage collection	-	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440
Commuter parking lot	-	-	8,778	8,986	13,805	17,958	29,463	56,028	133,401	53,407
Enterprise	7,373,674	6,657,868	-	-	-	-	-	-	-	-
Total expenses	(7,373,674)	(6,657,868)	(8,744,113)	(7,678,955)	(8,742,962)	(9,125,110)	(10,318,512)	(11,658,905)	(13,894,537)	(14,342,796)
INCREASE (DECREASE) IN NET POSITION	\$ 89,505	\$ 2,926,379	\$ (1,199,357)	\$ (1,408,536)	\$ (1,450,486)	\$ 9,616,574	\$ (1,368,164)	\$ (1,497,328)	\$ 298,748	\$ (548,375)

(1) In FY 2009, the Village changed auditors, hence the difference in presentation

(2) In FY 2013, the water and sewer funds were combined

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION
Last Ten Fiscal Years
Continued

Fiscal Year	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014	2015	2016
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
Program revenues										
Charges for services										
General government	\$ -	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167
Public safety	587,716	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	-	810	514,558	-	-	-	-	-	-
Community development	-	-	25,550	22,828	12,530	21,520	48,000	41,966	43,646	68,876
Building department	-	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971
Water ⁽²⁾	-	-	4,448,697	4,028,559	4,425,761	4,332,873	-	-	-	-
Sewer ⁽²⁾	-	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-	-	-
Garbage collection	-	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229
Commuter parking lot	-	-	31,386	53,717	63,255	62,131	68,342	64,735	68,817	73,091
Charges for services/water, sewer ⁽²⁾	5,830,298	7,153,652	-	-	-	-	7,466,510	8,494,967	11,123,390	11,572,648
Operating grants	-	-	172,272	216,352	457,595	722,143	674,414	177,986	273,191	523,197
Capital grants	188,208	1,019,722	3,418,615	209,896	1,082,446	399,659	608,470	1,123,722	402,383	3,558,032
General revenues										
Property taxes	12,672,760	12,071,971	12,809,050	14,859,858	18,752,446	16,423,457	16,407,482	16,697,028	15,903,758	16,789,148
Gain on sale of fixed assets	-	-	4,031	-	-	81,129	-	-	-	-
Sales	2,920,751	3,097,488	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606
Income	1,619,459	2,024,807	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279
Utility	3,514,449	3,585,827	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785
Replacement	881,243	863,428	756,927	628,491	775,309	683,801	723,740	758,485	391,709	561,371
Hotel/Motel	147,476	102,819	127,202	38,784	7,807	9,118	19,403	13,125	29,492	20,500
Motor fuel	562,239	588,765	507,159	491,004	591,569	456,903	436,647	452,602	449,295	468,938
Other taxes	362,507	514,649	1,879,467	1,299,815	279,561	749,602	201,847	423,312	503,250	503,250
Investment	476,334	478,537	114,997	17,251	9,429	15,842	11,723	13,947	4,839	10,830
Miscellaneous	4,313,766	4,179,633	1,151,633	616,107	1,036,753	321,153	1,021,625	660,651	1,149,835	1,351,124
Transfers	-	-	-	-	-	-	-	-	-	-
Total Revenues	\$ 34,077,206	\$ 36,152,829	\$ 39,133,627	\$ 34,982,451	\$ 41,623,872	\$ 38,241,658	\$ 39,479,045	\$ 41,369,651	\$ 43,779,581	\$ 49,839,163

(1) In 2009, the Village changed account groupings at the suggestion of its new auditors, hence the difference in presentation

(2) In FY 2013, the water and sewer funds were combined

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION Last Ten Fiscal Years Continued

Fiscal Year	<u>2007</u>	<u>2008</u>	<u>2009⁽¹⁾</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013⁽²⁾</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
General Expenses										
General government	\$ 9,387,994	\$ 10,763,153	\$ 6,509,784	\$ 6,860,507	\$ 6,438,478	\$ 5,750,635	\$ 5,347,045	\$ 6,948,033	\$ 7,413,324	\$ 6,781,421
Public safety	12,312,699	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330
Highway and street	5,043,274	8,305,525	17,334,095	7,812,070	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078
Public health	-	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396	261,028	305,170
Community development	-	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574
Building department	-	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800	637,096	706,794
Interest on long-term debt	4,072,132	2,877,136	707,371	1,518,439	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077
Water ⁽²⁾	-	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949
Sewer ⁽²⁾	-	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-	-	-
Garbage collection	-	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440
Commuter parking lot	-	-	8,778	8,986	13,805	17,958	29,463	56,028	133,401	53,407
Enterprise	7,373,674	6,657,868	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>38,189,773</u>	<u>40,533,913</u>	<u>52,625,544</u>	<u>43,805,025</u>	<u>39,926,528</u>	<u>39,192,922</u>	<u>38,770,863</u>	<u>44,154,908</u>	<u>47,971,974</u>	<u>50,655,240</u>
INCREASE (DECREASE) IN NET POSITION	<u>(4,112,567)</u>	<u>(4,381,084)</u>	<u>(13,491,917)</u>	<u>(8,822,574)</u>	<u>1,697,344</u>	<u>(951,264)</u>	<u>708,182</u>	<u>(2,785,257)</u>	<u>(4,192,393)</u>	<u>(816,077)</u>
NET (EXPENSE) REVENUE										
Governmental Activities	(4,202,072)	(7,307,463)	(12,292,560)	(7,414,038)	3,147,830	(10,567,838)	2,076,346	(1,287,929)	(4,491,141)	(267,702)
Business-type Activities	89,505	2,926,379	(1,199,357)	(1,408,536)	(1,450,486)	9,616,574	(1,368,164)	(1,497,328)	298,748	(548,375)
TOTAL NET (EXPENSE) REVENUE	<u>\$ (4,112,567)</u>	<u>\$ (4,381,084)</u>	<u>\$ (13,491,917)</u>	<u>\$ (8,822,574)</u>	<u>\$ 1,697,344</u>	<u>\$ (951,264)</u>	<u>\$ 708,182</u>	<u>\$ (2,785,257)</u>	<u>\$ (4,192,393)</u>	<u>\$ (816,077)</u>

(1) In 2009, the Village changed account groupings at the suggestion of its new auditors, hence the difference in presentation

(2) In FY 2013, the water and sewer funds were combined

Source: Village records

Village of Franklin Park, Illinois

GOVERNMENTAL FUND BALANCES Last Ten Fiscal Years

Fiscal Year	2007	2008	2009	2010	2011	2012 ⁽¹⁾	2013	2014	2015	2016 ⁽²⁾
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,818	\$ -	\$ 4,502,513	\$ 3,284,583	\$ 3,230,574
Restricted	-	-	-	-	-	-	-	-	942,117	1,139,897
Assigned	-	-	-	-	-	-	-	-	-	699,631
Reserved	-	-	568,500	680,205	1,365,205	-	-	-	-	-
Unreserved/Unassigned	(4,667,829)	(3,968,008)	(5,961,876)	(5,440,674)	1,645,502	4,235,992	4,637,538	1,043,763	1,527,609	1,829,251
SUBTOTAL, GENERAL FUND	(4,667,829)	(3,968,008)	(5,393,376)	(4,760,469)	3,010,707	4,732,810	4,637,538	5,546,276	5,754,309	6,899,353
% Change from prior year	-39.5%	15.0%	-35.9%	11.7%	-163.2%	57.2%	-2.0%	19.6%	3.8%	19.9%
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,253,776	\$ 2,700,723	\$ -
Restricted	-	-	-	-	-	10,512,997	6,834,254	7,742,113	6,404,466	10,507,979
Assigned	-	-	-	-	-	157,179	-	-	-	-
Reserved	1,484,413	736,094	9,155,459	10,697,361	13,820,910	-	-	-	-	-
Unreserved, reported in										
Working Cash Fund	-	-	3,827,869	3,909,350	-	-	-	-	-	-
GARRA Bonds Series 2004A	10,577,426	10,272,112	-	-	-	-	-	-	-	-
Nonmajor Governmental Funds	5,185,108	6,967,832	(3,969,602)	(5,864,787)	(4,006,035)	-	-	-	-	-
Unassigned	-	-	-	-	-	(3,494,223)	(6,387,511)	(6,370,840)	(7,900,854)	(7,294,319)
SUBTOTAL, ALL OTHER GOVERNMENTAL FUNDS	17,246,947	17,976,038	9,013,726	8,741,924	9,814,875	7,175,953	446,743	3,625,049	1,204,335	3,213,660
% Change from prior year	-17.9%	4.2%	-49.9%	-3.0%	12.3%	-26.9%	-93.8%	711.4%	-66.8%	166.8%
TOTAL GOVERNMENTAL FUNDS	\$ 12,579,118	\$ 14,008,030	\$ 3,620,350	\$ 3,981,455	\$ 12,825,582	\$ 11,908,763	\$ 5,084,281	\$ 9,171,325	\$ 6,958,644	\$10,113,013
% Change from prior year	-28.7%	11.4%	-74.2%	10.0%	222.1%	-7.1%	-57.3%	80.4%	-24.1%	45.3%

(1) In 2012, the Village implemented GASB 54, hence the difference in presentation

(2) In 2016, the Village updated the treatment of long-term advances between nonspendable and the appropriate category

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Fiscal Years

	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014	2015	2016
REVENUES										
Property taxes	\$ 12,672,760	\$ 12,071,971	\$ 12,809,050	\$ 14,859,858	\$ 18,752,446	\$ 16,423,457	\$ 16,407,482	\$ 16,534,573	\$ 15,775,584	\$ 16,789,148
Sales taxes	-	-	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,775,018	3,395,131	3,520,123
Income taxes	-	-	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279
Utility taxes	-	-	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,324,013
Other taxes	4,162,321	4,246,953	2,809,000	2,488,715	1,709,620	1,474,570	1,540,321	1,639,556	1,388,434	1,581,849
Licenses, permits and fees	2,034,139	1,268,940	1,905,453	1,255,180	1,295,823	1,520,581	2,146,680	2,541,873	1,731,576	2,555,694
Grant revenue	-	-	3,590,887	426,248	1,826,606	1,043,403	1,269,384	911,323	632,482	2,250,020
Other revenue	-	-	1,145,311	607,818	893,377	879,855	787,443	660,651	1,149,835	1,245,586
Fines and forfeitures	515,155	682,778	614,158	1,398,471	734,603	710,478	642,096	702,856	602,130	1,021,446
Investment income	468,003	237,097	85,658	8,996	6,931	11,550	10,640	13,060	4,026	10,236
Charges for services	587,716	471,531	1,524,027	1,745,334	1,359,902	1,465,499	1,344,286	1,434,269	1,447,437	1,293,248
Intergovernmental	6,235,875	6,906,299	-	-	-	-	-	-	-	-
Fees, reimbursements, grants and misc	1,735,794	2,503,047	-	-	-	-	-	-	-	-
TOTAL REVENUES	28,411,763	28,388,616	31,127,007	28,742,653	33,231,525	30,242,580	30,687,381	31,110,468	31,260,207	35,449,642
EXPENDITURES										
General government	11,580,026	10,677,279	5,777,737	6,289,821	6,121,843	7,354,957	5,842,913	6,271,192	6,701,850	6,341,680
Public safety	12,431,294	11,878,536	12,559,651	12,466,444	12,334,899	12,572,830	12,339,169	13,052,482	13,749,138	14,415,882
Highway and street	4,916,324	2,932,432	10,820,932	2,175,441	2,501,434	1,833,201	3,619,559	3,391,986	4,011,473	5,255,893
Public health	-	-	1,713,128	1,805,671	255,172	270,011	284,092	438,747	387,475	416,657
Community development	-	-	1,757,058	2,946,157	800,946	1,134,631	750,628	1,054,030	952,549	1,199,849
Building department	-	-	869,230	858,240	785,341	717,285	639,927	733,376	631,437	699,738
Other	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	116,552	698,807	170,000	470,000	520,000	580,000	680,000	862,847	1,115,194	1,345,820
Interest and other charges	2,815,484	1,536,317	1,311,237	1,501,710	1,368,737	1,473,778	1,733,573	1,926,850	2,236,761	1,752,387
Capital outlay	-	-	4,913,958	1,093,348	2,462,715	5,028,591	11,622,002	4,214,102	798,659	5,499,308
TOTAL EXPENDITURES	(31,859,680)	(27,723,371)	(39,892,931)	(29,606,832)	(27,151,087)	(30,965,284)	(37,511,863)	(31,945,612)	(30,584,536)	(36,927,214)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (3,447,917)	\$ 665,245	\$ (8,765,924)	\$ (864,179)	\$ 6,080,438	\$ (722,704)	\$ (6,824,482)	\$ (835,144)	\$ 675,671	\$ (1,477,572)

Village of Franklin Park, Illinois

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS (continued) Last Ten Fiscal Years

	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014	2015 ⁽⁴⁾	2015 ⁽⁴⁾
OTHER FINANCING SOURCES (USES)										
Bond proceeds	\$ -	\$ 8,155,000	\$ -	\$ -	\$ -	\$ 9,975,000	\$ -	\$ -	\$ 9,475,000	\$ 4,294,442
Bond premium	-	54,690	-	-	-	504,324	-	162,188	507,323	-
Bond issuance costs	-	(285,158)	-	-	-	(482,352)	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	-	(9,580,000)	-
Proceeds from capital lease	-	-	267,271	92,889	175,000	414,856	-	-	81,525	-
Proceeds from debt issue	-	-	-	-	-	-	-	4,760,000	-	-
Proceeds from sale of fixed assets	-	-	109	415,408	-	81,129	-	-	-	-
Transfers in	-	-	-	1,659,872	6,620,322	4,820,372	2,209,053	2,390,609	1,108,376	1,529,327
Transfers out	(1,624,550)	(7,160,865)	-	(1,659,872)	(5,595,330)	(15,507,444)	(2,209,053)	(2,390,609)	(2,905,576)	(1,191,828)
Transfers of assets held for resale	-	-	(837,320)	-	-	-	-	-	-	-
Total other financing sources (uses)	(1,624,550)	763,667	(569,940)	508,297	1,199,992	(194,115)	-	4,922,188	(1,313,352)	4,631,941
NET CHANGES IN FUND BALANCES	(5,072,467)	1,428,912	(9,335,864)	(355,882)	7,280,430	(916,819)	(6,824,482)	4,087,044	(637,681)	3,154,369
FUND BALANCES, BEGINNING OF YEAR	17,651,585	12,579,118	12,956,214	4,337,337	5,545,152	12,825,582	11,908,763	5,084,281	7,596,325	6,958,644
FUND BALANCES, END OF YEAR	\$ 12,579,118	\$ 14,008,030	\$ 3,620,350	\$ 3,981,455	\$ 12,825,582	\$ 11,908,763	\$ 5,084,281	\$ 9,171,325	\$ 6,958,644	\$ 10,113,013
CAPITAL EXPENDITURES	-	-	(4,231,846)	(2,248,169)	(1,542,724)	(4,506,046)	(13,175,693)	(3,854,841)	(471,693)	(6,324,409)
RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES	9.20%	8.06%	4.15%	7.21%	7.38%	7.76%	9.92%	9.93%	11.13%	10.12%

(1) Property tax revenues were presented as such from FY 2004 through FY 2008, with the balance of other tax revenues presented under "Other Taxes".

(2) In 2009, the Village changed auditors, necessitating restatements in both FY 2009 and 2010

(3) The discrepancy between ending FY 10 fund balance and beginning FY 11 fund balance is due to the reclassification of the Garbage Fund, with a negative fund balance, from governmental to proprietary

(4) The discrepancy between ending FY 14 fund balance and beginning FY 15 fund balance is due to a prior period adjustment

Source: Village records

Revenue Capacity

These schedules contain information to help the reader assess the Village's most significant revenue sources.

Village of Franklin Park, Illinois

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY Last Ten Calendar (Tax) Years

<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Railroad Property</u>	<u>Total Taxable AV</u>	<u>Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Annual Pct Change</u>
2006	\$ 233,721,677	\$ 79,309,634	\$ 501,442,582	\$ 5,926,853	\$ 820,400,746	1.228%	\$ 2,461,202,238	-1.3%
2007	273,660,151	95,408,821	567,756,101	6,089,446	942,914,519	1.103%	2,828,743,557	14.9%
2008	305,501,332	96,198,068	587,404,217	7,306,346	996,409,963	1.095%	2,989,229,889	5.7%
2009	314,852,432	78,973,050	514,736,708	8,327,269	916,889,459	1.582%	2,750,668,377	-8.0%
2010	237,545,123	82,906,086	516,164,672	6,298,942	842,914,823	1.702%	2,528,744,469	-8.1%
2011	277,073,007	69,949,873	392,761,273	12,156,276	751,940,429	1.929%	2,255,821,287	-10.8%
2012	252,904,351	63,586,726	364,046,541	11,619,958	692,157,576	2.134%	2,076,472,728	-8.0%
2013	203,744,556	57,678,100	338,349,141	11,367,184	611,138,981	2.392%	1,833,416,943	-11.7%
2014	207,907,076	70,309,015	329,610,860	12,524,400	620,351,351	2.457%	1,861,054,053	1.5%
2015	201,761,915	66,412,589	309,925,712	15,655,405	593,755,621	2.483%	1,781,266,863	-4.3%

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

REPRESENTATIVE PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS Last Ten Calendar (Tax) Years

Tax Levy Year	2006	2007	2008	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012	2013	2014	2015
Village Direct Rate										
Corporate	0.3338	0.2859	0.2922	0.3827	0.3619	0.4375	0.4196	0.4375	0.3997	0.4146
Bond & Interest	0.0111	0.0093	0.0091	0.3945	0.3909	0.4358	0.5222	0.5568	0.5387	0.5117
Garbage	0.1253	0.1089	0.1219	-	-	-	-	-	-	-
Police Pension	0.0924	0.0905	0.0880	0.1268	0.1431	0.1788	0.2094	0.2821	0.2786	0.3223
Fire Pension	0.1073	0.0921	0.0893	0.1286	0.1469	0.1687	0.2008	0.2749	0.2786	0.2931
Fire Pension (3)	-	-	-	-	-	-	-	-	-	0.0260
IMRF	0.0072	0.0199	0.0176	-	-	-	-	0.0276	-	-
Street & Bridge	0.0763	0.0653	0.0667	0.0960	0.1000	0.1000	0.0967	0.1000	0.0819	0.0850
Fire Protection	0.1437	0.1118	0.1133	0.1631	0.2132	0.3176	0.3424	0.2700	0.3997	0.4147
Police Protection	0.1437	0.1118	0.1133	0.1631	0.2147	0.2902	0.3424	0.3489	0.3997	0.4147
Civil Defense	0.0006	0.0005	0.0005	-	-	-	-	-	-	-
Social Security	0.0343	0.0201	0.0183	-	-	-	-	-	-	-
Auditing	0.0043	0.0053	0.0056	-	-	-	-	0.0064	-	-
Liability Insurance	0.1102	0.1008	0.0880	0.1266	0.1307	-	-	0.0257	-	-
Street Lighting	0.0273	0.0308	0.0351	-	-	-	-	0.0119	-	-
Crossing Guards	0.0076	0.0057	0.0063	-	-	-	-	-	-	-
Water and Sewage	-	-	-	-	-	-	-	0.0500	-	-
Working Cash	0.0029	0.0325	0.0156	-	-	-	-	-	-	-
<u>CBOE Medicare</u>	-	<u>0.0118</u>	<u>0.0137</u>	-	-	-	-	-	-	-
Total Direct Rate	1.2280	1.1030	1.0945	1.5814	1.7014	1.9286	2.1335	2.3918	2.3769	2.4821
Overlapping Rates										
Consolidated Elections	-	0.0120	-	0.0210	-	0.0250	-	0.0310	-	0.0340
Cook County Forest Preserve District	0.0570	0.0530	0.0510	0.0490	0.0510	0.0580	0.0630	0.0690	0.0690	0.0690
County of Cook	0.5000	0.4460	0.4150	0.3940	0.4230	0.4620	0.5310	0.5600	0.5680	0.5520
Suburban Cook County TB Sanitarium District	0.0050	-	-	-	-	-	-	-	-	-
Leyden Township Road & Bridge	0.1110	0.0980	0.0970	0.1020	0.1150	0.1300	0.1470	0.1720	0.1750	0.1830
Leyden Township General Assistance	0.0040	0.0030	0.0030	0.0030	0.0040	0.0040	0.0050	0.0060	0.0060	0.0070
Leyden Township	0.0770	0.0680	0.0670	0.0710	0.0810	0.0930	0.1050	0.1240	0.1270	0.1330
Triton Community College District 504	0.2400	0.2240	0.2120	0.2140	0.2250	0.2670	0.2690	0.3250	0.3360	0.3520
Community High School District 212	2.0930	1.8680	1.8690	1.9890	2.2230	2.5090	2.8300	3.2640	3.3190	3.4710
School District 84	3.4240	3.3890	3.3740	3.3830	3.9320	4.3430	4.5860	4.9610	5.6270	5.9490
Metropolitan Water Reclamation District	0.2840	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260
Franklin Park Public Library	0.1750	0.1520	0.1520	0.1670	0.1870	0.2130	0.2380	0.2750	0.2760	0.2920
<u>Franklin Park Park District</u>	<u>0.4230</u>	<u>0.3770</u>	<u>0.3730</u>	<u>0.4030</u>	<u>0.4380</u>	<u>0.4990</u>	<u>0.5620</u>	<u>0.6410</u>	<u>0.6400</u>	<u>0.6820</u>
Total Overlapping Rate	7.3930	6.9530	6.8650	7.0570	7.9530	8.9230	9.7060	10.8450	11.5730	12.1500
Total Direct and Overlapping Tax Rates	8.6210	8.0560	7.9595	8.6384	9.6544	10.8516	11.8395	13.2368	13.9499	14.6321

(1) Cook County changed the way it allocates property tax revenues with tax year 2009, ending distributions for IMRF, Civil Defense, Social Security, Auditing, Street Lighting, Crossing Guards, Working Cash and CBOE Medicare. The Garbage levy was discontinued as a result of the Village having created an enterprise

(2) Cook County eliminated the Liability Insurance levy with tax year 2011.

(3) Separate supplementary levy, authorized by P.A. 93-0689

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

PRINCIPAL TAXPAYERS Calendar (Tax) Years 2005 and 2015

Tax Year 2005

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
Centerpoint Properties*	Real Estate Investments	\$ 33,379,841	4.02%
Albertsons*	Grocery Store & Distribution Center	23,338,960	2.81%
Central Grocery Coop Inc.	Grocery Retailer Supplier	17,731,368	2.13%
United States Tobacco*	Smokeless Tobacco Product Manufacturer	11,824,435	1.42%
Franklin Partners	Commercial Real Estate	10,016,225	1.21%
Hamilton Partners*	Real Estate Investments	9,008,759	1.08%
Nestle USA*	Candy Manufacturer	8,878,937	1.07%
A.M. Castle & Co.*	Cold Finishing & Metal Shops	8,666,959	1.04%
Sloan Valve Co.*	Flush Valve Manufacturer	8,118,367	0.98%
Life Fitness*	<u>Exercise Equipment Manufacturer</u>	<u>6,962,297</u>	<u>0.84%</u>
		\$ 137,926,148	16.60%

Tax Year 2015

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
New Albertsons LLC	Grocery Store & Distribution Center	\$ 17,452,489	2.87%
Hamilton Partners Inc. *	Real Estate Investments	14,894,726	2.45%
Centerpoint Prosperities	Real Estate Investments	9,884,415	1.62%
United States Tobacco*	Tobacco Products	7,685,363	1.26%
Prologis, Inc.	Industrial Real Estate Development & Logistics	6,625,042	1.09%
JCG Industries Inc.	Industrial Metals	6,349,021	1.04%
AM Castle & Co.*	Cold Finishing & Metal Shops	6,140,283	1.01%
Nestle Purina Petcare Company, Inc. *	Pet Care Products	5,819,390	0.96%
Sloan Valve Co.*	Flush Valve Manufacturer	5,710,673	0.94%
<u>Life Fitness, Inc.*</u>	<u>Exercise Equipment Manufacturer</u>	<u>4,647,145</u>	<u>0.76%</u>
		\$ 85,208,547	14.00%

*Denotes those taxpayers appearing on both the 2005 and 2015 lists

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Levy Years</u>	<u>Net Tax Levy</u>	<u>Amount Collected</u>	<u>Percent of Levy</u>
2007	2005-2006	\$ 10,074,521	\$ 10,135,551	100.61%
2008	2006-2007	10,400,347	10,140,492	97.50%
2009	2007-2008	10,910,689	10,200,891	93.49%
2010	2008-2009	14,476,701	11,611,899	80.21%
2011	2009-2010	14,346,410	15,664,822	109.19%
2012	2010-2011	14,679,093	14,599,691	99.46%
2013	2011-2012	14,766,598	14,255,328	96.54%
2014	2012-2013	14,617,714	13,603,525	93.06%
2015	2013-2014	14,745,097	13,568,137	92.02%
2016	2014-2015	14,742,952	14,785,881	100.29%

Source: Cook County Clerk's Office and Cook County Treasurer's Office

Collections in subsequent years and total collections to date in dollars and as a % of the levy were unavailable.

Village of Franklin Park, Illinois

SALES TAX RECEIPT ANALYSIS BY SECTOR Last Ten Calendar Years

Municipal Sales Tax	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014⁽¹⁾</u>	<u>2015⁽¹⁾</u>
General Merchandise	\$ 116,263	\$ 118,978	\$ 111,315	\$ 107,120	\$ 101,460	\$ 38,661	\$ 24,617	\$ 49,077	\$ 69,819	\$ 89,545
Food	345,713	347,827	342,977	305,796	293,895	270,598	260,534	237,992	309,935	459,615
Drinking and Eating Places	153,742	144,526	155,839	137,481	158,940	164,454	165,456	172,241	276,663	416,578
Apparel	8,857	11,614	10,119	10,152	10,725	7,168	7,094	4,561	52,097	79,876
Furniture & H.H. & Radio	39,293	57,535	30,963	200,074	392,483	286,661	249,462	53,412	193,141	12,432
Lumber, Bldg, Hardware	151,272	141,909	121,062	107,586	140,035	119,609	133,967	641,694	513,618	(868,949)
Automotive & Filling Stations	656,042	882,801	660,003	367,812	298,049	286,720	141,359	341,974	495,760	689,154
Drugs & Misc. Retail	236,786	250,925	374,365	354,649	239,827	63,067	317,291	(55,817)	522,029	1,897,745
Agriculture & All Others	730,571	766,316	905,352	604,012	414,891	426,697	325,327	264,421	350,094	505,280
<u>Manufacturers</u>	<u>133,855</u>	<u>172,860</u>	<u>144,638</u>	<u>175,207</u>	<u>193,310</u>	<u>164,793</u>	<u>199,581</u>	<u>(50,627)</u>	<u>270,764</u>	<u>332,234</u>
	\$ 2,572,394	\$ 2,895,291	\$ 2,856,633	\$ 2,369,889	\$ 2,243,615	\$ 1,828,428	\$ 1,824,688	\$ 1,658,928	\$ 3,053,920	\$ 3,613,510

1. The significantly higher levels of sales tax revenue is principally due to the Village's imposition of a one percent non-home rule sales tax during FY15, which generated \$1.2 million during FY15.

Source: Illinois Department of Revenue

Village of Franklin Park, Illinois

DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Direct										
Village of Franklin Park	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%
Overlapping										
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Cook County Home Rule	0.75%	0.75%	1.75%	1.75%	1.25%	1.00%	1.00%	0.75%	1.75%	1.75%
<u>Regional Transportation Authority</u>	<u>0.75%</u>	<u>1.00%</u>	<u>1.25%</u>	<u>1.25%</u>						
	7.75%	8.00%	9.00%	9.00%	8.50%	8.25%	8.25%	8.00%	10.25%	10.25%

Source: Cook County Treasurer and Regional Transportation Authority

Debt Capacity

These schedules present information to help the reader assess the affordability of the Village's current levels of outstanding debt and the Village's ability to issue additional debt in the future.

Village of Franklin Park, Illinois

RATIO OF TOTAL DEBT TO EQUALIZED ASSESSED VALUATION
AND PERSONAL INCOME AND TOTAL DEBT PER CAPITA
Last Ten Fiscal Years

Fiscal Year	Estimated Population	Equalized Assessed Valuation (EAV)	Governmental and Business-Type General Obligation Bonded Debt ^{(1)/(2)}	Ratio of Total Bonded Debt to EAV	Business-Type Illinois EPA Loans	Capital Financing Loans	Governmental Leases Payable	Total Debt	Ratio of Total Debt to EAV	Total Personal Income	Ratio of Bonded Debt to Personal Income	Ratio of Total Debt to Personal Income	Total Debt Per Capita
2007	18,773	\$ 820,400,746	\$ 39,045,000	4.8%	8,807,916	\$ -	\$ 488,234	\$ 48,341,150	5.9%	\$ 377,189,120	10.4%	12.8%	\$ 2,575.04
2008	18,626	942,914,519	46,385,000	4.9%	8,055,631	-	502,871	54,943,502	5.8%	381,730,182	12.2%	14.4%	2,949.83
2009	18,480	996,409,963	45,440,000	4.6%	7,280,921	-	649,490	53,370,411	5.4%	386,135,606	11.8%	13.8%	2,888.01
2010	18,333	916,889,459	44,160,000	4.8%	6,483,112	-	1,102,840	51,745,952	5.6%	390,463,920	11.3%	13.3%	2,822.56
2011	18,333	842,914,824	42,800,000	5.1%	5,661,510	-	975,834	49,437,344	5.9%	387,357,957	11.0%	12.8%	2,696.63
2012	18,333	751,940,429	51,165,000	6.8%	4,815,398	-	1,230,217	57,210,615	7.6%	376,468,155	13.6%	15.2%	3,120.64
2013	18,333	692,157,576	49,400,000	7.1%	3,944,037	-	697,699	54,041,736	7.8%	376,468,155	13.1%	14.4%	2,947.78
2014	18,333	611,138,981	61,105,000	10.0%	3,046,670	-	493,635	64,645,305	10.6%	429,774,286	14.2%	15.0%	3,526.17
2015	18,333	620,351,351	60,591,895	9.8%	2,218,098	-	359,966	63,169,959	10.2%	440,554,952	13.8%	14.3%	3,445.70
2016	18,333	593,755,621	64,823,523	10.9%	1,462,350	4,768,442	242,776	71,297,091	12.0%	441,018,648	14.7%	16.2%	3,889.00

(1) Net of amortizing premiums and discounts beginning in 2015

(2) For 2016, Governmental Total was \$38,639,015 and Business-Type Total was \$26,184,508

Source: Village records

Village of Franklin Park, Illinois

SCHEDULE OF BONDED DEBT RETIREMENT At April 30, 2016

<u>Fiscal Year</u>	<u>Amortization</u>	Percent Retired	
		<u>Annually</u>	<u>Cumulatively</u>
2017	\$ 2,615,000	4.19%	4.19%
2018	2,895,000	4.64%	8.82%
2019	3,350,000	5.36%	14.19%
2020	3,520,000	5.64%	19.82%
2021	3,800,000	6.08%	25.91%
2022	4,190,000	6.71%	32.62%
2023	4,340,000	6.95%	39.57%
2024	3,355,000	5.37%	44.94%
2025	3,255,000	5.21%	50.15%
2026	3,120,000	5.00%	55.15%
2027	3,220,000	5.16%	60.30%
2028	3,310,000	5.30%	65.60%
2029	3,415,000	5.47%	71.07%
2030	3,525,000	5.64%	76.72%
2031	3,630,000	5.81%	82.53%
2032	2,840,000	4.55%	87.08%
2033	2,920,000	4.68%	91.75%
2034	2,550,000	4.08%	95.84%
<u>2035</u>	<u>2,600,000</u>	<u>4.16%</u>	<u>100.00%</u>
	62,450,000	100.00%	

Source: Village records

Village of Franklin Park, Illinois

SCHEDULE OF DIRECT AND OVERLAPPING DEBT At August 1, 2015⁽¹⁾

<u>Government</u>	General Obligation	Percentage Applicable	Village of Franklin Park
Direct Debt	<u>Bonded Debt</u>	to the Village of	<u>Share of Debt</u>
<u>Village of Franklin Park⁽¹⁾</u>	\$	<u>Franklin Park</u>	\$
Total Direct Debt	\$ 37,295,000	100.00%	\$ 37,295,000
Overlapping Debt⁽²⁾			
Leyden Township Fire Protection District	324,675	7.657%	24,860
Northlake Public Library District	5,430,000	1.860%	100,998
Bensenville Park District	1,110,000	2.964%	32,900
School District 84 1/2	3,820,000	6.670%	254,794
Cook County Forest Preserve District	112,720,000	0.427%	481,314
Franklin Park Park District	980,000	99.677%	976,835
Veterans Park District	820,415	14.985%	122,939
School District 81	25,987,535	8.901%	2,313,150
High School District 212	31,475,000	30.763%	9,682,654
School District 84	8,963,915	93.162%	8,350,962
Metropolitan Water Reclamation District	2,493,400,742	0.445%	11,095,633
Community College District 504	46,835,000	7.761%	3,634,864
School District 83	42,395,000	47.388%	20,090,143
<u>Cook County</u>	<u>3,386,301,750</u>	<u>0.427%</u>	<u>14,459,508</u>
Total Overlapping Debt	\$ 6,160,564,032		\$ 71,621,554
Total Direct and Overlapping Debt			\$ 108,916,554

(1) Overlapping debt numbers were not available for April 30, 2015

(2) Differs from amount presented in Debt Amortization exhibit due to the difference in dates.

(3) Cook County determines the degree of overlap on the basis of equalized assessed valuation (EAV)

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

DEBT LIMIT At April 30, 2016

Tax Year 2015 Equalized Assessed Valuation (including TIF districts)	\$	608,696,624
<u>Debt Limit Percentage</u>		<u>8.625%</u>
Current Debt Limit	\$	52,500,084
Outstanding Debt		
G.O. Alternate Revenue Bonds of 2006	\$	9,280,000
G.O. Alternate Revenue Bonds of 2007		5,375,000
G.O. Alternate Revenue Bonds of 2011		9,145,000
G.O. Alternate Revenue Bonds of 2014A		9,070,000
G.O. Alternate Revenue Bonds of 2014B		3,085,000
G.O. Alternate Revenue Bonds of 2015A		6,140,000
G.O Limited Tax Debt Certificates, Series 2013		13,500,000
G.O Limited Tax Debt Certificates, Series 2015		<u>6,855,000</u>
Total Direct Debt	\$	62,450,000
Less Debt Not Subject to Debt Limit*		(24,595,000)
Debt Subject to Debt Limit		37,855,000
Debt Margin	\$	14,645,084

*Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625% of EAV limit unless the government fails to abate the associated property tax levies. The Series 2006, 2007, and 2014B are such bonds.

Demographics and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Village's financial activities take place.

Village of Franklin Park, Illinois

DEMOGRAPHIC STATISTICS Last Ten Calendar Years

<u>Calendar Year</u>	<u>Estimated Population⁽¹⁾</u>	<u>Estimated Per Capita Income⁽²⁾</u>	<u>School Enrollment⁽³⁾</u>	<u>Annual Average Unemployment Rate⁽⁴⁾</u>	<u>Estimated Median Household Income⁽²⁾</u>	<u>Estimated Median Age⁽²⁾</u>	<u>Estimated College Graduate %⁽²⁾</u>
2006	18,920	\$ 19,936	3,306	6.2%	\$ 54,039	35.1	12.8%
2007	18,773	20,334	3,311	6.9%	55,265	35.3	13.1%
2008	18,626	20,731	3,291	8.6%	56,490	35.5	13.3%
2009	18,480	21,129	3,259	13.8%	57,715	35.7	13.6%
2010	18,333	21,129	3,243	14.1%	57,715	35.7	13.6%
2011	18,333	20,535	3,173	13.7%	54,437	35.6	12.8%
2012	18,333	22,983	3,246	12.1%	56,098	35.6	14.6%
2013	18,333	22,983	3,556	10.2%	56,098	36.8	12.0%
2014	18,333	23,938	3,251	7.3%	54,063	38.1	12.2%
2015	18,333	24,056	3,390	5.1%	56,985	38.2	15.9%

(1) Based on "stepped down" census data for 2000 and 2010

(2) Based on American FactFinder data for 2000 and American Community Survey five-year estimates for 2008-2012 transitioned from data end points of 2000 and 2009; 2010-2014 Community Survey 5-year Estimates

(3) Source: Illinois School Districts 81, 83, 84, 84 1/2 and 212

(4) Source: Illinois Department of Employment Security

Village of Franklin Park, Illinois

MAJOR EMPLOYERS LOCATED WITHIN VILLAGE LIMITS Calendar Years 2005 and 2015

2005

<u>Company</u>	<u>Business</u>	<u>Employment</u>
Sloan Valve Co.*	Flush Valves, Faucets, Shower Heads and Hand Dryers	750
Werner	Aluminum, Sheet Plates and Foil Manufacturer	700
Fresh Express	Food Products	600
Nestle USA Confections & Snacks Div.*	Candy and Confectionary	600
Olmarc	Plastic Products Manufacturer	400
US Smokeless Tobacco*	Smokeless Tobacco	400
AM Castle	Metals Service Center	350
Life Fitness*	Sporting & Athletic Gear	300
Albertsons	Jewel Property	300
United Parcel Service*	Courier Service	300

2015

<u>Company</u>	<u>Business</u>	<u>Employment</u>
The Hill Group	Plumbing, Piping & Refrigeration Contractors	900
Canadian Pacific	Railroad Yard & Repair	800
Nestle USA Confections & Snacks Div.*	Candy and Confectionary	750
Sloan Valve Co.*	Flush Valves, Faucets, Shower Heads and Hand Dryers	723
Bretford, Inc	International Freight Consolidation/ Air Freight Transportation	650
Life Fitness*	Office Furniture	500
Hill Mechanical Operations	Fitness Equipment	450
United Parcel Service*	Facility Management for Large Buildings	300
US Smokeless Tobacco*	International Freight Forwarding	300
DHL International Ltd.	Smokeless Tobacco	240

*Denotes those employers appearing on both the 2015 and 2005 lists

Source: Illinois Manufacturers Directory and Illinois Services Directory

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the Village's financial report relates to the services the Village provides and the activities it performs.

Village of Franklin Park, Illinois

OPERATING INFORMATION AND INDICATORS Last Ten Calendar Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
FIRE PROTECTION										
Fire responses	203	203	156	130	116	115	109	74	96	92
Rescue/emergency responses	1,787	1,742	1,744	1,591	1,523	1,630	1,620	1,271	1,647	1,859
Other incidents	1,485	1,698	1,539	1,013	1,377	1,422	1,350	1,119	1,456	1,255
Injuries/fatalities	12	12	58	5	8	9	1	-	1	2
Mutual aid given	373	374	397	330	289	180	274	235	306	277
Mutual aid received	244	239	330	221	327	309	189	71	101	88
POLICE PROTECTION										
Parking violations	7,125	7,193	5,695	8,499	9,914	6,440	5,541	3,371	8,541	6,282
Traffic citations	4,680	3,668	4,027	4,528	3,422	2,287	1,679	4,677	3,839	1,575
Arrests ⁽¹⁾	NA	NA	1,274	1,147	741	696	939	1,195	703	674
MUNICIPAL WATER & SEWER SYSTEM										
Water/Sewer Customers, Residential	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,630	4,709	4,646
Water/Sewer Customers, Commercial/Industrial	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,216	1,220	1,214
Metered Fire Line Customers	184	184	184	184	184	184	184	171	184	186
Annual Water Main Breaks	70	76	101	86	46	52	47	90	60	31
Potable Water Pumped, Millions of Gallons	1,673.4	1,614.0	1,535.1	1,243.9	1,176.6	946.0	931.6	1,134.1	1,154.7	1,008.7

(1) Arrest data prior to 2008 not available

Source: Village records

Village of Franklin Park, Illinois

CAPITAL ASSETS STATISTICS Last Ten Calendar Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire fighting vehicles	6	6	6	6	5	5	5	5	4	4
Ambulances	3	3	3	3	1	2	2	3	3	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Vehicles	24	24	24	24	24	24	19	17	19	21
PUBLIC WORKS										
Streets, miles	75.0	74.2	74.2	74.8	75.0	75.0	75.0	75.0	75.0	75.0
Alleys, miles	18.9	18.9	18.9	18.9	18.9	18.9	18.9	19.2	19.2	19.2
Vehicles	28	26	24	25	27	28	27	35	41	105
MUNICIPAL WATER SYSTEM										
Sanitary sewer pipe, miles	35.5	35.5	35.5	35.5	35.5	35.5	35.5	34.0	35.0	35.0
CSO/storm sewer pipe, miles	65.5	65.5	65.5	65.5	65.5	65.5	65.5	66.0	66.0	66.0
Water mains, miles	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Pump stations	3	3	3	3	3	3	3	3	3	3
Water storage tanks	7	7	7	7	7	7	7	7	7	7
Water storage capacity, millions of gallons	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Sanitary/storm lift stations	9	9	9	9	9	9	9	6	6	6
Number of fire hydrants	876	876	876	876	876	876	881	872	872	891
Vehicles	8	9	9	9	9	10	10	12	16	18
Other major equipment	17	16	16	18	18	17	18	18	10	12

Source: Village records

Village of Franklin Park, Illinois

FULL-TIME EQUIVALENT EMPLOYEES Last Ten Calendar Years

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
FIRE PROTECTION										
Sworn personnel	46	46	46	44	42	38	40	39	42	43
Civilian personnel	1.0	1.0	1.0	1.0	0.5	0.5	-	-	-	-
POLICE PROTECTION										
Sworn personnel	52	51	51	49	49	43	46	39	45	47
Civilian personnel	27.0	27.0	26.0	25.0	25.0	22.0	27.0	27.0	26.0	24.0
PUBLIC WORKS										
Supervisory personnel	3	3	3	3	3	3	3	4	4	4
Non-supervisory personnel	14.0	15.0	13.0	11.5	10.5	9.0	8.0	8.0	8.0	12.5
MUNICIPAL WATER SYSTEM										
Supervisory personnel	3	3	3	3	3	3	3	2	2	2
Non-supervisory personnel	9.0	9.0	10.0	9.0	8.0	6.0	5.0	7.0	7.0	13.5

Source: Village records