

Village of Franklin Park, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2011



VILLAGE OF FRANKLIN PARK, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended April 30, 2011

Prepared By:
Finance Department
Ron Heller – Comptroller

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2011

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INTRODUCTORY SECTION



October 27, 2011

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

State law requires that every general purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This *Comprehensive Annual Financial Report* ("CAFR") is published to comply with this requirement for the fiscal year ended April 30, 2011.

This is the Village's first CAFR and is being submitted to the *Government Finance Officers Association of the United States and Canada* ("GFOA") for consideration under its prestigious *Certificate of Achievement for Excellence in Financial Reporting* program. Award of this Certificate would mean that we will have achieved ".....the highest standards in government accounting and financial reporting." Given that this is the first year since 2003 that the Village has completed its audit within the prescribed six month period, we consider the publishing of a CAFR in a sufficiently timely manner to seek this award to be a significant accomplishment.

This CAFR consists of three major sections:

- **Introductory section:** This contains a listing of principal Village officials, an organizational chart and this letter of transmittal.
- **Financial section:** This section contains the auditor's opinion, Management's Discussion and Analysis, the Village's basic financial statements and required supplementary information.
- **Statistical section:** This section is composed of easily readable tables concerning the Village's recent financial trends, revenue and debt capacity and historical demographic and operating statistics.

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

To assure a reasonable basis for making these representations, the Village has established a comprehensive 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 *Accounting Principles Generally Accepted in the United States of America* ("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.

Crowe Horwath LLP, independent certified public accountants, have issued an unqualified opinion on the Village's financial statements for the fiscal year ended April 30, 2011. 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 basic financial statements. The MD&A complements this letter of transmittal and should be read and considered in conjunction with it.

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 the Village officers and employees, levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and 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, Village Clerk and Trustees are elected at large for 4 year-terms.

Village Services

The Village provides the following services: public safety (police and fire), 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 131 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, 84-5 and Community High School District No. 212. The majority of 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 a principal management tool and standard by which to measure departmental performance.

ECONOMIC AND FINANCIAL NEXUS

Economic Base

Owing to 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 fourth largest in Illinois. Indeed, over the past ten years, industrial property has accounted for an average 61.5% of the Village's Equalized Assessed Value ("EAV"). Notably, the Village is the only place on earth 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 the current economic downturn.

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. However, during this current downturn, Franklin Park's unemployment rate has averaged 13.8% and 14.1% in calendar years 2009 and 2010, respectively, and the Village's foreclosure rate is running at exceptionally high levels, with 20 foreclosures and 50 foreclosures for the same period.

As if this weren't bad enough, the Village's tax base has contracted 15.4% over the two most recent tax years. This, combined with Cook County's phasing out of the homeowner's exemption and reallocating the relative proportions of the tax base so as to more heavily tax residential properties, has placed an enormous amount of pressure on our citizens.

Village Finances

Despite the poor economy, its effect on our residents and its resulting constraints on economically sensitive revenues such as sales and income taxes and building permits, in FY 2011, the Village was able to achieve a positive general fund balance for the first time since FY 2004.

As the general fund is the Village's principal operating fund, we feel that this was a notable success. Specifically, the FY 2011 general fund balance was \$3,010,707; an improvement of \$8,404,083 from its low point at the end of FY 2009 and of \$8,771,176 from FY 2010.

Admittedly, the most recent year-over-year change included two transfers (\$4,595,522 from the working cash fund, which was dissolved, and \$1,024,992 from three enterprise funds to recoup payroll expenses that had been absorbed by the general fund) and \$175,000 in lease proceeds. Nonetheless, the Village was able to generate a surplus of revenues over expenditures of \$1,975,662.

Though faced with significant challenges, the Village's financial picture has indeed improved over the past two years. These gains are attributable to a number of actions taken by the new administration since assuming office at FY 2009 yearend. These include revenue enhancement (such as garbage collection, vehicle registration and the non-abatement of three property tax levies), and expenditure reductions (mostly in payroll and benefits) were instituted as well.

Additionally, a new financial management team was charged with clarifying the village's financial position, assuring its continued liquidity, developing a budget based on realistic cash flow projections and ultimately achieving financial stability.

THE FUTURE

Overall, it is expected that the village's financial health will continue to improve over the next several years despite the serious headwinds mentioned above. Though it is not clear when the economy will fully recover, Village administration anticipates that the economy will remain sluggish for the foreseeable future.

When combined with its lack of home rule powers, revenue projections for at least the next three fiscal years remain constrained. Thus, the responsible management of Village expenditures is as important as ever, if not more so.

It is within this context that 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 FY 2011 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 Steve Iovinelli, Police Chief Michael Witz, Utilities Commissioner Joseph Lauro, Community Development Director Jeff Eder, Village Clerk Tommy Thomson and IT Director Dennis Wagner. Additionally, financial intern Thomas Gols and consultant Rob Romo were invaluable in this process.

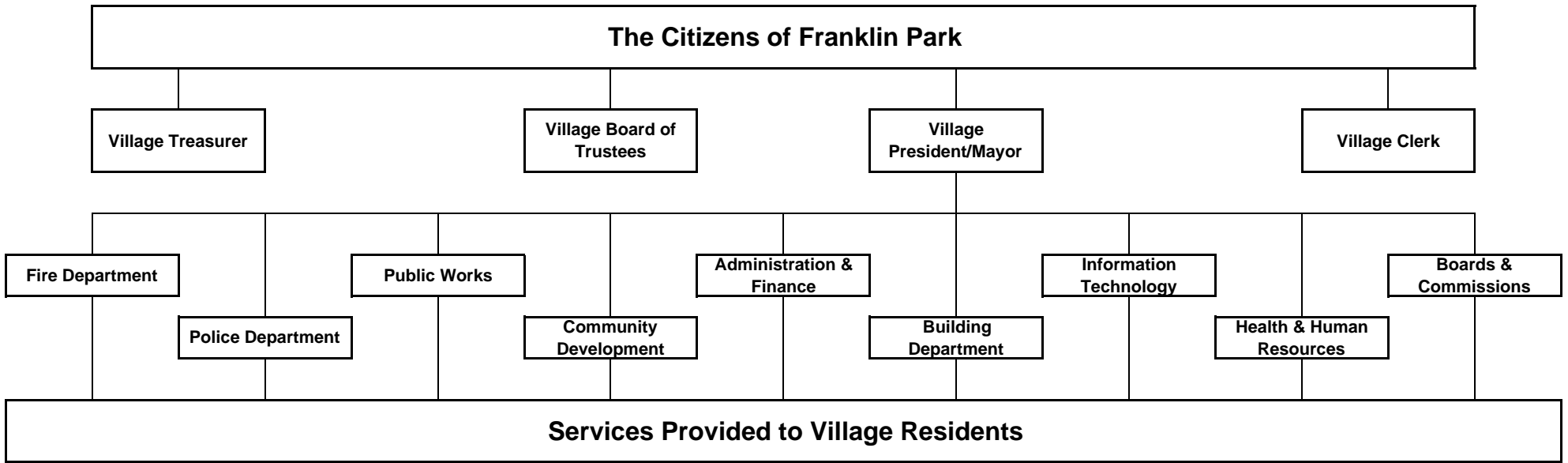
Finally, the financial results achieved this past year would not have been possible without the leadership of Village President Barrett Pedersen and the Village Trustees who collectively have chosen a direction that has allowed these achievements.

Respectfully submitted

A handwritten signature in black ink, appearing to read "Ronald I. Heller", with a long horizontal flourish extending to the right.

Ronald I. Heller
Village Comptroller

Village of Franklin Park, Illinois
Organizational Chart



PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2011

BOARD OF TRUSTEES

| <u>Name</u> | <u>Position</u> | <u>Term Ends</u> |
|---------------------|-----------------|------------------|
| Barrett F. Pedersen | President | 2013 |
| Tommy Thomson | Clerk | 2013 |
| Tom Brimie | Trustee | 2013 |
| John Johnson | Trustee | 2013 |
| Cheryl McLean | Trustee | 2015 |
| Randy Petersen | Trustee | 2015 |
| Rosalba Rodriguez | Trustee | 2013 |
| Bill Ruhl | Trustee | 2015 |

VILLAGE DEPARTMENT HEADS

| | |
|-----------------|---|
| Lisa Anthony | Health Department |
| Jeff Eder | Community Development/Building Department |
| Ron Heller | Administration and Finance Department |
| Steve Iovinelli | Fire Chief |
| Joe Lauro | Public Works Department |
| Dennis Wagner | Information Technology |
| Michael Witz | Chief of Police |

OFFICIAL ISSUING REPORT

| | |
|------------|-------------|
| Ron Heller | Comptroller |
|------------|-------------|

DIVISION ISSUING REPORT

Administration and Finance Department

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois, (Village), as of and for the year ended April 30, 2011 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. 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 represents 100 percent and 100 percent, respectively, of the assets and revenues of the Pension Trust Funds for the year then ended. 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 Police Pension Fund and the Firefighters' Pension Fund 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 basic financial statements are free of material misstatement. The financial statements of the Police Pension Fund and the Firefighter's Pension Fund were not audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports 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, each major fund, and the aggregate remaining fund information of the Village as of April 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2011, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants 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 the audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, schedules of funding progress, schedules of employer contributions, and budgetary comparison schedule are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and do not express an opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic financial statements. The accompanying supplemental information as of and for the year ended April 30, 2011, as listed in the accompanying table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplemental information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and the statistical section in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. These sections have not been subjected to the audit procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion on them.


Crowe Horwath LLP

Oak Brook, Illinois
October 27, 2011

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

As management of the Village of Franklin Park ("Village"), we offer 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, 2011. As the MD&A is designed to focus on that year'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 FY 2011 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities increased by \$481 thousand, while liabilities decreased by \$4.2 million, resulting in an increase in net assets of \$4.7 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, net assets increased by \$3.2 million.
- Revenues supporting governmental activities increased by \$5.6 million from FY 2010, while expenditures declined by \$4.9 million.
- Assets employed in business-type activities decreased by \$1.7 million as liabilities increased \$1.3 million. As a result, net business-type assets declined by \$3.0 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, net assets decreased by \$1.5 million.
- Business-type activity revenues and expenditures each increased; the former by \$1.0 million and the latter by \$1.1 million.
- Total Village assets decreased by \$1.2 million from FY 2010, and total liabilities declined by \$2.9 million. As a result, total net assets increased by \$1.7 million.
- Total Village revenue increased by \$6.6 million and total Village expenditures declined by \$3.9 million.

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

- Governmental funds' assets increased by \$3.2 million while liabilities declined by \$5.6 million. As a result, governmental fund balances increased by \$8.8 million before considering the effects of the Village's reclassification of the Garbage Fund from governmental activities to business type activities. After this consideration, fund balance increased by \$7.7 million.
- Total governmental fund revenues increased by \$4.5 million from FY 2010 levels and governmental fund expenditures declined by \$2.4 million.
- General fund revenues grew by \$4.4 million from FY 2010 levels while expenditures increased by \$2.2 million. This, combined with transfers into the general fund increased that fund's balance by \$7.7 million for an ending fund balance of \$3.0 million.
- Proprietary funds' assets declined by \$821 thousand, while liabilities increased by \$2.2 million. As a result, the net assets for proprietary funds dropped \$3.0 million.
- Proprietary fund operating revenues increased by \$2.1 million from FY 2010 while operating expenses grew by \$1.1 million resulting in net operating income of \$519 thousand, an improvement of \$1.0 million over FY 2010. Non-operating revenues and expenses resulted in the Village's proprietary funds showing a net loss of \$1.4 million, essentially unchanged from FY 2010.

These results are described in more detail further below.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which are comprised 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 assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

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.

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 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund and the working cash fund, both of which are considered to be major funds. Information from the Village's thirteen 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

The Village maintains five 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, sanitary sewer and garbage collection 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 fund and the sanitary sewer and garbage collection funds, all of which are considered to be major funds of the Village. 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

STATEMENT OF NET ASSETS

The following table presents the condensed *Statement of Net Assets* (in millions) at April 30, 2011, with comparisons to April 30, 2010:

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|----------------------------------|----------------------------|---------------|-----------------------------|---------------|--------------------------------|----------------|
| | <u>FY11</u> | <u>FY10</u> | <u>FY11</u> | <u>FY10</u> | <u>FY11</u> | <u>FY10</u> |
| <u>Assets:</u> | | | | | | |
| Current assets | \$28.7 | \$25.6 | \$1.9 | \$2.7 | \$30.6 | \$28.3 |
| Non-current, non-capital assets | 1.5 | 1.5 | 0.1 | 0.2 | 1.6 | 1.6 |
| Capital assets | 40.9 | 43.5 | 37.7 | 38.6 | 78.6 | 82.0 |
| Total Assets | <u>\$71.1</u> | <u>\$70.6</u> | <u>\$39.7</u> | <u>\$41.4</u> | <u>\$110.8</u> | <u>\$112.0</u> |
| <u>Liabilities:</u> | | | | | | |
| Current liabilities | \$16.7 | \$22.3 | \$9.6 | \$6.3 | \$26.3 | \$28.6 |
| Non-current liabilities | 35.2 | 33.8 | 21.0 | 23.0 | 56.2 | 56.8 |
| Total Liabilities | 51.9 | 56.1 | 30.6 | 29.3 | 82.5 | 85.4 |
| <u>Net Assets:</u> | | | | | | |
| Invested in capital assets, net, | 13.0 | 15.1 | 16.2 | 15.2 | 29.2 | 30.3 |
| Restricted | 10.9 | 7.8 | 0.0 | 0.0 | 10.9 | 7.8 |
| Unrestricted | (4.7) | (8.4) | (7.1) | (3.1) | (11.8) | (11.5) |
| Total Net Assets | <u>\$19.2</u> | <u>\$14.5</u> | <u>\$9.1</u> | <u>\$12.1</u> | <u>\$28.3</u> | <u>\$26.6</u> |

Assets employed in governmental activities increased by \$481 thousand due to an increase of \$3.1 million in current assets and a \$2.6 million decrease in capital assets. The former rose on

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

the strength of an additional \$2.2 million in cash and investments resulting largely from a general fund surplus of \$2.0 million.

Other components of this \$3.1 million increase were attributable to an increase of \$670 thousand in property tax receivables, and a decrease in the internal balance amount of \$869 thousand. These were offset by a \$745 thousand decline in accounts receivable. The decrease of \$2.6 million in capital assets was due entirely to an excess of depreciation expense of \$4.1 million over capital additions of \$1.5 million.

Assets employed in business-type activities declined \$1.7 million due primarily to the above-mentioned decrease of \$869 thousand in internal balances and \$874 thousand of depreciation expense over capital additions of \$227 thousand.

STATEMENT OF ACTIVITIES

The following table presents the condensed *Statement of Activities* (in millions) at April 30, 2011, with comparisons to April 30, 2010.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--------------------------------|----------------------------|----------------|-----------------------------|----------------|--------------------------------|----------------|
| | <u>FY11</u> | <u>FY10</u> | <u>FY11</u> | <u>FY10</u> | <u>FY11</u> | <u>FY10</u> |
| <u>Revenues</u> | | | | | | |
| Program Revenues: | | | | | | |
| Charges for services | | | | | | |
| General government | \$1.4 | \$0.9 | 0.0 | 0.0 | \$1.4 | \$0.9 |
| Public safety | 1.6 | 2.3 | 0.0 | 0.0 | 1.6 | 2.3 |
| Public health | 0.0 | 0.5 | 0.0 | 0.0 | 0.0 | 0.5 |
| Building department | 0.6 | 0.7 | 0.0 | 0.0 | 0.6 | 0.7 |
| Water | 0.0 | 0.0 | 4.4 | 4.0 | 4.4 | 4.0 |
| Sewer | 0.0 | 0.0 | 2.4 | 2.1 | 2.4 | 2.1 |
| Garbage | 0.0 | 0.0 | 1.5 | 0.0 | 1.5 | 0.0 |
| Commuter parking lot | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Operating grants/contributions | 0.5 | 0.2 | 0.0 | 0.0 | 0.5 | 0.2 |
| Capital grants/contributions | 1.1 | 0.2 | 0.0 | 0.0 | 1.1 | 0.2 |
| General Revenues: | | | | | | |
| Property taxes | 18.8 | 14.9 | 0.0 | 0.0 | 18.8 | 14.9 |
| Other taxes | 8.3 | 8.4 | 0.0 | 0.0 | 8.3 | 8.4 |
| Other | <u>2.1</u> | <u>0.6</u> | <u>(1.0)</u> | <u>0.0</u> | <u>2.1</u> | <u>0.6</u> |
| Total Revenues | 34.3 | 28.7 | 7.3 | 6.3 | 41.6 | 34.9 |
| <u>Expenses</u> | | | | | | |
| General government | 6.4 | 6.9 | 0.0 | 0.0 | 6.4 | 6.9 |
| Public safety | 14.7 | 14.8 | 0.0 | 0.0 | 14.7 | 14.8 |
| Highways and streets | 6.5 | 7.8 | 0.0 | 0.0 | 6.5 | 7.8 |
| Public health | 0.3 | 1.8 | 0.0 | 0.0 | 0.3 | 1.8 |
| Community development | 0.8 | 2.3 | 0.0 | 0.0 | 0.8 | 2.3 |
| Building department | 1.0 | 1.0 | 0.0 | 0.0 | 1.0 | 1.0 |
| Interest on long term debt | 1.4 | 1.5 | 0.0 | 0.0 | 1.4 | 1.5 |
| Water | 0.0 | 0.0 | 4.7 | 5.3 | 4.7 | 5.3 |
| Sewer | 0.0 | 0.0 | 2.3 | 2.4 | 2.3 | 2.4 |
| Garbage | 0.0 | 0.0 | 1.7 | 0.0 | 1.7 | 0.0 |
| Commuter parking lot | <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 Expenses | 31.2 | 36.1 | 8.7 | 7.7 | 39.9 | 43.8 |
| Change in Net Assets | <u>\$3.1</u> | <u>(\$7.4)</u> | <u>(\$1.4)</u> | <u>(\$1.5)</u> | <u>\$1.7</u> | <u>(\$8.9)</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

Though national economic conditions continued to impact Village finances during FY11, revenues from governmental activities increased from FY10 levels by \$5.6 million, or 19.6%. The largest contributor to this increase was property tax revenue, which rose \$3.9 million primarily because the Village did not abate several debt service levies. Additionally, operating and capital grant revenue collectively increased \$1.1 million, and other revenue increased \$1.6 million, largely on the reallocation of \$1.0 million in proprietary fund compensation from the general fund.

These revenue increases more than offset an overall decline of \$722 thousand in charges for services. Notable changes included a decrease of \$515 thousand in public health revenues, as garbage collection was transitioned from general to enterprise fund status, as well as a \$634 thousand decline in public safety revenues, as police confiscations dropped by \$406 thousand.

Governmental activity expenditures declined by \$4.9 million, or 13.7%, as all functions but one showed major decreases.

Highway and street expenditures fell by \$1.3 million, as much of the village's road and storm sewer infrastructure became fully depreciated in FY10, effectively capping depreciation expense. This accounted for a decrease of \$2.2 million, which was offset by \$897 thousand in increased capital outlays.

Public health expenditures declined by \$1.5 million entirely due to the transition of the garbage function from a governmental fund to a proprietary fund.

Community development expenditures dropped by a total of \$1.4 million. Lower property acquisition and demolition expense in the TIF funds accounted for virtually all of this.

On the business-type activity side, revenues increased \$1.1 million or 16.9%. This was largely attributable to an increase in charges for services of \$2.1 million, \$1.5 million of which was due to the previously mentioned transition of garbage fund activities from the governmental to proprietary side of the house. The balance of this \$2.1 million was composed of higher water and sewer revenue of \$305 thousand, and \$313 thousand in increased penalty revenue as the Village stepped up its collection efforts.¹

Business-type activity expenditures increased \$1.0 million or 13.9%. However adjusting for the \$1.7 million due to the transition of the garbage fund, expenditures in the three previously existing proprietary funds actually declined \$630 thousand or 8.2%. Approximately \$557 thousand of this was due to lower water department expenditures for engineering services, water purchases and decreased water billing refunds of \$113 thousand, \$261 thousand and \$251 thousand, respectively. This was slightly offset by an increase in departmental maintenance expenses of \$111 thousand.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance* (in millions) at April 30, 2011, with comparisons to April 30, 2010.

¹ Water and sewer revenue are related such that individual bills are apportioned on a 65/35 basis for water and sewer charges, respectively.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

| | General Corporate Fund | | Other Governmental Funds | | Total Governmental Funds | |
|---|------------------------|----------------|--------------------------|----------------|--------------------------|----------------|
| | FY11 | FY10 | FY11 | FY10 | FY11 | FY10 |
| <u>Revenues</u> | | | | | | |
| Property taxes | \$12.0 | \$9.3 | \$6.7 | \$5.6 | \$18.7 | \$14.9 |
| Other taxes. | 7.7 | 7.9 | 0.6 | 0.5 | 8.3 | 8.4 |
| Licenses, permits, fees | 1.3 | 1.3 | 0.0 | 0.0 | 1.3 | 1.3 |
| Grants | 1.8 | 0.2 | 0.0 | 0.2 | 1.8 | 0.4 |
| Other revenue | 0.9 | 0.6 | 0.0 | 0.0 | 0.9 | 0.6 |
| Fines and forfeitures | 0.7 | 0.9 | 0.0 | 0.5 | 0.7 | 1.4 |
| Investment income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Charges for services | <u>1.1</u> | <u>0.9</u> | <u>0.3</u> | <u>0.8</u> | <u>1.4</u> | <u>1.7</u> |
| Total revenues | 25.5 | 21.1 | 7.7 | 7.6 | 33.2 | 28.7 |
| <u>Expenditures</u> | | | | | | |
| General government | 5.5 | 4.9 | 0.6 | 1.4 | 6.1 | 6.3 |
| Public safety | 11.9 | 12.1 | 0.4 | 0.4 | 12.3 | 12.5 |
| Highways and streets | 2.3 | 1.9 | 0.2 | 0.3 | 2.5 | 2.2 |
| Public health | 0.3 | 0.3 | 0.0 | 1.5 | 0.3 | 1.8 |
| Community development | 0.4 | 0.5 | 0.4 | 2.4 | 0.8 | 2.9 |
| Building department | 0.8 | 0.9 | 0.0 | 0.0 | 0.8 | 0.9 |
| Debt service | 0.1 | 0.0 | 1.8 | 1.9 | 1.9 | 2.0 |
| Capital outlay | <u>2.4</u> | <u>0.8</u> | <u>0.1</u> | <u>0.3</u> | <u>2.5</u> | <u>1.1</u> |
| Total Expenditures | 23.6 | 21.3 | 3.6 | 8.3 | 27.2 | 29.6 |
| Excess (deficiency) of revenues over (under) expenditures | 1.9 | (0.2) | 4.1 | (0.7) | 6.0 | (0.9) |
| Other sources (uses), net | <u>5.8</u> | <u>0.1</u> | <u>(4.6)</u> | <u>0.4</u> | <u>1.2</u> | <u>0.5</u> |
| Change in fund balance | <u>\$7.7</u> | <u>(\$0.1)</u> | <u>(\$0.5)</u> | <u>(\$0.3)</u> | <u>\$7.2</u> | <u>(\$0.4)</u> |

Both general and total governmental fund revenues increased from FY 2010 levels; the former by \$4.4 million, the latter by \$4.5 million. Both increased primarily due to \$2.7 in additional property tax revenues (in part from an increased levy and in part because Cook County collected more revenue from prior years) and \$1.6 million in additional grant funding. Other sources of revenue were essentially flat.

General fund expenditures increased \$2.3 million due to increased capital outlay expenditures for a major road resurfacing project (\$1.1 million), purchases under the COPS grant (\$493 thousand), the purchase of two ambulances and other paramedic equipment (\$235 thousand) and increased vehicle lease payments. In contrast, non-general fund governmental fund expenditures declined \$4.7 million due, in part to the previously-mentioned transitioning of the garbage function to proprietary fund status (\$1.5 million) and \$2.1 million less in TIF expenditures, which were elevated in FY 2010 because of the purchase and clearing of land.

PROPRIETARY FUNDS

The following table presents the condensed *Statement of Revenues, Expenditures and Changes in Fund Net Assets* for the Village's proprietary funds (in millions) at April 30, 2011, with comparisons to 2010.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

| | Water | Sewer | Garbage | Parking | Total | |
|--|----------------|----------------|----------------|--------------|-------------------|-------------------|
| | Fund | Fund | Fund | Fund | Proprietary Funds | Proprietary Funds |
| | | | | | FY11 | FY10 |
| <u>Operating Revenues</u> | | | | | | |
| Charges for services | \$4.4 | \$2.4 | \$1.5 | \$0.1 | \$8.3 | \$6.2 |
| Other revenue | <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 | 4.4 | 2.4 | 1.5 | 0.1 | 8.3 | 6.2 |
| <u>Operating Expenses</u> | | | | | | |
| Administration | 1.0 | 0.5 | 0.3 | 0.0 | 1.8 | 1.7 |
| Water purchases | 2.4 | 0.0 | 0.0 | 0.0 | 2.4 | 2.7 |
| Repairs and maintenance | 0.5 | 0.2 | 0.0 | 0.0 | 0.7 | 0.6 |
| Supplies and services | 0.2 | 0.2 | 1.3 | 0.0 | 1.7 | 0.5 |
| Depreciation | <u>0.5</u> | <u>0.6</u> | <u>0.0</u> | <u>0.0</u> | <u>1.1</u> | <u>1.1</u> |
| Total operating expense | 4.7 | 1.4 | 1.7 | 0.0 | 7.8 | 6.6 |
| Operating income (loss) | (0.3) | 1.0 | (0.2) | 0.1 | 0.5 | (0.4) |
| <u>Non-Operating Revenues (Expenses)</u> | | | | | | |
| Interest expense | (0.0) | (0.9) | 0.0 | 0.0 | (0.9) | (0.9) |
| Other, net | <u>(0.8)</u> | <u>(0.1)</u> | <u>(0.1)</u> | <u>0.0</u> | <u>(1.0)</u> | <u>0.0</u> |
| Total non-operating revenues (expense) | (0.8) | (1.0) | (0.1) | 0.0 | (1.9) | (0.9) |
| Net income (loss) | <u>(\$1.1)</u> | <u>(\$0.0)</u> | <u>(\$0.4)</u> | <u>\$0.1</u> | <u>(\$1.4)</u> | <u>(\$1.3)</u> |
| Net assets | <u>\$6.2</u> | <u>\$4.7</u> | <u>(\$1.9)</u> | <u>\$0.2</u> | <u>\$9.1</u> | <u>\$12.1</u> |

Proprietary fund revenues increased by \$2.1 million from FY 2010, \$1.5 million as a result of the transition of the garbage fund, and the balance attributable to \$621 thousand in higher water and sewer revenue, primarily due to enhanced collection efforts. At the same time, expenditures increased \$1.1 million as \$1.7 million in garbage fund expenditures which had migrated from the governmental to business side was partially offset by a decrease of \$622 thousand in water and sewer expenditures. Contributing to these lower expenditure levels were lower administrative, water purchase and supply expenditures aggregating to \$726 thousand.

Non-operating expenses increased \$1.0 million due to a \$1.0 million charge for salary expenses that had been paid with cash from the general fund.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

GENERAL FUND BUDGETARY HIGHLIGHTS

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

| | <u>Adopted Budget</u> | <u>Actual</u> | <u>Variance</u> |
|---------------------------|---------------------------|---------------|-----------------|
| <u>Revenues</u> | | | |
| Property Taxes | \$11.5 | \$12.0 | \$0.6 |
| Other Taxes | 7.7 | 7.7 | 0.0 |
| Licenses, Permits, Fees | 1.3 | 1.3 | 0.0 |
| Fines & Forfeitures | 1.1 | 0.7 | (0.4) |
| Charges for Services | 1.2 | 1.1 | (0.1) |
| <u>Other</u> | <u>2.4</u> | <u>2.7</u> | <u>0.3</u> |
| Total | \$25.2 | \$25.5 | \$0.3 |
| <u>Expenditures</u> | | | |
| Current | \$20.0 | \$21.1 | (\$1.1) |
| Debt Service | 0.1 | 0.1 | (0.0) |
| <u>Capital</u> | <u>1.9</u> | <u>2.4</u> | <u>(0.6)</u> |
| Total | \$22.0 | \$23.6 | (\$1.6) |
| Other Sources (Uses), Net | (3.5) | 5.8 | (9.3) |
| Change in Fund Balance | <u>(\$0.3)</u> | <u>\$7.7</u> | <u>\$8.1</u> |

Actual revenues exceeded budget by \$337 thousand while actual expenditures came in over budget by \$1.5 million. Taken together, this resulted in an overall negative budget variance approximating \$1.2 million. Net transfers, capital lease and asset sale proceeds produced a positive variance of \$9.3 million.

On the revenue side, property taxes came in at a stronger rate than anticipated, exceeding budget by \$567 thousand. Other over budget revenue sources included income taxes, other taxes, grant and other revenue. Under budget revenues included sales taxes, utility taxes, licenses, permits & fees, fines & forfeitures and charges for services. The implications of these variances are discussed more fully under the *Economic Factors* caption.

On the expenditure side, significant negative variances occurred in public safety (\$586 thousand) highways and streets (\$451 thousand) and capital outlay (\$560 thousand). Police and fire pension contributions \$674 thousand higher than anticipated were largely responsible for the first; \$498 thousand in unbudgeted public works projects were largely responsible for the second and a \$1.1 million resurfacing project was primarily responsible for the third.

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2011, the Village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities
Change in Capital Assets
(in millions)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

| | <u>Balance at May 1, 2010</u> | <u>Net Additions (Deletions)</u> | <u>Balance at April 30, 2011</u> |
|---------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <u>Non-Depreciable Assets:</u> | | | |
| Land | \$10.3 | \$0.0 | \$10.3 |
| <u>Depreciable Assets:</u> | | | |
| Infrastructure | 127.6 | 1.2 | 128.7 |
| Buildings/Improvements | 5.7 | 0.1 | 5.8 |
| Vehicles/Equipment | 6.0 | 0.3 | 6.3 |
| <u>Accumulated Depreciation</u> | <u>(106.2)</u> | <u>(4.1)</u> | <u>(110.3)</u> |
| Totals | \$43.5 | (\$2.6) | \$40.9 |

Assets deployed for governmental activities decreased \$2.6 million, as capital additions of \$1.5 million were more than offset by \$4.1 million in depreciation expense. Additions consisted of \$296 thousand in new vehicles, primarily two new ambulances, and \$1.2 million in infrastructure additions, principally for storm water improvements.

Business-Type Activities
Change in Capital Assets
(in millions)

| | <u>Balance at May 1, 2010</u> | <u>Net Additions (Deletions)</u> | <u>Balance at April 30, 2011</u> |
|---------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <u>Non-Depreciable Assets:</u> | | | |
| Land/CIP | \$0.2 | \$0.1 | \$0.3 |
| <u>Depreciable Assets:</u> | | | |
| Water/Sewer System | 49.3 | 0.0 | 49.3 |
| Storage Reservoir/Pump | 5.1 | 0.1 | 5.2 |
| Buildings/Improvements | 2.1 | 0.0 | 2.1 |
| Vehicles/Equipment | 2.8 | 0.1 | 2.9 |
| <u>Accumulated Depreciation</u> | <u>(21.0)</u> | <u>(1.1)</u> | <u>(22.1)</u> |
| Totals | \$38.6 | (\$0.9) | \$37.7 |

Business-type capital assets declined by \$853 thousand, as \$1.1 million in depreciation expense more than offset \$227 thousand in additions, primarily for new pumping equipment.

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

DEBT ADMINISTRATION

At April 30, 2011, the Village had outstanding \$59,618,310 in long-term debt, down \$415,526 from FY 2010. The Village's current debt is allocated as follows:

| <u>Item</u> | <u>Governmental</u> | <u>Business</u> |
|---------------------------------------|---------------------|-----------------|
| G.O. Refunding Bonds of 2003 | \$ 160,000 | \$ - |
| G.O. Alternate Revenue Bonds of 2004A | 6,215,000 | - |
| G.O. Alternate Revenue Bonds of 2004B | - | 15,545,000 |
| G.O. Alternate Revenue Bonds of 2005A | 3,830,000 | - |
| G.O. Alternate Revenue Bonds of 2006 | 9,500,000 | - |
| G.O. Alternate Revenue Bonds of 2007 | 7,550,000 | - |
| Deferred Premium (Discount), Net | 502,444 | 1,089,173 |
| Loans Payable | - | 5,661,510 |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2011

| | | |
|------------------------------------|----------------------|---------------------|
| Leases Payable | \$ 632,203 | \$ 343,631 |
| Compensated Absences | 1,128,261 | 46,891 |
| Net Pension Obligation | 2,589,699 | - |
| Net Other Post Employment Benefits | <u>4,430,424</u> | <u>394,074</u> |
| Totals | <u>\$ 36,538,031</u> | <u>\$23,080,279</u> |

During the course of fiscal 2011, the Village had net additions to governmental debt totaling \$1,373,511 and net reductions of \$1,789,037 on the business side. The components of these changes are as follows:

| <u>Item</u> | <u>Governmental</u> | <u>Business</u> | <u>Total</u> |
|--|---------------------|----------------------|--------------------|
| Net change in bonded debt | (\$537,081) | (\$911,087) | (\$1,448,168) |
| Net change in leases/loans payable | 34,363 | (982,971) | (948,608) |
| Net change in employee-related debt ² | <u>1,876,229</u> | <u>105,021</u> | <u>1,981,250</u> |
| Totals | <u>\$1,373,511</u> | <u>(\$1,789,037)</u> | <u>(\$415,526)</u> |

For more detailed information, see Note 4 to the Notes to the Financial Statements.

ECONOMIC FACTORS

With about two thirds of 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 the Village highly susceptible to economic cyclicity. It is not surprising then to note that the current economic environment has had important effects on the Village.

However, the almost uniform declines in virtually all economically sensitive revenue sources of FY 2010 did not occur in FY 2011. Rather, the Village experienced a more mixed set of revenue outcomes. Notably in the general fund, sales tax revenue fell by about 15.8%, but income tax revenue rose 2.4%. Licenses, permits and fees remained essentially flat while property tax revenue increased significantly as mentioned earlier, but this latter fact was due to a combination of a higher levy and increased county collections.

Overall, the signs of a recovery are difficult to discern from the Village's financial performance. Nevertheless, at this writing, management anticipates that the current sluggish economic climate will persist over the coming year or more, though it is also anticipated that revenue declines are at or near bottom. At sharp variance with these guardedly optimistic expectations is the state's financial plight, which imparts a significant level of uncertainty to the Village's financial fortunes, and the effective "jobless" nature of the recovery, which will continue to affect our residents' financial stability.

All that having been said, the Village's manufacturing character is a strength. 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 once the economic recovery begins to gain steam. Further, ongoing development around O'Hare Airport puts the Village in a substantially strong position to take advantage of the economic development that will result. The Elgin O'Hare Western Bypass Project going through the Village is a \$3.4 billion infrastructure improvement that has been funded to the extent of \$3.1 billion by the Illinois Tollway Authority. It will be the largest infrastructure project in the nation, and will create 65,000 permanent new jobs in addition to 35,000 construction jobs. This project will provide the Village with an on-off ramp to the tollway and 70 acre feet of storm water management.

FURTHER INFORMATION

This financial report is designed to provide our citizens, customers, 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 Parks' police and fire pension funds issue separate financial statements that can be obtained by contacting the Office of the Treasurer, at the above address.

² Compensated absences, net pension and net OPEB obligations

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS

April 30, 2011

| | Primary Government | | Total |
|--|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | |
| Assets | | | |
| Current | | | |
| Cash | \$ 14,494,506 | \$ 176,431 | \$ 14,670,937 |
| Investments | 2,582,789 | - | 2,582,789 |
| Property taxes receivable | 9,063,875 | - | 9,063,875 |
| Accrued Interest | 334 | - | 334 |
| Accounts receivable | 2,018,950 | 947,793 | 2,966,743 |
| Other assets | 1,294,516 | - | 1,294,516 |
| Internal balances | (731,249) | 731,249 | - |
| Non-current | | | |
| Assets held for resale | 837,320 | - | 837,320 |
| Unamortized bond costs | 625,532 | 143,289 | 768,821 |
| Capital assets not being depreciated | 10,340,098 | 256,998 | 10,597,096 |
| Capital assets being depreciated, net | 30,538,556 | 37,446,945 | 67,985,501 |
| Total assets | 71,065,227 | 39,702,705 | 110,767,932 |
| Liabilities | | | |
| Current | | | |
| Cash overdraft liability | 1,566,203 | 6,281,186 | 7,847,389 |
| Accounts payable | 3,277,885 | 924,304 | 4,202,189 |
| Accrued payroll | 277,196 | 25,405 | 302,601 |
| Accrued interest payable | 420,607 | 303,886 | 724,493 |
| Unearned property tax revenue | 8,426,030 | - | 8,426,030 |
| Other unearned revenue | 248,835 | - | 248,835 |
| Due to pension funds | 84,170 | - | 84,170 |
| Deposits payable | 11,000 | - | 11,000 |
| Short term loans payable | 1,000,000 | - | 1,000,000 |
| Compensated absences payable | 664,913 | 46,891 | 711,804 |
| Current portion - bonds payable | 580,000 | 1,030,000 | 1,610,000 |
| Current portion - leases payable | 127,629 | 167,972 | 295,601 |
| Current portion - loans payable | - | 846,113 | 846,113 |
| Non-current | | | |
| Compensated absences payable | 463,348 | - | 463,348 |
| Bonds payable | 27,177,444 | 15,604,173 | 42,781,617 |
| Leases payable | 504,574 | 175,659 | 680,233 |
| Loans payable | - | 4,815,397 | 4,815,397 |
| Net pension obligation | 2,589,699 | - | 2,589,699 |
| Net OPEB obligation | 4,430,424 | 394,074 | 4,824,498 |
| Total liabilities | 51,849,957 | 30,615,060 | 82,465,017 |
| Net assets | | | |
| Invested in capital assets, net of related debt | 12,991,451 | 16,153,802 | 29,145,253 |
| Restricted assets | | | |
| Highways and streets | 3,921,028 | - | 3,921,028 |
| Community development | 2,613,883 | - | 2,613,883 |
| Debt service | 4,356,260 | - | 4,356,260 |
| Unrestricted | (4,667,352) | (7,066,157) | (11,733,509) |
| Total net assets | \$ 19,215,270 | \$ 9,087,645 | \$ 28,302,915 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2011

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 6,438,478 | \$ 1,405,288 | \$ 4,750 | \$ - | \$ (5,028,440) | | \$ (5,028,440) |
| Public safety | 14,706,048 | 1,642,993 | 452,845 | - | (12,610,210) | | (12,610,210) |
| Highway and street | 6,486,425 | - | - | 1,082,446 | (5,403,979) | | (5,403,979) |
| Public health | 281,856 | - | - | - | (281,856) | | (281,856) |
| Community development | 841,746 | 12,530 | - | - | (829,216) | | (829,216) |
| Building department | 1,020,662 | 616,082 | - | - | (404,580) | | (404,580) |
| Interest on long-term debt | 1,378,233 | - | - | - | (1,378,233) | | (1,378,233) |
| Total governmental activities | <u>31,153,448</u> | <u>3,676,893</u> | <u>457,595</u> | <u>1,082,446</u> | <u>(25,936,514)</u> | | <u>(25,936,514)</u> |
| Business-type activities | | | | | | | |
| Water | 4,738,227 | 4,425,761 | - | - | | \$ (312,466) | (312,466) |
| Sewer | 2,296,739 | 2,358,732 | - | - | | 61,993 | 61,993 |
| Garbage | 1,694,191 | 1,454,099 | - | - | | (240,092) | (240,092) |
| Commuter parking lot | 13,805 | 63,255 | - | - | | 49,450 | 49,450 |
| Total business-type activities | <u>8,742,962</u> | <u>8,301,847</u> | <u>-</u> | <u>-</u> | | <u>(441,115)</u> | <u>(441,115)</u> |
| Total primary government | <u>\$ 39,896,410</u> | <u>\$ 11,978,740</u> | <u>\$ 457,595</u> | <u>\$ 1,082,446</u> | <u>(25,936,514)</u> | <u>(441,115)</u> | <u>(26,377,629)</u> |
| General revenues | | | | | | | |
| Taxes | | | | | | | |
| Property taxes, levied for general purposes | | | | | 18,752,446 | - | 18,752,446 |
| Public service taxes | | | | | | | |
| Sales tax | | | | | 2,023,821 | - | 2,023,821 |
| Income tax | | | | | 1,510,967 | - | 1,510,967 |
| Utility tax | | | | | 3,117,429 | - | 3,117,429 |
| Other taxes | | | | | 1,654,246 | - | 1,654,246 |
| Unrestricted investment earnings | | | | | 6,931 | 2,498 | 9,429 |
| Transfers | | | | | 1,024,992 | (1,024,992) | - |
| Miscellaneous revenues | | | | | 1,023,630 | 13,123 | 1,036,753 |
| Total general revenues | | | | | <u>29,114,462</u> | <u>(1,009,371)</u> | <u>28,105,091</u> |
| Change in net assets | | | | | 3,177,948 | (1,450,486) | 1,727,462 |
| Net assets - beginning | | | | | <u>16,037,322</u> | <u>10,538,131</u> | <u>26,575,453</u> |
| Net assets - ending | | | | | <u>\$ 19,215,270</u> | <u>\$ 9,087,645</u> | <u>\$ 28,302,915</u> |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2011

| | Major Funds | | | | Total |
|--|------------------------------|-------------------------|--|-----------------------------------|----------------------|
| | General Corporate Fund | Working Cash Fund | Corporate Bond and Interest Fund | Nonmajor Governmental Funds | |
| Assets | | | | | |
| Cash | \$ 2,687,771 | \$ - | \$ 3,014,436 | \$ 8,978,222 | \$ 14,680,429 |
| Investments | - | - | 372,331 | 2,210,458 | 2,582,789 |
| Property taxes receivable | 6,524,007 | - | 2,539,868 | - | 9,063,875 |
| Accrued interest | - | - | - | 330 | 330 |
| Accounts receivable | 1,978,840 | - | - | 40,110 | 2,018,950 |
| Other assets | 1,294,516 | - | - | - | 1,294,516 |
| Interfund receivables | 1,365,205 | - | - | 1,946,383 | 3,311,588 |
| Total assets | \$ 13,850,339 | \$ - | \$ 5,926,635 | \$ 13,175,503 | \$ 32,952,477 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ - | \$ 1,566,203 | \$ 1,566,203 |
| Accounts payable | 824,665 | - | - | 2,438,088 | 3,262,753 |
| Accrued payroll | 272,223 | - | - | 101 | 272,324 |
| Compensated absences payable | 664,913 | - | - | - | 664,913 |
| Deferred property tax revenue | 6,029,747 | - | 2,396,283 | - | 8,426,030 |
| Other deferred revenue | 754,848 | - | - | - | 754,848 |
| Deposits payable | 11,000 | - | - | - | 11,000 |
| Due to pension funds | 84,170 | - | - | - | 84,170 |
| Interfund payables | 1,198,066 | - | - | 2,886,588 | 4,084,654 |
| Short term loans payable | 1,000,000 | - | - | - | 1,000,000 |
| Total liabilities | 10,839,632 | - | 2,396,283 | 6,890,980 | 20,126,895 |
| Fund balances | | | | | |
| Reserved for interfunds | 1,365,205 | - | - | 1,946,383 | 3,311,588 |
| Reserved for public safety | - | - | - | 669,767 | 669,767 |
| Reserved for highway and streets | - | - | - | 3,921,028 | 3,921,028 |
| Reserved for community development | - | - | - | 2,613,883 | 2,613,883 |
| Reserved for debt service | - | - | 3,530,352 | 825,908 | 4,356,260 |
| Reserved for capital projects | - | - | - | 313,589 | 313,589 |
| Unreserved | 1,645,502 | - | - | - | 1,645,502 |
| Unreserved - special revenue funds | - | - | - | (2,062,248) | (2,062,248) |
| Unreserved - debt service funds | - | - | - | (1,190,956) | (1,190,956) |
| Unreserved - capital project funds | - | - | - | (752,831) | (752,831) |
| Total fund balances | 3,010,707 | - | 3,530,352 | 6,284,523 | 12,825,582 |
| Total liabilities and fund balances | \$ 13,850,339 | \$ - | \$ 5,926,635 | \$ 13,175,503 | \$ 32,952,477 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET ASSETS
April 30, 2011

Total fund balances - governmental funds \$ 12,825,582

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:

| | | |
|--------------------------|----------------------|------------|
| Capital assets | 151,157,498 | |
| Accumulated depreciation | <u>(110,278,844)</u> | |
| Net capital assets | | 40,878,654 |

Some assets reported in governmental funds do not increase fund balance because the assets are not "available" to pay for current period expenditures. These assets (i.e., receivables) may be offset by deferred liabilities in the governmental funds. However, these assets may increase net assets in the statement of net assets. They consist of:

| | | |
|------------------------|----------------|-----------|
| State and local taxes | 506,013 | |
| Assets held for resale | <u>837,320</u> | |
| | | 1,343,333 |

Interest on long-term debt is not accrued in the governmental funds but rather recognized when due: (420,607)

Costs related to the issuance of long-term debt are recorded as expenditures when incurred in governmental funds, but are capitalized and amortized over the life of the debt issue in the statement of net assets. 625,532

Balance sheet items from the Village's internal service fund are allocated to the governmental and business type activities for the government-wide statements (164,106)

Some liabilities reported in the statement of net assets do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :

| | | |
|------------------------------|--------------------|---------------------|
| Bonds payable | (27,757,444) | |
| Leases payable | (632,203) | |
| Compensated absences payable | (463,348) | |
| Net pension obligation | (2,589,699) | |
| Net OPEB obligation | <u>(4,430,424)</u> | |
| Total long-term liabilities | | <u>(35,873,118)</u> |

Net assets of governmental activities \$ 19,215,270

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2011

| | Major Funds | | | | Total |
|---|------------------------|--------------------|----------------------------------|-----------------------------|----------------------|
| | General Corporate Fund | Working Cash Fund | Corporate Bond and Interest Fund | Nonmajor Governmental Funds | |
| Revenues | | | | | |
| Property taxes | \$ 12,023,736 | \$ 1,172 | \$ 4,215,718 | \$ 2,511,820 | \$ 18,752,446 |
| Sales taxes | 2,023,821 | - | - | - | 2,023,821 |
| Income taxes | 1,510,967 | - | - | - | 1,510,967 |
| Utility taxes | 3,117,429 | - | - | - | 3,117,429 |
| Other taxes | 1,068,662 | - | - | 640,958 | 1,709,620 |
| Licenses, permits and fees | 1,295,823 | - | - | - | 1,295,823 |
| Grant revenue | 1,826,606 | - | - | - | 1,826,606 |
| Other revenue | 869,299 | - | - | 24,078 | 893,377 |
| Fines and forfeitures | 684,958 | - | - | 49,645 | 734,603 |
| Investment income | 2,223 | - | 149 | 4,559 | 6,931 |
| Charges for services | 1,088,850 | - | - | 271,052 | 1,359,902 |
| Total revenues | 25,512,374 | 1,172 | 4,215,867 | 3,502,112 | 33,231,525 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 5,480,346 | - | 6,846 | 634,651 | 6,121,843 |
| Public safety | 11,902,614 | - | - | 432,285 | 12,334,899 |
| Highway and street | 2,251,870 | - | - | 249,564 | 2,501,434 |
| Public health | 255,172 | - | - | - | 255,172 |
| Community development | 363,162 | - | - | 437,784 | 800,946 |
| Building department | 785,341 | - | - | - | 785,341 |
| Debt service | | | | | |
| Principal | - | - | 520,000 | - | 520,000 |
| Interest and other charges | 80,929 | - | 1,254,693 | 33,115 | 1,368,737 |
| Capital outlay | 2,417,278 | - | - | 45,437 | 2,462,715 |
| Total expenditures | 23,536,712 | - | 1,781,539 | 1,832,836 | 27,151,087 |
| Excess (deficiency) of revenues over (under) expenditures | 1,975,662 | 1,172 | 2,434,328 | 1,669,276 | 6,080,438 |
| Other financing sources (uses) | | | | | |
| Transfers in | 5,620,514 | - | 999,808 | - | 6,620,322 |
| Transfers out | - | (4,595,522) | - | (999,808) | (5,595,330) |
| Proceeds from capital lease | 175,000 | - | - | - | 175,000 |
| Total other financing sources (uses) | 5,795,514 | (4,595,522) | 999,808 | (999,808) | 1,199,992 |
| Net changes in fund balances | 7,771,176 | (4,594,350) | 3,434,136 | 669,468 | 7,280,430 |
| Fund balances at beginning of year | (4,760,469) | 4,594,350 | 96,216 | 5,615,055 | 5,545,152 |
| Fund balances at end of year | \$ 3,010,707 | \$ - | \$ 3,530,352 | \$ 6,284,523 | \$ 12,825,582 |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended April 30, 2011

Net change in fund balances - total governmental funds \$ 7,280,430

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.

| | | |
|--|--------------------|-------------|
| Capital outlay | 1,542,724 | |
| Depreciation | <u>(4,119,749)</u> | |
| Capital outlay in excess of depreciation | | (2,577,025) |

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. Similarly, the issuance of long-term debt is recognized as an "other financing source" in the fund statements but increases the long-term liability in the statement of net assets.

| | | |
|-------------------------------|------------------|---------|
| Principal retirement - bonds | 520,000 | |
| Principal retirement - leases | 140,637 | |
| Proceeds from capital leases | <u>(175,000)</u> | |
| | | 485,637 |

Some revenues were not collected within sixty days of year end and were not considered "available" to pay for current year expenditures. These amounts are therefore deferred in the funds statements but recognized in the government-wide statements. The change from prior year is:

74,879

Revenues and expenditures for the internal service fund are not shown on the governmental fund statements. For the government wide statements, these revenues and expenditures are allocated to the governmental and business type activities

(164,106)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.

| | | |
|--|--------------|--------------------|
| Amortization of deferred bond issuance costs, premium and discount | (12,440) | |
| Change in compensated absences payable | (81,814) | |
| Change in net pension obligation | (216,197) | |
| Change in net OPEB obligation | (1,614,360) | |
| Change in accrued interest on debt | <u>2,944</u> | |
| Total expenses of non-current resources | | <u>(1,921,867)</u> |

Change in net assets of governmental activities \$ 3,177,948

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET ASSETS
 PROPRIETARY FUNDS
 April 30, 2011

| | Major Funds | | Nonmajor Funds | | Total | Internal Service |
|---|--------------|--------------|----------------|---------------------------|--------------|------------------------|
| | Water Fund | Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | Fleet Maintenance Fund |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash | \$ - | \$ - | \$ - | \$ 176,431 | \$ 176,431 | \$ - |
| Accounts receivable | 370,762 | 350,848 | 226,183 | - | 947,793 | 4 |
| Interfund receivable | 1,178,066 | 420,000 | - | - | 1,598,066 | - |
| Total current assets | 1,548,828 | 770,848 | 226,183 | 176,431 | 2,722,290 | 4 |
| Noncurrent assets: | | | | | | |
| Unamortized bond costs | - | 143,289 | - | - | 143,289 | - |
| Capital assets, not being depreciated | 221,998 | 35,000 | - | - | 256,998 | - |
| Capital assets, net of accumulated depreciation | 8,754,465 | 28,692,480 | - | - | 37,446,945 | - |
| Total noncurrent assets | 8,976,463 | 28,870,769 | - | - | 37,847,232 | - |
| Total assets | 10,525,291 | 29,641,617 | 226,183 | 176,431 | 40,569,522 | 4 |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Cash overdraft liability | 2,418,253 | 1,929,825 | 1,933,108 | - | 6,281,186 | 185,923 |
| Accounts payable | 516,430 | 187,370 | 220,504 | - | 924,304 | 15,132 |
| Accrued payroll | 15,454 | 5,955 | 3,996 | - | 25,405 | 4,872 |
| Compensated absences payable | 23,445 | 23,446 | - | - | 46,891 | - |
| Accrued interest payable | 2,521 | 301,365 | - | - | 303,886 | - |
| Interfunds payable | 825,000 | - | - | - | 825,000 | - |
| Current portion - bonds payable | - | 1,030,000 | - | - | 1,030,000 | - |
| Current portion - loans payable | - | 846,113 | - | - | 846,113 | - |
| Current portion - leases payable | 167,972 | - | - | - | 167,972 | - |
| Total current liabilities | 3,969,075 | 4,324,074 | 2,157,608 | - | 10,450,757 | 205,927 |
| Noncurrent liabilities: | | | | | | |
| Noncurrent portion - bonds payable | - | 15,604,173 | - | - | 15,604,173 | - |
| Noncurrent portion - loans payable | - | 4,815,397 | - | - | 4,815,397 | - |
| Noncurrent portion - leases payable | 175,659 | - | - | - | 175,659 | - |
| Net OPEB obligation | 197,037 | 197,037 | - | - | 394,074 | - |
| Total noncurrent liabilities | 372,696 | 20,616,607 | - | - | 20,989,303 | - |
| Total liabilities | 4,341,771 | 24,940,681 | 2,157,608 | - | 31,440,060 | 205,927 |
| Net assets | | | | | | |
| Invested in capital assets, | | | | | | |
| Net of related debt | 8,632,832 | 7,520,970 | - | - | 16,153,802 | - |
| Unrestricted | (2,449,312) | (2,820,034) | (1,931,425) | 176,431 | (7,024,340) | (205,923) |
| Total net assets | \$ 6,183,520 | \$ 4,700,936 | \$ (1,931,425) | \$ 176,431 | \$ 9,129,462 | \$ (205,923) |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
 PROPRIETARY FUNDS
 Year Ended April 30, 2011

| | Major Funds | | Nonmajor Funds | | Total | Internal Service |
|---|---------------------|---------------------|-----------------------|---------------------------|---------------------|------------------------|
| | Water Fund | Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | Fleet Maintenance Fund |
| Operating revenues | | | | | | |
| Charges for services | \$ 4,425,761 | \$ 2,358,732 | \$ 1,454,099 | \$ 63,255 | \$ 8,301,847 | \$ 382,686 |
| Other revenue | 11,890 | 72 | - | 1,161 | 13,123 | 179 |
| Total operating revenues | <u>4,437,651</u> | <u>2,358,804</u> | <u>1,454,099</u> | <u>64,416</u> | <u>8,314,970</u> | <u>382,865</u> |
| Operating expenses | | | | | | |
| Administration | 1,042,948 | 467,211 | 328,119 | 12,013 | 1,850,291 | 224,090 |
| Water purchases | 2,409,950 | - | - | - | 2,409,950 | - |
| Repairs & maintenance | 482,243 | 199,633 | 46,930 | 1,792 | 730,598 | - |
| Supplies & services | 237,074 | 166,236 | 1,300,371 | - | 1,703,681 | 364,698 |
| Depreciation | 531,975 | 569,005 | - | - | 1,100,980 | - |
| Total operating expenses | <u>4,704,190</u> | <u>1,402,085</u> | <u>1,675,420</u> | <u>13,805</u> | <u>7,795,500</u> | <u>588,788</u> |
| Operating income (loss) | <u>(266,539)</u> | <u>956,719</u> | <u>(221,321)</u> | <u>50,611</u> | <u>519,470</u> | <u>(205,923)</u> |
| Non-operating revenues (expenses) | | | | | | |
| Transfer out | (770,594) | (107,991) | (146,407) | - | (1,024,992) | - |
| Investment income | 2,292 | - | - | 206 | 2,498 | - |
| Interest expense | (21,779) | (883,866) | - | - | (905,645) | - |
| Total non-operating revenues (expenses) | <u>(790,081)</u> | <u>(991,857)</u> | <u>(146,407)</u> | <u>206</u> | <u>(1,928,139)</u> | <u>-</u> |
| Net income (loss) | (1,056,620) | (35,138) | (367,728) | 50,817 | (1,408,669) | (205,923) |
| Net assets at beginning of year | <u>7,240,140</u> | <u>4,736,074</u> | <u>(1,563,697)</u> | <u>125,614</u> | <u>10,538,131</u> | <u>-</u> |
| Net assets at end of year | <u>\$ 6,183,520</u> | <u>\$ 4,700,936</u> | <u>\$ (1,931,425)</u> | <u>\$ 176,431</u> | <u>\$ 9,129,462</u> | <u>\$ (205,923)</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended April 30, 2011

| | Major Funds | | Nonmajor Funds | | Total Enterprise Funds | Internal Service Fleet Maintenance Fund |
|--|--------------|--------------|-----------------|---------------------------------|------------------------------|--|
| | Water Fund | Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | |
| Cash flows provided (used) by operating activities | | | | | | |
| Receipts from customers | \$ 4,601,738 | \$ 2,428,045 | \$ 1,424,312 | \$ 64,416 | \$ 8,518,511 | \$ 382,861 |
| Payments to suppliers | (4,017,017) | 929,708 | (1,128,656) | (14,032) | (4,229,997) | (186,478) |
| Payments to employees | (791,548) | (117,262) | (149,249) | - | (1,058,059) | (196,383) |
| Net cash provided (used) by operating activities | (206,827) | 3,240,491 | 146,407 | 50,384 | 3,230,455 | - |
| Cash flows provided (used) by non-capital and related financing activities | | | | | | |
| Interfund borrowing | 1,331,934 | (505,000) | - | - | 826,934 | - |
| Interfund transfers | (770,594) | (107,991) | (146,407) | - | (1,024,992) | - |
| Net cash provided (used) by non-capital and related financing activities | 561,340 | (612,991) | (146,407) | - | (198,058) | - |
| Cash flows used by capital and related financing activities | | | | | | |
| Principal paid on capital asset acquisition debt | (161,370) | (1,661,602) | - | - | (1,822,972) | - |
| Interest paid on capital asset acquisition debt | (19,257) | (965,898) | - | - | (985,155) | - |
| Purchases of capital assets | (176,178) | - | - | - | (176,178) | - |
| Net cash used by capital and related financing activities | (356,805) | (2,627,500) | - | - | (2,984,305) | - |
| Cash flows provided by investing activities | | | | | | |
| Interest | 2,292 | - | - | 206 | 2,498 | - |
| Net cash provided by investing activities | 2,292 | - | - | 206 | 2,498 | - |
| Net increase in cash and cash equivalents | - | - | - | 50,590 | 50,590 | - |
| Balances - beginning of the year | - | - | - | 125,841 | 125,841 | - |
| Balances - end of year | \$ - | \$ - | \$ - | \$ 176,431 | \$ 176,431 | \$ - |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | | |
| Operating income (loss) | \$ (266,539) | \$ 956,719 | \$ (221,321) | \$ 50,611 | \$ 519,470 | \$ (205,923) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | | |
| Depreciation expense | 531,975 | 569,005 | - | - | 1,100,980 | - |
| Change in assets and liabilities: | | | | | | |
| Decrease (increase) receivables, net | 164,087 | 69,241 | (29,787) | - | 203,541 | (4) |
| (Decrease) increase accounts payable | (684,731) | 1,589,533 | 397,616 | (227) | 1,302,191 | 201,055 |
| (Decrease) increase accrued payroll | (4,129) | 3,482 | (101) | - | (748) | 4,872 |
| (Decrease) increase compensated absences | (7,528) | (7,527) | - | - | (15,055) | - |
| (Decrease) increase OPEB obligation | 60,038 | 60,038 | - | - | 120,076 | - |
| Net cash provided (used) by operating activities | \$ (206,827) | \$ 3,240,491 | \$ 146,407 | \$ 50,384 | \$ 3,230,455 | \$ - |
| Supplemental disclosures of non-cash transactions | | | | | | |
| Purchases of capital assets | \$ 71,998 | \$ - | \$ - | \$ - | \$ 71,998 | \$ - |
| Change in net OPEB obligation | 60,038 | 60,038 | - | - | 120,076 | - |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 April 30, 2011

| | Pension Trust Funds | Agency Funds |
|--|------------------------|-------------------|
| Assets | | |
| Cash | \$ 32,858 | \$ 351,450 |
| Investments: | | |
| Certificates of deposit | 8,062,567 | - |
| State and local obligations | 924,610 | - |
| US government and agency obligations | 11,536,179 | - |
| US government backed securities | - | - |
| Insurance contracts | 13,018,281 | - |
| Equity securities | 1,823,775 | - |
| Equity mutual funds | 3,043,886 | - |
| Money market mutual funds | 2,472,689 | - |
| Accrued interest receivable | 113,125 | - |
| Other receivable | - | 419 |
| Due from village | 84,170 | - |
| Prepays | 2,754 | - |
| Total assets | <u>41,114,894</u> | <u>\$ 351,869</u> |
| Liabilities | | |
| Accounts payable | 33,486 | \$ - |
| Deposits payable | 86,166 | 351,869 |
| Total liabilities | <u>119,652</u> | <u>\$ 351,869</u> |
| Net assets | | |
| Held in trust for pension benefits and other purposes | <u>40,995,242</u> | |
| Total net assets | <u>\$ 40,995,242</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 Year Ended April 30, 2011

| | <u>Pension Trust Funds</u> |
|--------------------------------|--------------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 2,756,735 |
| Plan members | <u>622,479</u> |
| Total contributions | <u>3,379,214</u> |
| Net investment earnings | <u>3,539,631</u> |
| Total additions | <u>6,918,845</u> |
| Deductions | |
| Benefits | 4,053,005 |
| Administrative expenses | <u>91,710</u> |
| Total deductions | <u>4,144,715</u> |
| Change in net assets | 2,774,130 |
| Net assets - beginning of year | <u>38,221,112</u> |
| Net assets - end of year | <u>\$ 40,995,242</u> |

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Franklin Park, Illinois ("Village") have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the Village's significant accounting policies.

Reporting Entity and Its Services: The Village is a municipal corporation governed by an elected board. The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* under which these financial statements include all organizations, activities, functions and component units for which the Village is financially accountable. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the Village.

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Police Pension Plan, Firefighter's Pension Plan and Foreign Fire Insurance Premium Tax Fund have been included in the financial reporting entity as blended component units.

Police Pension Plan – The Village's police department employees participate in the Police Pension Plan ("Police Pension Plan"). The Police Pension Plan 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 Plan costs based on actuarial valuations. The nature of the Police Pension Plan 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 Plan can be obtained from the Village by contacting the Village Controller.

Firefighter's Pension Plan – The Village's fire department employees participate in the Firefighter's Pension Plan ("Firefighter's Pension Plan"). The Firefighter's Pension Plan 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 Firefighter's Pension Plan costs based on actuarial valuations. The nature of the Plan 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 Firefighter's Pension Plan can be obtained from the Village by contacting the Village Controller.

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. 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.

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements, which provide a more detailed level of financial information. The government-wide focus is more on the sustainability of the Village as an entity and the change in aggregate financial position resulting from activities of the fiscal period.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements – The statement of net assets and the statement of activities display information about the Village as a whole. In the government-wide statement of net assets, both the governmental and business-type activities columns are presented on a consolidated basis by column. These statements include the financial activities of the primary government, except for fiduciary activities. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. The government-wide statement of activities reflects both the direct expenses and net cost of each function of the Village's governmental activities and business-like activities. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges paid by the recipient for the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the Village, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the Village.

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Measurement Focus and Basis of Accounting:

Government-Wide Financial Statements – The government-wide financial statements and fund financial statements for proprietary and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statements of net assets and the operating statements present increases (revenues) and decreases (expenses) in total net assets. Under the accrual basis of accounting, revenues are recognized when earned, if measurable, and expenses are recognized as incurred, regardless of the timing of related cash flows.

The Village has reported three categories of program revenues in the statement of activities (1) charges for services, (2) program-specific operating grants and contributions, and (3) program-specific capital grants and contributions. Program revenues are derived directly from the program itself or from external sources, such as the State of Illinois; they reduce the net cost of each function to be financed from the Village's general revenues. For identifying the function to which a program revenue pertains, the determining factor for charges for services is which function generates the revenue. For grants and contributions, the determining factor is the function to which the revenues are restricted.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Eliminations have been made in the statement of net assets to remove the “grossing-up” effect on assets and liabilities within the governmental activities column for amounts reported in the individual funds as interfund receivables and payables and advances. Similarly, operating transfers between funds have been eliminated in the statement of activities. Amounts reported in the governmental funds as receivable from or payable to fiduciary funds have been reclassified in the statement of net assets as accounts receivable or payable to external parties.

Fund Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose the Village considers revenues to be available if they are collected within sixty (60) days of the end of the current fiscal period. In fiscal year 2011, the Village elected to recognize 12 months of revenue for state income taxes despite the collection of revenues past the 60 day availability period due to delayed payment from the Illinois Department of Revenue. Revenues accrued at the end of the year include charges for services, licenses and permits, fines and forfeitures, intergovernmental revenues, investment earnings, property taxes, sales taxes and income taxes. All other revenue items are considered to be measurable and available only when cash is received by the government. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Proprietary funds separate all activity into two categories: operating and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities.

When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village’s policy to apply restricted resources first, then unrestricted resources as needed.

Differences occur from the manner in which the governmental activities and the government-wide financial statements are prepared due to the inclusion of capital asset and long-term debt activity. Governmental fund financial statements, therefore, includes a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The Village reports the following major governmental funds:

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

Working Cash Fund – This special revenue fund is used to account for resources utilized for investment and daily operations Village.

Corporate Bond and Interest Fund – This debt service fund is used to account for resources utilized for payment of principal and interest of the Village’s long term debt.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary Funds

Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the Village Board has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Village reports the following major proprietary funds:

Water Fund – The Water Fund accounts for the operating activities of the Village’s water utilities services.

Sewer Fund – The Sewer Fund accounts for the operating activities of the Village’s sewer utilities services.

Garbage Fund – The Garbage Fund accounts for the operating activities of the Village’s refuse utilities services.

Commuter Parking Lot Fund – The Commuter Parking Lot fund accounts for the operating activities of the Village’s parking lot activities.

Internal Service Fund

Internal service funds account for fleet maintenance services provided to other departments of the Village on a cost reimbursement basis.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the Village’s own programs. Fiduciary funds report assets held by the Village in a trustee capacity.

The Village has two pension trust funds that account for the Police Pension Plan and the Firefighter’s Pension Plan.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Governmental Funds

In addition to the major funds mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt Service Funds are used to account for the accumulation of resources for and the payment of, general long-term debt principal, interest and related costs

Capital Projects Fund – The Capital Projects Fund is used to account for the Village’s purchase or construction of major capital facilities, which are not financed by other funds.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Loans: Noncurrent portions of long-term interfund loans receivable are equally offset by a fund balance reserve account which indicates that they do not constitute “available spendable resources” since they are not a component of net current assets. During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as “interfund receivables/payables” on the Governmental and Proprietary Fund balance sheets. Any residual balances between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Capital Assets: Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with a cost of \$10,000 or more and a useful life of more than one year. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

All reported capital assets except land and construction in progress are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation of all assets is provided on the straight-line basis over the following estimated useful lives:

| | |
|------------------------|-------------|
| Buildings | 40 years |
| Infrastructure | 20-75 years |
| Water and sewer system | 10-75 years |
| Vehicles and equipment | 5-10 years |

Investments: Investments consist of certificates of deposit, treasury obligations, insurance contracts and equity securities held by broker-dealers for the Police Pension Plan and Fire Pension Plan with original maturities greater than three months. Investments are stated at fair value in accordance with GASB 31. 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.

Inventory: Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory is recorded on the basis of a physical count. Immaterial inventories at year end are not reported on the balance sheet.

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with accounting principles generally accepted in the United States of America.

Fund Equity/Net Assets: In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2011:

| <u>Fund</u> | | <u>Amount</u> |
|--------------------------------------|----|---------------|
| IMRF Fund | \$ | 48,881 |
| Downtown Franklin Avenue TIF Fund | | 2,158,001 |
| Resurrection TIF Fund | | 1,190,956 |
| Seymour Avenue Capital Projects Fund | | 658,268 |
| Police Station Fund | | 94,563 |
| Garbage Fund | | 1,931,425 |
| Fleet Maintenance Fund | | 205,923 |

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvements of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Village or through external restrictions imposed by creditors, grantors, laws, or regulations of other governments.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. 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. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as deferred revenue in the fund financial statements.

Property taxes receivable are initially recorded at the gross levy less an allowance for uncollectible taxes. Taxes receivable and/or the allowance are adjusted periodically to reflect taxes receivable at their estimated realizable value.

Property taxes receivable which are delinquent more than one year have been fully reserved. The allowance for uncollectible property taxes is equal to 3% of the tax levy as recommended by the County Clerk, except in the case of bond levies for which the allowance is equal to 5% of the tax levy as is recommended by the County Clerk.

Accumulated Unpaid Compensated Absences: In the event of termination or retirement, employees are reimbursed for accumulated sick and vacation time. Village employees are allotted sick and vacation time on a calendar year basis. Any unused vacation time as of December 31 is lost on January 1 of the following year. Police and Fire department and employees are paid out for unused sick and vacation time upon termination of employment or retirement per standing union contracts. Non-union Village employees are paid out for 25% of unused sick time and 100% of unused vacation time. As such, the total liability as of the fiscal year end is \$1,175,152.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less. For the purposes of the Statement of Cash Flows, the Village considers all highly liquid investments with an original maturity date of three months or less when purchased to be cash equivalents.

Deferred Revenue: The Village reports deferred and unearned revenues on its financial statements. Deferred revenues arise when potential revenue does not meet both the measureable and available criteria for recognition in the current period. Unearned revenues arise when resources are received by the Village before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the Village has a legal claim to the resources, the liability for deferred and unearned revenue is removed from the balance sheet or statement of net assets and revenue is recognized.

Accounting For Proprietary Fund Activities: The Village has chosen the option to apply all applicable GASB pronouncements and all FASB Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements, to the proprietary fund activities.

Use of Estimates: Management has made a number of estimates and assumptions relating to the reporting of assets and liabilities to prepare these financial statements in conformity with accounting principles generally accepted in the United States of America. Actual results could differ from those estimates.

Assets Held for Resale: The Village has purchased several pieces of real property within the Village with the intent of reselling the property to developers for future redevelopment. These property sales are not anticipated to occur within the next fiscal year. As such, they are classified as a noncurrent asset in the Government-wide statements valued at cost. The carrying amount as of April 30, 2011 was \$837,320.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: 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, veteran's loans, life insurance company contracts, money market mutual funds and common and preferred stocks. Pension funds with net assets of \$2.5 million or more may invest up to 45% of plan net assets in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net assets of at least \$5 million that have appointed an investment advisor may invest up to 45% of the plan's net assets 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 Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was \$5,892,743 at April 30, 2011, while the bank balances were \$6,718,009. 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2011. All investments mature in less than one year:

| <u>Investment Types</u> | <u>Fair Value</u> |
|--------------------------|---------------------|
| Money market mutual fund | \$ 2,852,789 |
| Treasurer Illinois Funds | 1,012,255 |
| Total investments | <u>\$ 3,865,044</u> |

Interest Rate Risk – The Village limits its exposure to interest rate risk by structuring its portfolio so that it does not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Credit Risk – The Village 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. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAM by Standard & Poor's.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village limits its exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Village, to act as custodians for its securities and collateral. The Village's investments are fully collateralized as of April 30, 2011.

Concentration of Credit Risk – The Village limits the amount the Village may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Village's investments are in Amalgamated Bank money market mutual fund, Wells Fargo money market mutual fund and Illinois Funds. These investments are 64%, 10% and 26%, respectively, of the Village's investments. The concentration of investments in Amalgamated Bank money market fund is a violation of the Village's investment policy.

Cash – Police Pension Plan: At April 30, 2011, the Police Pension Plan's carrying amount of cash was \$7,512 while the bank balances were \$9,262. The FDIC insures bank balances up to \$250,000. As of April 30, 2011, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Plan's name by a financial institution acting as the Police Pension Plan's agent.

Certificates of Deposit – Police Pension Plan: Certificates of Deposit amounted to \$8,062,567 at April 30, 2011. In accordance with Police Pension Plan policy, certificates of deposit of \$8,001,483 were collateralized with securities of the U.S. Government. \$49,128 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Plan's name by financial institutions acting as the Police Pension Plan agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Police Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan's investments at April 30, 2011:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 2 - CASH AND INVESTMENTS (Continued)

| <u>Investment Type</u> | <u>Fair Value</u> | <u>Investment Maturities</u> | |
|--|----------------------|------------------------------|-------------------------------|
| | | <u>Less than One Year</u> | <u>Greater than Ten Years</u> |
| U.S. Agencies | \$ 910,540 | \$ - | \$ 910,540 |
| U.S. Treasury Bills | 1,499,970 | 1,499,970 | - |
| Total | <u>2,410,510</u> | <u>\$ 1,499,970</u> | <u>\$ 910,540</u> |
| Investments Not Sensitive to Interest Rate Risk: | | | |
| Mutual Funds | 2,143,017 | | |
| Life Insurance Annuities | <u>7,566,503</u> | | |
| Total Investments | <u>\$ 12,120,030</u> | | |

Interest Rate Risk – The Police Pension Plan’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Plan helps limit its 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 Pension Plan’s investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor’s or by Moody’s Investors Services. The Police Pension Plan’s investment policy also prescribes the “prudent person” rule.

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. Although not required by the Police Pension Plan’s investment policy, the Police Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Police Pension Plan places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Plan’s investments are in Scudder Gateway Insurance Contract, SunLife Insurance Contract, Jackson National Life Insurance Contracts, MetLife Insurance Contracts and ING USA Insurance Contracts. These investments are 17%, 11%, 10%, 8%, and 8%, respectively, of the Police Pension Plan’s total investments.

Cash – Firefighter’s Pension Plan: At April 30, 2011, the Firefighter’s Pension Plan’s carrying amount of cash was \$25,346 while the bank balances were \$29,114. The FDIC insures bank balances up to \$250,000. As of April 30, 2011, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter’s Pension Plan’s name by a financial institution acting as the Firefighter’s Pension Plan’s agent.

Investments – Firefighter’s Pension Plan: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Plan’s investments at April 30, 2011:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

| Investment Type | Fair Value | Investment Maturities | | | |
|---|----------------------|-----------------------|----------------------|---------------------|---------------------------|
| | | Less than One Year | One to Five Years | Six to Ten Years | Greater than Ten Years |
| State and Local Obligations | \$ 924,610 | \$ - | \$ 924,610 | \$ - | \$ - |
| U.S. Treasury Notes | 5,523,374 | - | 3,117,402 | 2,405,972 | - |
| U.S. Agencies | 3,602,295 | - | 2,302,745 | 1,178,023 | 121,527 |
| Total | 10,050,279 | \$ - | \$ 6,344,757 | \$ 3,583,995 | \$ 121,527 |
| Investments Not Sensitive to Interest Rate Risk: | | | | | |
| Equity Securities | 1,823,775 | | | | |
| Mutual Funds | 3,373,558 | | | | |
| Life Insurance Annuities | 5,451,778 | | | | |
| Total Investments | \$ 20,699,390 | | | | |

Interest Rate Risk – The Firefighter’s Pension Plan’s formal investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighter’s Pension Plan helps limit its 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 Firefighter’s Pension Plan’s investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The investments in the securities of U.S Agencies were all rated triple by Standard & Poor’s or by Moody’s Investors Services. The Firefighter’s Pension Plan’s investment policy also prescribes the “prudent person” rule. Unrated investments are listed below:

| Investment | Par Value | Interest Rate | Maturity Date |
|--|------------|---------------|---------------|
| State of Illinois Obligation Bond | \$ 430,000 | 3.321% | 1/1/2013 |
| State of Illinois Obligation Bond | 475,000 | 4.421% | 1/1/2015 |
| Federal Home Loan Mortgage Corporation | 2,030 | 7.000% | 9/1/2015 |
| Federal Home Loan Mortgage Corporation | 1,259 | 7.000% | 2/1/2032 |
| Federal Home Loan Mortgage Corporation | 491,811 | 4.000% | 6/1/2020 |
| Federal National Mortgage Association | 10,086 | 7.500% | 7/1/2029 |
| Federal National Mortgage Association | 5,305 | 7.000% | 10/1/2029 |
| Federal National Mortgage Association | 8,726 | 7.000% | 7/1/2032 |

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter’s Pension Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Firefighter’s Pension Plan limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter’s Pension Plan, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter’s Pension Plan has a stated target that 55% of the portfolio be in fixed income securities, 40% in equities and 5% in real estate. More than 5% of the Firefighter’s Pension Plan’s investments are in Pridex Wishire Insurance Contract, Principal Life Insurance Contract and Artisan International Fund. These investments are 21%, 6% and 6%, respectively, of the Firefighter’s Pension Plan’s total investments.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:

| | |
|--------------------------------------|----------------------|
| Statement of net assets | |
| Cash | \$ 14,670,937 |
| Investments | 2,582,789 |
| Cash overdraft liability | (7,847,389) |
| Statement of fiduciary net assets | |
| Pension trust funds | |
| Cash | 32,858 |
| Certificates of deposit | 8,062,567 |
| State and local obligations | 924,610 |
| US government and agency obligations | 11,536,179 |
| Insurance contracts | 13,018,281 |
| Equity securities | 1,823,775 |
| Equity mutual funds | 3,043,886 |
| Money market mutual funds | 2,472,689 |
| Agency funds | |
| Cash | 351,450 |
| Total | <u>\$ 50,672,632</u> |

Cash and investments per footnote:

| | |
|---|----------------------|
| Cash | \$ 5,892,743 |
| Investments | 3,865,044 |
| Cash – Police Pension Plan | 7,512 |
| Certificate of deposits – Police Pension Plan | 8,062,567 |
| Investments – Police Pension Plan | 12,120,030 |
| Cash – Firefighter's Pension Plan | 25,346 |
| Investments – Firefighter's Pension Plan | 20,699,390 |
| Total | <u>\$ 50,672,632</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 3 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2010 through April 30, 2011 follows:

| | <u>Balance at</u> <u>May 1, 2010</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>April 30, 2011</u> |
|---|---|-----------------------|------------------|--|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 10,340,098 | \$ - | \$ - | \$ 10,340,098 |
| Total capital assets being not depreciated | <u>10,340,098</u> | <u>-</u> | <u>-</u> | <u>10,340,098</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 127,558,760 | 1,184,346 | - | 128,743,106 |
| Buildings and improvements | 5,737,010 | 61,978 | - | 5,798,988 |
| Vehicles and equipment | <u>5,978,906</u> | <u>296,400</u> | <u>-</u> | <u>6,275,306</u> |
| Subtotal | <u>139,274,676</u> | <u>1,542,724</u> | <u>-</u> | <u>140,817,400</u> |
| Less accumulated depreciation: | | | | |
| Infrastructure | (98,353,461) | (3,650,667) | - | (102,004,128) |
| Buildings and improvements | (3,066,921) | (118,136) | - | (3,185,057) |
| Vehicles and equipment | <u>(4,738,713)</u> | <u>(350,946)</u> | <u>-</u> | <u>(5,089,659)</u> |
| Total accumulated depreciation | <u>(106,159,095)</u> | <u>(4,119,749)</u> | <u>-</u> | <u>(110,278,844)</u> |
| Total capital assets being depreciated, net | <u>33,115,581</u> | <u>(2,577,025)</u> | <u>-</u> | <u>30,538,556</u> |
| Governmental activities capital assets, net | <u>\$ 43,455,679</u> | <u>\$ (2,577,025)</u> | <u>\$ -</u> | <u>\$ 40,878,654</u> |

Depreciation expenses for the Village's Governmental Activities were charged to the following functions:

| | |
|--------------------|---------------------|
| General government | \$ 110,271 |
| Public safety | 183,446 |
| Highway and street | <u>3,826,032</u> |
| Total | <u>\$ 4,119,749</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 3 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2010 through April 30, 2011 follows:

| | <u>Balance at</u> <u>May 1, 2010</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>April 30, 2011</u> |
|--|---|---------------------|--------------------|--|
| Business-Type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 185,000 | \$ - | \$ - | \$ 185,000 |
| Construction in progress | <u>50,981</u> | <u>71,998</u> | <u>(50,981)</u> | <u>71,998</u> |
| Total capital assets being not depreciated | <u>235,981</u> | <u>71,998</u> | <u>(50,981)</u> | <u>256,998</u> |
| Capital assets being depreciated: | | | | |
| Water and sewer system | 49,261,501 | 32,903 | - | 49,294,404 |
| Storage reservoir/pump | 5,140,178 | 143,275 | - | 5,283,453 |
| Buildings and improvements | 2,109,296 | - | - | 2,109,296 |
| Vehicles and equipment | <u>2,803,307</u> | <u>50,981</u> | <u>-</u> | <u>2,854,288</u> |
| Subtotal | <u>59,314,282</u> | <u>227,159</u> | <u>-</u> | <u>59,541,441</u> |
| Less accumulated depreciation: | | | | |
| Water and sewer system | (15,151,632) | (826,016) | - | (15,977,648) |
| Storage reservoir/pump | (2,481,074) | (137,593) | - | (2,618,667) |
| Buildings and improvements | (862,605) | (53,656) | - | (916,261) |
| Vehicles and equipment | <u>(2,498,205)</u> | <u>(83,715)</u> | <u>-</u> | <u>(2,581,920)</u> |
| Total accumulated depreciation | <u>(20,993,516)</u> | <u>(1,100,980)</u> | <u>-</u> | <u>(22,094,496)</u> |
| Total capital assets being depreciated, net | <u>38,320,765</u> | <u>(873,821)</u> | <u>-</u> | <u>37,446,945</u> |
| Business-Type activities capital assets, net | <u>\$ 38,556,746</u> | <u>\$ (801,823)</u> | <u>\$ (50,981)</u> | <u>\$ 37,703,943</u> |

Depreciation expenses for the Village's Business-Type Activities were charged to the following functions:

| | |
|-------|---------------------|
| Water | \$ 531,975 |
| Sewer | <u>569,005</u> |
| Total | <u>\$ 1,100,980</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT

A summary of the changes in the Village's long term debt is summarized below.

Governmental Activities:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Due Within One Year |
|------------------------|------------------------------|---------------------|---------------------|------------------------|------------------------|
| G.O. Refunding – 2003 | \$ 235,000 | \$ - | \$ 75,000 | \$ 160,000 | \$ 80,000 |
| G.O. Alt. Rev. – 2004A | 6,215,000 | - | - | 6,215,000 | - |
| G.O. Alt. Rev. – 2005A | 3,965,000 | - | 135,000 | 3,830,000 | 140,000 |
| G.O. Alt. Rev. – 2006 | 9,500,000 | - | - | 9,500,000 | 40,000 |
| G.O. Alt. Rev. – 2007 | 7,860,000 | - | 310,000 | 7,550,000 | 320,000 |
| Plus deferred premium | 766,159 | - | 25,202 | 740,957 | - |
| Less deferred discount | <u>(246,634)</u> | <u>-</u> | <u>(8,121)</u> | <u>(238,513)</u> | <u>-</u> |
| Total G.O. Bonds | 28,294,525 | - | 537,081 | 27,757,444 | 580,000 |
| Leases payable | 597,840 | 175,000 | 140,637 | 632,203 | 127,629 |
| Compensated absences | 1,082,589 | 869,214 | 823,542 | 1,128,261 | 664,913 |
| Net pension obligation | 2,373,502 | 216,197 | - | 2,589,699 | - |
| Net OPEB obligation | 2,816,064 | 1,614,360 | - | 4,430,424 | - |
| Total | <u>\$ 35,164,520</u> | <u>\$ 2,874,771</u> | <u>\$ 1,501,260</u> | <u>\$ 36,538,031</u> | <u>\$ 1,372,542</u> |

Business-Type Activities:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Due Within One Year |
|------------------------|------------------------------|-------------------|---------------------|------------------------|------------------------|
| G.O. Alt. Rev. – 2004B | \$ 16,385,000 | \$ - | \$ 840,000 | \$ 15,545,000 | \$ 1,030,000 |
| Plus deferred premium | <u>1,160,260</u> | <u>-</u> | <u>71,087</u> | <u>1,089,173</u> | <u>-</u> |
| Total G.O. Bonds | 17,545,260 | - | 911,087 | 16,634,173 | 1,030,000 |
| Leases payable | 505,000 | - | 161,369 | 343,631 | 167,972 |
| Loans payable | 6,483,112 | - | 821,602 | 5,661,510 | 846,113 |
| Compensated absences | 61,946 | 31,593 | 46,648 | 46,891 | 46,891 |
| Net OPEB obligation | <u>273,998</u> | <u>120,076</u> | <u>-</u> | <u>394,074</u> | <u>-</u> |
| Total | <u>\$ 24,869,316</u> | <u>\$ 151,669</u> | <u>\$ 1,940,706</u> | <u>\$ 23,080,279</u> | <u>\$ 2,090,976</u> |

General Obligation Refunding Bonds, Series 2003 – On September 15, 2003, the Village Board authorized the issuance of \$650,000 General Obligation Refunding Bonds, Series 2003, dated October 1, 2003. The bonds were issued to refund in advance of their respective maturities \$600,000 in aggregate principal amount of the Village's Corporate Purpose Bonds Series 1992 and pay costs associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2012 are as follows:

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|-------------------|------------------|-------------------|-------|
| 2012 | \$ 80,000 | \$ 6,760 | \$ 86,760 | 4.15% |
| 2013 | 80,000 | 3,440 | 83,440 | 4.30% |
| Total | <u>\$ 160,000</u> | <u>\$ 10,200</u> | <u>\$ 170,200</u> | |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004A – The Village Board authorized the issuance of \$14,865,000 General Obligation Bonds (Alternate Revenue Source), Series 2004A, dated February 4, 2004. The bonds were issued to provide funds to finance certain capital improvements in the Village and to pay the costs of issuance of the Series 2004A Bonds. A portion of the Project is expected to provide relief from traffic congestion and delay caused by the at-grade crossing of two railroads with a main Village Street. \$8,650,000 of these bonds was refunded by the issuance of General Obligation Refunding Bonds (Alternative Revenue Source), Series 2006. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2034 are as follows:

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|---------------------|---------------------|----------------------|-------|
| 2012 | \$ - | \$ 310,750 | \$ 310,750 | 5.00% |
| 2013 | - | 310,750 | 310,750 | 5.00% |
| 2014 | - | 310,750 | 310,750 | 5.00% |
| 2015 | - | 310,750 | 310,750 | 5.00% |
| 2016 | - | 310,750 | 310,750 | 5.00% |
| 2017 | - | 310,750 | 310,750 | 5.00% |
| 2018 | - | 310,750 | 310,750 | 5.00% |
| 2019 | - | 310,750 | 310,750 | 5.00% |
| 2020 | - | 310,750 | 310,750 | 5.00% |
| 2021 | - | 310,750 | 310,750 | 5.00% |
| 2022 | - | 310,750 | 310,750 | 5.00% |
| 2023 | - | 310,750 | 310,750 | 5.00% |
| 2024 | - | 310,750 | 310,750 | 5.00% |
| 2025 | - | 310,750 | 310,750 | 5.00% |
| 2026 | - | 310,750 | 310,750 | 5.00% |
| 2027 | - | 310,750 | 310,750 | 5.00% |
| 2028 | - | 310,750 | 310,750 | 5.00% |
| 2029 | - | 310,750 | 310,750 | 5.00% |
| 2030 | - | 310,750 | 310,750 | 5.00% |
| 2031 | 240,000 | 304,750 | 544,750 | 5.00% |
| 2032 | 1,385,000 | 264,125 | 1,649,125 | 5.00% |
| 2033 | 1,455,000 | 193,125 | 1,648,125 | 5.00% |
| 2034 | 1,530,000 | 118,500 | 1,648,500 | 5.00% |
| 2035 | 1,605,000 | 40,125 | 1,645,125 | 5.00% |
| Total | <u>\$ 6,215,000</u> | <u>\$ 6,824,875</u> | <u>\$ 13,039,985</u> | |

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of \$4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF funds. The principal and interest payments to maturity at July 1, 2024 are as follows:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|---------------------|---------------------|---------------------|-------|
| 2012 | \$ 140,000 | \$ 190,998 | \$ 330,998 | 5.00% |
| 2013 | 145,000 | 183,998 | 328,998 | 5.00% |
| 2014 | 180,000 | 177,328 | 357,328 | 4.60% |
| 2015 | 190,000 | 170,848 | 360,848 | 3.60% |
| 2016 | 195,000 | 163,818 | 358,818 | 3.70% |
| 2017 | 240,000 | 156,310 | 396,310 | 3.85% |
| 2018 | 250,000 | 146,950 | 396,950 | 3.90% |
| 2019 | 260,000 | 136,950 | 396,950 | 4.00% |
| 2020 | 310,000 | 122,650 | 432,650 | 4.00% |
| 2021 | 325,000 | 105,600 | 430,600 | 4.00% |
| 2022 | 340,000 | 87,725 | 427,725 | 4.00% |
| 2023 | 400,000 | 69,025 | 469,025 | 4.20% |
| 2024 | 415,000 | 47,025 | 462,025 | 4.20% |
| 2025 | 440,000 | 12,100 | 452,100 | 4.30% |
| Total | <u>\$ 3,830,000</u> | <u>\$ 1,771,325</u> | <u>\$ 5,601,325</u> | |

General Obligation Alternate Revenue Bonds, Series 2006 – The Village Board authorized the issuance of \$9,500,000 General Obligation Bonds (Alternative Revenue Source), Series 2006. The bonds were issued to refund in advance of their respective maturities \$8,650,000 in aggregate principal of the Village's General Obligation Bonds, (Alternative Revenue Source), Series 2004A and pay costs of \$850,000 associated with the issuance of the Bonds and redemption of such refunded bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid out of the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2030 are as follows:

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|---------------------|---------------------|----------------------|-------|
| 2012 | \$ 40,000 | \$ 379,200 | \$ 419,200 | 4.00% |
| 2013 | 40,000 | 377,600 | 417,600 | 4.00% |
| 2014 | 45,000 | 375,900 | 420,900 | 4.00% |
| 2015 | 45,000 | 374,100 | 419,100 | 4.00% |
| 2016 | 50,000 | 372,200 | 422,200 | 4.00% |
| 2017 | 50,000 | 370,200 | 420,200 | 4.00% |
| 2018 | 50,000 | 368,200 | 418,200 | 4.00% |
| 2019 | 55,000 | 366,100 | 421,100 | 4.00% |
| 2020 | 55,000 | 363,900 | 418,900 | 4.00% |
| 2021 | 60,000 | 361,600 | 421,600 | 4.00% |
| 2022 | 60,000 | 359,200 | 419,200 | 4.00% |
| 2023 | 65,000 | 356,700 | 421,700 | 4.00% |
| 2024 | 985,000 | 335,700 | 1,320,700 | 4.00% |
| 2025 | 1,030,000 | 295,400 | 1,325,400 | 4.00% |
| 2026 | 1,070,000 | 253,400 | 1,323,400 | 4.00% |
| 2027 | 1,110,000 | 209,800 | 1,319,800 | 4.00% |
| 2028 | 1,160,000 | 164,400 | 1,324,400 | 4.00% |
| 2029 | 1,205,000 | 117,100 | 1,322,100 | 4.00% |
| 2030 | 1,255,000 | 67,900 | 1,322,900 | 4.00% |
| 2031 | 1,070,000 | 21,400 | 1,091,400 | 4.00% |
| Total | <u>\$ 9,500,000</u> | <u>\$ 5,890,000</u> | <u>\$ 15,390,000</u> | |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of \$8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the TIF Districts. The principal and interest payments to maturity at January 1, 2023 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Rate</u> |
|--------------------|---------------------|---------------------|----------------------|-------------|
| 2012 | \$ 320,000 | \$ 344,970 | \$ 664,970 | 4.00% |
| 2013 | 415,000 | 332,170 | 747,170 | 4.05% |
| 2014 | 435,000 | 315,363 | 750,363 | 4.10% |
| 2015 | 450,000 | 297,528 | 747,528 | 4.20% |
| 2016 | 555,000 | 278,626 | 833,626 | 5.50% |
| 2017 | 580,000 | 248,101 | 828,101 | 4.40% |
| 2018 | 610,000 | 222,583 | 832,583 | 4.45% |
| 2019 | 725,000 | 195,436 | 920,436 | 4.50% |
| 2020 | 760,000 | 162,813 | 922,813 | 4.60% |
| 2021 | 795,000 | 127,853 | 922,853 | 4.70% |
| 2022 | 930,000 | 90,488 | 1,020,488 | 4.75% |
| 2023 | 975,000 | 46,313 | 1,021,313 | 4.75% |
| Total | <u>\$ 7,550,000</u> | <u>\$ 2,662,244</u> | <u>\$ 10,212,244</u> | |

Capital Lease – The Village leases equipment through various leases with lease terms through April 2018. The capitalized cost of \$1,796,422 less accumulated depreciation of \$741,487 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2011 was \$185,840. Remaining principal and interest payments are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|--------------------|-------------------|-------------------|---------------------------|
| 2012 | \$ 295,601 | \$ 42,599 | \$ 338,200 |
| 2013 | 297,330 | 29,365 | 326,695 |
| 2014 | 123,519 | 18,783 | 142,302 |
| 2015 | 129,340 | 12,960 | 142,300 |
| 2016 | 67,269 | 6,861 | 74,130 |
| 2017 | 30,547 | 3,453 | 34,000 |
| 2018 | 32,228 | 1,772 | 34,000 |
| | <u>\$ 975,834</u> | <u>\$ 115,793</u> | <u>\$ 1,091,627</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2004B – The Village Board authorized the issuance of \$20,135,000 General Obligation Refunding Bonds Alternative Revenue Source), Series 2004B, dated April 1, 2004. The bonds were issued to refund a portion of the Village’s outstanding General Obligation Alternate Revenue Source Bonds, Series 1993, and to pay the costs of issuance of the 2004B Bonds. Bonds maturing on or after July 1, 2014 are callable at the option of the Village on any date on or after January 1, 2014, at a price of par plus accrued interest. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund. The principal and interest payments to maturity at July 1, 2022 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Rate</u> |
|--------------------|----------------------|---------------------|----------------------|-------------|
| 2012 | \$ 1,030,000 | \$ 746,350 | \$ 1,776,350 | 5.00% |
| 2013 | 1,085,000 | 698,625 | 1,783,625 | 5.00% |
| 2014 | 1,135,000 | 643,125 | 1,778,125 | 5.00% |
| 2015 | 1,190,000 | 585,000 | 1,775,000 | 5.00% |
| 2016 | 1,250,000 | 524,000 | 1,774,000 | 5.00% |
| 2017 | 1,315,000 | 459,875 | 1,774,875 | 5.00% |
| 2018 | 1,380,000 | 392,500 | 1,772,500 | 5.00% |
| 2019 | 1,450,000 | 321,750 | 1,771,750 | 5.00% |
| 2020 | 1,520,000 | 247,500 | 1,767,500 | 5.00% |
| 2021 | 1,590,000 | 169,750 | 1,759,750 | 5.00% |
| 2022 | 1,675,000 | 88,125 | 1,763,125 | 5.00% |
| 2023 | 925,000 | 23,125 | 948,125 | 5.00% |
| Total | <u>\$ 15,545,000</u> | <u>\$ 4,899,725</u> | <u>\$ 20,444,725</u> | |

Illinois Environmental Protection Agency Loan – L17-0848 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to \$2,634,735 for the completion of the Village’s water sewer project. The loan will be for twenty years and will bear interest at 3.36%. Payments on the loan commenced on January 1, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at July 1, 2014 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|--------------------|-------------------|------------------|---------------------------|
| 2012 | \$ 171,548 | \$ 19,614 | \$ 191,162 |
| 2013 | 177,360 | 13,802 | 191,162 |
| 2014 | 183,369 | 7,792 | 191,161 |
| 2015 | 94,001 | 1,579 | 95,580 |
| | <u>\$ 626,278</u> | <u>\$ 42,787</u> | <u>\$ 669,065</u> |

Illinois Environmental Protection Agency Loan – L17-0924 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to \$4,553,800 for the completion of the Village’s water sewer project. The loan will be for twenty years and will bear interest at 2.82%. Payments on this loan commenced on February 24, 1995 and are to be repaid of out the Sewer Fund. The principal and interest payments to maturity at September 15, 2016 are as follows:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

| Fiscal Year | <u>Principal</u> | <u>Interest</u> | Total <u>Debt Service</u> |
|----------------|---------------------|-------------------|------------------------------|
| 2012 | \$ 270,235 | \$ 42,709 | \$ 312,944 |
| 2013 | 277,896 | 35,048 | 312,944 |
| 2014 | 285,774 | 27,170 | 312,944 |
| 2015 | 293,875 | 19,069 | 312,944 |
| 2016 | 302,205 | 10,739 | 312,944 |
| 2017 | <u>154,300</u> | <u>2,173</u> | <u>156,473</u> |
| | <u>\$ 1,584,285</u> | <u>\$ 136,908</u> | <u>\$ 1,721,193</u> |

Illinois Environmental Protection Agency Loan – L17-0925 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to \$3,523,912 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 3.15%. Payments on this loan commenced on November 7, 1997 and are to be repaid out of the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

| Fiscal Year | <u>Principal</u> | <u>Interest</u> | Total <u>Debt Service</u> |
|----------------|---------------------|-------------------|------------------------------|
| 2012 | \$ 204,768 | \$ 44,166 | \$ 248,934 |
| 2013 | 211,269 | 37,665 | 248,934 |
| 2014 | 217,977 | 30,958 | 248,935 |
| 2015 | 224,897 | 24,037 | 248,934 |
| 2016 | 232,037 | 16,897 | 248,934 |
| 2017 | 239,406 | 9,531 | 248,937 |
| 2018 | <u>122,537</u> | <u>1,930</u> | <u>124,467</u> |
| | <u>\$ 1,452,891</u> | <u>\$ 165,184</u> | <u>\$ 1,618,075</u> |

Illinois Environmental Protection Agency Loan – L17-1161 – The Village Board has entered into an agreement with the Illinois Environmental Protection Agency to establish a line of credit for up to \$3,683,905 for the completion of the Village's water sewer project. The loan will be for twenty years and will bear interest at 2.63%. Payments on this loan commenced on June 1, 2001 and are to be repaid out of the Sewer Fund. The principal and interest payments to maturity at December 1, 2019 are as follows:

| Fiscal Year | <u>Principal</u> | <u>Interest</u> | Total <u>Debt Service</u> |
|----------------|---------------------|-------------------|------------------------------|
| 2012 | \$ 199,562 | \$ 51,148 | \$ 250,710 |
| 2013 | 204,835 | 45,875 | 250,710 |
| 2014 | 210,247 | 40,463 | 250,710 |
| 2015 | 215,801 | 34,909 | 250,710 |
| 2016 | 221,504 | 29,206 | 250,710 |
| 2017 | 227,356 | 23,354 | 250,710 |
| 2018 | 233,364 | 17,346 | 250,710 |
| 2019 | 239,529 | 11,181 | 250,710 |
| 2020 | <u>245,858</u> | <u>4,852</u> | <u>250,710</u> |
| | <u>\$ 1,998,056</u> | <u>\$ 258,334</u> | <u>\$ 2,256,390</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 4 – LONG-TERM DEBT (Continued)

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2011, the equalized assessed valuation of the Village is \$916,889,459 and the legal debt margin is \$79,081,716. The Village is in compliance with this requirement.

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 ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. As of 4/30/11, the Village did not complete its 2010 filing. The Village completed the 2010 filing in July 2011. However, no action has been taken against the Village compelling compliance with the debt covenants as of the date of this audit report.

NOTE 5 – SHORT-TERM DEBT

The Village took out a line of credit on October 4, 2009 for \$2,000,000 at an interest rate of 4.00%. The Village drew down \$2,000,000 on this line of credit on October 31, 2009. An additional \$500,000 was added during 2011 bring the total available amount to be drawn down to \$2,500,000. The Line of Credit was extended during the year and is scheduled to be repaid on October 13, 2011. A total of \$80,829 of interest was paid during the year ended April 30, 2011. A summary of the short-term debt activity is as follows:

| <u>Balance</u> <u>5/1/2010</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u> <u>4/30/2011</u> |
|-----------------------------------|-------------------|---------------------|------------------------------------|
| <u>\$ 2,000,000</u> | <u>\$ _____ -</u> | <u>\$ 1,000,000</u> | <u>\$ 1,000,000</u> |

NOTE 6 – NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2011 total \$16,166,065. 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 non-commitment 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%. Principal balance as of April 30, 2011 is \$1,838,132 plus unpaid accrued interest of \$165,432 for a total amount due of \$2,003,564. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of \$2,400,000 replaced the original note in the amount of \$1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project

\$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2011 is \$8,200,000 plus accrued interest of \$5,962,501 for a total amount due of \$14,162,501. 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 – INTERFUNDS AND TRANSFERS

The General Corporate Fund loaned \$1,253,500 and \$111,705 to the Downtown Franklin Avenue TIF Fund and Mannheim/Grand TIF Fund to cover TIF costs during periods of cash shortfalls in the TIF Funds. The Mannheim/Grand TIF Fund loaned \$1,121,383 to the Resurrection TIF Fund for the costs of a land acquisition within the boundaries of both TIFs. The Life Fitness/Reebie TIF Fund borrowed \$825,000 from the Water Fund to cover TIF costs. Finally, the General Corporate Fund borrowed \$778,066 and \$420,000 from the Water Fund and Sewer Fund, respectively, to cover operating costs. The transfer is the result of the abolishment of the Working Cash Fund, a reimbursement to the General Corporate Fund for Water, Sewer and Garbage personnel costs and a payment to the Corporate Bond and Interest from the TIF funds for scheduled debt service.

| | <u>Due from other funds</u> | <u>Due to other funds</u> |
|-----------------------------------|---------------------------------|-------------------------------|
| General Corporate | | |
| Nonmajor Governmental | \$ 1,365,205 | \$ - |
| Water | - | 778,066 |
| Sewer | - | 420,000 |
| Total General Corporate | 1,365,205 | 1,198,066 |
| Nonmajor Governmental | | |
| General Corporate | - | 1,365,205 |
| Nonmajor Governmental | 1,121,383 | 1,121,383 |
| Water | 825,000 | 400,000 |
| Total Nonmajor Governmental | 1,946,383 | 2,886,588 |
| Water | | |
| General Corporate | 778,066 | - |
| Nonmajor Governmental | 400,000 | 825,000 |
| Total Water | 1,178,066 | 825,000 |
| Sewer | | |
| General Corporate | 420,000 | - |
| Total Sewer | 420,000 | - |
| Total | \$ 4,909,654 | \$ 4,909,654 |
| | <u>Transfers in</u> | <u>Transfers out</u> |
| General Corporate | | |
| Working Cash | \$ 4,595,522 | \$ - |
| Water | 770,594 | - |
| Sewer | 107,991 | - |
| Garbage | 146,407 | - |
| Total General Corporate | 5,620,514 | - |
| Working Cash | | |
| General Corporate | - | 4,595,522 |
| Total Working Cash | - | 4,595,522 |
| Corporate Bond and Interest | | |
| Nonmajor Governmental | 999,808 | - |
| Total Corporate Bond and Interest | 999,808 | - |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 7 – INTERFUNDS AND TRANSFERS (Continued)

| | | |
|-----------------------------|--------------------|--------------------|
| Nonmajor Governmental | | |
| Nonmajor Governmental | \$ _____ - | \$ _____ 999,808 |
| Total Nonmajor Governmental | _____ - | _____ 999,808 |
| Water | | |
| General Corporate | _____ - | _____ 770,594 |
| Total Water | _____ - | _____ 770,594 |
| Sewer | | |
| General Corporate | _____ - | _____ 107,991 |
| Total Sewer | _____ - | _____ 107,991 |
| Garbage | | |
| General Corporate | _____ - | _____ 146,407 |
| Total Garbage | _____ - | _____ 146,407 |
| Total | \$ _____ 6,620,322 | \$ _____ 6,620,322 |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

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, post retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village's Regular plan members are required to contribute 4.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2010 was 11.50% of payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2010, the Village's annual pension cost of \$348,067 was equal to the Village's required and actual contributions. Trend Information is listed below:

| <u>Year Ending</u> | <u>Annual Pension Cost</u> | <u>Percent Contributed</u> | <u>Net Pension Obligation</u> |
|--------------------|----------------------------|----------------------------|-------------------------------|
| December 31, 2010 | \$ 348,067 | 100% | \$ - |
| December 31, 2009 | 169,047 | 100% | - |
| December 31, 2008 | 212,080 | 100% | - |

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village's Regular plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 66.20 percent funded. The actuarial accrued liability for benefits was \$7,060,024 and the actuarial value of assets was \$4,673,833, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,386,191. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$3,026,668 and the ratio of the UAAL to the covered payroll was 79 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Illinois Municipal Retirement Fund – Sheriff’s Law Enforcement Personnel

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 affiliated with the Illinois Municipal Retirement (IMRF), an agent multiple-employer plan. 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 financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

Funding Policy: As set by statute, the Village’s Sheriff’s Law Enforcement Personnel plan members are required to contribute 7.5% of their annual covered salary. The statute requires the Village to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer rate for calendar year 2010 was 14.03% of payroll. 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

For December 31, 2010, the Village’s actual contributions for pension cost for the Sheriff’s Law Enforcement Personnel were \$6,048. Its required contribution for calendar year 2010 was \$6,372. Trend Information is listed below:

| <u>Year Ending</u> | <u>Annual Pension Cost</u> | <u>Percent Contributed</u> | <u>Net Pension Obligation</u> |
|------------------------|--------------------------------|--------------------------------|-----------------------------------|
| December 31, 2010 | \$ 6,372 | 95% | \$ - |
| December 31, 2009 | 6,048 | 100% | - |
| December 31, 2008 | 13,072 | 100% | - |

The required contribution for 2010 was determined as part of the December 31, 2008 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village’s plan’s overfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress: As of December 31, 2010, the most recent actuarial valuation date, the Sheriff’s Law Enforcement Personnel plan was 100 percent funded. The actuarial accrued liability for benefits was \$0 and the actuarial value of assets was \$38,765, resulting in an overfunded actuarial accrued liability (UAAL) of \$38,765. The covered payroll for calendar year 2010 (annual payroll of active employees covered by the plan) was \$43,111. Because the plan is overfunded, there is no ratio of the UAAL to the covered payroll.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Police Pension Plan

Plan Description: Police sworn personnel are covered by the Police Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Police Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Police Pension Plan may be obtained by writing the Village.

The Police Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a 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% of the original pension and 3% annually thereafter.

At April 30, 2010 (the most recent information available), the Police Pension Plan membership consisted of:

| | |
|---|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 44 |
| Current Employees Vested and Nonvested | <u>43</u> |
| | <u>87</u> |

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.91% of their base salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Police Pension Plan is fully funded by the year 2033.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

| | |
|-------------------------------|---------------------------------|
| Contribution rates: | |
| Village, Plan Members | 30.92%, 9.91% |
| Annual Pension Cost | \$1,390,042 |
| Contributions Made | \$1,388,533 |
| Actuarial Valuation Date | April 30, 2010 |
| Actuarial Cost Method | Entry Age |
| Amortization Period | Level Percentage of Pay, Closed |
| Remaining Amortization Period | 23 Years |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Investment Rate of Return | 7.00% |
| Projected Salary Increases | 5.50% |
| Inflation | 3.00% |
| Cost of Living Adjustments | 3.00% |

The amount of the pension liability is as follows:

| | |
|---|----------------------------|
| Annual Required Contribution | \$ 1,372,467 |
| Interest on Net Pension Obligation | 59,929 |
| Adjustment to Annual Required Contribution | <u>(42,354)</u> |
| Annual Pension Cost | 1,390,042 |
| Actual Contributions | <u>1,388,533</u> |
| Increase in Net Pension Obligation | 1,509 |
| Net Pension Obligation as of April 30, 2010 | <u>1,281,790</u> |
| Net Pension Obligation as of April 30, 2011 | <u><u>\$ 1,283,299</u></u> |

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost</u> | <u>Percent Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|----------------------------|----------------------------|-------------------------------|
| April 30, 2011 | \$ 1,390,042 | 99.9% | \$ 1,283,299 |
| April 30, 2010 | 1,390,042 | 69.4% | 1,281,790 |
| April 30, 2009 | 1,381,867 | 68.7% | 856,130 |

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Plan which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits, as well as the employee and employer contributions levels, are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended by the Illinois legislature. The Village accounts for the plan as a pension trust fund. The Firefighter's Pension Plan issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Plan may be obtained by writing the Village.

The Firefighter's Pension Plan provides retirement benefits as well as death and disability benefits and automatic cost of living adjustments to plan members and their beneficiaries. Employees attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive a monthly retirement benefit of one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced retirement benefit. The monthly pension of a 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% of the original pension and 3% annually thereafter.

At April 30, 2010 (the latest information available), the Firefighter's Pension Plan membership consisted of:

| | |
|---|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 46 |
| Current Employees Vested and Nonvested | <u>40</u> |
| | <u>86</u> |

Summary of Significant Accounting Policies and Plan Asset Matters:

Basis of Accounting – The financial statements are prepared using the accrual basis of accounting. Employees and employer contributions are recognized as revenue in the period in which employee services are performed.

Method Used to Value Investments – Fixed-income securities are reported at fair value. Short-term investments are reported at fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the trade date. Insurance contracts are valued at contract value. Fair values are derived from published sources.

Contributions – Covered employees are required to contribute 9.455% of their base salary to the Firefighter's Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective July 1, 1993 the Village's contribution must accumulate to the point where the past service cost for the Firefighter's Pension Plan is fully funded by the year 2033.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Related-Party Transactions – There were no securities of the Village or related parties included in the Plan's assets.

Annual Pension Cost and Net Pension Obligation (NPO): The Village's annual pension cost for the current year and related information is as follows:

| | |
|-------------------------------|---------------------------------|
| Contribution rates: | |
| Village, Plan Members | 31.495%, 9.91% |
| Annual Pension Cost | \$1,349,011 |
| Contributions Made | \$1,033,165 |
| Actuarial Valuation Date | April 30, 2009 |
| Actuarial Cost Method | Entry Age |
| Amortization Period | Level Percentage of Pay, Closed |
| Remaining Amortization Period | 24 Years |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Investment Rate of Return | 7.00% |
| Projected Salary Increases | 5.50% |
| Inflation | 3.00% |
| Cost of Living Adjustments | 3.00% |

The amount of the pension liability is as follows:

| | |
|---|---------------------|
| Annual Required Contribution | \$ 1,597,140 |
| Interest on Net Pension Obligation | 54,311 |
| Adjustment to Annual Required Contribution | <u>(38,384)</u> |
| Annual Pension Cost | 1,613,067 |
| Actual Contributions | <u>1,398,379</u> |
| Increase in Net Pension Obligation | 214,688 |
| Net Pension Obligation as of April 30, 2010 | <u>1,091,712</u> |
| Net Pension Obligation as of April 30, 2011 | <u>\$ 1,306,400</u> |

Trend Information – Employer annual required contributions (ARC), actual contributions and the net pension obligation (NPO) are as follows. The NPO is the cumulative difference between the ARC and the contributions actually made.

| <u>Fiscal Year Ending</u> | <u>Annual Pension Cost</u> | <u>Percent Contributed</u> | <u>Net Pension Obligation</u> |
|---------------------------|----------------------------|----------------------------|-------------------------------|
| April 30, 2011 | \$ 1,613,067 | 86.7% | \$ 1,306,400 |
| April 30, 2010 | 1,470,273 | 68.8% | 1,091,712 |
| April 30, 2009 | 1,349,011 | 70.4% | 775,866 |

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

(Continued)

NOTE 9 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the Village's employees. The Village's exposure has not exceeded insurance coverage for the past three years. These risks are provided for through insurance from private insurance companies. 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.

NOTE 10 – TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues 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 non-commitment 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 revenues were \$1,995,968 and \$2,510,709, respectively.

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description: The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF must be at least 55 years old, have at least 8 years of credited service and no longer work in a position that qualifies for participation in IMRF. For Police Pension Plan and Firefighter's Pension Plan members, employees must be at least 50 years old and have at least 20 years of credited service.

Funding Policy: Funding is provided by the Village on a pay-as-you-go basis. The Village is reimbursed by retirees for the Village's contribution on their behalf. The Village's contribution on behalf of the employees to the insurance provider was \$382,196 for 2011.

At April 30, 2011, the membership consisted of:

| | |
|---|------------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 46 |
| Current Employees Vested and Nonvested | <u>137</u> |
| | <u>183</u> |

Annual OPEB Cost and Net OPEB Obligation: The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *actuarial cost method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for 2011, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2011

NOTE 11 – POSTEMPLOYMENT HEALTHCARE BENEFITS

| | |
|--|---------------------|
| Annual Required Contribution | \$ 2,181,584 |
| Interest on OPEB | 92,702 |
| Adjustment to Annual Required Contribution | <u>(157,654)</u> |
| Annual OPEB Cost | 2,116,632 |
| Contributions | <u>382,196</u> |
| Increase (Decrease) in OPEB | 1,734,436 |
| OPEB at April 30, 2010 | <u>3,090,062</u> |
| OPEB at April 30, 2011 | <u>\$ 4,824,498</u> |

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2011 and the three preceding years were as follows:

| <u>Year Ending</u> | <u>Annual OPEB Cost (AOC)</u> | <u>Percentage of AOC Contributed</u> | <u>Net OPEB Obligation</u> |
|--------------------|-----------------------------------|--|--------------------------------|
| 4/30/2011 | \$ 2,181,584 | 17.5% | \$ 4,824,498 |
| 4/30/2010 | 1,925,151 | 21.5% | 3,090,062 |
| 4/30/2009 | 1,925,151 | 18.0% | 1,577,933 |

Funded Status and Funding Progress: As of April 30, 2011, the plan was unfunded. The actuarial accrued liability for benefits was \$22,505,725. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 April 30, 2011 actuarial valuation, the projected unit credit method was used. The actuarial assumptions included a 3% investment rate of return, a 3% inflation rate and an annual healthcare cost trend rate of 4.40% - 28.98% initially, reduced by decrements to an ultimate rate of 5.00% - 8.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2011. The UAAL is being amortized as a level dollar percentage of projected payroll on a 30 year open basis.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS

In March 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications, and by clarifying the definitions of existing governmental fund types. Fund balance amounts will be reported in the following classifications: restricted, committed, assigned, and unassigned. Statement 54 is effective for financial statements for periods beginning after June 15, 2010.

In June 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 59, *Financial Instruments Omnibus*. The Statement updates and improves existing standards regarding financial reporting of certain financial instruments and external investment pools. Statement No. 59 emphasizes the applicability of U.S. Securities and Exchange Commission requirements to certain external investment pools—known as 2a7-like pools—to provide users more consistent information on qualifying pools; addresses the applicability of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, to certain financial instruments to clarify which financial instruments are within the scope of that pronouncement and to provide greater consistency in financial reporting; and applies the reporting provisions for interest-earning investment contracts of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, to unallocated insurance contracts improve to the consistency of reporting by pension and OPEB plans. Statement No. 59 is effective for fiscal years beginning after June 15, 2010, with earlier application encouraged.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met. The Statement provides guidance regarding recognition by the Transferor of the appropriate assets and liabilities and revenue recognition. This Statement also provides guidance for governments that are operators in an SCA. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2011 with early application encouraged. The provisions of this Statement generally are required to be applied retroactively for all periods presented.

In November 2010 the Governmental Accounting Standards Board (GASB) issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. This Statement improves financial reporting for a governmental financial reporting entity by amending the requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management’s Discussion and Analysis—for State and Local Governments*, to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity by adding additional criteria that must be met. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances and clarifies the reporting of equity interests in legally separate organizations. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012, with earlier application encouraged.

(Continued)

NOTE 12 – NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for fiscal years beginning after December 15, 2011 with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for financial statements for periods beginning after December 15, 2011, with earlier application encouraged.

In June 2011, the GASB issued GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* (an amendment of GASB Statement No. 53). This Statement clarifies that when certain conditions are met, the use of hedge accounting should not be terminated. The conditions specified in this Statement are:

- Collectibility of swap payments is considered to be probable;
- Replacement of the counterparty or credit support provider meets the criteria of an assignment or in-substance assignment as described in GASB 64; and
- The counterparty or counterparty credit support provider (and not the government) has committed the act of default or termination event.

When all of these conditions exist, the GASB believes that the hedging relationship continues and hedge accounting should continue to be applied. This Statement is effective for periods beginning after June 15, 2011, with earlier application encouraged.

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

VILLAGE OF FRANKLIN PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL CORPORATE FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 11,456,603 | \$ 12,023,736 | \$ 567,133 |
| Sales taxes | 2,308,618 | 2,023,821 | (284,797) |
| Income taxes | 1,268,314 | 1,510,967 | 242,653 |
| Utility taxes | 3,209,958 | 3,117,429 | (92,529) |
| Other taxes | 931,531 | 1,068,662 | 137,131 |
| Licenses, permits and fees | 1,342,300 | 1,295,823 | (46,477) |
| Grant revenue | 1,689,000 | 1,826,606 | 137,606 |
| Other revenue | 691,438 | 869,299 | 177,861 |
| Fines and forfeitures | 1,065,750 | 684,958 | (380,792) |
| Investment income | 10,172 | 2,223 | (7,949) |
| Charges for services | 1,201,431 | 1,088,850 | (112,581) |
| Total revenues | <u>25,175,115</u> | <u>25,512,374</u> | <u>337,259</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,564,596 | 5,480,346 | (84,250) |
| Public safety | 11,347,153 | 11,902,614 | 555,461 |
| Highway and street | 1,801,260 | 2,251,870 | 450,610 |
| Public health | 233,058 | 255,172 | 22,114 |
| Community development | 491,262 | 363,162 | (128,100) |
| Building department | 661,163 | 785,341 | 124,178 |
| Debt service | | | |
| Interest and other charges | 80,000 | 80,929 | 929 |
| Capital outlay | 1,857,772 | 2,417,278 | 559,506 |
| Total expenditures | <u>22,036,264</u> | <u>23,536,712</u> | <u>1,500,448</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,138,851</u> | <u>1,975,662</u> | <u>(1,163,189)</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | 5,620,514 | 5,620,514 |
| Transfers out | (3,510,381) | - | 3,510,381 |
| Proceeds from capital lease | - | 175,000 | 175,000 |
| Proceeds from the sale of fixed assets | 8,000 | - | (8,000) |
| Total other financing sources (uses) | <u>(3,502,381)</u> | <u>5,795,514</u> | <u>9,297,895</u> |
| Net changes in fund balances | <u>\$ (363,530)</u> | <u>7,771,176</u> | <u>\$ 8,134,706</u> |
| Fund balances at beginning of year | | <u>(4,760,469)</u> | |
| Fund balances at end of year | | <u>\$ 3,010,707</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2011

NOTE 1 - BUDGET AND BUDGETARY ACCOUNTING

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

- The Finance Department 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:
 - Working Cash Fund
 - Foreign Fire Insurance Premium Fund
 - Police Department 1505 Fund
 - IMRF Fund
 - Unclaimed Rebates Fund
 - Emergency Services and Disaster Agency Fund
 - GARRA Alternate Refunding Bonds Series 2004A Fund
 - Waveland Mannheim TIF Fund
 - Seymour Avenue Capital Projects Fund
 - Special Service Area #4 Fund
 - Police Station Fund
- The budget may be amended by the Board of Trustees. The budget was not amended this year.
- Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.

The level of control (level at which expenditures may not exceed budget/ appropriations) is the Fund. Budget/Appropriations lapse at year end.

The following funds had an excess of actual budgetary expenditures/expenses over budget for the year ended April 30, 2011:

| <u>Fund</u> | <u>Amount</u> |
|-------------------------------------|---------------|
| General Corporate Fund | \$ 1,530,566 |
| 911 Emergency Surcharge Tax Fund | 364,887 |
| Belmont/River TIF Fund | 16,589 |
| Resurrection TIF Fund | 205,625 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 April 30, 2011

| Actuarial Valuation Date | (1) Actuarial Value of Plan Assets | (2) Actuarial Accrued Liability (AAL) - Entry Age | (3) Unfunded (Overfunded) AAL (2) - (1) | (4) Funded Ratio (1) / (2) | (5) Annual Covered Payroll | (6) Unfunded (Overfunded) AAL as a Percentage of Covered Payroll (3) / (5) |
|--|---|---|---|-------------------------------------|-------------------------------------|--|
| ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR | | | | | | |
| 12/31/2010 | \$ 4,673,833 | \$ 7,060,024 | \$ 2,386,191 | 66.2% | \$ 3,026,668 | 78.8% |
| 12/31/2009 | 7,679,559 | 9,345,809 | 1,666,250 | 82.2% | 3,219,952 | 51.7% |
| 12/31/2008 | 7,583,533 | 9,303,361 | 1,719,828 | 81.5% | 3,267,804 | 52.6% |
| ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL | | | | | | |
| 12/31/2010 | \$ 38,765 | \$ - | \$ (38,765) | 100.0% | \$ 43,111 | -89.9% |
| 12/31/2009 | 61,109 | 24,797 | (36,312) | 246.4% | 43,111 | -84.2% |
| 12/31/2008 | 52,363 | 29,353 | (23,010) | 178.4% | 94,454 | -24.4% |
| POLICE PENSION FUND | | | | | | |
| 4/30/2010 | \$ 19,004,820 | \$ 40,191,355 | \$ 21,186,535 | 47.3% | \$ 3,119,156 | 679.2% |
| 4/30/2008 | 19,370,974 | 37,894,385 | 18,523,411 | 51.1% | 3,280,940 | 564.6% |
| 4/30/2007 | 19,330,483 | 36,849,658 | 17,519,175 | 52.5% | 3,350,352 | 522.9% |
| Note: Information as of 4/30/11 and 4/30/09 for the Police Pension Fund not available. | | | | | | |
| FIREFIGHTER'S PENSION FUND | | | | | | |
| 4/30/2010 | \$ 19,173,156 | \$ 39,371,275 | \$ 20,198,119 | 48.7% | \$ 2,964,084 | 681.4% |
| 4/30/2009 | 17,458,475 | 38,257,435 | 20,798,960 | 45.6% | 3,015,057 | 689.8% |
| 4/30/2008 | 20,222,441 | 37,079,485 | 16,857,044 | 54.5% | 2,998,553 | 562.2% |
| Note: Information as of 4/30/11 for the Firefighter's Pension Fund not available. | | | | | | |
| OTHER POST EMPLOYMENT BENEFITS | | | | | | |
| 4/30/2011 | \$ - | \$ 22,505,725 | \$ 22,505,725 | 0.0% | \$ 9,153,019 | 245.9% |
| 4/30/2009 | - | 18,816,415 | 18,816,415 | 0.0% | 9,559,060 | 196.8% |
| Note: Information as of 4/30/10 for the Other Post Employment Benefits not available. | | | | | | |

VILLAGE OF FRANKLIN PARK ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 April 30, 2011

| Actuarial Valuation Date | Employer Contributions | Annual Required Contribution | Percent Contributed | Net Pension Obligation |
|---|---------------------------|------------------------------------|------------------------|---------------------------|
| ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR | | | | |
| 12/31/2010 | \$ 348,067 | \$ 348,067 | 100% | \$ - |
| 12/31/2009 | 169,047 | 169,047 | 100% | - |
| 12/31/2008 | 212,080 | 212,080 | 100% | - |
| ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL | | | | |
| 12/31/2010 | \$ 6,053 | \$ 6,372 | 95% | \$ - |
| 12/31/2009 | 6,048 | 6,048 | 100% | - |
| 12/31/2008 | 13,072 | 13,072 | 100% | - |
| POLICE PENSION FUND | | | | |
| 4/30/2011 | \$ 1,388,533 | \$ 1,390,042 | 99.89% | \$ 1,283,299 |
| 4/30/2010 | 964,382 | 1,390,042 | 69.38% | 1,281,790 |
| 4/30/2009 | 949,369 | 1,381,867 | 68.70% | 856,130 |
| FIREFIGHTER'S PENSION FUND | | | | |
| 4/30/2011 | \$ 1,398,379 | \$ 1,613,067 | 86.69% | \$ 1,306,400 |
| 4/30/2010 | 1,033,165 | 1,470,273 | 70.27% | 1,091,712 |
| 4/30/2009 | 949,607 | 1,349,011 | 70.39% | 775,866 |
| OTHER POST EMPLOYMENT BENEFITS | | | | |
| 4/30/2011 | \$ 382,196 | \$ 2,181,584 | 17.52% | \$ 4,824,498 |
| 4/30/2010 | 413,082 | 1,925,151 | 21.46% | 3,090,062 |
| 4/30/2009 | 347,158 | 1,925,151 | 18.03% | 1,577,993 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 CORPORATE BOND AND INTEREST FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 2,403,136 | \$ 4,215,718 | \$ 1,812,582 |
| Investment income | - | 149 | 149 |
| Total revenues | <u>2,403,136</u> | <u>4,215,867</u> | <u>1,812,731</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,000 | 6,846 | 1,846 |
| Principal | 1,200,913 | 520,000 | (680,913) |
| Interest and other charges | 3,200,405 | 1,254,693 | (1,945,712) |
| Total expenditures | <u>4,406,318</u> | <u>1,781,539</u> | <u>(2,624,779)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(2,003,182)</u> | <u>2,434,328</u> | <u>4,437,510</u> |
| Other financing sources (uses) | | | |
| Transfers in | <u>(2,003,181)</u> | <u>999,808</u> | <u>3,002,989</u> |
| Total other financing sources (uses) | <u>(2,003,181)</u> | <u>999,808</u> | <u>3,002,989</u> |
| Net changes in fund balances | <u>\$ (4,006,363)</u> | <u>3,434,136</u> | <u>\$ 7,440,499</u> |
| Fund balances at beginning of year | | <u>96,216</u> | |
| Fund balances at end of year | | <u>\$ 3,530,352</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2011

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total |
|--|-----------------------------|--------------------------|------------------------------|----------------------|
| Assets | | | | |
| Cash | \$ 6,191,389 | \$ 1,993,013 | \$ 793,820 | \$ 8,978,222 |
| Investments | 1,374,103 | 836,355 | - | 2,210,458 |
| Accrued interest | 330 | - | - | 330 |
| Accounts receivable | 40,110 | - | - | 40,110 |
| Interfund receivable | 1,121,383 | 825,000 | - | 1,946,383 |
| Total assets | \$ 8,727,315 | \$ 3,654,368 | \$ 793,820 | \$ 13,175,503 |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Cash overdraft liability | \$ 578,247 | \$ 905,426 | \$ 82,530 | \$ 1,566,203 |
| Accounts payable | 119,949 | 1,167,607 | 1,150,532 | 2,438,088 |
| Accrued payroll | 101 | - | - | 101 |
| Interfund payables | 1,765,205 | 1,121,383 | - | 2,886,588 |
| Total liabilities | 2,463,502 | 3,194,416 | 1,233,062 | 6,890,980 |
| Fund balances | | | | |
| Reserved for interfunds | 1,121,383 | 825,000 | - | 1,946,383 |
| Reserved for public safety | 669,767 | - | - | 669,767 |
| Reserved for highway and streets | 3,921,028 | - | - | 3,921,028 |
| Reserved for community development | 2,613,883 | - | - | 2,613,883 |
| Reserved for debt service | - | 825,908 | - | 825,908 |
| Reserved for capital projects | - | - | 313,589 | 313,589 |
| Unreserved - special revenue funds | (2,062,248) | - | - | (2,062,248) |
| Unreserved - debt service funds | - | (1,190,956) | - | (1,190,956) |
| Unreserved - capital projects funds | - | - | (752,831) | (752,831) |
| Total fund balances | 6,263,813 | 459,952 | (439,242) | 6,284,523 |
| Total liabilities and fund balances | \$ 8,727,315 | \$ 3,654,368 | \$ 793,820 | \$ 13,175,503 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2011

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total |
|---|-----------------------------|--------------------------|------------------------------|---------------------|
| Revenues | | | | |
| Property taxes | \$ 1,129,134 | \$ 1,382,686 | \$ - | \$ 2,511,820 |
| Other taxes | 640,958 | - | - | 640,958 |
| Other revenue | 23,898 | 180 | - | 24,078 |
| Fines and forfeitures | 49,645 | - | - | 49,645 |
| Investment income | 4,449 | 110 | - | 4,559 |
| Charges for services | 271,052 | - | - | 271,052 |
| Total revenues | <u>2,119,136</u> | <u>1,382,976</u> | <u>-</u> | <u>3,502,112</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 164,146 | 440,275 | 30,230 | 634,651 |
| Public safety | 432,285 | - | - | 432,285 |
| Highway and street | 249,564 | - | - | 249,564 |
| Community development | 174,831 | 262,953 | - | 437,784 |
| Debt service | | | | |
| Interest and other charges | - | - | 33,115 | 33,115 |
| Capital outlay | 14,219 | - | 31,218 | 45,437 |
| Total expenditures | <u>1,035,045</u> | <u>703,228</u> | <u>94,563</u> | <u>1,832,836</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,084,091</u> | <u>679,748</u> | <u>(94,563)</u> | <u>1,669,276</u> |
| Other financing sources | | | | |
| Transfers out | (999,808) | - | - | (999,808) |
| Total other financing sources | <u>(999,808)</u> | <u>-</u> | <u>-</u> | <u>(999,808)</u> |
| Net changes in fund balances | <u>84,283</u> | <u>679,748</u> | <u>(94,563)</u> | <u>669,468</u> |
| Fund balances at beginning of year | <u>6,179,530</u> | <u>(219,796)</u> | <u>(344,679)</u> | <u>5,615,055</u> |
| Fund balances at end of year | <u>\$ 6,263,813</u> | <u>\$ 459,952</u> | <u>\$ (439,242)</u> | <u>\$ 6,284,523</u> |

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VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
April 30, 2011

| | Foreign Fire Insurance <u>Premium Fund</u> | Police Department <u>1505 Fund</u> | 911 Emergency Surcharge <u>Tax Fund</u> | IMRF <u>Fund</u> | MFT <u>Fund</u> |
|--|--|--|---|---------------------|---------------------|
| Assets | | | | | |
| Cash | \$ 62,121 | \$ 445,032 | \$ 154,626 | \$ - | \$ 1,686,679 |
| Investments | - | - | - | - | - |
| Accrued interest | 330 | - | - | - | - |
| Accounts receivable | - | - | - | - | 40,110 |
| Interfund receivables | - | - | - | - | - |
| Total assets | \$ 62,451 | \$ 445,032 | \$ 154,626 | \$ - | \$ 1,726,789 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ - | \$ 48,881 | \$ - |
| Accounts payable | - | - | - | - | - |
| Accrued payroll | - | - | 101 | - | - |
| Interfund payables | - | - | - | - | - |
| Total liabilities | - | - | 101 | 48,881 | - |
| Fund balances | | | | | |
| Reserved for interfunds | - | - | - | - | - |
| Reserved for public safety | 62,451 | 445,032 | 154,525 | - | - |
| Reserved for highway and streets | - | - | - | - | 1,726,789 |
| Reserved for community development | - | - | - | - | - |
| Unreserved | - | - | - | (48,881) | - |
| Total fund balances | 62,451 | 445,032 | 154,525 | (48,881) | 1,726,789 |
| Total liabilities and fund balances | \$ 62,451 | \$ 445,032 | \$ 154,626 | \$ - | \$ 1,726,789 |

| Unclaimed Rebates Fund | Emergency Services and Disaster Agency Fund | GARRA Alternate Source Refunding Bonds Series 2004A Fund | West Mannheim Redeveloping Area TIF Fund | Belmont/ River TIF Fund | Mannheim/ Grand TIF Fund | Downtown Franklin Avenue TIF Fund | Total |
|---------------------------|--|--|---|-------------------------------|--------------------------------|---|---------------------|
| \$ 144,634 | \$ 7,759 | \$ 2,285,438 | \$ - | \$ 255,304 | \$ 1,149,796 | \$ - | \$ 6,191,389 |
| - | - | - | 912,693 | - | 461,410 | - | 1,374,103 |
| - | - | - | - | - | - | - | 330 |
| - | - | - | - | - | - | - | 40,110 |
| - | - | - | - | - | 1,121,383 | - | 1,121,383 |
| <u>\$ 144,634</u> | <u>\$ 7,759</u> | <u>\$ 2,285,438</u> | <u>\$ 912,693</u> | <u>\$ 255,304</u> | <u>\$ 2,732,589</u> | <u>\$ -</u> | <u>\$ 8,727,315</u> |
| \$ - | \$ - | \$ - | \$ 32,863 | \$ - | \$ - | \$ 496,503 | \$ 578,247 |
| - | - | 91,199 | 3,843 | 12,844 | 4,065 | 7,998 | 119,949 |
| - | - | - | - | - | - | - | 101 |
| - | - | - | - | - | 111,705 | 1,653,500 | 1,765,205 |
| - | - | 91,199 | 36,706 | 12,844 | 115,770 | 2,158,001 | 2,463,502 |
| - | - | - | - | - | 1,121,383 | - | 1,121,383 |
| - | 7,759 | - | - | - | - | - | 669,767 |
| - | - | 2,194,239 | - | - | - | - | 3,921,028 |
| - | - | - | 875,987 | 242,460 | 1,495,436 | - | 2,613,883 |
| 144,634 | - | - | - | - | - | (2,158,001) | (2,062,248) |
| <u>144,634</u> | <u>7,759</u> | <u>2,194,239</u> | <u>875,987</u> | <u>242,460</u> | <u>2,616,819</u> | <u>(2,158,001)</u> | <u>6,263,813</u> |
| <u>\$ 144,634</u> | <u>\$ 7,759</u> | <u>\$ 2,285,438</u> | <u>\$ 912,693</u> | <u>\$ 255,304</u> | <u>\$ 2,732,589</u> | <u>\$ -</u> | <u>\$ 8,727,315</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2011

| | Foreign Fire Insurance Premium Fund | Police Department 1505 Fund | 911 Emergency Surcharge Tax Fund | IMRF Fund | MFT Fund |
|---|---|-----------------------------------|--|--------------------|---------------------|
| Revenues | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ 1,111 | \$ - |
| Other taxes | 49,389 | - | - | - | 591,569 |
| Other revenue | 1,717 | - | - | - | 22,181 |
| Fines and forfeitures | - | 49,645 | - | - | - |
| Investment income | 454 | 18 | 1,255 | - | 88 |
| Charges for services | - | - | 271,052 | - | - |
| Total revenues | 51,560 | 49,663 | 272,307 | 1,111 | 613,838 |
| Expenditures | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | 36,642 | 28,856 | 366,787 | - | - |
| Highway and street | - | - | - | - | 249,564 |
| Community development | - | - | - | - | - |
| Capital outlay | 12,943 | 1,276 | - | - | - |
| Total expenditures | 49,585 | 30,132 | 366,787 | - | 249,564 |
| Excess (deficiency) of revenues over (under) expenditures | 1,975 | 19,531 | (94,480) | 1,111 | 364,274 |
| Other financing sources (uses) | | | | | |
| Transfers out | - | - | - | - | - |
| Proceeds from the sale of fixed assets | - | - | - | - | - |
| Total other financing sources | - | - | - | - | - |
| Net changes in fund balances | 1,975 | 19,531 | (94,480) | 1,111 | 364,274 |
| Fund balances at beginning of year | 60,476 | 425,501 | 249,005 | (49,992) | 1,362,515 |
| Fund balances at end of year | \$ 62,451 | \$ 445,032 | \$ 154,525 | \$ (48,881) | \$ 1,726,789 |

| Unclaimed Rebates Fund | Emergency Services and Disaster Agency Fund | GARRA Alternate Source Refunding Bonds Series 2004A Fund | West Mannheim Redeveloping Area TIF Fund | Belmont/ River TIF Fund | Mannheim/ Grand TIF Fund | Downtown Franklin Avenue TIF Fund | Total |
|---------------------------|--|--|---|-------------------------------|--------------------------------|---|--------------|
| \$ - | \$ - | \$ - | \$ 742,568 | \$ - | \$ - | \$ 385,455 | \$ 1,129,134 |
| - | - | - | - | - | - | - | 640,958 |
| - | - | - | - | - | - | - | 23,898 |
| - | - | - | - | - | - | - | 49,645 |
| - | - | - | 2,543 | - | 43 | 48 | 4,449 |
| - | - | - | - | - | - | - | 271,052 |
| - | - | - | 745,111 | - | 43 | 385,503 | 2,119,136 |
| - | 40 | - | 18,586 | 12,343 | - | 133,177 | 164,146 |
| - | - | - | - | - | - | - | 432,285 |
| - | - | - | - | - | - | - | 249,564 |
| - | - | - | 119,645 | 4,497 | 37,185 | 13,504 | 174,831 |
| - | - | - | - | - | - | - | 14,219 |
| - | 40 | - | 138,231 | 16,840 | 37,185 | 146,681 | 1,035,045 |
| - | (40) | - | 606,880 | (16,840) | (37,142) | 238,822 | 1,084,091 |
| - | - | - | (667,060) | - | - | (332,748) | (999,808) |
| - | - | - | - | - | - | - | - |
| - | - | - | (667,060) | - | - | (332,748) | (999,808) |
| - | (40) | - | (60,180) | (16,840) | (37,142) | (93,926) | 84,283 |
| 144,634 | 7,799 | 2,194,239 | 936,167 | 259,300 | 2,653,961 | (2,064,075) | 6,179,530 |
| \$ 144,634 | \$ 7,759 | \$ 2,194,239 | \$ 875,987 | \$ 242,460 | \$ 2,616,819 | \$ (2,158,001) | \$ 6,263,813 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 911 EMERGENCY SURCHARGE TAX FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 1,255 | \$ 1,255 |
| Charges for services | <u>-</u> | <u>271,052</u> | <u>271,052</u> |
| Total revenues | <u>-</u> | <u>272,307</u> | <u>272,307</u> |
| Expenditures | | | |
| Current | | | |
| Public safety | <u>1,900</u> | <u>366,787</u> | <u>364,887</u> |
| Total expenditures | <u>1,900</u> | <u>366,787</u> | <u>364,887</u> |
| Net changes in fund balances | <u>\$ (1,900)</u> | <u>(94,480)</u> | <u>\$ (92,580)</u> |
| Fund balances at beginning of year | | <u>249,005</u> | |
| Fund balances at end of year | | <u>\$ 154,525</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 MFT FUND
 Year Ended April 30, 2011

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|------------------------------------|--|---------------------|--------------------------------------|
| Revenues | | | |
| Other taxes | \$ 500,000 | \$ 591,569 | \$ 91,569 |
| Other revenue | - | 22,181 | 22,181 |
| Investment income | - | 88 | 88 |
| Total revenues | <u>500,000</u> | <u>613,838</u> | <u>113,838</u> |
| Expenditures | | | |
| Current | | | |
| Highway and street | <u>400,000</u> | <u>249,564</u> | <u>(150,436)</u> |
| Total expenditures | <u>400,000</u> | <u>249,564</u> | <u>(150,436)</u> |
| Net changes in fund balances | <u>\$ 100,000</u> | 364,274 | <u>\$ 264,274</u> |
| Fund balances at beginning of year | | <u>1,362,515</u> | |
| Fund balances at end of year | | <u>\$ 1,726,789</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 WEST MANNHEIM REDEVELOPING AREA TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 900,000 | \$ 742,568 | \$ (157,432) |
| Investment income | - | 2,543 | 2,543 |
| Total revenues | <u>900,000</u> | <u>745,111</u> | <u>(154,889)</u> |
| Expenditures | | | |
| Current | | | |
| General government | 30,000 | 18,586 | (11,414) |
| Community development | <u>927,000</u> | <u>119,645</u> | <u>(807,355)</u> |
| Total expenditures | <u>957,000</u> | <u>138,231</u> | <u>(818,769)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(57,000)</u> | <u>606,880</u> | <u>663,880</u> |
| Other financing sources (uses) | | | |
| Transfers out | - | <u>(667,060)</u> | <u>(667,060)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>(667,060)</u> | <u>(667,060)</u> |
| Net changes in fund balances | <u>\$ (57,000)</u> | <u>(60,180)</u> | <u>\$ (3,180)</u> |
| Fund balances at beginning of year | | <u>936,167</u> | |
| Fund balances at end of year | | <u>\$ 875,987</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 BELMONT/RIVER TIF FUND
 Year Ended April 30, 2011

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|------------------------------------|--|-------------------|--------------------------------------|
| Revenues | | | |
| Property taxes | \$ 91,237 | \$ - | \$ (91,237) |
| Investment income | 3 | - | (3) |
| Total revenues | <u>91,240</u> | <u>-</u> | <u>(91,240)</u> |
| Expenditures | | | |
| Current | | | |
| General government | - | 12,343 | 12,343 |
| Community development | 251 | 4,497 | 4,246 |
| Total expenditures | <u>251</u> | <u>16,840</u> | <u>16,589</u> |
| Net changes in fund balances | <u>\$ 90,989</u> | (16,840) | <u>\$ (107,829)</u> |
| Fund balances at beginning of year | | <u>259,300</u> | |
| Fund balances at end of year | | <u>\$ 242,460</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 MANNHEIM/GRAND TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 43 | \$ 43 |
| Total revenues | <u>-</u> | <u>43</u> | <u>43</u> |
| Expenditures | | | |
| Current | | | |
| General government | 90,000 | - | (90,000) |
| Community development | <u>85,000</u> | <u>37,185</u> | <u>(47,815)</u> |
| Total expenditures | <u>175,000</u> | <u>37,185</u> | <u>(137,815)</u> |
| Net changes in fund balances | <u>\$ (175,000)</u> | <u>(37,142)</u> | <u>\$ 137,858</u> |
| Fund balances at beginning of year | | <u>2,653,961</u> | |
| Fund balances at end of year | | <u>\$ 2,616,819</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 DOWNTOWN FRANKLIN AVENUE TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-----------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 380,000 | \$ 385,455 | \$ 5,455 |
| Investment income | - | 48 | 48 |
| Total revenues | <u>380,000</u> | <u>385,503</u> | <u>5,503</u> |
| Expenditures | | | |
| Current | | | |
| General government | 22,000 | 133,177 | 111,177 |
| Community development | 410,000 | 13,504 | (396,496) |
| Total expenditures | <u>432,000</u> | <u>146,681</u> | <u>(285,319)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(52,000)</u> | <u>238,822</u> | <u>290,822</u> |
| Other financing sources (uses) | | | |
| Transfers out | - | (332,748) | (332,748) |
| Total other financing sources (uses) | <u>-</u> | <u>(332,748)</u> | <u>(332,748)</u> |
| Net changes in fund balances | <u>\$ (52,000)</u> | (93,926) | <u>\$ (41,926)</u> |
| Fund balances at beginning of year | | <u>(2,064,075)</u> | |
| Fund balances at end of year | | <u>\$ (2,158,001)</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2011

| | Life/Fitness Reebie Storage TIF Fund | Waveland/ Mannheim TIF Fund | O'Hare East Industrial TIF Fund | Resurrection TIF Fund | Total |
|--|--|-----------------------------------|---------------------------------------|--------------------------|---------------------|
| Assets | | | | | |
| Cash | \$ 714,140 | \$ 938,384 | \$ 340,489 | \$ - | \$ 1,993,013 |
| Investments | - | - | - | 836,355 | 836,355 |
| Interfund receivable | 825,000 | - | - | - | 825,000 |
| Total assets | \$ 1,539,140 | \$ 938,384 | \$ 340,489 | \$ 836,355 | \$ 3,654,368 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ - | \$ 905,426 | \$ 905,426 |
| Accounts payable | 502 | 938,384 | 228,219 | 502 | 1,167,607 |
| Interfund payables | - | - | - | 1,121,383 | 1,121,383 |
| Total liabilities | 502 | 938,384 | 228,219 | 2,027,311 | 3,194,416 |
| Fund balances | | | | | |
| Reserved for interfunds | 825,000 | - | - | - | 825,000 |
| Reserved for debt service | 713,638 | - | 112,270 | - | 825,908 |
| Unreserved | - | - | - | (1,190,956) | (1,190,956) |
| Total fund balances | 1,538,638 | - | 112,270 | (1,190,956) | 459,952 |
| Total liabilities and fund balances | \$ 1,539,140 | \$ 938,384 | \$ 340,489 | \$ 836,355 | \$ 3,654,368 |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended April 30, 2011

| | Life/Fitness Reebie Storage TIF Fund | Waveland/ Mannheim TIF Fund | O'Hare East Industrial TIF Fund | Resurrection TIF Fund | Total |
|------------------------------------|--|-----------------------------------|---------------------------------------|--------------------------|-------------------|
| Revenues | | | | | |
| Property taxes | \$ 685,860 | \$ - | \$ - | \$ 696,826 | \$ 1,382,686 |
| Investment income | 58 | - | - | 52 | 110 |
| Miscellaneous revenue | - | - | - | 180 | 180 |
| Total revenues | <u>685,918</u> | <u>-</u> | <u>-</u> | <u>697,058</u> | <u>1,382,976</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | - | - | 227,717 | 212,558 | 440,275 |
| Community development | <u>250,865</u> | <u>-</u> | <u>10,021</u> | <u>2,067</u> | <u>262,953</u> |
| Total expenditures | <u>250,865</u> | <u>-</u> | <u>237,738</u> | <u>214,625</u> | <u>703,228</u> |
| Net changes in fund balances | <u>435,053</u> | <u>-</u> | <u>(237,738)</u> | <u>482,433</u> | <u>679,748</u> |
| Fund balances at beginning of year | <u>1,103,585</u> | <u>-</u> | <u>350,008</u> | <u>(1,673,389)</u> | <u>(219,796)</u> |
| Fund balances at end of year | <u>\$ 1,538,638</u> | <u>\$ -</u> | <u>\$ 112,270</u> | <u>\$ (1,190,956)</u> | <u>\$ 459,952</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 LIFE/FITNESS REEBIE STORAGE TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 710,000 | \$ 685,860 | \$ (24,140) |
| Investment income | - | 58 | 58 |
| Total revenues | <u>710,000</u> | <u>685,918</u> | <u>(24,082)</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,250 | - | (5,250) |
| Community development | <u>800,500</u> | <u>250,865</u> | <u>(549,635)</u> |
| Total expenditures | <u>805,750</u> | <u>250,865</u> | <u>(554,885)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(95,750)</u> | <u>435,053</u> | <u>530,803</u> |
| Net changes in fund balances | <u>\$ (95,750)</u> | 435,053 | <u>\$ 530,803</u> |
| Fund balances at beginning of year | | <u>1,103,585</u> | |
| Fund balances at end of year | | <u>\$ 1,538,638</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 O'HARE EAST INDUSTRIAL TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 450,000 | \$ - | \$ (450,000) |
| Total revenues | <u>450,000</u> | <u>-</u> | <u>(450,000)</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,250 | 227,717 | 222,467 |
| Community development | <u>440,000</u> | <u>10,021</u> | <u>(429,979)</u> |
| Total expenditures | <u>445,250</u> | <u>237,738</u> | <u>(207,512)</u> |
| Net changes in fund balances | <u>\$ 4,750</u> | (237,738) | <u>\$ (242,488)</u> |
| Fund balances at beginning of year | | <u>350,008</u> | |
| Fund balances at end of year | | <u>\$ 112,270</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 RESURRECTION TIF FUND
 Year Ended April 30, 2011

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|-----------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 696,826 | \$ 696,826 |
| Investment income | - | 52 | 52 |
| Miscellaneous revenue | - | 180 | 180 |
| Total revenues | <u>-</u> | <u>697,058</u> | <u>697,058</u> |
| Expenditures | | | |
| Current | | | |
| General government | 7,000 | 212,558 | 205,558 |
| Community development | 2,000 | 2,067 | 67 |
| Total expenditures | <u>9,000</u> | <u>214,625</u> | <u>205,625</u> |
| Net changes in fund balances | <u>\$ (9,000)</u> | 482,433 | <u>\$ 491,433</u> |
| Fund balances at beginning of year | | <u>(1,673,389)</u> | |
| Fund balances at end of year | | <u>\$ (1,190,956)</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL FUNDS
April 30, 2011

| | Seymour Avenue Capital Projects Fund | Special Service Area #4 Fund | Police Station Fund | Total |
|--|---|------------------------------------|---------------------------|-------------------|
| Assets | | | | |
| Cash | \$ 480,231 | \$ 313,589 | \$ - | \$ 793,820 |
| Total assets | <u>\$ 480,231</u> | <u>\$ 313,589</u> | <u>\$ -</u> | <u>\$ 793,820</u> |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ 82,530 | \$ 82,530 |
| Accounts payable | 1,138,499 | - | 12,033 | 1,150,532 |
| Total liabilities | <u>1,138,499</u> | <u>-</u> | <u>94,563</u> | <u>1,233,062</u> |
| Fund balances | | | | |
| Reserved for capital projects | | 313,589 | - | 313,589 |
| Unreserved | (658,268) | - | (94,563) | (752,831) |
| Total fund balances | <u>(658,268)</u> | <u>313,589</u> | <u>(94,563)</u> | <u>(439,242)</u> |
| Total liabilities and fund balances | <u>\$ 480,231</u> | <u>\$ 313,589</u> | <u>\$ -</u> | <u>\$ 793,820</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
Year Ended April 30, 2011

| | Seymour Avenue Capital Projects Fund | Special Service Area #4 Fund | Police Station Fund | Total |
|------------------------------------|---|------------------------------------|---------------------------|---------------------|
| Revenues | \$ - | \$ - | \$ - | \$ - |
| Expenditures | | | | |
| Current | | | | |
| General government | - | - | 30,230 | 30,230 |
| Debt service | | | | |
| Interest and other charges | - | - | 33,115 | 33,115 |
| Capital outlay | - | - | 31,218 | 31,218 |
| Total expenditures | <u>-</u> | <u>-</u> | <u>94,563</u> | <u>94,563</u> |
| Net changes in fund balances | - | - | (94,563) | (94,563) |
| Fund balances at beginning of year | <u>(658,268)</u> | <u>313,589</u> | <u>-</u> | <u>(344,679)</u> |
| Fund balances at end of year | <u>\$ (658,268)</u> | <u>\$ 313,589</u> | <u>\$ (94,563)</u> | <u>\$ (439,242)</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 April 30, 2011

| | Pension Trust Funds | | | Agency Funds | | |
|---|----------------------|----------------------------|----------------------|---------------------|-------------------------|-------------------|
| | Police Pension Fund | Firefighter's Pension Fund | Total | Village Escrow Fund | Special Assessment Fund | Total |
| Assets | | | | | | |
| Cash | \$ 7,512 | \$ 25,346 | \$ 32,858 | \$ 19,961 | \$ 331,489 | \$ 351,450 |
| Investments: | | | | | | |
| Certificates of deposit | 8,062,567 | - | 8,062,567 | - | - | - |
| State and local obligations | - | 924,610 | 924,610 | - | - | - |
| US government and agency obligations | 2,410,510 | 9,125,669 | 11,536,179 | - | - | - |
| US government backed securities | - | - | - | - | - | - |
| Insurance contracts | 7,566,503 | 5,451,778 | 13,018,281 | - | - | - |
| Equity securities | - | 1,823,775 | 1,823,775 | - | - | - |
| Equity mutual funds | 882,797 | 2,161,089 | 3,043,886 | - | - | - |
| Money market mutual funds | 1,260,220 | 1,212,469 | 2,472,689 | - | - | - |
| Accrued interest receivable | 42,857 | 70,268 | 113,125 | - | - | - |
| Other receivable | - | - | - | - | 419 | 419 |
| Due from village | 40,295 | 43,875 | 84,170 | - | - | - |
| Prepays | 1,449 | 1,305 | 2,754 | - | - | - |
| Total assets | 20,274,710 | 20,840,184 | 41,114,894 | \$ 19,961 | \$ 331,908 | \$ 351,869 |
| Liabilities | | | | | | |
| Accounts payable | 8,179 | 25,307 | 33,486 | \$ - | \$ - | \$ - |
| Deposits payable | - | 86,166 | 86,166 | 19,961 | 331,908 | 351,869 |
| Total liabilities | 8,179 | 111,473 | 119,652 | \$ 19,961 | \$ 331,908 | \$ 351,869 |
| Net assets | | | | | | |
| Held in trust for pension benefits and other purposes | 20,266,531 | 20,728,711 | 40,995,242 | | | |
| Total net assets | \$ 20,266,531 | \$ 20,728,711 | \$ 40,995,242 | | | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 Year Ended April 30, 2011

| | Police Pension Fund | Firefighter's Pension Fund | Total |
|--------------------------------|---------------------------|----------------------------------|----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 1,363,487 | \$ 1,393,248 | \$ 2,756,735 |
| Plan members | 340,609 | 281,870 | 622,479 |
| Total contributions | <u>1,704,096</u> | <u>1,675,118</u> | <u>3,379,214</u> |
| Net investment earnings | <u>1,602,800</u> | <u>1,936,831</u> | <u>3,539,631</u> |
| Total additions | <u>3,306,896</u> | <u>3,611,949</u> | <u>6,918,845</u> |
| Deductions | | | |
| Benefits | 2,049,089 | 2,003,916 | 4,053,005 |
| Administrative expenses | 53,437 | 38,273 | 91,710 |
| Total deductions | <u>2,102,526</u> | <u>2,042,189</u> | <u>4,144,715</u> |
| Change in net assets | 1,204,370 | 1,569,760 | 2,774,130 |
| Net assets - beginning of year | <u>19,062,161</u> | <u>19,158,951</u> | <u>38,221,112</u> |
| Net assets - end of year | <u>\$ 20,266,531</u> | <u>\$ 20,728,711</u> | <u>\$ 40,995,242</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended April 30, 2011

| | Balance May 1, 2010 | Additions | Deletions | Balance April 30, 2011 |
|--------------------------------|------------------------|-------------|-------------|---------------------------|
| Village Escrow Fund | | | | |
| Assets | | | | |
| Cash | \$ 19,961 | \$ - | \$ - | \$ 19,961 |
| Total assets | <u>\$ 19,961</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,961</u> |
| Liabilities | | | | |
| Deposits payable | \$ 19,961 | \$ - | \$ - | \$ 19,961 |
| Total liabilities | <u>\$ 19,961</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 19,961</u> |
| Special Assessment Fund | | | | |
| Assets | | | | |
| Cash | \$ 331,489 | \$ - | \$ - | \$ 331,489 |
| Other receivable | 419 | - | - | 419 |
| Total assets | <u>\$ 331,908</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 331,908</u> |
| Liabilities | | | | |
| Deposits payable | \$ 331,908 | \$ - | \$ - | \$ 331,908 |
| Total liabilities | <u>\$ 331,908</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 331,908</u> |

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INDEPENDENT ACCOUNTANTS' REPORT ON COMPLIANCE

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

We have examined the Village of Franklin Park, Illinois', (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2011. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

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

Our examination disclosed the following noncompliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act applicable to the Village during the year ended April 30, 2011. The Village incorrectly allocated administration fees to the TIF Funds.

In our opinion, except as discussed in the preceding paragraph, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2011.


Crowe Horwath LLP

Oak Brook, Illinois
October 27, 2011

STATISTICAL SECTION

The Village of Franklin Park, Illinois presents detailed information as a context for understanding what the information in the financial statements and note disclosures says about the Village's overall financial health.

| | | Tables |
|---------------------------------------|--|--------|
| 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. | 1-4 |
| Revenue Capacity | These schedules present information to help the reader assess the Village's significant revenue sources. | 3-10 |
| 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. | 11-14 |
| Demographics and Economic Information | These schedules offer demographic and economic indicators to help the reader understand the environment within the Village's financial activities take place. | 15-16 |
| 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. | 17-19 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
STATEMENT OF NET ASSETS BY COMPONENT
Last Eight Fiscal Years*

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Governmental activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 16,483,743 | \$ 14,701,902 | \$ 17,261,013 | \$ 19,206,616 | \$ 61,325,754 | \$ 19,588,142 | \$ 15,082,839 | \$ 12,991,451 |
| Restricted | 14,274,330 | 14,283,236 | 13,882,114 | 12,375,428 | 11,321,795 | 7,684,461 | 7,834,608 | 10,891,171 |
| Unrestricted | <u>(10,066,328)</u> | <u>(13,683,883)</u> | <u>(16,381,808)</u> | <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> |
| TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS | <u>\$ 20,691,745</u> | <u>\$ 15,301,255</u> | <u>\$ 14,761,319</u> | <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> |
| Business-type activities | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 4,947,892 | \$ 7,224,022 | \$ 8,019,305 | \$ 9,551,252 | \$ 11,046,893 | \$ 12,389,459 | \$ 15,183,634 | \$ 16,153,802 |
| Unrestricted | <u>4,434,414</u> | <u>3,239,941</u> | <u>5,394,736</u> | <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> |
| TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS | <u>\$ 9,382,306</u> | <u>\$ 10,463,963</u> | <u>\$ 13,414,041</u> | <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> |
| Primary government | | | | | | | | |
| Invested in capital assets, net of related debt | \$ 21,431,635 | \$ 21,925,924 | \$ 25,280,318 | \$ 28,757,868 | \$ 72,372,647 | \$ 31,977,601 | \$ 30,266,473 | \$ 29,145,253 |
| Restricted | 14,274,330 | 14,283,236 | 13,882,114 | 12,375,428 | 11,321,795 | 7,684,461 | 7,834,608 | 10,891,171 |
| Unrestricted | <u>(5,631,914)</u> | <u>(10,443,942)</u> | <u>(10,987,072)</u> | <u>(11,070,503)</u> | <u>(21,305,603)</u> | <u>(4,981,022)</u> | <u>(11,525,628)</u> | <u>(11,733,509)</u> |
| TOTAL PRIMARY GOVERNMENT | <u>\$ 30,074,051</u> | <u>\$ 25,765,218</u> | <u>\$ 28,175,360</u> | <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> |

*The Entity-Wide reporting provisions of GASB 34 were not adopted until fiscal 2004

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|---------------------|-----------------------|---------------------|-----------------------|-----------------------|------------------------|-----------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | |
| Program revenues | | | | | | | | |
| Charges for services | | | | | | | | |
| General government | \$ 502,751 | \$ 418,575 | \$ - | \$ - | \$ - | \$ 1,218,505 | \$ 897,771 | \$ 1,405,288 |
| Public safety | 59,393 | 140,687 | 510,064 | 587,716 | 471,531 | 1,514,648 | 2,276,909 | 1,642,993 |
| Public health | - | - | - | - | - | 810 | 514,558 | - |
| Community development | - | - | - | - | - | 25,550 | 22,828 | 12,530 |
| Building department | - | - | - | - | - | 1,284,125 | 686,919 | 616,082 |
| Operating grants | - | - | - | - | - | 172,272 | 216,352 | 457,595 |
| Capital grants | 1,662,330 | 5,439,305 | 1,001,949 | 188,208 | 454,417 | 3,418,615 | 209,896 | 1,082,446 |
| General revenues | | | | | | | | |
| Property taxes | 10,622,280 | 10,727,149 | 11,544,823 | 12,672,760 | 12,071,971 | 12,809,050 | 14,859,858 | 18,752,446 |
| Gain on sale of fixed assets | - | - | - | - | - | 109 | - | - |
| Replacement | 463,149 | 527,878 | 681,136 | 881,243 | 863,428 | 756,927 | 628,491 | 775,309 |
| Sales | 1,965,246 | 1,859,000 | 2,068,191 | 2,920,751 | 3,097,488 | 2,645,880 | 2,403,228 | 2,023,821 |
| Utility | 3,678,809 | 3,684,771 | 3,849,358 | 3,514,449 | 3,585,827 | 2,317,939 | 2,073,897 | 3,117,429 |
| Income | 1,176,139 | 1,418,566 | 1,339,730 | 1,619,459 | 2,024,807 | 1,679,644 | 1,474,908 | 1,510,967 |
| Hotel/Motel | 104,435 | 117,139 | 110,946 | 147,476 | 102,819 | 127,202 | 38,784 | 7,807 |
| Motor Fuel | 556,038 | 563,707 | 561,913 | 562,239 | 588,765 | 507,159 | 491,004 | 591,569 |
| Investment | 163,746 | 691,302 | 303,948 | 468,003 | 237,097 | 85,658 | 8,996 | 6,931 |
| Miscellaneous | 1,366,295 | 3,924,432 | 3,679,621 | 4,313,766 | 4,179,633 | 1,145,311 | 607,818 | 1,023,630 |
| Other | 4,429,519 | 337,640 | 732,013 | 362,507 | 514,649 | 1,879,467 | 1,299,815 | 279,561 |
| Transfers | - | - | (1,625,850) | (1,624,550) | (1,623,850) | - | - | 1,024,992 |
| Total revenues | <u>26,750,130</u> | <u>29,850,151</u> | <u>24,757,842</u> | <u>26,614,027</u> | <u>26,568,582</u> | <u>31,588,871</u> | <u>28,712,032</u> | <u>34,331,196</u> |
| Expenses | | | | | | | | |
| General government | 6,173,346 | 11,054,573 | 8,958,315 | 9,387,994 | 10,763,153 | 6,509,784 | 6,860,507 | 6,438,478 |
| Public safety | 11,245,991 | 11,565,461 | 10,977,811 | 12,312,699 | 11,930,231 | 14,826,648 | 14,836,168 | 14,706,048 |
| Highway and street | 7,808,221 | 8,831,506 | 3,697,522 | 5,043,274 | 8,305,525 | 17,334,095 | 7,812,070 | 6,486,425 |
| Public health | - | - | - | - | - | 1,733,755 | 1,827,272 | 281,856 |
| Community development | - | - | - | - | - | 1,777,725 | 2,272,932 | 841,746 |
| Building department | - | - | - | - | - | 992,053 | 998,682 | 1,020,662 |
| Interest on long-term debt | 1,058,012 | 1,140,499 | 2,091,943 | 4,072,132 | 2,877,136 | 707,371 | 1,518,439 | 1,378,233 |
| Transfers | - | 1,414,116 | - | - | - | - | - | - |
| Total expenses | <u>(26,285,570)</u> | <u>(34,006,155)</u> | <u>(25,725,591)</u> | <u>(30,816,099)</u> | <u>(33,876,045)</u> | <u>(43,881,431)</u> | <u>(36,126,070)</u> | <u>(31,153,448)</u> |
| INCREASE (DECREASE) IN NET ASSETS | <u>\$ 464,560</u> | <u>\$ (4,156,004)</u> | <u>\$ (967,749)</u> | <u>\$ (4,202,072)</u> | <u>\$ (7,307,463)</u> | <u>\$ (12,292,560)</u> | <u>\$ (7,414,038)</u> | <u>\$ 3,177,948</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|-----------------------|---------------------|---------------------|--------------------|---------------------|-----------------------|-----------------------|-----------------------|
| BUSINESS-TYPE ACTIVITIES | | | | | | | | |
| Program Revenues | | | | | | | | |
| Charges for Services | \$ 5,739,978 | \$ 6,050,875 | \$ 6,948,842 | \$ 5,830,298 | \$ 7,153,652 | \$ - | \$ - | \$ - |
| Water | - | - | - | - | - | 4,448,697 | 4,028,559 | 4,425,761 |
| Sewer | - | - | - | - | - | 2,525,090 | 2,141,395 | 2,358,732 |
| Commuter parking lot | - | - | - | - | - | 31,386 | 53,717 | 63,255 |
| Garbage | - | - | - | - | - | - | - | 1,454,099 |
| Capital grants | - | - | - | - | 565,305 | 590,000 | 30,204 | - |
| General Revenue | | | | | | | | |
| Unrestricted investment earnings | - | - | - | - | - | 29,339 | 8,255 | 2,498 |
| Gain on sale of fixed assets | - | - | - | - | - | 3,922 | - | - |
| Investment | 87,319 | 82,243 | 77,035 | 8,331 | 241,440 | - | - | - |
| Transfers | - | 1,414,116 | 1,625,850 | 1,624,550 | 1,623,850 | - | - | (1,024,992) |
| Other | - | - | - | - | - | 6,322 | 8,289 | 13,123 |
| Total revenues | <u>5,827,297</u> | <u>7,547,234</u> | <u>8,651,727</u> | <u>7,463,179</u> | <u>9,584,247</u> | <u>7,544,756</u> | <u>6,270,419</u> | <u>7,292,476</u> |
| Expenses | | | | | | | | |
| Water | - | - | - | - | - | 5,516,858 | 5,294,989 | 4,738,227 |
| Sewer | - | - | - | - | - | 3,218,477 | 2,374,980 | 2,296,739 |
| Commuter parking lot | - | - | - | - | - | 8,778 | 8,986 | 13,805 |
| Garbage | - | - | - | - | - | - | - | 1,694,191 |
| Enterprise | 11,172,420 | 6,465,577 | 6,946,966 | 7,373,674 | 6,657,868 | - | - | - |
| Total expenses | <u>(11,172,420)</u> | <u>(6,465,577)</u> | <u>(6,946,966)</u> | <u>(7,373,674)</u> | <u>(6,657,868)</u> | <u>(8,744,113)</u> | <u>(7,678,955)</u> | <u>(8,742,962)</u> |
| INCREASE (DECREASE) IN NET ASSETS | <u>\$ (5,345,123)</u> | <u>\$ 1,081,657</u> | <u>\$ 1,704,761</u> | <u>\$ 89,505</u> | <u>\$ 2,926,379</u> | <u>\$ (1,199,357)</u> | <u>\$ (1,408,536)</u> | <u>\$ (1,450,486)</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET ASSETS
Last Eight Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL NET ASSETS | | | | | | | | |
| Program revenues | | | | | | | | |
| Charges for services | | | | | | | | |
| General government | \$ 502,751 | \$ 418,575 | \$ - | \$ - | \$ - | \$ 1,218,505 | \$ 897,771 | \$ 1,405,288 |
| Public safety | 59,393 | 140,687 | 510,064 | 587,716 | 471,531 | 1,514,648 | 2,276,909 | 1,642,993 |
| Public health | - | - | - | - | - | 810 | 514,558 | - |
| Community development | - | - | - | - | - | 25,550 | 22,828 | 12,530 |
| Building department | - | - | - | - | - | 1,284,125 | 686,919 | 616,082 |
| Water | - | - | - | - | - | 4,448,697 | 4,028,559 | 4,425,761 |
| Sewer | - | - | - | - | - | 2,525,090 | 2,141,395 | 2,358,732 |
| Commuter parking lot | - | - | - | - | - | 31,386 | 53,717 | 63,255 |
| Garbage | - | - | - | - | - | - | - | 1,454,099 |
| Enterprise | 5,739,978 | 6,050,875 | 6,948,842 | 5,830,298 | 7,153,652 | - | - | - |
| Operating grants | - | - | - | - | - | 172,272 | 216,352 | 457,595 |
| Capital grants | 1,662,330 | 5,439,305 | 1,001,949 | 188,208 | 1,019,722 | 3,918,615 | 240,100 | 1,082,446 |
| General Revenues | | | | | | | | |
| Property taxes | 10,622,280 | 10,727,149 | 11,544,823 | 12,672,760 | 12,071,971 | 12,809,050 | 14,859,858 | 18,752,446 |
| Replacement | 463,149 | 527,878 | 681,136 | 881,243 | 863,428 | 756,927 | 628,491 | 775,309 |
| Sales | 1,965,246 | 1,859,000 | 2,068,191 | 2,920,751 | 3,097,488 | 2,645,880 | 2,403,228 | 2,023,821 |
| Utility | 3,678,809 | 3,684,771 | 3,849,358 | 3,514,449 | 3,585,827 | 2,317,939 | 2,073,897 | 3,117,429 |
| Income | 1,176,139 | 1,418,566 | 1,339,730 | 1,619,459 | 2,024,807 | 1,679,644 | 1,474,908 | 1,510,967 |
| Hotel/Motel | 104,435 | 117,139 | 110,946 | 147,476 | 102,819 | 127,202 | 38,784 | 7,807 |
| Motor Fuel | 556,038 | 563,707 | 561,913 | 562,239 | 588,765 | 507,159 | 491,004 | 591,569 |
| Investment | 251,065 | 773,545 | 380,983 | 476,334 | 478,537 | 85,658 | 8,996 | 6,931 |
| Unrestricted investment earnings | - | - | - | - | - | 29,339 | 8,255 | 2,498 |
| Gain on sale of fixed assets | - | - | - | - | - | 4,031 | - | - |
| Other | 4,429,519 | 337,640 | 732,013 | 362,507 | 514,649 | 1,885,789 | 1,308,104 | 292,684 |
| Miscellaneous | 1,366,295 | 3,924,432 | 3,679,621 | 4,313,766 | 4,179,633 | 1,145,311 | 607,818 | 1,023,630 |
| Transfers | - | 1,414,116 | - | - | - | - | - | - |
| Total revenues | <u>32,577,427</u> | <u>37,397,385</u> | <u>33,409,569</u> | <u>34,077,206</u> | <u>36,152,829</u> | <u>39,133,627</u> | <u>34,982,451</u> | <u>41,623,872</u> |
| General Expenses | | | | | | | | |
| General government | 6,173,346 | 11,054,573 | 8,958,315 | 9,387,994 | 10,763,153 | 6,509,784 | 6,860,507 | 6,438,478 |
| Public safety | 11,245,991 | 11,565,461 | 10,977,811 | 12,312,699 | 11,930,231 | 14,826,648 | 14,836,168 | 14,706,048 |
| Highway and street | 7,808,221 | 8,831,506 | 3,697,522 | 5,043,274 | 8,305,525 | 17,334,095 | 7,812,070 | 6,486,425 |
| Public Health | - | - | - | - | - | 1,733,755 | 1,827,272 | 281,856 |
| Community development | - | - | - | - | - | 1,777,725 | 2,272,932 | 841,746 |
| Building department | - | - | - | - | - | 992,053 | 998,682 | 1,020,662 |
| Interest-on long term debt | 1,058,012 | 1,140,499 | 2,091,943 | 4,072,132 | 2,877,136 | 707,371 | 1,518,439 | 1,378,233 |
| Water | - | - | - | - | - | 5,516,858 | 5,294,989 | 4,738,227 |
| Sewer | - | - | - | - | - | 3,218,477 | 2,374,980 | 2,296,739 |
| Commuter parking lot | - | - | - | - | - | 8,778 | 8,986 | 13,805 |
| Garbage | - | - | - | - | - | - | - | 1,694,191 |
| Enterprise | 11,172,420 | 6,465,577 | 6,946,966 | 7,373,674 | 6,657,868 | - | - | - |
| Transfers | - | 1,414,116 | - | - | - | - | - | - |
| Total expenses | <u>37,457,990</u> | <u>40,471,732</u> | <u>32,672,557</u> | <u>38,189,773</u> | <u>40,533,913</u> | <u>52,625,544</u> | <u>43,805,025</u> | <u>39,896,410</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
 CHANGES IN NET ASSETS
 Last Eight Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|----------------------------------|----------------|----------------|--------------|----------------|----------------|-----------------|----------------|--------------|
| INCREASE(DECREASE) IN NET ASSETS | \$ (4,880,563) | \$ (3,074,347) | \$ 737,012 | \$ (4,112,567) | \$ (4,381,084) | \$ (13,491,917) | \$ (8,822,574) | \$ 1,727,462 |
| NET (EXPENSE) REVENUE | | | | | | | | |
| Governmental Activities | \$ 464,560 | \$ (4,156,004) | \$ (967,749) | \$ (4,202,072) | \$ (7,307,463) | \$ (12,292,560) | \$ (7,414,038) | \$ 3,177,948 |
| Business Type Activities | (5,345,123) | 1,081,657 | 1,704,761 | 89,505 | 2,926,379 | (1,199,357) | (1,408,536) | (1,450,486) |
| TOTAL NET (EXPENSE) REVENUE | \$ (4,880,563) | \$ (3,074,347) | \$ 737,012 | \$ (4,112,567) | \$ (4,381,084) | \$ (13,491,917) | \$ (8,822,574) | \$ 1,727,462 |

*The Entity-Wide reporting provisions of GASB 34 were not adopted until fiscal 2004. Source: Village records.

VILLAGE OF FRANKLIN PARK, ILLINOIS
 GOVERNMENTAL FUND BALANCES
 Last Ten Fiscal Years

| Fiscal Year | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 |
|---|-----------------------------|----------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|-----------------------------|
| GENERAL FUND | | | | | | | | | | |
| Reserved | \$ 3,265,030 | \$ 2,111,119 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 568,500 | \$ 680,205 | \$ 1,365,205 |
| Unreserved | <u>3,634,712</u> | <u>910,615</u> | <u>2,189,420</u> | <u>(1,186,656)</u> | <u>(3,346,433)</u> | <u>(4,667,829)</u> | <u>(3,968,008)</u> | <u>(5,961,876)</u> | <u>(5,440,674)</u> | <u>1,645,502</u> |
| SUBTOTAL, GENERAL FUND | <u>\$ 6,899,742</u> | <u>\$ 3,021,734</u> | <u>\$ 2,189,420</u> | <u>\$ (1,186,656)</u> | <u>\$ (3,346,433)</u> | <u>\$ (4,667,829)</u> | <u>\$ (3,968,008)</u> | <u>\$ (5,393,376)</u> | <u>\$ (4,760,469)</u> | <u>\$ 3,010,707</u> |
| % Change from prior year | | -56.21% | -27.54% | -154.20% | -182.01% | -39.49% | 14.99% | -35.92% | 11.73% | 163.24% |
| ALL OTHER GOVERNMENT FUNDS | | | | | | | | | | |
| Reserved | \$ 1,418,081 | \$ 1,758,438 | \$ 1,786,874 | \$ 1,799,112 | \$ 2,188,536 | \$ 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 | - | - | 12,173,867 | 12,170,535 | 11,379,989 | 10,577,426 | 10,272,112 | - | - | - |
| Nonmajor Governmental Funds | <u>4,278,622</u> | <u>65,870</u> | <u>3,296,791</u> | <u>8,474,178</u> | <u>7,429,493</u> | <u>5,185,108</u> | <u>6,967,832</u> | <u>(3,969,602)</u> | <u>(5,864,787)</u> | <u>(4,006,035)</u> |
| SUBTOTAL, ALL OTHER GOVERNMENTAL FUNDS | <u>\$ 5,696,703</u> | <u>\$ 1,824,308</u> | <u>\$ 17,257,532</u> | <u>\$ 22,443,825</u> | <u>\$ 20,998,018</u> | <u>\$ 17,246,947</u> | <u>\$ 17,976,038</u> | <u>\$ 9,013,726</u> | <u>\$ 8,741,924</u> | <u>\$ 9,814,875</u> |
| % Change from prior year | \$ 2,089,456 | -67.98% | 845.98% | 30.05% | -6.44% | -17.86% | 4.23% | -49.86% | -3.02% | 12.27% |
| TOTAL GOVERNMENTAL FUNDS | <u>\$ 12,596,445</u> | <u>\$ 4,846,042</u> | <u>\$ 19,446,952</u> | <u>\$ 21,257,169</u> | <u>\$ 17,651,585</u> | <u>\$ 12,579,118</u> | <u>\$ 14,008,030</u> | <u>\$ 3,620,350</u> | <u>\$ 3,981,455</u> | <u>\$ 12,825,582</u> |
| % Change from prior year | | -61.53% | 301.30% | 9.31% | -16.96% | -28.74% | 11.36% | -74.16% | 9.97% | 222.13% |

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN FUND BALANCES
Last Eight Fiscal Years*

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|
| REVENUES | | | | | | | | |
| Property taxes | \$ 10,622,280 | \$ 10,727,149 | \$ 11,544,823 | \$ 12,672,760 | \$ 12,071,971 | \$ 12,809,050 | \$ 14,859,858 | 18,752,446 |
| Sales taxes | - | - | - | - | - | 2,645,880 | 2,403,228 | 2,023,821 |
| Income taxes | - | - | - | - | - | 1,679,644 | 1,474,908 | 1,510,967 |
| Utility taxes | - | - | - | - | - | 2,317,939 | 2,073,897 | 3,117,429 |
| Other taxes | 4,202,330 | 4,236,348 | 4,458,929 | 4,162,321 | 4,246,953 | 2,809,000 | 2,488,715 | 1,709,620 |
| Licenses, permits and fees | 934,175 | 1,015,377 | 1,254,868 | 2,034,139 | 1,268,940 | 1,905,453 | 1,255,180 | 1,295,823 |
| Grant revenue | - | - | - | - | - | 3,590,887 | 426,248 | 1,826,606 |
| Other revenue | - | - | - | - | - | 1,145,311 | 607,818 | 893,377 |
| Fines and forfeitures | 432,120 | 447,588 | 370,265 | 515,155 | 682,778 | 614,158 | 1,398,471 | 734,603 |
| Investment income | 163,746 | 337,640 | 303,948 | 468,003 | 237,097 | 85,658 | 8,996 | 6,931 |
| Charges for services | 562,144 | 559,262 | 510,064 | 587,716 | 471,531 | 1,524,027 | 1,745,334 | 1,359,902 |
| Intergovernmental | 4,401,245 | 4,626,015 | 4,884,388 | 6,235,875 | 6,906,299 | - | - | - |
| Fees, reimbursements, grants and misc | 5,432,090 | 7,900,772 | 3,016,253 | 1,735,794 | 2,503,047 | - | - | - |
| Total revenues | <u>26,750,130</u> | <u>29,850,151</u> | <u>26,343,538</u> | <u>28,411,763</u> | <u>28,388,616</u> | <u>31,127,007</u> | <u>28,742,653</u> | <u>33,231,525</u> |
| EXPENDITURES | | | | | | | | |
| General government | 11,130,439 | 9,079,826 | 11,132,434 | 11,580,026 | 10,677,279 | 5,777,737 | 6,289,821 | 6,121,843 |
| Public safety | 11,276,893 | 11,583,081 | 11,524,671 | 12,431,294 | 11,878,536 | 12,559,651 | 12,466,444 | 12,334,899 |
| Highway and street | 7,622,298 | 8,694,873 | 3,582,940 | 4,916,324 | 2,932,432 | 10,820,932 | 2,175,441 | 2,501,434 |
| Public Health | - | - | - | - | - | 1,713,128 | 1,805,671 | 255,172 |
| Community development | - | - | - | - | - | 1,757,058 | 2,946,157 | 800,946 |
| Building department | - | - | - | - | - | 869,230 | 858,240 | 785,341 |
| Debt service | | | | | | | | |
| Principal | 599,991 | 488,160 | 98,880 | 116,552 | 698,807 | 170,000 | 470,000 | 520,000 |
| Interest and other charges | 1,058,012 | 1,259,067 | 1,984,346 | 2,815,484 | 1,536,317 | 1,311,237 | 1,501,710 | 1,368,737 |
| Capital outlay | - | - | - | - | - | 4,913,958 | 1,093,348 | 2,462,715 |
| Total expenditures | <u>31,687,633</u> | <u>31,105,007</u> | <u>28,323,271</u> | <u>31,859,680</u> | <u>27,723,371</u> | <u>39,892,931</u> | <u>29,606,832</u> | <u>27,151,087</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(4,937,503)</u> | <u>(1,254,856)</u> | <u>(1,979,733)</u> | <u>(3,447,917)</u> | <u>665,245</u> | <u>(8,765,924)</u> | <u>(864,179)</u> | <u>6,080,438</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN FUND BALANCES
Last Eight Fiscal Years*

| | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| Bond proceeds | \$ 15,388,472 | \$ 4,468,882 | \$ - | \$ - | \$ 8,155,000 | \$ - | \$ - | \$ - |
| Bond Premium | - | - | - | - | 54,690 | - | - | - |
| Bond Issuance costs | - | - | - | - | (285,158) | - | - | - |
| Proceeds from capital lease | - | - | - | - | - | 267,271 | 92,889 | 175,000 |
| Proceeds from sale of fixed assets | - | - | - | - | - | 109 | 415,408 | - |
| Transfers in | - | - | - | - | - | - | 1,659,872 | 6,620,322 |
| Transfers out | - | (1,414,117) | (1,625,850) | (1,624,550) | (1,623,850) | - | (1,659,872) | (5,595,330) |
| Transfers of assets held for resale | - | - | - | - | - | (837,320) | - | - |
| Total other financing sources (uses) | <u>15,388,472</u> | <u>3,054,765</u> | <u>(1,625,850)</u> | <u>(1,624,550)</u> | <u>6,300,682</u> | <u>(569,940)</u> | <u>508,297</u> | <u>1,199,992</u> |
| Special Items | - | - | - | - | - | - | - | - |
| Purchase of property | - | - | - | - | (5,537,015) | - | - | - |
| NET CHANGES IN FUND BALANCES | <u>10,450,969</u> | <u>1,799,909</u> | <u>(3,605,583)</u> | <u>(5,072,467)</u> | <u>1,428,912</u> | <u>(9,335,864)</u> | <u>(355,882)</u> | <u>7,280,430</u> |
| FUND BALANCES, BEGINNING OF YEAR, RESTATED | <u>8,995,983</u> | <u>19,457,259</u> | <u>21,257,168</u> | <u>17,651,585</u> | <u>12,579,118</u> | <u>12,956,214</u> | <u>4,337,337</u> | <u>5,545,152</u> |
| FUND BALANCES, END OF YEAR | <u>\$ 19,446,952</u> | <u>\$ 21,257,168</u> | <u>\$ 17,651,585</u> | <u>\$ 12,579,118</u> | <u>\$ 14,008,030</u> | <u>\$ 3,620,350</u> | <u>\$ 3,981,455</u> | <u>\$ 12,825,582</u> |
| RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES | 5.52 | 5.95 | 7.94 | 10.14 | 8.77 | 4.42 | 7.43 | 8.28 |

Note: The Garbage Fund was reclassified from a special revenue fund to an enterprise fund in FY11.

Source: Village records

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> |
|-----------------|-----------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-----------------|-------------------------------|--------------------------|
| 2001 | \$ 167,559,841 | \$ 69,517,180 | \$ 433,048,508 | \$ 4,227,374 | \$ 674,352,903 | 1.272% | \$ 2,023,058,709 | 11.5% |
| 2002 | 180,432,801 | 73,623,815 | 455,928,229 | 5,443,854 | 715,428,699 | 1.225% | 2,146,286,097 | 6.1% |
| 2003 | 178,809,264 | 70,518,228 | 457,333,912 | 5,629,549 | 712,290,953 | 1.272% | 2,136,872,859 | -0.4% |
| 2004 | 209,025,308 | 82,187,269 | 497,460,641 | 6,481,108 | 795,154,326 | 1.170% | 2,385,462,978 | 11.6% |
| 2005 | 223,247,581 | 82,585,695 | 519,344,639 | 5,903,783 | 831,081,698 | 1.160% | 2,493,245,094 | 4.5% |
| 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 | 314,234,013 | 78,817,935 | 514,736,708 | 8,327,269 | 916,115,925 | 1.582% | 2,748,347,775 | -8.1% |
| 2010 | 237,545,123 | 82,906,086 | 516,164,672 | 6,298,942 | 842,914,823 | 1.702% | 2,528,744,469 | -8.0% |

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Calendar (Tax) Years

| Tax Levy Year | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Village Direct Rate | | | | | | | | | | |
| Corporate | 0.3936 | 0.4146 | 0.4159 | 0.3912 | 0.3442 | 0.3338 | 0.2859 | 0.2922 | 0.3827 | 0.3619 |
| Bond & Interest | 0.0141 | 0.0136 | 0.0147 | 0.0114 | 0.0106 | 0.0111 | 0.0093 | 0.0091 | 0.3945 | 0.3909 |
| Garbage | 0.1459 | 0.1644 | 0.1609 | 0.1280 | 0.1390 | 0.1253 | 0.1089 | 0.1219 | - | - |
| Police Pension | 0.1825 | 0.1411 | 0.1489 | 0.1218 | 0.1101 | 0.0924 | 0.0905 | 0.0880 | 0.1268 | 0.1431 |
| Fire Pension | 0.1176 | 0.1253 | 0.1322 | 0.1416 | 0.1286 | 0.1073 | 0.0921 | 0.0893 | 0.1286 | 0.1469 |
| IMRF | 0.0061 | 0.0013 | 0.0007 | 0.0008 | 0.0055 | 0.0072 | 0.0199 | 0.0176 | - | - |
| Street & Bridge | 0.0900 | 0.0943 | 0.0951 | 0.0894 | 0.0761 | 0.0763 | 0.0653 | 0.0667 | 0.0960 | 0.1000 |
| Fire Protection | 0.0675 | 0.0705 | 0.0713 | 0.0650 | 0.0580 | 0.1437 | 0.1118 | 0.1133 | 0.1631 | 0.2132 |
| Police Protection | 0.0675 | 0.0705 | 0.0713 | 0.0650 | 0.0580 | 0.1437 | 0.1118 | 0.1133 | 0.1631 | 0.2147 |
| Civil Defense | 0.0010 | 0.0009 | 0.0004 | 0.0008 | 0.0007 | 0.0006 | 0.0005 | 0.0005 | - | - |
| Social Security | 0.0300 | 0.0220 | 0.0231 | 0.0197 | 0.0408 | 0.0343 | 0.0201 | 0.0183 | - | - |
| Auditing | 0.0115 | 0.0108 | 0.0103 | 0.0095 | 0.0061 | 0.0043 | 0.0053 | 0.0056 | - | - |
| Liability Insurance | 0.0777 | 0.0432 | 0.0800 | 0.1074 | 0.1314 | 0.1102 | 0.1008 | 0.0880 | 0.1266 | 0.1307 |
| Street Lighting | 0.0378 | 0.0353 | 0.0289 | 0.0064 | 0.0392 | 0.0273 | 0.0308 | 0.0351 | - | - |
| Crossing Guards | 0.0133 | 0.0122 | 0.0126 | 0.0092 | 0.0080 | 0.0076 | 0.0057 | 0.0063 | - | - |
| Working Cash | 0.0154 | 0.0041 | 0.0051 | 0.0026 | 0.0028 | 0.0029 | 0.0325 | 0.0156 | - | - |
| <u>CBOE Medicare</u> | - | - | - | - | - | - | 0.0118 | 0.0137 | - | - |
| Total Direct Rate | 1.2715 | 1.2241 | 1.2714 | 1.1698 | 1.1591 | 1.2280 | 1.1030 | 1.0945 | 1.5814 | 1.7014 |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
PROPERTY TAX RATES - ALL DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Calendar (Tax) Years

| Tax Levy Year | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Overlapping Rates | | | | | | | | | | |
| Consolidated Elections | 0.032 | - | 0.029 | - | 0.014 | - | 0.012 | - | 0.021 | - |
| Cook County Forest Preserve District | 0.067 | 0.061 | 0.059 | 0.060 | 0.060 | 0.057 | 0.053 | 0.051 | 0.049 | 0.051 |
| County of Cook | 0.746 | 0.069 | 0.063 | 0.593 | 0.533 | 0.500 | 0.446 | 0.415 | 0.394 | 0.423 |
| Suburban Cook County TB Sanitarium District | 0.007 | 0.006 | 0.004 | 0.001 | 0.005 | 0.005 | - | - | - | - |
| Leyden Township Road & Bridge | 0.116 | 0.112 | 0.117 | 0.108 | 0.107 | 0.111 | 0.098 | 0.097 | 0.102 | 0.115 |
| Leyden Township General Assistance | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.004 | 0.003 | 0.003 | 0.003 | 0.004 |
| Leyden Township | 0.076 | 0.075 | 0.080 | 0.074 | 0.074 | 0.077 | 0.068 | 0.067 | 0.071 | 0.081 |
| Triton Community College District 504 | 0.306 | 0.257 | 0.269 | 0.259 | 0.233 | 0.240 | 0.224 | 0.212 | 0.214 | 0.225 |
| Community High School District 212 | 1.650 | 1.654 | 2.199 | 2.030 | 2.004 | 2.093 | 1.868 | 1.869 | 1.989 | 2.223 |
| School District 84 | 3.200 | 3.048 | 3.154 | 2.933 | 2.922 | 3.424 | 3.389 | 3.374 | 3.383 | 3.932 |
| Metropolitan Water Reclamation District | 0.401 | 0.371 | 0.361 | 0.347 | 0.315 | 0.284 | 0.263 | 0.252 | 0.261 | 0.274 |
| Franklin Park Public Library | 0.178 | 0.172 | 0.179 | 0.166 | 0.165 | 0.175 | 0.152 | 0.152 | 0.167 | 0.187 |
| <u>Franklin Park Park District</u> | <u>0.440</u> | <u>0.417</u> | <u>0.451</u> | <u>0.418</u> | <u>0.407</u> | <u>0.423</u> | <u>0.377</u> | <u>0.373</u> | <u>0.403</u> | <u>0.438</u> |
| | 8.495 | 7.470 | 8.240 | 8.163 | 8.002 | 8.621 | 8.056 | 7.960 | 8.638 | 9.654 |
| | 9.766 | 8.694 | 9.512 | 9.333 | 9.161 | 9.849 | 9.159 | 9.054 | 10.220 | 11.356 |

Note: Cook County changed the way it allocates property tax revenues in tax year 2009

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
 PRINCIPAL TAXPAYERS
 Calendar (Tax) Years 2009 and 2000

Tax Year 2009

| <u>Taxpayer</u> | <u>Business/Service</u> | <u>Equalized Assessed Valuation</u> | <u>% of EAV</u> |
|--------------------------------|---|-------------------------------------|-----------------|
| Albertsons* | Grocery Store & Distribution Center (Jewel) | \$ 7,417,493 | 0.811% |
| Centerpoint Properties* | Real Estate Investments | 7,293,961 | 0.797% |
| Franklin Partners* | Real Estate Investments | 3,776,171 | 0.413% |
| United States Tobacco* | Tobacco Products | 3,393,495 | 0.371% |
| Entropy Consortium | Real Estate Investments | 2,685,690 | 0.293% |
| Nestle USA* | Candy Manufacturer | 2,256,925 | 0.247% |
| Sloan Valve* | Flush Valve Manufacturer | 2,190,982 | 0.239% |
| Realty Associates Fund VIII | Real Estate Investments | 2,124,999 | 0.232% |
| Life Fitness* | Fitness Equipment | 1,829,466 | 0.200% |
| <u>AM Castle & Company</u> | <u>Metal Distribution/Processing</u> | <u>1,823,286</u> | <u>0.199%</u> |
| | | \$ 34,792,468 | 3.802% |

Tax Year 2000

| <u>Taxpayer</u> | <u>Business/Service</u> | <u>Equalized Assessed Valuation</u> | <u>% of EAV</u> |
|----------------------------|---|-------------------------------------|-----------------|
| Centerpoint Properties* | Real Estate Investments | \$ 8,636,597 | 1.427% |
| Albertsons* | Grocery Store & Distribution Center (Jewel) | 7,521,513 | 1.243% |
| Central Grocers Coop | Grocery Distribution | 6,164,131 | 1.019% |
| United States Tobacco* | Tobacco Products | 3,799,993 | 0.628% |
| Nestle USA* | Candy Manufacturer | 3,140,983 | 0.519% |
| The Legacy Group | Real Estate Investments | 2,757,364 | 0.456% |
| Sloan Valve* | Flush Valve Manufacturer | 2,751,470 | 0.455% |
| Franklin Partners* | Real Estate Investments | 2,428,058 | 0.401% |
| HSA Commercial Real Estate | Real Estate Investments | 2,307,206 | 0.381% |
| <u>Life Fitness*</u> | <u>Fitness Equipment</u> | <u>2,277,531</u> | <u>0.376%</u> |
| | | \$ 41,784,846 | 6.906% |

*Denotes those taxpayers appearing on both 2000 and 2009 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> |
|--------------------|-----------------------|---------------------|-------------------------|------------------------|
| 2002 | 2000-2001 | \$ 8,577,769 | \$ 8,521,769 | 99.35% |
| 2003 | 2001-2002 | 8,764,002 | 8,605,204 | 98.19% |
| 2004 | 2002-2003 | 9,060,341 | 8,988,185 | 99.20% |
| 2005 | 2003-2004 | 9,303,306 | 9,155,455 | 98.41% |
| 2006 | 2004-2005 | 9,640,548 | 9,596,451 | 99.54% |
| 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 | 2000-2010 | 14,346,410 | 15,664,822 | 109.19% |

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
 SALES TAX RECEIPT ANALYSIS BY SECTOR
 Last Ten Calendar Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Municipal Sales Tax | | | | | | | | | | |
| General Merchandise | 167,036 | 160,708 | 154,455 | 132,027 | 121,230 | 116,263 | 118,978 | 111,315 | 107,120 | 101,460 |
| Food | 428,409 | 400,587 | 354,958 | 331,400 | 344,072 | 345,713 | 347,827 | 342,977 | 305,796 | 293,895 |
| Drinking and Eating Places | 115,279 | 128,296 | 121,624 | 126,106 | 131,281 | 153,742 | 144,526 | 155,839 | 137,481 | 158,940 |
| Apparel | 6,368 | - | - | 5,960 | 7,178 | 8,857 | 11,614 | 10,119 | 10,152 | 10,725 |
| Furniture & H.H. & Radio | 31,622 | 29,434 | 23,154 | 23,330 | 31,181 | 39,293 | 57,535 | 30,963 | 200,074 | 392,483 |
| Lumber, Bldg, Hardware | 96,747 | 86,138 | 95,519 | 93,543 | 120,929 | 151,272 | 141,909 | 121,062 | 107,586 | 140,035 |
| Automotive & Filling Stations | 224,834 | 254,961 | 396,398 | 347,353 | 364,016 | 656,042 | 882,801 | 660,003 | 367,812 | 298,049 |
| Drugs & Misc. Retail | 242,683 | 220,309 | 205,374 | 197,147 | 226,813 | 236,786 | 250,925 | 374,365 | 354,649 | 239,827 |
| Agriculture & All Others | 575,997 | 536,651 | 458,228 | 440,580 | 516,403 | 730,571 | 766,316 | 905,352 | 604,012 | 414,891 |
| <u>Manufacturers</u> | <u>158,960</u> | <u>168,599</u> | <u>153,305</u> | <u>162,697</u> | <u>155,016</u> | <u>133,855</u> | <u>172,860</u> | <u>144,638</u> | <u>175,207</u> | <u>193,310</u> |
| | \$2,047,935 | \$1,985,683 | \$1,963,016 | \$1,860,143 | \$2,018,118 | \$2,572,394 | \$2,895,290 | \$2,856,633 | \$2,369,889 | \$2,243,613 |

Source: Illinois Department of Revenue

VILLAGE OF FRANKLIN PARK, ILLINOIS
 DIRECT AND OVERLAPPING SALES TAX RATES
 Last Ten Fiscal Years

| | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Direct | | | | | | | | | | |
| Village of Franklin Park | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 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% | 0.75% | 0.75% | 0.75% | 0.75% | 0.75% | 1.75% | 1.75% | 1.25% |
| <u>Regional Transportation Authority</u> | <u>0.75%</u> | <u>0.75%</u> | <u>0.75%</u> | <u>0.75%</u> | <u>0.75%</u> | <u>0.75%</u> | <u>1.00%</u> | <u>1.00%</u> | <u>1.00%</u> | <u>1.00%</u> |
| | 7.75% | 7.75% | 7.75% | 7.75% | 7.75% | 7.75% | 8.00% | 9.00% | 9.00% | 8.50% |

Source: Illinois Department of Revenue

VILLAGE OF FRANKLIN PARK, ILLINOIS
RATIO OF GENERAL OBLIGATION BONDED DEBT TO EQUALIZED ASSESSED VALUATION
AND GENERAL OBLIGATION BONDED DEBT PER CAPITA
Last Ten Fiscal Years

| <u>Fiscal Year</u> | <u>Estimated Population</u> | <u>Equalized Assessed Valuation (EAV)</u> | <u>General Obligation Bonded Debt</u> | <u>Illinois EPA Loans</u> | <u>Leases Payable</u> | <u>Net OPEB and Pension Obligations</u> | <u>Total Debt</u> | <u>Ratio of Total Debt to EAV</u> | <u>Total Personal Income</u> | <u>Total Debt Per Capita</u> | <u>Total Debt to Personal Income</u> |
|--------------------|-----------------------------|---|---------------------------------------|---------------------------|-----------------------|---|-------------------|-----------------------------------|------------------------------|------------------------------|--------------------------------------|
| 2002 | 19,507 | \$ 674,352,903 | \$ 23,500,000 | \$ 11,949,208 | \$ 184,317 | \$ - | \$ 35,633,525 | 5.3% | \$ 352,732,044 | 1,826.70 | 10.1% |
| 2003 | 19,360 | 715,428,699 | 22,410,000 | 11,329,039 | 131,166 | - | 33,870,205 | 4.7% | 357,855,915 | 1,749.49 | 9.5% |
| 2004 | 19,213 | 712,290,953 | 36,345,000 | 10,547,698 | 100,838 | - | 46,993,536 | 6.6% | 362,864,480 | 2,445.92 | 13.0% |
| 2005 | 19,067 | 795,154,326 | 39,745,000 | 10,247,811 | 721,136 | - | 50,713,947 | 6.4% | 367,756,033 | 2,659.78 | 13.8% |
| 2006 | 18,920 | 831,081,698 | 38,980,000 | 9,538,431 | 604,674 | - | 49,123,105 | 5.9% | 372,531,046 | 2,596.36 | 13.2% |
| 2007 | 18,773 | 820,400,746 | 39,045,000 | 8,807,916 | 488,234 | - | 48,341,150 | 5.9% | 377,189,120 | 2,575.04 | 12.8% |
| 2008 | 18,626 | 942,914,519 | 46,385,000 | 8,055,631 | 502,871 | - | 54,943,502 | 5.8% | 381,730,182 | 2,949.83 | 14.4% |
| 2009 | 18,480 | 996,409,963 | 47,203,591 | 7,280,921 | 649,490 | 3,209,989 | 58,343,991 | 5.9% | 386,135,606 | 3,157.14 | 15.1% |
| 2010 | 18,333 | 916,115,925 | 45,839,785 | 6,483,112 | 1,102,840 | 6,608,099 | 60,033,836 | 6.6% | 390,463,920 | 3,274.63 | 15.4% |
| 2011 | 18,333 | 842,914,823 | 44,391,617 | 5,661,510 | 975,834 | 8,589,349 | 59,618,310 | 7.1% | 387,357,957 | 3,251.97 | 15.4% |

VILLAGE OF FRANKLIN PARK, ILLINOIS
 SCHEDULE OF BONDED DEBT RETIREMENT
 At April 30, 2011

| Payment Year | Amortization | Percent Retired | |
|--------------|----------------------|-----------------|--------------|
| | | Annually | Cumulatively |
| 2011 | 1,610,000 | 3.76% | 3.76% |
| 2012 | 1,765,000 | 4.12% | 7.89% |
| 2013 | 1,795,000 | 4.19% | 12.08% |
| 2014 | 1,875,000 | 4.38% | 16.46% |
| 2015 | 2,050,000 | 4.79% | 21.25% |
| 2016 | 2,185,000 | 5.11% | 26.36% |
| 2017 | 2,290,000 | 5.35% | 31.71% |
| 2018 | 2,490,000 | 5.82% | 37.52% |
| 2019 | 2,645,000 | 6.18% | 43.70% |
| 2020 | 2,770,000 | 6.47% | 50.18% |
| 2021 | 3,005,000 | 7.02% | 57.20% |
| 2022 | 2,365,000 | 5.53% | 62.72% |
| 2023 | 1,400,000 | 3.27% | 65.99% |
| 2024 | 1,470,000 | 3.43% | 69.43% |
| 2025 | 1,070,000 | 2.50% | 71.93% |
| 2026 | 1,110,000 | 2.59% | 74.52% |
| 2027 | 1,160,000 | 2.71% | 77.23% |
| 2028 | 1,205,000 | 2.82% | 80.05% |
| 2029 | 1,255,000 | 2.93% | 82.98% |
| 2030 | 1,310,000 | 3.06% | 86.04% |
| 2031 | 1,385,000 | 3.24% | 89.28% |
| 2032 | 1,455,000 | 3.40% | 92.68% |
| 2033 | 1,530,000 | 3.57% | 96.25% |
| 2034 | 1,605,000 | 3.75% | 100.00% |
| | \$ 42,800,000 | | |

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
SCHEDULE OF DIRECT AND OVERLAPPING DEBT
At September 1, 2011

| <u>Government</u> | General Obligation <u>Bonded Debt</u> | Percentage Applicable to the Village of <u>Franklin Park</u> | Village of Franklin Park <u>Share of Debt</u> |
|---|--|--|--|
| <u>Direct Debt</u> | | | |
| <u>Village of Franklin Park</u> | \$ 41,650,000 | 100.00% | \$ 41,650,000 |
| <u>Total Direct Debt</u> | | | <u>41,650,000</u> |
| <u>Overlapping Debt</u> | | | |
| Cook County | 3,080,770,000 | 0.51% | 15,711,927 |
| School District 83 | 32,930,000 | 47.07% | 15,500,151 |
| Metropolitan Water Reclamation District | 1,964,289,000 | 0.52% | 10,214,303 |
| School District 84 | 9,329,859 | 91.84% | 8,568,543 |
| High School District 212 | 15,767,742 | 34.02% | 5,364,186 |
| School District 81 | 26,781,431 | 8.44% | 2,260,353 |
| Franklin Park Park District | 885,000 | 98.90% | 875,265 |
| Veterans Park District | 5,145,000 | 14.55% | 748,598 |
| Cook County Forest Preserve District | 108,665,000 | 0.51% | 554,192 |
| School District 84-5 | 5,005,000 | 7.06% | 353,353 |
| Bensenville Park District | 6,677,190 | 3.18% | 212,335 |
| Northlake Public Library District | 7,950,000 | 1.45% | 115,275 |
| <u>Leyden Township Fire Protection District</u> | <u>624,375</u> | <u>6.43%</u> | <u>40,147</u> |
| <u>Total Overlapping Debt</u> | | | <u>60,518,626</u> |
| Total Direct and Overlapping Debt | | | \$ <u>102,168,626</u> |

Note: Information as of April 30, 2011 not available. Overlapping debt computed by taking the percentage of Village property in the overlapping District against the total area of the overlapping district.

VILLAGE OF FRANKLIN PARK, ILLINOIS
DEBT LIMIT
At April 30, 2011

| | | |
|---|-----------|-------------------|
| Tax Year 2010 Estimated Market Valuation | \$ | 2,745,265,638 |
| Tax Year 2010 Equalized Assessed Valuation | \$ | 916,889,459 |
| <u>Debt Limit Percentage</u> | | <u>8.625%</u> |
| Current Debt Limit | \$ | 79,081,716 |
| Outstanding General Obligation Bonds | \$ | 160,000 |
| <u>Outstanding Alternate Revenue Bonds*</u> | | <u>42,640,000</u> |
| Total Direct Debt | \$ | 42,800,000 |
| Less Debt Not Subject to Debt Limit | | 42,640,000 |
| Debt Subject to Debt Limit | | 160,000 |
| Debt Margin | \$ | 78,921,716 |

*Alternate revenue bonds are excluded from statutory limits on indebtedness

VILLAGE OF FRANKLIN PARK, ILLINOIS
 DEMOGRAPHIC STATISTICS
 Last Ten Calendar Years

| Calendar Year | Estimated Population | Estimated Per Capita Income | School Enrollment | Annual Average Unemployment Rate | Estimated Median Household Income | Estimated Median Age | Estimated College Graduation % |
|---------------|----------------------|-----------------------------|-------------------|----------------------------------|-----------------------------------|----------------------|--------------------------------|
| 2001 | 19,653 | 17,948 | 1,323 | 7.4% | 47,913 | 34.1 | 11.6% |
| 2002 | 19,507 | 18,345 | 1,349 | 9.0% | 49,138 | 34.3 | 11.8% |
| 2003 | 19,360 | 18,743 | 1,368 | 9.2% | 50,364 | 34.5 | 12.1% |
| 2004 | 19,213 | 19,141 | 1,435 | 8.5% | 51,589 | 34.7 | 12.3% |
| 2005 | 19,067 | 19,538 | 1,389 | 8.2% | 52,814 | 34.9 | 12.6% |
| 2006 | 18,920 | 19,936 | 1,349 | 6.2% | 54,039 | 35.1 | 12.8% |
| 2007 | 18,773 | 20,334 | 1,351 | 6.9% | 55,265 | 35.3 | 13.1% |
| 2008 | 18,626 | 20,731 | 1,327 | 8.6% | 56,490 | 35.5 | 13.3% |
| 2009 | 18,480 | 21,129 | 1,325 | 13.8% | 57,715 | 35.7 | 13.6% |
| 2010 | 18,333 | 21,129 | 1,328 | 14.1% | 57,715 | 35.7 | 13.6% |

Note:

Estimated Population based on "stepped down" census data for 2000 and 2010

Estimated Per Capita Income, Estimated Median Household Income, Estimated Median Age, and Estimated College Graduate % based on American FactFinder data for 2000 and American Community Survey five year estimates for 2005-2009 transitioned from data end points of 2000 and 2009. 2010 census data for these categories not yet available.

School Enrollment is based on Illinois School Districts 84 and 212

VILLAGE OF FRANKLIN PARK, ILLINOIS
 MAJOR EMPLOYERS LOCATED WITHIN VILLAGE LIMITS
 Calendar Years 2010 and 2001

2010

| <u>Company</u> | <u>Business</u> | <u>Employment</u> |
|--|--|-------------------|
| Hill Mechanical Group | Plumbing, piping and refrigeration contractors | 900 |
| Canadian Pacific Railway | Railroad yard | 800 |
| Sloan Valve Company | Flush valves. Faucets, shower heads and had dryers | 750 |
| Nestle USA Confections & Snacks Division | Candy and confectionary | 750 |
| United Parcel Service | Courier service | 600 |
| Fresh Express Corporation | Produce processing | 557 |
| Transilwrap Company, Inc. | Plastic extrusion, coating and laminating film | 550 |
| Bretford, Inc. | Office furniture | 500 |
| DHL Global Forwarding | International Freight Consolidation | 450 |
| Life Fitness, Inc. | Fitness equipment | 450 |

2001

| <u>Company</u> | <u>Business</u> | <u>Employment</u> |
|--|--|-------------------|
| ESNA Industrial | Bolts, nuts, rivets and washer | 2,000 |
| Ekco Houewares, Inc. | Non-electrical household products distribution | 1,000 |
| Nestle USA Confections & Snacks Division | Candy and confectionary | 900 |
| Canadian Pacific Railway | Railroad yard | 850 |
| Sloan Valve Company | Flush valves, faucets, shower heads and had dryers | 750 |
| Werner Company | Aluminum, fiberglass and wooden ladders | 750 |
| Bretford, Inc. | Office furniture | 700 |
| Transilwrap Company, Inc. | Plastic extrusion, coating and laminating film | 700 |
| Life Fitness, Inc. | Fitness equipment | 600 |
| Redi-Cut Foods, Inc. | Produce processing | 600 |

Source: Illinois Manufacturers Directory and Illinois Services Directory

VILLAGE OF FRANKLIN PARK, ILLINOIS
 OPERATING INFORMATION AND INDICATORS
 Last Ten Calendar Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIRE PROTECTION | | | | | | | | | | |
| Fire responses | 201 | 149 | 212 | 160 | 184 | 203 | 203 | 156 | 130 | 116 |
| Rescue/emergency responses | 1,871 | 1,754 | 1,756 | 1,692 | 1,742 | 1,787 | 1,742 | 1,744 | 1,591 | 1,523 |
| Other incidents | 1,250 | 1,062 | 1,335 | 1,290 | 1,465 | 1,485 | 1,698 | 1,539 | 1,013 | 1,377 |
| Injuries/fatalities | 21 | 18 | 10 | 21 | 24 | 12 | 12 | 58 | 5 | 8 |
| Mutual aid given | 369 | 388 | 352 | 347 | 332 | 373 | 374 | 397 | 330 | 289 |
| Mutual aid received | 468 | 315 | 532 | 447 | 246 | 244 | 239 | 330 | 221 | 327 |
| POLICE PROTECTION | | | | | | | | | | |
| Parking violations | 8,664 | 7,565 | 9,269 | 7,340 | 6,246 | 7,125 | 7,193 | 5,695 | 8,499 | 9,914 |
| Traffic citations | 4,997 | 5,404 | 5,358 | 5,832 | 5,565 | 4,680 | 3,668 | 4,027 | 4,528 | 3,422 |
| Arrests | N/A | N/A | N/A | N/A | N/A | N/A | N/A | 1,274 | 1,147 | 741 |
| MUNICIPAL WATER SYSTEM | | | | | | | | | | |
| Water/Sewer Customers, Residential | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 | 4,709 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
CAPITAL ASSET STATISTICS
Last Ten Calendar Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIRE PROTECTION | | | | | | | | | | |
| Number of stations | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fire fighting vehicles | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 5 |
| Ambulances | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 1 |
| POLICE PROTECTION | | | | | | | | | | |
| Number of stations | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Vehicles | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| PUBLIC WORKS | | | | | | | | | | |
| Streets, miles | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 | 75.0 | 74.2 | 74.2 | 74.8 | 75.0 |
| Alleys, miles | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 | 18.9 |
| Vehicles | 28 | 31 | 31 | 29 | 30 | 28 | 26 | 24 | 25 | 27 |
| MUNICIPAL WATER SYSTEM | | | | | | | | | | |
| Sanitary sewer pipe, miles | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 | 35.5 |
| CSO/storm sewer pipe, miles | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 | 65.5 |
| 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 | 8 | 8 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Number of fire hydrants | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 |
| Vehicles | 12 | 10 | 11 | 9 | 9 | 8 | 9 | 9 | 9 | 9 |

Source: Village Records

VILLAGE OF FRANKLIN PARK, ILLINOIS
 FULL TIME EQUIVALENT EMPLOYEES
 Last Ten Calendar Years

| | <u>2001</u> | <u>2002</u> | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIRE PROTECTION | | | | | | | | | | |
| Sworn personnel | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 46 | 44 | 42 |
| Civilian personnel | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.5 |
| POLICE PROTECTION | | | | | | | | | | |
| Sworn personnel | 53 | 53 | 53 | 53 | 53 | 52 | 51 | 51 | 49 | 49 |
| Civilian personnel | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 6 | 5 | 5 |
| PUBLIC WORKS | | | | | | | | | | |
| Supervisory personnel | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Non-supervisory personnel | 17.0 | 15.0 | 16.0 | 16.0 | 16.0 | 14.0 | 15.0 | 13.0 | 11.5 | 10.5 |
| MUNICIPAL WATER SYSTEM | | | | | | | | | | |
| Supervisory personnel | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Non-supervisory personnel | 10 | 10 | 10 | 9 | 11 | 9 | 9 | 10 | 9 | 8 |

Source: Village Records