

Village of Franklin Park, Illinois
Comprehensive Annual Financial Report
Year Ended April 30, 2013



VILLAGE OF FRANKLIN PARK, ILLINOIS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended April 30, 2013

Prepared By:
Finance Department
Ron Heller – Comptroller

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2013

CONTENTS

INTRODUCTORY SECTION (UNAUDITED)

| | |
|---|-----|
| Letter of Transmittal..... | i |
| Organizational Chart..... | v |
| Principal Officials | vi |
| Certificate of Achievement for Excellence in Financial Reporting..... | vii |

FINANCIAL SECTION:

| | |
|-----------------------------------|---|
| Independent Auditor's Report..... | 1 |
|-----------------------------------|---|

REQUIRED SUPPLEMENTARY INFORMATION

| | |
|--|---|
| Management's Discussion and Analysis | 4 |
|--|---|

Basic Financial Statements

Government-Wide Financial Statements:

| | |
|--------------------------------|----|
| Statement of Net Position..... | 20 |
| Statement of Activities | 21 |

Fund Financial Statements:

| | |
|--|----|
| Balance Sheet – Governmental Funds | 22 |
| Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position..... | 23 |
| Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds..... | 24 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities | 25 |
| Statement of Net Position - Proprietary Funds..... | 26 |
| Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds | 27 |
| Statement of Cash Flows – Proprietary Funds..... | 28 |
| Statement of Fiduciary Net Position – Fiduciary Funds | 29 |
| Statement of Changes in Fiduciary Net Position – Fiduciary Funds..... | 30 |

| | |
|-------------------------------------|----|
| Notes to Financial Statements | 31 |
|-------------------------------------|----|

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2013

CONTENTS

FINANCIAL SECTION (Continued):

REQUIRED SUPPLEMENTARY INFORMATION:

| | |
|---|----|
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – General Corporate Fund | 67 |
| Notes to Required Supplementary Information..... | 68 |
| Schedules of Funding Progress..... | 69 |
| Schedules of Employer Contributions..... | 70 |

Supplementary Information

| | |
|---|----|
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Corporate Bond and Interest Fund..... | 71 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Police Station Fund | 72 |
| Combining Balance Sheet – Nonmajor Governmental Funds..... | 73 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds..... | 74 |
| Combining Balance Sheet – Nonmajor Special Revenue Funds | 75 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds | 77 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – 911 Emergency Surcharge Tax Fund | 79 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – MFT Fund | 80 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – West Mannheim Redeveloping Area TIF Fund..... | 81 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Belmont/River TIF Fund | 82 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2013

CONTENTS

FINANCIAL SECTION (Continued):

| | |
|--|----|
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Mannheim/Grand TIF Fund | 83 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Downtown Franklin Avenue TIF Fund..... | 84 |
| Combining Balance Sheet – Nonmajor Debt Service Funds | 85 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Debt Service Funds..... | 86 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Life/Fitness Reebie Storage TIF Fund | 87 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – O’Hare East Industrial TIF Fund..... | 88 |
| Budgetary Comparison Schedule: Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual – Resurrection TIF Fund | 89 |
| Combining Balance Sheet – Nonmajor Capital Project Fund | 90 |
| Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Fund..... | 91 |
| Combining Statement of Fiduciary Net Position – Fiduciary Funds | 92 |
| Combining Statement of Changes in Fiduciary Net Position – Fiduciary Funds..... | 93 |
| Schedule Changes in Assets and Liabilities – Agency Funds | 94 |
| Independent Accountant’s Report on Compliance | 95 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
Year Ended April 30, 2013

CONTENTS

STATISTICAL SECTION (UNAUDITED)

| | |
|--|-----|
| Statement of Net Position by Component – Last Ten Fiscal Years | 96 |
| Changes in Net Position – Last Ten Fiscal Years | 97 |
| Governmental Fund Balances – Last Ten Fiscal Years | 101 |
| Changes in Fund Balances – Last Ten Fiscal Years | 102 |
| Assessed Value and Actual Value of Taxable Property – Last Ten Calendar (Tax) Years..... | 104 |
| Property Tax Rates – All Direct and Overlapping Governments – Last Ten Calendar (Tax) Years | 105 |
| Principal Tax Payers – Calendar (Tax) Years 2012 and 2003 | 107 |
| Property Tax Levies and Collections – Last Ten Fiscal Years..... | 108 |
| Sales Tax Receipt Analysis by Sector – Last Ten Calendar Years | 109 |
| Direct and Overlapping Sales Tax Rates – Last Ten Fiscal Years | 110 |
| Ratio of Net Bonded Debt to Estimated Actual Value of Taxable Property and of Total Long Term Debt to Personal Income and Total Debt Per Capital – Last Ten Fiscal Years | 111 |
| Schedule of Bonded Debt Retirement | 112 |
| Schedule of Direct and Overlapping Debt | 113 |
| Debt Limit | 114 |
| Demographic Statistics | 115 |
| Major Employers Located Within Village Limits | 116 |
| Operating Information and Indicators | 117 |
| Capital Asset Statistics | 118 |
| Full Time Equivalent Employees | 119 |

INTRODUCTORY SECTION



January 31, 2014

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. We are, with the publication of this Report, in full compliance with all applicable laws and regulations.

This is the Village's third Comprehensive Annual Financial Report ("CAFR"), and like its predecessors, it is being submitted to the Government Finance Officers Association ("GFOA") for consideration under its prestigious *Certificate of Achievement for Excellence in Financial Reporting* program. We were both pleased and gratified to have earned this award with our first two CAFRs. Simply put, it means that we have achieved ". . . the highest standards in government accounting and financial reporting."

This CAFR consists of three major sections:

- **Introductory:** This contains a listing of principal Village officials, an organization chart, our previous award from the GFOA and this letter of transmittal.
- **Financial:** This section contains the auditor's opinion, Management's Discussion and Analysis, the Village's basic financial statements and required supplementary information.
- **Statistical:** 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*.

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, 2013. 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 and complements this letter of transmittal. Thus this letter and MD&A should be read and considered together.

VILLAGE GOVERNMENT PROFILE

General Description

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

Form of Government

The Village operates under a Mayor/Village Board form of government in which the Village President, or Mayor, presides over a six member Board of Trustees. The Mayor and Board of Trustees determine the compensation of all the Village officers and employees, levy taxes, license businesses, appropriate funds, borrow money, and otherwise make all decisions relating to the finances and general affairs of the Village.

The Mayor is also the Chief Executive Officer of the Village and possesses the power to appoint officers and to veto ordinances, resolutions and any expenditure. The Village Clerk is the administrative official responsible for daily operations in the Village Hall. The Mayor, Village Clerk and Trustees are elected at large to four year-terms.

Village Services

The Village provides the following services: public safety (consisting of police, fire and emergency medical transportation), highways and streets, sanitation, health and social services, public improvement, planning and zoning, and general administrative services. Police protection is provided by the Village's police department. Paramedic and fire protection is provided by the Village's fire department. The Village currently employs approximately 140 full-time employees.

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

Budgeting

The annual appropriation ordinance is the legal document under which Village resources are generated and expended. This document is based on an annual budget, which is developed at the department level, reviewed by administration and then becomes the subject of public hearings by the full Board and/or the 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 financial 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 59.2% of the Village's Equalized Assessed Value ("EAV"). When combined with commercial and railroad property, the three classes have averaged 69.8% of the Villages EAV over the same period. Of some note, 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 cyclicalities 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, and though the past several years have been difficult, some encouraging economic signs have appeared. Per capita and median household income have both begun to recover; increasing 7.1% and 3.1%, respectively, from calendar year 2011. Unemployment also has fallen two percentage points from its 14.1% high of 2010.

Village Finances

Despite the poor economy, its effect on our residents and its constraints on economically sensitive revenues such as sales and income taxes and building permits, in FY13 the Village's general fund balance fell by \$95 thousand, but remains strong and stable at approximately 19.1% of general fund expenditures; this, after achieving in FY11 a positive general fund balance for the first time since FY04.

Though facing significant challenges, the Village's financial picture has indeed improved over the past three years. These gains are due to a number of actions taken by the new administration since assuming office at FY09 year end. These include revenue enhancement (such as refuse collection, vehicle registration and the non-abatement of three property tax levies), and expenditure reductions (mostly in payroll and benefits), which 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.

Having accomplished these goals, management has now turned its attention to the Village's considerable infrastructure needs. Village roads are in need of repair; water system components, particularly several storage facilities, must be renewed; and large portions of both the Village's storm and sanitary sewer systems are in need of replacement. These needs are both pressing and costly, and the Village has begun working on a strategy to meet them while preserving its financial stability.

Additionally, rapidly and ever increasing pension funding requirements are beginning to seriously strain Village finances, as these demands are met with a legally constrained tax levy that also supports Village operations and thus constrains these operations.

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 management 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 FY13, 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 Lovinelli, Police Chief Michael Witz, Utilities Commissioner Joseph Lauro, Community Development Director John Schneider, Village Clerk Tommy Thomson and IT Director Dennis Wagner. Additionally, consultant Rob Romo and financial intern Thomas Gols were invaluable in this process.

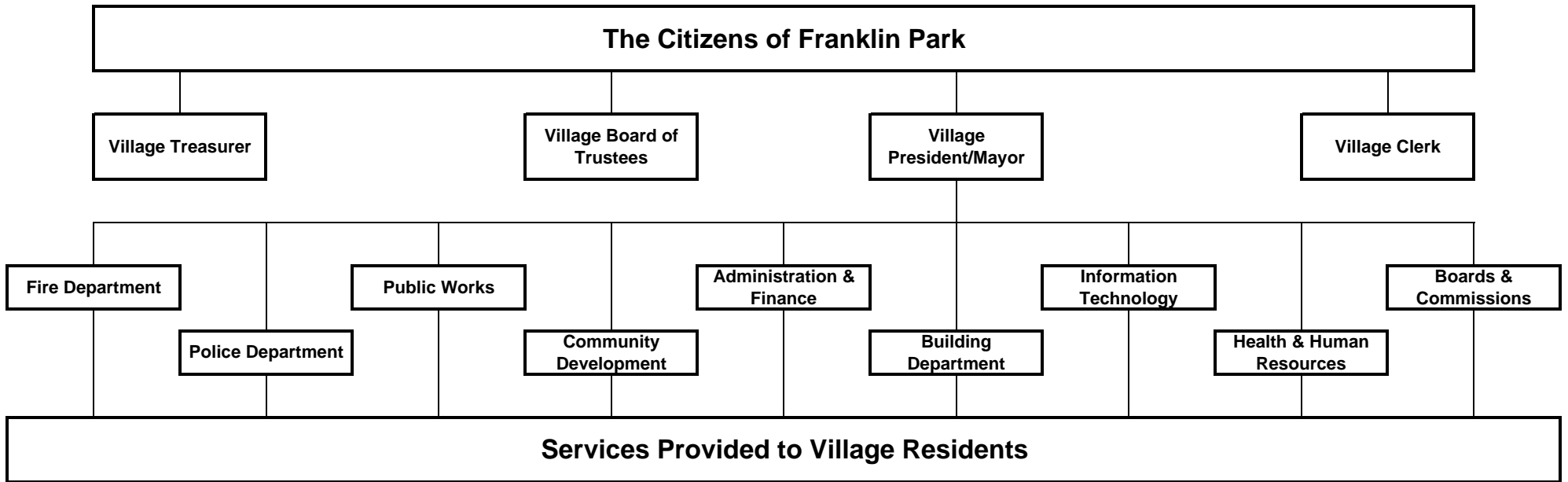
Finally, the financial results achieved this past year would not have been possible without the leadership of Village President Barrett Pedersen and the Village Trustees who collectively have chosen a direction that has allowed these achievements.

Respectfully submitted



Ronald I. Heller
Village Comptroller

Village of Franklin Park, Illinois
Organizational Chart



PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2013

BOARD OF TRUSTEES

| <u>Name</u> | <u>Position</u> | <u>Term Ends</u> |
|---------------------|-----------------|------------------|
| Barrett F. Pedersen | President | 2017 |
| Tommy Thomson | Clerk | 2017 |
| Karen Special | Trustee | 2017 |
| John Johnson | Trustee | 2017 |
| Cheryl McLean | Trustee | 2015 |
| Randy Petersen | Trustee | 2015 |
| Andy Ybarra | Trustee | 2017 |
| Bill Ruhl | Trustee | 2015 |

VILLAGE DEPARTMENT HEADS

| | |
|-----------------|--|
| Lisa Anthony | Health Department |
| John Schneider | Community and Economic Development Department |
| Carmen Cupello | 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



Government Finance Officers Association

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

Presented to

**Village of Franklin Park
Illinois**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

April 30, 2012

Executive Director/CEO

FINANCIAL SECTION

BASIC FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, 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, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represents 100 percent and 100 percent, respectively, of the assets, additions and deductions of the Pension Trust Funds for the year then ended. Those 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 Firefighter's 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 financial statements are free from 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of the 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement 63 is effective for the Village's fiscal year ending April 30, 2013. The Village has implemented this statement retroactively for their fiscal year ended April 30, 2013. 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. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The accompanying supplementary information, introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30, 2014 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.



Crowe Horwath LLP

Oak Brook, Illinois
January 30, 2014

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

As management of the Village of Franklin Park ("Village"), we are pleased to provide readers of the Village's financial statements this Management Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2013. 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 FY13 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities increased by \$8.6 million, while liabilities increased \$6.5 million, resulting in an increase in net position of \$2.1 million.
- Pre-transfer revenues supporting governmental activities increased by \$342 thousand from FY12 while expenditures fell \$1.6 million.
- Assets employed in business-type activities decreased \$2.9 million as liabilities decreased \$1.6 million. As a result, net business-type assets declined \$1.4 million.
- Business-type activity revenues increased \$896 thousand from FY12 while expenditures increased \$1.2 million.
- Total Village assets increased \$5.6 million, and total liabilities increased \$4.9 million. As a result, total net position increased \$708 thousand.
- Total Village revenue increased \$1.2 million and total expenditures declined \$422 thousand.

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

- General fund assets and liabilities increased by \$2.2 million and \$2.3 million, respectively, resulting in a \$95 thousand decrease in fund balance.
- Governmental funds' assets decreased by \$660 thousand while liabilities increased by \$6.2 million. As a result, governmental fund balances decreased \$6.8 million.
- General fund revenues declined \$377 thousand from FY12 levels, expenditures grew by \$770 thousand and other sources decreased \$670 thousand.
- Total governmental fund revenues increased \$445 thousand, while expenditures grew by \$6.5 million and other sources grew by \$194 thousand.
- Proprietary fund assets and liabilities both decreased; the former by \$2.3 million, the latter by \$979 thousand. As a result, net position fell \$1.4 million.
- Proprietary fund operating revenues increased \$964 thousand while operating expenses grew by \$1.2 million, resulting in an operating loss of \$578 thousand, and a decrease in net position of \$1.3 million.

These results are also described in more detail further below.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

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

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

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

FUND FINANCIAL STATEMENTS

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

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

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 18 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, corporate bond and interest fund and police station fund. Information from the Village's fifteen 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, 2013

The Village maintains four 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, garbage collection and commuter parking operations. Proprietary funds provide the same type of information as the government-wide financial statements. The proprietary fund financial statements provide separate information for the water, sanitary sewer, garbage collection and commuter parking 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 POSITION

The following table presents the condensed *Statement of Net Position* (in millions) at April 30, 2013, with comparisons to April 30, 2012:

| | Governmental Activities | | Business-Type Activities | | Total Primary Government | |
|-----------------------------------|----------------------------|---------------|-----------------------------|---------------|--------------------------------|---------------|
| | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> |
| <u>Assets:</u> | | | | | | |
| Current assets | \$23.9 | \$21.5 | \$5.3 | \$2.4 | \$29.2 | \$23.9 |
| Non-current, non-capital assets | 1.9 | 1.9 | 0.1 | 0.1 | 2.0 | 2.0 |
| <u>Capital assets</u> | <u>43.2</u> | <u>54.2</u> | <u>37.1</u> | <u>37.0</u> | <u>80.3</u> | <u>91.2</u> |
| Total Assets | 69.0 | 77.6 | 42.5 | 39.5 | 111.5 | 117.1 |
| <u>Liabilities:</u> | | | | | | |
| Current liabilities | 13.4 | 18.0 | 4.8 | 5.3 | 18.2 | 23.2 |
| <u>Non-current liabilities</u> | <u>46.9</u> | <u>48.8</u> | <u>18.9</u> | <u>16.9</u> | <u>65.8</u> | <u>65.8</u> |
| Total Liabilities | 60.3 | 66.8 | 23.7 | 22.2 | 84.0 | 89.0 |
| <u>Net Position:</u> | | | | | | |
| Net investment in capital assets, | 11.8 | 17.5 | 17.4 | 19.7 | 29.2 | 37.2 |
| Restricted | 3.8 | 6.7 | 0.0 | 0.0 | 3.8 | 6.7 |
| <u>Unrestricted</u> | <u>(6.9)</u> | <u>(13.5)</u> | <u>1.3</u> | <u>(2.3)</u> | <u>(5.6)</u> | <u>(15.8)</u> |
| Total Net Position | <u>\$8.7</u> | <u>\$10.7</u> | <u>\$18.7</u> | <u>\$17.3</u> | <u>\$27.4</u> | <u>\$28.1</u> |

Total Village assets increased \$5.6 million, or 5.1%, and total Village liabilities increased \$4.9 million, or 5.9%. Accordingly, total net position increased by \$708 thousand, or 2.6%.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

Governmental Activities

Assets employed in governmental activities increased by \$8.6 million, as a \$2.3 million decrease in current assets was more than offset by a \$10.9 million increase in non-current assets.

By far the main impetus behind the increase in governmental assets was the addition of the new police station, which added \$10.0 million to non-current, non-depreciating assets during its construction; in addition, \$947 thousand in various pieces of depreciable equipment came on line during the year as well.

The decrease in current assets was primarily driven by the spend down of \$6.3 million of bond proceeds during construction of the police station, which was largely offset by higher cash balances in the general and debt service funds, which together increased \$4.7 million, \$2.5 million of which was due to the Village's having accessed a portion of its bank line of credit. (This balance was paid down shortly after fiscal year end.) The rest was attributable to the timing of certain property tax receipts.

Governmental liabilities increased \$6.5 million, with both current and non-current liabilities rising by \$4.6 million and \$1.9 million, respectively.

The increase in current liabilities was driven, in large part, by the above-mentioned \$2.5 million balance under the Village's line of credit. The remainder of the increase was due to a variety of factors, including \$984 thousand in the Village's cash overdraft liability, \$960 in unearned property tax revenues, and \$593 thousand in accounts payable. This was offset somewhat by a decrease in the current portion of compensated absences, which fell by \$419 thousand as a result of several retirements.

The \$1.9 million in non-current governmental liabilities is entirely due to an almost identical increase in the Village's net OPEB obligation. Additionally, there were several other significant changes that were masked by this equivalence. Non-current bonds and leases declined by \$606 thousand and \$203 thousand, respectively. This was largely offset by a \$722 thousand increase in net pension obligations.

Business-Type Activities

Assets employed in business-type activities declined \$2.9 million, with all but \$35 thousand occurring among current assets. Virtually all of the \$2.9 million resulted from the effective depletion of cash in the water and sewer fund, as the Village had been under charging for these services for several years. This is discussed more fully in the context of the specific funds.

Non-current liabilities remained essentially unchanged, decreasing by the previously-mentioned \$35 thousand. Net depreciating capital assets declined by \$727 thousand while non-depreciating capital assets increased by \$703 thousand. Finally, an additional \$10 thousand in unamortized bond issuance costs was amortized.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

STATEMENT OF ACTIVITIES

The following table presents the condensed *Statement of Activities* (in millions) at April 30, 2013, with comparisons to April 30, 2012.

| | Governmental Activities | | Business-type Activities | | Total Primary Government | |
|--|----------------------------|--------------|-----------------------------|----------------|--------------------------------|--------------|
| | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> |
| <u>Revenues</u> | | | | | | |
| Program Revenues: | | | | | | |
| Charges for Services | | | | | | |
| General government | \$1.2 | \$1.1 | \$0.0 | \$0.0 | \$1.2 | \$1.1 |
| Public safety | 1.7 | 1.5 | 0.0 | 0.0 | 1.7 | 1.5 |
| Community Development | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Building department | 0.7 | 1.4 | 0.0 | 0.0 | 0.7 | 1.4 |
| Water & Sewer | 0.0 | 0.0 | 6.6 | 7.5 | 6.6 | 7.5 |
| Garbage | 0.0 | 0.0 | 1.3 | 1.2 | 1.3 | 1.2 |
| Commuter parking lot | 0.0 | 0.0 | 0.1 | 0.1 | 0.1 | 0.1 |
| Operating grants/contributions | 0.6 | 0.7 | 0.1 | 0.0 | 0.7 | 0.7 |
| Capital grants/contributions | 0.4 | 0.6 | 0.0 | 0.0 | 0.4 | 0.6 |
| General Revenues: | | | | | | |
| Property taxes | 16.4 | 16.4 | 0.0 | 0.0 | 16.4 | 16.4 |
| Other taxes | 8.2 | 8.0 | 0.0 | 0.0 | 8.2 | 8.0 |
| <u>Other</u> | <u>0.8</u> | <u>0.8</u> | <u>0.0</u> | <u>0.2</u> | <u>0.8</u> | <u>1.0</u> |
| Total Revenues | 30.2 | 30.5 | 8.1 | 9.0 | 38.2 | 39.5 |
| <u>Expenses</u> | | | | | | |
| General government | 5.8 | 5.3 | 0.0 | 0.0 | 5.8 | 5.3 |
| Public safety | 15.9 | 15.3 | 0.0 | 0.0 | 15.9 | 15.3 |
| Highways and streets | 3.9 | 4.0 | 0.0 | 0.0 | 3.9 | 4.0 |
| Public health | 0.3 | 0.3 | 0.0 | 0.0 | 0.3 | 0.3 |
| Community development | 1.2 | 0.8 | 0.0 | 0.0 | 1.2 | 0.8 |
| Building department | 1.3 | 1.0 | 0.0 | 0.0 | 1.3 | 1.0 |
| Interest on long term debt | 1.7 | 1.7 | 0.0 | 0.0 | 1.7 | 1.7 |
| Water & Sewer | 0.0 | 0.0 | 7.7 | 8.6 | 7.7 | 8.6 |
| Garbage | 0.0 | 0.0 | 1.4 | 1.7 | 1.4 | 1.7 |
| <u>Commuter parking lot</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Total Expenses | 30.1 | 28.5 | 9.1 | 10.3 | 39.2 | 38.8 |
| Change in Net Position Before Transfers | 0.1 | 2.1 | (1.1) | (1.4) | (1.0) | 0.7 |
| Transfers In (Out) | <u>(10.7)</u> | <u>0.0</u> | <u>10.7</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> |
| Change in Net Position After Transfers | <u>(\$10.6)</u> | <u>\$2.1</u> | <u>\$9.6</u> | <u>(\$1.4)</u> | <u>(\$1.0)</u> | <u>\$0.7</u> |

Revenues from governmental activities increased \$342 thousand, or 1.1%, principally on the strength of \$643 thousand in increased building permit revenue. This more than offset a \$319 thousand (9.6%) decline in utility tax revenues, as natural gas, electric and telecommunications taxes all fell, presumably due to lower usage.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

Expenditures for governmental activities declined by \$1.6 million, or 5.4%. Both revenue and expenditure changes are discussed more fully below, under the fund section of this analysis.

Before moving on to that discussion however, it should be noted that there is a \$9.1 million difference between total governmental expenditures and governmental *fund* expenditures. The main driver of this difference is explained by the capitalization of \$9,801,875 of capital outlay for the construction of the new police station.

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, 2013, with comparisons to April 30, 2012.

| | <u>General Corporate Fund</u> | | <u>Other Governmental Funds</u> | | <u>Total Governmental Funds</u> | |
|--|---------------------------------------|----------------|---|----------------|---|--------------|
| | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> |
| <u>Revenues</u> | | | | | | |
| Property taxes | \$11.3 | \$10.6 | \$5.1 | \$5.8 | \$16.4 | \$16.4 |
| Other taxes | 7.7 | 7.6 | 0.5 | 0.5 | 8.2 | 8.1 |
| Licenses, permits, fees | 1.5 | 2.1 | 0.0 | 0.0 | 1.5 | 2.1 |
| Grants | 0.8 | 0.7 | 0.3 | 0.6 | 1.0 | 1.3 |
| Other revenue | 0.7 | 0.8 | 0.1 | 0.0 | 0.9 | 0.8 |
| Fines and forfeitures | 0.6 | 0.6 | 0.1 | 0.1 | 0.7 | 0.6 |
| Investment income | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| <u>Charges for services</u> | <u>1.2</u> | <u>1.1</u> | <u>0.3</u> | <u>0.2</u> | <u>1.5</u> | <u>1.3</u> |
| Total revenues | 23.8 | 23.4 | 6.4 | 7.3 | 30.2 | 30.7 |
| <u>Expenditures</u> | | | | | | |
| General government | 6.2 | 5.7 | 1.1 | 0.1 | 7.4 | 5.8 |
| Public safety | 12.2 | 12.0 | 0.4 | 0.3 | 12.6 | 12.3 |
| Highways and streets | 1.7 | 3.4 | 0.1 | 0.2 | 1.8 | 3.6 |
| Public health | 0.3 | 0.3 | 0.0 | 0.0 | 0.3 | 0.3 |
| Community development | 0.6 | 0.4 | 0.6 | 0.4 | 1.1 | 0.8 |
| Building department | 0.7 | 0.6 | 0.0 | 0.0 | 0.7 | 0.6 |
| Debt service | 0.1 | 0.0 | 2.0 | 2.4 | 2.1 | 2.4 |
| <u>Capital outlay</u> | <u>1.8</u> | <u>1.8</u> | <u>3.3</u> | <u>9.8</u> | <u>5.0</u> | <u>11.6</u> |
| Total Expenditures | 23.5 | 24.3 | 7.4 | 13.3 | 31.0 | 37.5 |
| Excess (deficiency) of revenues over (under) expenditures | 0.3 | (0.9) | (1.0) | (5.9) | (0.7) | (6.8) |
| Other sources (uses), net | <u>1.4</u> | <u>0.8</u> | <u>(1.6)</u> | <u>(0.8)</u> | <u>(0.2)</u> | <u>0.0</u> |
| Change in fund balance | <u>\$1.7</u> | <u>(\$0.1)</u> | <u>(\$2.6)</u> | <u>(\$6.7)</u> | <u>(\$0.9)</u> | <u>(6.8)</u> |

General fund revenues declined \$377 thousand (1.6%), while total governmental fund revenues increased slightly (\$445 thousand, or 1.5%). General fund expenditures increased \$770 thousand (3.3%), and total governmental fund expenditures increased \$6.5 million, or 21.1% over

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

2012 levels, this latter increase driven by the construction of the new police station, expenditures for which increased \$6.7 million over FY12.

Governmental Funds Revenues

Significant revenue gains, totaling \$1.1 million, occurred in the following categories:

- Both general fund and total license, permit and fee revenues grew \$626 thousand (41.2%), which was virtually entirely attributable to a series of permits issued for the Digital Realty project, which will ultimately result in an investment of up to \$390 million to convert an existing building complex to a data storage (i.e., "cloud") facility.

During FY13, the project generated \$690 thousand in various construction, contractor and other permits¹. To some extent, this increase was offset by several slight declines in other sub categories.

- While general fund grants fell by \$116 thousand (14.9%) and \$182 thousand in TIF grant funds were entirely eliminated, a \$521 thousand capital sustainability grant from the Illinois Environmental Protection Agency ("IEPA") was awarded the Village for the new police station.² In all, a total of \$832 thousand in either new or renewed grant funding flowed into the Village's governmental funds, while \$606 thousand in such funding expired.
- State income tax distributions to the general fund (and in total) climbed \$155 thousand (9.9%). As these taxes are collected, administered and disbursed by the state, variances are not subject to Village control
- Other taxes and state distributions increased by \$73 thousand (7.6%) in the general fund and \$66 thousand (4.5%) overall. With respect to the general fund, virtually all the items in this category increased. Specifically, distributions for personal property replacement taxes ("PPRT") increased \$40 thousand (5.8%), and the local use tax grew \$23 thousand (8.6%). (Like the income tax, PPRT and local use taxes are assessed, collected and distributed by the state, any variances are outside of the Village's control.) Additionally, the hotel/motel tax improved \$10 thousand (112.8%), thanks to the Village's sole hotelier paying its delinquent taxes.

Away from the general fund, the 2% foreign fire tax (revenues derived from insurance companies domiciled in other states which write insurance policies in Illinois) increased \$13 thousand (26.6%).

The only significant exception to these increases in other taxes and state distributions was a \$20 thousand (4.4%) decline in motor fuel tax allotments, which is a function of motor fuel sales (the data for which is maintained by the state). (Overall, the reader will notice a difference of approximately \$159 thousand between the government-wide and governmental funds numbers for other taxes and state distributions. This represents the change in deferrals from the prior year).

There were also areas of notable revenue declines, including utility taxes (\$320 thousand, or 9.6%), charges for service (\$121 thousand, 3.0%) and other revenues (\$92 thousand, 1.0%).

¹ Thus far in FY14, the project has produced an additional \$627 thousand in permit revenue and, assuming the build out continues as planned, will generate up to an additional two million in permit revenue over the next two to three years.

² This was instrumental in securing a Leadership in Energy and Environmental Design ("LEED") gold rating for the facility.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

- General fund gas and electric tax revenues declined \$74 thousand (3.5%) largely because of the relatively moderate weather during the year. Telecommunication tax revenues, however, declined \$246 thousand (20.3%). As this tax is administered, collected and disbursed by the state, the Village cannot control this variance.
- General fund charges for services fell \$34 thousand (2.3%), and the total for all governmental funds declined \$121 thousand (8.3%). In the general fund, \$31 thousand less in reimbursement from the emergency service fund was forthcoming, as the base cost of contracted emergency dispatch and record keeping services declined as well³. Also in the general fund, \$39 thousand in water administration charges were held in abeyance, pending the development of an indirect cost allocation plan. Finally, emergency service fund revenue fell \$87 thousand (27.9%); paralleling the year-over-year performance of the basic telecommunications tax.
- General fund fines and forfeitures declined \$38 thousand (6.1%) and \$31 thousand (34.9%) in other governmental funds. The former was largely due to a \$44 thousand (21.9%) decline in Red Speed ticket fines, as these devices seem to have peaked in terms of revenue generation, and the latter was entirely due to a \$31 thousand (34.9%) decline in confiscated funds.
- Other general fund revenues declined \$7 thousand (1.0%), and total governmental fund revenues fell \$92 thousand (10.5%), the latter principally due to a \$100 thousand reduction in land purchase settlement sources from FY12.

Governmental Funds Expenditures

General and governmental fund expenditures increased \$770 thousand (3.2%) and \$6.5 million (21.1%), respectively, over FY12 levels; the latter entirely due to police station construction. There were, however, several expenditure categories showing changes from FY12, as follows:

- General fund, general government expenditures declined \$532 thousand (8.5%), primarily because of a \$343 thousand reduction in health insurance expenditures due to a change in interfund allocation (to proprietary funds) and a \$308 thousand reduction in vacation pay compensation, as several employees departed the Village.
- General government expenditures away from the general fund declined an additional \$980 thousand principally due to lower TIF expenditures, as several FY12 TIF expenses were non-recurring; specifically, \$519 thousand for demolition and \$478 thousand in settlement taxes were avoided in FY13. Additionally, \$162 thousand less was spent on property rehab consultants, and approximately \$81 thousand paid to a local school district in FY12 was, because of timing issues, not paid in FY13.

³ The financial relationship between the Village and the emergency service (911) board is as follows: The Village contracts with a vendor which provides 911 dispatch and other, related services. The 911 board reimburses the Village for 20% of this cost from its own revenue source, the 911 emergency surcharge. As a result of physical consolidation with the vendor, the Village's costs were cut by \$148 thousand (20.5%) during FY13. As a result, the board's payments to the Village dropped proportionately. Hence the \$31 thousand decline. Not coincidentally, there is a corresponding percentage reduction in the pertinent line item under public safety.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

- General fund public safety expenditures declined \$142 thousand (1.1%), due, in large part, to the following factors:
 - As discussed in footnote 1, payments to the Villages' dispatch and record-keeping vendor declined \$148 thousand (20.5%).
 - Fire department overtime dropped \$148 thousand (48.5%), though this was due to the addition of fire personnel, increasing department salaries by \$215 thousand (8.1%). Fire department vehicle maintenance costs also dropped significantly (\$99 thousand/68.6%), largely due to the replacement of several old vehicles with new, warranted vehicles.
 - On the police side, patrol officer salaries declined \$114 thousand (4.3%), and sick pay compensation dropped \$104 thousand (87.3%); both were attributable to the departure of several officers: Largely as a result, police overtime increased \$107 thousand (56.5%).

Other governmental fund public safety expenditures declined \$92 thousand (24.0%), as several line items dropped significantly from FY12. Equipment and vehicle purchases dropped \$69 thousand (65.6%) across the combined emergency service and confiscated property funds, and the aforementioned (footnote 1) dispatch and record keeping expenses dropped \$31 thousand (22.6%) in the emergency services fund.

- General fund highway and street expenditures more than doubled at \$1.7 million (103.1%), as the Village began to address its many infrastructure issues.⁴ The street patching program grew by \$611 thousand from FY12; a more than thirteen-fold increase. Road reconstruction went from zero to \$592 thousand, as two streets were totally redone. Also, the cost of maintaining the Village's rights of way increased \$100 thousand (74.2%) as part of the Village's infrastructure renewal efforts. Relatedly, engineering expense increased \$160 thousand (72.4%) over FY12.
- The Village also constructed a new communication mast at a cost of \$126 thousand. Finally, labor costs increased by a net \$103 thousand (39.1%) as several summer hires were retained as full time permanent employees. Finally, a severe spring storm required unanticipated clean up expenditures on the order of \$200 thousand.

In other governmental funds, there was an increase of \$47 thousand (32.2%), primarily due to the purchase of road salt through the motor fuel tax ("MFT") fund.

- General fund public health expenditures grew \$14 thousand (5.2%) as several items increased and several decreased, none radically. Most noteworthy, advertising expense grew by \$15 thousand, a more than thirty five-fold increase, as advertisements to replace retiring or otherwise departing employees increased significantly. There were no other governmental fund expenditures for public health.
- General fund community development expenditures declined by \$162 thousand (29.4%). Beginning with expiring grant-funded expenditures of \$119 thousand, other

⁴ An engineering study completed after fiscal year end indicated infrastructure needs encompassing streets, water and sewer assets in excess of \$275 million over the next 30 years. Village management is working with residents to prioritize these needs and identify practical financing options for the many projects to come.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

reductions included the elimination of the zoning administrator position (which was absorbed into another function) and an engineering consultant, expenditures for which declined a total of \$109 thousand.

An additional \$19 thousand (28.5%) was saved in engineering expense, as the department changed its focus from capital outlays to planning. Not coincidentally, increasing general fund expenditures were principally for the retention of a planning consultant (\$25 thousand), the hiring of an assistant planner (\$23 thousand) and the full year salary of a planner that had been hired late in FY12 (\$23 thousand).

Other governmental funds' (exclusively TIF funds) saw a decline of \$222 thousand (38.1%) principally on the strength of a \$164 thousand (86.6%) reduction in property rehab consultant expenses across several TIF's, the elimination of an additional \$27 thousand in demolition expenses, \$25 thousand in equipment purchases and \$18 thousand in reclassified miscellaneous expenses. These reductions were offset slightly by a new \$14 thousand expenditure for some minor TIF property rehabilitation.

- General fund building department expenditures dropped \$77 thousand, largely on the basis of \$53 thousand (10.4%) in reduced personnel cost, a \$20 thousand (20.6%) reduction in maintenance of municipal property and the elimination of \$18 thousand in non-TIF demolition expense. This was offset by the addition of \$23 thousand in sustainable energy grant expenditures.⁵ There were no building department expenditures in any other government funds.
- FY12 general fund interest expense of \$98 thousand was eliminated in FY13 as no draws under the Village's bank lines took place. In the bond and interest fund, principal and interest expenditures increased \$100 thousand and \$358 thousand, respectively. The interest expense increase was primarily driven by the first full year of interest for the police station bonds (Alternate Revenue Bonds of 2011), which added \$382 thousand to this category.

Finally, as discussed earlier, capital outlay expenditures increased \$6.6 million in the police station capital projects fund virtually entirely because of police station construction.

⁵ This was funded by an \$11 thousand grant not specifically identified in the grant revenues bullet point under the governmental funds revenues caption.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

PROPRIETARY FUNDS

During FY13 the Village consolidated its water and sewer funds, as shown below. The following table presents the condensed *Statement of Revenues, Expenditures and Changes in Fund Net Position* for the Village's proprietary funds (in millions) at April 30, 2013, with comparisons to 2012.

| <u>Operating Revenues</u> | <u>Water & Sewer Fund</u> | | <u>Garbage Fund</u> | | <u>Parking Fund</u> | | <u>Total</u> | |
|--|-------------------------------|-------------|---------------------|-------------|---------------------|-------------|--------------|-------------|
| | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> | <u>FY12</u> | <u>FY13</u> |
| Charges for services | \$6.6 | \$7.5 | \$1.3 | \$1.2 | \$0.1 | \$0.1 | \$8.0 | \$8.7 |
| <u>Other revenue</u> | <u>0.0</u> | <u>0.2</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.2</u> |
| Total operating revenues | 6.6 | 7.7 | 1.3 | 1.2 | 0.1 | 0.1 | 8.0 | 8.9 |
| <u>Operating Expenses</u> | | | | | | | | |
| Administration | 1.4 | 1.0 | 0.0 | 0.3 | 0.0 | 0.0 | 1.5 | 1.3 |
| Water purchases | 2.6 | 3.0 | 0.0 | 0.0 | 0.0 | 0.0 | 2.6 | 3.0 |
| Repairs and maintenance | 1.0 | 1.6 | 0.1 | 0.1 | 0.0 | 0.0 | 1.1 | 1.7 |
| Supplies and services | 0.7 | 1.0 | 1.3 | 1.3 | 0.0 | 0.0 | 2.1 | 2.4 |
| <u>Depreciation</u> | <u>1.1</u> | <u>1.1</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>1.1</u> | <u>1.1</u> |
| Total operating expense | 6.9 | 7.8 | 1.4 | 1.7 | 0.0 | 0.0 | 8.3 | 9.5 |
| Operating income (loss) | (0.2) | (0.1) | (0.1) | (0.5) | 0.0 | 0.0 | (0.3) | (0.6) |
| <u>Non-Operating Revenues (Expenses)</u> | | | | | | | | |
| Interest expense | (0.8) | (0.7) | 0.0 | 0.0 | 0.0 | 0.0 | (0.8) | (0.7) |
| <u>Other, net</u> | <u>9.3</u> | <u>0.0</u> | <u>1.6</u> | <u>0.0</u> | <u>0.0</u> | <u>0.0</u> | <u>(0.1)</u> | <u>0.0</u> |
| Total non-operating revenues (expense) | 8.5 | (0.7) | 1.6 | 0.0 | 0.0 | 0.0 | (0.7) | (0.7) |
| Income before transfers | (1.0) | (0.9) | (0.1) | (0.5) | 0.0 | 0.0 | (1.1) | (1.3) |
| Transfers, net | 9.2 | 0.0 | 1.6 | 0.0 | (0.1) | 0.0 | 10.7 | 0.0 |
| Net income (loss) | 8.2 | (0.9) | 1.5 | (0.5) | (0.0) | (0.0) | 9.6 | (1.3) |
| Net position | \$19.0 | \$18.2 | (\$0.4) | (\$0.9) | \$0.1 | \$0.2 | \$18.8 | \$17.5 |

Taken together, proprietary fund operating revenues increased by \$964 thousand (12.1%) from FY12 and operating expenses increased by \$1.2 million (14.7%), resulting in an operating loss of \$578 thousand; \$259 thousand more than FY12's loss. Net non-operating expense improved by about \$16 thousand, due to an \$84 thousand decrease in interest expense offset by a decrease of \$65 thousand in grant revenue.

Overall, FY12's net gain of \$9.6 million after \$10.7 million in net transfers became a net loss of \$1.3 million in FY13, comprised of an \$863 thousand loss in water and sewer and a \$479 thousand loss in the garbage fund.

Despite the fact that water and sewer fund revenues increased \$1.1 million (16.6%), and the cost of water increased only \$471 thousand (18.4%), higher O&M and supply and service costs of

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

\$924 thousand (made necessary by frequent system breaks as well as a severe spring storm) kept the fund from attaining positive net income.

The structural issues causing the losses in the water and sewer fund began to be addressed during the early part of FY14, when a 55% across-the-board increase in water and sewer rates was enacted by the Village board. Subsequently, the Village retained the services of a consultant to establish water and sewer rate structures that will allow the utility to regain its self-supporting status. This is of critical importance given (1) the ongoing water rate increases from the City of Chicago (from which the Village purchases its water), and (2) the water and sewer infrastructure needs of the Village, which will have to be met over the coming years.

With respect to the garbage fund, the Village's ongoing commitment to providing these services to seniors at no charge will continue to cause this fund to run at a deficit (and thus be funded by general fund revenues) until the policy is changed.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

| | <u>Original and Final Budget</u> | <u>Actual</u> | <u>Variance</u> |
|--|--------------------------------------|----------------|-----------------|
| <u>Revenues</u> | | | |
| Property Taxes | \$11.5 | \$10.6 | (\$0.9) |
| Other Taxes | 7.1 | 7.6 | 0.5 |
| Licenses, Permits, Fees | 1.4 | 2.1 | 0.7 |
| Fines & Forfeitures | 0.5 | 0.6 | 0.1 |
| Charges for Services | 1.1 | 1.1 | 0.0 |
| <u>Other Revenue</u> | <u>1.4</u> | <u>1.4</u> | <u>0.0</u> |
| Total | \$23.0 | \$23.4 | \$0.4 |
| <u>Expenditures</u> | | | |
| General Government | \$5.5 | \$5.7 | (\$0.2) |
| Public Safety | 12.7 | 12.0 | 0.7 |
| Highway & Street | 2.9 | 3.4 | (0.5) |
| Public Health | 0.3 | 0.3 | (0.0) |
| Community Development | 0.6 | 0.4 | 0.2 |
| Building | 0.7 | 0.7 | 0.0 |
| Debt Service | 0.1 | 0.0 | 0.1 |
| <u>Capital</u> | <u>1.2</u> | <u>1.8</u> | <u>(0.6)</u> |
| Total | \$24.0 | \$24.3 | (\$0.3) |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (1.0) | (0.9) | 0.1 |
| Other Sources (Uses), Net | 0.9 | 0.8 | 0.1 |
| Change in Fund Balance | <u>(\$0.1)</u> | <u>(\$0.1)</u> | <u>(\$0.0)</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

Actual revenues exceeded budget by \$392 thousand (a 1.7% positive variance) while actual expenditures came in over budget by \$277 thousand (a 1.2% *negative* variance), resulting in a net positive variance of \$115 thousand.

Negative variances in property tax and grant revenue of \$887 thousand and \$173 thousand, respectively, were more than offset by strong performances in licenses, permits and fees (\$723 thousand over budget), income tax distributions (\$198 thousand over), other revenue and taxes (\$177 thousand and \$176 thousand, respectively), and utility taxes (\$106 thousand).

On the expenditure side, there were both significant positive and negative variances.

- A significant negative variance was produced in general government expenditures (\$163 thousand, 2.9%) largely as a result of worse than expected insurance experience, at \$256 thousand over budget. Finally, a positive \$95 thousand variance was achieved by not using funds budgeted for contingencies in information technology.
- Highway and street department operations produced a negative variance of \$522 thousand (18.0%), driven by higher than budgeted expenditures for street patching, right of way maintenance, related engineering and labor totaling \$736 thousand as well as approximately an additional \$200 thousand for storm cleanup. On the positive side, a project budgeted at \$154 thousand did not occur.
- Public health activities resulted in a negative variance of \$15 thousand as \$27 thousand more than budget was spent on salaries. This was offset by a positive variance of \$13 thousand in the senior snow plowing program.
- Capital outlay also produced a negative variance of \$638 thousand, virtually all of it attributable to the purchase of \$658 thousand of equipment made possible by several grants.

Positive expenditure variances were produced in the following departments.

- Public safety had a \$677 thousand positive variance, as personnel expense came in at \$522 thousand under budget and vehicle-related expense ran \$86 thousand under budget.
- Community development also produced a positive variance, of \$229 thousand, \$150 thousand of which came on the basis of external consultant activities that were reduced or eliminated. An additional \$42 thousand resulted from under budget promotional activity expense and another \$32 thousand in positive variances were salary related.
- The building department had an \$84 thousand positive variance resulting from \$88 thousand less in salary expense than budgeted.
- Finally, a positive variance of \$70 thousand for interest under the Village's bank line of credit was achieved, as the line was not drawn upon.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2013, the Village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities
Change in Capital Assets
(in millions)

| | <u>Balance at May 1, 2012</u> | <u>Net Additions (Deletions)</u> | <u>Balance at April 30, 2013</u> |
|---------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <u>Non-Depreciable Assets:</u> | | | |
| Land/CIP | \$14.2 | \$10.0 | \$24.2 |
| <u>Depreciable Assets:</u> | | | |
| Infrastructure | 128.7 | 2.5 | 131.2 |
| Buildings/Improvements | 6.2 | 0.0 | 6.2 |
| Vehicles/Equipment | 6.0 | 0.5 | 6.5 |
| <u>Accumulated Depreciation</u> | <u>(111.9)</u> | <u>(2.0)</u> | <u>(113.9)</u> |
| Net Capital Assets | \$43.2 | \$11.0 | \$54.2 |

Assets deployed for governmental activities increased \$11.0 million, as \$2.2 million in depreciation expense was offset by the addition of \$10.0 million in construction in progress (for the new police station), \$2.5 million in infrastructure assets and \$701 thousand in vehicles and equipment.

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

| | <u>Balance at May 1, 2012</u> | <u>Net Additions (Deletions)</u> | <u>Balance at April 30, 2013</u> |
|---------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <u>Non-Depreciable Assets:</u> | | | |
| Land/CIP | \$0.2 | \$0.7 | \$0.9 |
| <u>Depreciable Assets:</u> | | | |
| Water/Sewer System | 49.4 | 0.4 | 49.7 |
| Storage Reservoir/Pump | 5.7 | 0.0 | 5.7 |
| Buildings/Improvements | 2.1 | 0.0 | 2.1 |
| Vehicles/Equipment | 2.9 | 0.0 | 2.9 |
| <u>Accumulated Depreciation</u> | <u>(23.2)</u> | <u>(1.1)</u> | <u>(24.3)</u> |
| Totals | \$37.1 | (\$0.0) | \$37.0 |

Business-type capital assets declined by \$24 thousand, as \$1.1 million in depreciation expense was essentially offset by a like amount of additions, comprised of \$703 thousand in construction in progress and \$367 thousand for water and sewer replacement as part of two total street reconstructions and \$24 thousand in new equipment.

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

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

DEBT ADMINISTRATION

At April 30, 2013, the Village had outstanding \$68,834,567 in total long term debt, allocated as follows:

| <u>Item</u> | <u>Governmental</u> | <u>Business</u> |
|---------------------------------------|---------------------|---------------------|
| G.O. Alternate Revenue Bonds of 2004A | \$6,215,000 | \$ - |
| G.O. Alternate Revenue Bonds of 2004B | - | 13,430,000 |
| G.O. Alternate Revenue Bonds of 2005A | 3,545,000 | - |
| G.O. Alternate Revenue Bonds of 2006 | 9,420,000 | - |
| G.O. Alternate Revenue Bonds of 2007 | 6,815,000 | - |
| G.O. Alternate Revenue Bonds of 2012 | 9,975,000 | - |
| Deferred Premium (Discount), Net | 946,660 | 935,901 |
| Loans Payable | - | 3,944,037 |
| Leases Payable | 697,699 | - |
| Compensated Absences | 731,680 | 25,209 |
| Net Pension Obligation | 3,547,232 | - |
| Net Other Post-Employment Benefits | <u>7,952,417</u> | <u>653,732</u> |
| Totals | <u>\$49,845,688</u> | <u>\$18,988,879</u> |

During fiscal 2013, the Village had net additions to governmental debt totaling \$1.5 million and net reductions of \$2.2 million 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 | (\$626,455) | (\$1,163,547) | (\$1,790,002) |
| Net change in leases/loans payable | (204,502) | (1,199,377) | (1,403,879) |
| Net change in employee-related debt | <u>2,296,689</u> | <u>122,432</u> | <u>2,419,121</u> |
| Totals | <u>\$1,465,732</u> | <u>(\$2,240,492)</u> | <u>(\$774,760)</u> |

For more detailed information, see Note 5 to the Notes to the Financial Statements.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2013

ECONOMIC FACTORS

With almost two thirds of its tax base comprised of industrial property, the Village is, and has historically been, the fourth largest manufacturing center in the state. This, combined with its essentially blue collar character makes the Village highly susceptible to economic cyclicalities. It is not surprising then to note that the current economic environment has had important effects on the Village.

Though the past several years have been difficult, some encouraging economic signs have appeared. Per capita and median household income have both begun to recover; increasing 7.1% and 3.1%, respectively, from calendar year 2011. Unemployment also has fallen two percentage points from its 14.1% high of 2010.

Additionally, building permits and sales and income taxes, perhaps the three most economically sensitive sources of Village revenue, suggest a slightly improving economic picture as well. Building permits were up about 41%, but remain below their FY09 levels. Income tax revenues increased (by 9.9%) for the third year in a row, and are close to FY09 levels. Finally, sales taxes continued their slide, though this was largely due to the loss of a major Village retailer.

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 may well have slowed, and possibly reversed. Unfortunately, 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, will continue to affect our residents' financial stability.

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

FURTHER INFORMATION

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

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

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET POSITION

April 30, 2013

| | Primary Government | | Total |
|---------------------------------------|----------------------------|-----------------------------|----------------------|
| | Governmental Activities | Business-type Activities | |
| Assets | | | |
| Current | | | |
| Cash | \$ 8,990,748 | \$ 669,962 | \$ 9,660,710 |
| Investments | 2,604,001 | - | 2,604,001 |
| Property taxes receivable | 7,688,813 | - | 7,688,813 |
| Accrued Interest | 334 | - | 334 |
| Accounts receivable | 1,719,805 | 964,094 | 2,683,899 |
| Grant receivable | 123,887 | - | 123,887 |
| Prepaid items | - | 30 | 30 |
| Other assets | 1,119,371 | - | 1,119,371 |
| Internal balances | (732,178) | 732,178 | - |
| Non-current | | | |
| Assets held for resale | 837,320 | - | 837,320 |
| Unamortized bond costs | 1,026,146 | 123,099 | 1,149,245 |
| Capital assets not being depreciated | 24,234,612 | 887,630 | 25,122,242 |
| Capital assets being depreciated, net | <u>29,942,042</u> | <u>36,145,353</u> | <u>66,087,395</u> |
| Total assets | <u>77,554,901</u> | <u>39,522,346</u> | <u>117,077,247</u> |
| Liabilities | | | |
| Current | | | |
| Cash overdraft liability | 2,161,063 | 1,508,898 | 3,669,961 |
| Accounts payable | 2,934,526 | 1,406,398 | 4,340,924 |
| Accrued payroll | 473,994 | 30,052 | 504,046 |
| Accrued interest payable | 569,746 | 252,064 | 821,810 |
| Unearned property tax revenue | 7,682,391 | - | 7,682,391 |
| Other unearned revenue | 247,802 | - | 247,802 |
| Line of credit payable | 2,500,000 | - | 2,500,000 |
| Due to pension funds | 53,463 | - | 53,463 |
| Due to agency funds | 351,450 | - | 351,450 |
| Deposits payable | 11,000 | - | 11,000 |
| Compensated absences payable | 134,919 | 25,209 | 160,128 |
| Current portion - bonds payable | 660,000 | 1,135,000 | 1,795,000 |
| Current portion - leases payable | 202,847 | - | 202,847 |
| Current portion - loans payable | - | 897,367 | 897,367 |
| Non-current | | | |
| Compensated absences payable | 596,761 | - | 596,761 |
| Bonds payable | 36,256,660 | 13,230,901 | 49,487,561 |
| Leases payable | 494,852 | - | 494,852 |
| Loans payable | - | 3,046,670 | 3,046,670 |
| Net pension obligation | 3,547,232 | - | 3,547,232 |
| Net OPEB obligation | <u>7,952,417</u> | <u>653,732</u> | <u>8,606,149</u> |
| Total liabilities | <u>66,831,123</u> | <u>22,186,291</u> | <u>89,017,414</u> |
| Net position | | | |
| Net investment in capital assets | 17,508,955 | 19,658,946 | 37,167,901 |
| Restricted assets | | | |
| Public safety | 338,824 | - | 338,824 |
| TIF development | 2,128,286 | - | 2,128,286 |
| Debt service | 4,367,144 | - | 4,367,144 |
| Unrestricted | <u>(13,619,431)</u> | <u>(2,322,891)</u> | <u>(15,942,322)</u> |
| Total net position | <u>\$ 10,723,778</u> | <u>\$ 17,336,055</u> | <u>\$ 28,059,833</u> |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2013

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government | | | | | | | |
| Governmental activities | | | | | | | |
| General government | \$ 5,347,045 | \$ 1,147,340 | \$ 17,698 | \$ - | \$ (4,182,007) | | \$ (4,182,007) |
| Public safety | 15,349,819 | 1,549,883 | 622,233 | 520,674 | (12,657,029) | | (12,657,029) |
| Highway and street | 4,014,364 | - | - | 87,796 | (3,926,568) | | (3,926,568) |
| Public health | 315,110 | - | - | - | (315,110) | | (315,110) |
| Community development | 797,279 | 48,000 | 20,983 | - | (728,296) | | (728,296) |
| Building department | 955,867 | 1,387,839 | - | - | 431,972 | | 431,972 |
| Interest on long-term debt | 1,672,867 | - | - | - | (1,672,867) | | (1,672,867) |
| Total government activities | <u>28,452,351</u> | <u>4,133,062</u> | <u>660,914</u> | <u>608,470</u> | <u>(23,049,905)</u> | | <u>(23,049,905)</u> |
| Business-type activities | | | | | | | |
| Water and Sewer | 8,617,185 | 7,466,510 | 13,500 | - | | \$ (1,137,175) | (1,137,175) |
| Garbage | 1,671,864 | 1,166,731 | - | - | | (505,133) | (505,133) |
| Commuter parking lot | 29,463 | 68,342 | - | - | | 38,879 | 38,879 |
| Total business-type activities | <u>10,318,512</u> | <u>8,701,583</u> | <u>13,500</u> | <u>-</u> | | <u>(1,603,429)</u> | <u>(1,603,429)</u> |
| Total primary government | <u>\$ 38,770,863</u> | <u>\$ 12,834,645</u> | <u>\$ 674,414</u> | <u>\$ 608,470</u> | <u>(23,049,905)</u> | <u>(1,603,429)</u> | <u>(24,653,334)</u> |
| General revenues | | | | | | | |
| Taxes | | | | | | | |
| Property taxes, levied for general purposes | | | | | 16,407,482 | - | 16,407,482 |
| Public service taxes and state shared taxes | | | | | | | |
| Sales tax | | | | | 1,812,946 | - | 1,812,946 |
| Income tax | | | | | 1,719,780 | - | 1,719,780 |
| Utility tax | | | | | 3,006,323 | - | 3,006,323 |
| Other taxes | | | | | 1,381,637 | - | 1,381,637 |
| Unrestricted investment earnings | | | | | 10,640 | 1,083 | 11,723 |
| Miscellaneous revenues | | | | | 787,443 | 234,182 | 1,021,625 |
| Total general revenues | | | | | <u>25,126,251</u> | <u>235,265</u> | <u>25,361,516</u> |
| Change in net position | | | | | 2,076,346 | (1,368,164) | 708,182 |
| Net position - beginning | | | | | <u>8,647,432</u> | <u>18,704,219</u> | <u>27,351,651</u> |
| Net position - ending | | | | | <u>\$ 10,723,778</u> | <u>\$ 17,336,055</u> | <u>\$ 28,059,833</u> |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2013

| | Major Funds | | | | Total |
|--|------------------------------|--|---------------------------|-----------------------------------|----------------------|
| | General Corporate Fund | Corporate Bond and Interest Fund | Police Station Fund | Nonmajor Governmental Funds | |
| Assets | | | | | |
| Cash | \$ 4,618,568 | \$ 2,677,088 | \$ - | \$ 2,122,066 | \$ 9,417,722 |
| Investments | - | 357,396 | - | 2,246,605 | 2,604,001 |
| Property taxes receivable | 5,836,380 | 1,852,433 | - | - | 7,688,813 |
| Accrued interest | - | - | - | 330 | 330 |
| Accounts receivable | 1,688,277 | - | - | 31,528 | 1,719,805 |
| Grant receivable | 123,887 | - | - | - | 123,887 |
| Other assets | 1,119,371 | - | - | - | 1,119,371 |
| Interfund receivables | 2,549,224 | 78,842 | 105,454 | 2,376,988 | 5,110,508 |
| Total assets | \$ 15,935,707 | \$ 4,965,759 | \$ 105,454 | \$ 6,777,517 | \$ 27,784,437 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ 920,588 | \$ 1,240,475 | \$ 2,161,063 |
| Accounts payable | 555,265 | 525 | 813,866 | 1,548,617 | 2,918,273 |
| Accrued payroll | 468,005 | - | - | 57 | 468,062 |
| Compensated absences payable | 134,919 | - | - | - | 134,919 |
| Deferred property tax revenue | 5,831,409 | 1,850,982 | - | - | 7,682,391 |
| Other deferred revenue | 458,468 | - | - | - | 458,468 |
| Line of credit payable | 2,500,000 | - | - | - | 2,500,000 |
| Deposits payable | 11,000 | - | - | - | 11,000 |
| Due to pension funds | 53,463 | - | - | - | 53,463 |
| Due to agency funds | 351,450 | - | - | - | 351,450 |
| Interfund payables | 934,190 | 202,827 | 1,183,492 | 3,640,558 | 5,961,067 |
| Total liabilities | 11,298,169 | 2,054,334 | 2,917,946 | 6,429,707 | 22,700,156 |
| Fund balances | | | | | |
| Restricted | | | | | |
| Public safety | - | - | - | 338,824 | 338,824 |
| TIF development | - | - | - | 2,128,286 | 2,128,286 |
| Debt service | - | 2,911,425 | - | 1,455,719 | 4,367,144 |
| Unassigned | 4,637,538 | - | (2,812,492) | (3,575,019) | (1,749,973) |
| Total fund balances | 4,637,538 | 2,911,425 | (2,812,492) | 347,810 | 5,084,281 |
| Total liabilities and fund balances | \$ 15,935,707 | \$ 4,965,759 | \$ 105,454 | \$ 6,777,517 | \$ 27,784,437 |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION

April 30, 2013

| | | |
|--|----------------------|----------------------|
| Total fund balances - governmental funds | | \$ 5,084,281 |
| <p>Amounts reported for governmental activities in the net position are different because:</p> | | |
| <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p> | | |
| Capital assets | 168,063,754 | |
| Accumulated depreciation | <u>(113,887,100)</u> | |
| Net capital assets | | 54,176,654 |
| <p>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 position in the statement of net position. They consist of:</p> | | |
| State and local taxes | 210,666 | |
| Assets held for resale | <u>837,320</u> | |
| | | 1,047,986 |
| Interest on long-term debt is not accrued in the governmental funds but rather recognized when due: | | (569,746) |
| 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. | | 1,026,146 |
| Balance sheet items from the Village's internal service fund are allocated to the governmental and business type activities for the government-wide statements | | (330,774) |
| <p>Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :</p> | | |
| Bonds payable | (36,916,660) | |
| Leases payable | (697,699) | |
| Compensated absences payable | (596,761) | |
| Net pension obligation | (3,547,232) | |
| Net OPEB obligation | <u>(7,952,417)</u> | |
| Total long-term liabilities | | <u>(49,710,769)</u> |
| Net position of governmental activities | | <u>\$ 10,723,778</u> |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Year Ended April 30, 2013

| | Major Funds | | | | Total |
|---|------------------------|----------------------------------|-----------------------|-----------------------------|---------------------|
| | General Corporate Fund | Corporate Bond and Interest Fund | Police Station Fund | Nonmajor Governmental Funds | |
| Revenues | | | | | |
| Property taxes | \$ 10,576,920 | \$ 3,166,335 | \$ - | \$ 2,664,227 | \$ 16,407,482 |
| Sales taxes | 1,812,946 | - | - | - | 1,812,946 |
| Income taxes | 1,719,780 | - | - | - | 1,719,780 |
| Utility taxes | 3,006,323 | - | - | - | 3,006,323 |
| Other taxes | 1,043,379 | - | - | 496,942 | 1,540,321 |
| Licenses, permits and fees | 2,146,680 | - | - | - | 2,146,680 |
| Grant revenue | 660,914 | - | 520,674 | 87,796 | 1,269,384 |
| Other revenue | 751,829 | - | 34,867 | 747 | 787,443 |
| Fines and forfeitures | 585,149 | - | - | 56,947 | 642,096 |
| Investment income | 7,503 | 42 | - | 3,095 | 10,640 |
| Charges for services | 1,119,739 | - | - | 224,547 | 1,344,286 |
| Total revenues | <u>23,431,162</u> | <u>3,166,377</u> | <u>555,541</u> | <u>3,534,301</u> | <u>30,687,381</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 5,706,641 | 4,315 | 94,219 | 37,738 | 5,842,913 |
| Public safety | 12,047,757 | - | - | 291,412 | 12,339,169 |
| Highway and street | 3,427,787 | - | - | 191,772 | 3,619,559 |
| Public health | 284,092 | - | - | - | 284,092 |
| Community development | 389,002 | - | - | 361,626 | 750,628 |
| Building department | 639,927 | - | - | - | 639,927 |
| Debt service | | | | | |
| Principal | - | 680,000 | - | - | 680,000 |
| Interest and other charges | - | 1,733,573 | - | - | 1,733,573 |
| Capital outlay | 1,800,291 | - | 9,801,875 | 19,836 | 11,622,002 |
| Total expenditures | <u>24,295,497</u> | <u>2,417,888</u> | <u>9,896,094</u> | <u>902,384</u> | <u>37,511,863</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(864,335)</u> | <u>748,489</u> | <u>(9,340,553)</u> | <u>2,631,917</u> | <u>(6,824,482)</u> |
| Other financing sources (uses) | | | | | |
| Transfers in | 769,063 | 1,139,990 | 300,000 | - | 2,209,053 |
| Transfers out | - | - | - | (2,209,053) | (2,209,053) |
| Total other financing sources (uses) | <u>769,063</u> | <u>1,139,990</u> | <u>300,000</u> | <u>(2,209,053)</u> | <u>-</u> |
| Net changes in fund balances | (95,272) | 1,888,479 | (9,040,553) | 422,864 | (6,824,482) |
| Fund balances at beginning of year | <u>4,732,810</u> | <u>1,022,946</u> | <u>6,228,061</u> | <u>(75,054)</u> | <u>11,908,763</u> |
| Fund balances at end of year | <u>\$ 4,637,538</u> | <u>\$ 2,911,425</u> | <u>\$ (2,812,492)</u> | <u>\$ 347,810</u> | <u>\$ 5,084,281</u> |

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, 2013

Net change in fund balances - total governmental funds \$ (6,824,482)

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 | 13,175,693 | |
| Depreciation | <u>(2,208,451)</u> | |
| Capital outlay in excess of depreciation | | 10,967,242 |

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 position. 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 | 680,000 | |
| Principal retirement - leases | <u>204,502</u> | |
| | | 884,502 |

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: (158,684)

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 (137,055)

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 | (99,869) | |
| Change in compensated absences payable | (86,680) | |
| Change in net pension obligation | (721,571) | |
| Change in net OPEB obligation | (1,907,632) | |
| Change in accrued interest on debt | <u>160,575</u> | |
| Total expenses of non-current resources | | <u>(2,655,177)</u> |

Change in net position of governmental activities \$ 2,076,346

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 April 30, 2013

| | Major Fund | Nonmajor Funds | | Total | Internal Service |
|---|-------------------------|---------------------|---------------------------------|----------------------|------------------------------|
| | Water and Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | Fleet Maintenance Fund |
| Assets | | | | | |
| Current assets: | | | | | |
| Cash | \$ 478,397 | \$ - | \$ 191,565 | \$ 669,962 | \$ - |
| Accounts receivable | 733,058 | 231,036 | - | 964,094 | 4 |
| Prepaid items | 30 | - | - | 30 | - |
| Interfund receivable | 1,083,814 | 1,183,492 | - | 2,267,306 | - |
| Total current assets | <u>2,295,299</u> | <u>1,414,528</u> | <u>191,565</u> | <u>3,901,392</u> | <u>4</u> |
| Noncurrent assets: | | | | | |
| Unamortized bond costs | 123,099 | - | - | 123,099 | - |
| Capital assets, not being depreciated | 887,630 | - | - | 887,630 | - |
| Capital assets, net of accumulated depreciation | <u>36,145,353</u> | <u>-</u> | <u>-</u> | <u>36,145,353</u> | <u>-</u> |
| Total noncurrent assets | <u>37,156,082</u> | <u>-</u> | <u>-</u> | <u>37,156,082</u> | <u>-</u> |
| Total assets | <u>39,451,381</u> | <u>1,414,528</u> | <u>191,565</u> | <u>41,057,474</u> | <u>4</u> |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Cash overdraft liability | - | 1,508,898 | - | 1,508,898 | 426,974 |
| Accounts payable | 1,173,715 | 226,595 | 6,088 | 1,406,398 | 16,253 |
| Accrued payroll | 25,095 | 4,957 | - | 30,052 | 5,932 |
| Compensated absences payable | 25,209 | - | - | 25,209 | - |
| Accrued interest payable | 252,064 | - | - | 252,064 | - |
| Interfunds payable | 825,000 | 584,249 | 7,498 | 1,416,747 | - |
| Current portion - bonds payable | 1,135,000 | - | - | 1,135,000 | - |
| Current portion - loans payable | <u>897,367</u> | <u>-</u> | <u>-</u> | <u>897,367</u> | <u>-</u> |
| Total current liabilities | <u>4,333,450</u> | <u>2,324,699</u> | <u>13,586</u> | <u>6,671,735</u> | <u>449,159</u> |
| Noncurrent liabilities: | | | | | |
| Noncurrent portion - bonds payable | 13,230,901 | - | - | 13,230,901 | - |
| Noncurrent portion - loans payable | 3,046,670 | - | - | 3,046,670 | - |
| Net OPEB obligation | <u>653,732</u> | <u>-</u> | <u>-</u> | <u>653,732</u> | <u>-</u> |
| Total noncurrent liabilities | <u>16,931,303</u> | <u>-</u> | <u>-</u> | <u>16,931,303</u> | <u>-</u> |
| Total liabilities | <u>21,264,753</u> | <u>2,324,699</u> | <u>13,586</u> | <u>23,603,038</u> | <u>449,159</u> |
| Net position | | | | | |
| Net investment in capital assets | 19,658,946 | - | - | 19,658,946 | - |
| Unrestricted | <u>(1,472,318)</u> | <u>(910,171)</u> | <u>177,979</u> | <u>(2,204,510)</u> | <u>(449,155)</u> |
| Total net position | <u>\$ 18,186,628</u> | <u>\$ (910,171)</u> | <u>\$ 177,979</u> | <u>17,454,436</u> | <u>\$ (449,155)</u> |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | <u>(118,381)</u> | |
| | | | | <u>\$ 17,336,055</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 Year Ended April 30, 2013

| | Major Fund | Nonmajor Funds | | Total | Internal Service |
|---|-------------------------|---------------------|---------------------------------|--|------------------------------|
| | Water and Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | Fleet Maintenance Fund |
| Operating revenues | | | | | |
| Charges for services | \$ 7,466,510 | \$ 1,166,731 | \$ 68,342 | \$ 8,701,583 | \$ 342,711 |
| Other revenue | 229,712 | 4,470 | - | 234,182 | 12,261 |
| Total operating revenues | <u>7,696,222</u> | <u>1,171,201</u> | <u>68,342</u> | <u>8,935,765</u> | <u>354,972</u> |
| Operating expenses | | | | | |
| Administration | 1,007,174 | 290,647 | 9,530 | 1,307,351 | 315,958 |
| Water purchases | 3,032,969 | - | - | 3,032,969 | - |
| Repairs & maintenance | 1,631,910 | 52,691 | 19,933 | 1,704,534 | - |
| Supplies & services | 1,043,427 | 1,306,905 | - | 2,350,332 | 241,564 |
| Depreciation | 1,118,105 | - | - | 1,118,105 | - |
| Total operating expenses | <u>7,833,585</u> | <u>1,650,243</u> | <u>29,463</u> | <u>9,513,291</u> | <u>557,522</u> |
| Operating income (loss) | <u>(137,363)</u> | <u>(479,042)</u> | <u>38,879</u> | <u>(577,526)</u> | <u>(202,550)</u> |
| Non-operating revenues (expenses) | | | | | |
| Grant revenue | 13,500 | - | - | 13,500 | - |
| Investment income | 691 | 131 | 261 | 1,083 | - |
| Interest expense | <u>(739,726)</u> | <u>-</u> | <u>-</u> | <u>(739,726)</u> | <u>-</u> |
| Total non-operating revenues (expenses) | <u>(725,535)</u> | <u>131</u> | <u>261</u> | <u>(725,143)</u> | <u>-</u> |
| Net income (loss) | (862,898) | (478,911) | 39,140 | (1,302,669) | (202,550) |
| Net position at beginning of year | <u>19,049,526</u> | <u>(431,260)</u> | <u>138,839</u> | <u>18,757,105</u> | <u>(246,605)</u> |
| Net position at end of year | <u>\$ 18,186,628</u> | <u>\$ (910,171)</u> | <u>\$ 177,979</u> | <u>\$ 17,454,436</u> | <u>\$ (449,155)</u> |
| Reconciliation of the statement of revenues, expenses, and changes in fund net position - proprietary funds to the statement of activities | | | | | |
| | | | | Net Income (loss) per above | \$ (1,302,669) |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds | | | | | <u>(65,495)</u> |
| | | | | Change in net position of business-type activities | <u>\$ (1,368,164)</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 Year Ended April 30, 2013

| | Major Fund | Nonmajor Funds | | Total Enterprise Funds | Internal Service |
|--|-------------------------|-------------------|---------------------------------|------------------------------|------------------------------|
| | Water and Sewer Fund | Garbage Fund | Commuter Parking Lot Fund | | Fleet Maintenance Fund |
| Cash flows provided (used) by operating activities | | | | | |
| Receipts from customers | \$ 7,579,164 | \$ 1,319,043 | \$ 68,342 | \$ 8,966,549 | \$ 354,972 |
| Payments to suppliers | (5,985,831) | (1,088,458) | (23,375) | (7,097,664) | (91,795) |
| Payments to employees | (727,795) | (104,485) | - | (832,280) | (263,177) |
| Net cash provided by operating activities | <u>865,538</u> | <u>126,100</u> | <u>44,967</u> | <u>1,036,605</u> | <u>-</u> |
| Cash flows provided (used) by non-capital and related financing activities | | | | | |
| Grants | 13,500 | - | - | 13,500 | - |
| Interfund borrowing | 106,609 | (126,231) | (2,443) | (22,065) | - |
| Net cash provided (used) by non-capital and related financing activities | <u>120,109</u> | <u>(126,231)</u> | <u>(2,443)</u> | <u>(8,565)</u> | <u>-</u> |
| Cash flows used by capital and related financing activities | | | | | |
| Principal paid on capital asset acquisition debt | (2,284,378) | - | - | (2,284,378) | - |
| Interest paid on capital asset acquisition debt | (807,942) | - | - | (807,942) | - |
| Purchases of capital assets | (756,967) | - | - | (756,967) | - |
| Net cash used by capital and related financing activities | <u>(3,849,287)</u> | <u>-</u> | <u>-</u> | <u>(3,849,287)</u> | <u>-</u> |
| Cash flows provided by investing activities | | | | | |
| Interest | 691 | 131 | 261 | 1,083 | - |
| Net cash provided by investing activities | <u>691</u> | <u>131</u> | <u>261</u> | <u>1,083</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | <u>(2,862,949)</u> | <u>-</u> | <u>42,785</u> | <u>(2,820,164)</u> | <u>-</u> |
| Balances - beginning of the year | <u>3,341,346</u> | <u>-</u> | <u>148,780</u> | <u>3,490,126</u> | <u>-</u> |
| Balances - end of year | <u>\$ 478,397</u> | <u>\$ -</u> | <u>\$ 191,565</u> | <u>\$ 669,962</u> | <u>\$ -</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Operating income (loss) | \$ (137,363) | \$ (479,042) | \$ 38,879 | \$ (577,526) | \$ (202,550) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | | |
| Depreciation expense | 1,118,105 | - | - | 1,118,105 | - |
| Change in assets and liabilities: | | | | | |
| Decrease (increase) receivables, net | (117,058) | 147,842 | - | 30,784 | - |
| Decrease (increase) prepaid items | (30) | - | - | (30) | - |
| (Decrease) increase accounts payable | (173,718) | 456,811 | 6,088 | 289,181 | 202,615 |
| (Decrease) increase accrued payroll | 10,810 | 489 | - | 11,299 | (65) |
| (Decrease) increase compensated absences | 25,210 | - | - | 25,210 | - |
| (Decrease) increase OPEB obligation | 139,582 | - | - | 139,582 | - |
| Net cash provided (used) by operating activities | <u>\$ 865,538</u> | <u>\$ 126,100</u> | <u>\$ 44,967</u> | <u>\$ 1,036,605</u> | <u>\$ -</u> |
| Supplemental disclosures of non-cash transactions | | | | | |
| Purchases of capital assets | \$ 336,829 | \$ - | \$ - | \$ 336,829 | \$ - |
| Change in net OPEB obligation | 139,582 | - | - | 139,582 | - |

See accompanying notes to financial statements.

VILLAGE OF FRANKLIN PARK, ILLINOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
April 30, 2013

| | Pension Trust Funds | Agency Funds |
|--|------------------------|-----------------|
| Assets | | |
| Cash | \$ 68,831 | \$ - |
| Investments: | | |
| Certificates of deposit | 5,258,481 | - |
| State and local obligations | 35,226 | - |
| US government and agency obligations | 6,945,230 | - |
| Corporate bonds | 7,508,350 | - |
| Insurance contracts | 15,138,137 | - |
| Equity securities | 1,786,723 | - |
| Equity mutual funds | 4,809,665 | - |
| Money market mutual funds | 1,945,473 | - |
| Accrued interest receivable | 140,319 | - |
| Other receivable | - | 417 |
| Due from village | 53,463 | 351,450 |
| Prepays | 6,530 | - |
| Total assets | 43,696,428 | \$ 351,867 |
| Liabilities | | |
| Accounts payable | 18,864 | \$ - |
| Deposits payable | - | 351,867 |
| Total liabilities | 18,864 | \$ 351,867 |
| Net position | | |
| Held in trust for pension benefits and other purposes | 43,677,564 | |
| Total net position | \$ 43,677,564 | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended April 30, 2013

| | <u>Pension Trust Funds</u> |
|----------------------------------|--------------------------------|
| Additions | |
| Contributions | |
| Employer | \$ 2,805,297 |
| Plan members | <u>824,029</u> |
| Total contributions | <u>3,629,326</u> |
| Net investment earnings | <u>3,373,962</u> |
| Total additions | <u>7,003,288</u> |
| Deductions | |
| Benefits | 4,363,346 |
| Administrative expenses | <u>83,471</u> |
| Total deductions | <u>4,446,817</u> |
| Change in net position | 2,556,471 |
| Net position - beginning of year | <u>41,121,093</u> |
| Net position - end of year | <u>\$ 43,677,564</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*, amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, 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 Fund and the Firefighter's Pension Fund have been included in the financial reporting entity as fiduciary component units while the Foreign Fire Insurance Premium Tax Fund has been included in the financial reporting entity as a blended component unit.

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

Firefighter's Pension Fund – The Village's fire department employees participate in the Firefighter's Pension Fund ("Firefighter's Pension Fund"). The Firefighter's Pension Fund functions for the benefit of these employees and is governed by a nine-member pension board. The Village's President, Treasurer, Clerk, Attorney, and Fire Chief, one elected pension beneficiary, and three elected fire employees constitute the pension board. The Village is obligated to fund all Firefighter's Pension Fund costs based on actuarial valuations. The nature of the Firefighter's Pension Fund dictates the Village's financial accountability. The Village appoints a voting majority of the component unit's board and the pension fund has the possibility of imposing a financial burden on the Village. The State of Illinois is authorized to establish benefit levels and the government is authorized to approve the actuarial assumptions used in the determination of contribution levels. Separately issued financial statements for the Firefighter's Pension Fund 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. This revenue represents a financial benefit to the Village. In addition, the fund is governed by a board that includes members of the Board of Trustees and fire department personnel, all of which are elected by the members of the fire department. The fund is included within the Village's reporting entity as a special revenue fund.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation: The Village's basic financial statements consist of government-wide statements, including a statement of net position 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.

Government-wide Financial Statements – The statement of net position and the statement of activities display information about the Village as a whole. In the government-wide statement of net position, 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 position and the operating statements present increases (revenues) and decreases (expenses) in total net position. 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Eliminations have been made in the statement of net position 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 position 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 2013, 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

Police Station Fund – This capital project fund is used to account for resources utilized for payment of construction and related costs for the Village's planned new police station.

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 and Sewer Fund – The Water and Sewer Fund accounts for the operating activities of the Village's water and sewer utilities services.

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 Fund and the Firefighter's Pension Fund, which account for the resources and related obligations for the Village under these plans.

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

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 capital 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 Fund and Fire Pension Fund 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Claims and Judgments: Liabilities resulting from claims and judgments, if any, have been reflected in the financial statements in accordance with the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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 \$756,889.

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/Unearned Revenue: The Village reports deferred and unearned revenues on its financial statements. Deferred revenues arise when potential revenue does not meet both the measurable 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 Position and revenue is recognized.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting For Proprietary Fund Activities: The Village has applied the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.

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, 2013 was \$837,320.

NOTE 2 - NET POSITION AND FUND BALANCES

Net positions represent the difference between assets and liabilities. Net position 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 positions 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.

In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the components of the fund balance include the following line items:

- a. Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b. Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation.
- c. Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. For the Village, the Board of Trustees is the highest level of decision making via ordinance. As of April 30, 2013, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 2 - NET POSITION AND FUND BALANCES (Continued)

The implementation of these new components is intended to decrease confusion and help serve the needs of the financial statement users.

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The Village does not have a minimum fund balance policy.

The following funds had deficit fund balances at April 30, 2013:

| <u>Fund</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| Police Station Fund | \$ 2,812,492 |
| Garbage Fund | 910,171 |
| Fleet Maintenance Fund | 449,155 |
| MFT Fund | 357,676 |
| Downtown Franklin Avenue TIF Fund | 1,838,182 |
| Waveland/Mannheim TIF Fund | 531,436 |
| Resurrection TIF Fund | 837,252 |
| Special Service Area #4 Fund | 10,473 |

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

NOTE 3 - 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 Position of \$2.5 million or more may invest up to 45% of plan Net Position in separate accounts of life insurance companies and mutual funds. In addition, pension funds with Net Position of at least \$5 million that have appointed an investment advisor may invest up to 45% of the plan's Net Position in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with 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.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Cash: The carrying amount of cash, excluding the Pension Trust Funds, was \$4,185,113 at April 30, 2013, while the bank balances were \$4,804,347. 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.

Investments (Excluding Pension Trust Fund): The following schedule reports the fair values for the Village's investments at April 30, 2013. All investments mature in less than one year:

| <u>Investment Types</u> | <u>Fair Value</u> |
|--------------------------|---------------------|
| Money market mutual fund | \$ 2,604,001 |
| Treasurer Illinois Funds | 1,805,656 |
| Total investments | <u>\$ 4,409,657</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 as described in the adopted Village investment policy.

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, as described in the adopted Village investment policy. The United States Agencies are implicitly guaranteed by the United States Government. Illinois Funds are rated AAAM by Standard & Poor's.

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 as described in the adopted Village investment policy. The Village's investments are fully collateralized as of April 30, 2013.

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 as described in the adopted Village investment policy. 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 16%, 12% and 72%, respectively, of the Village's investments. The concentration of investments in Illinois Funds is a violation of the Village's investment policy.

Cash – Police Pension Fund: At April 30, 2013, the Police Pension Fund's carrying amount of cash was \$5,903 while the bank balances were \$10,870. The FDIC insures bank balances up to \$250,000. As of April 30, 2013, all of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund's name by a financial institution acting as the Police Pension Fund's agent.

Certificates of Deposit – Police Pension Fund: Certificates of Deposit amounted to \$2,603,804 at April 30, 2013. In accordance with Police Pension Fund policy, certificates of deposit of \$2,542,401 were collateralized with securities of the U.S. Government. \$61,403 of certificates of deposit were uncollateralized. All investment collateral is held in safekeeping in the Police Pension Fund's name by financial institutions acting as the Police Pension Fund agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments – Police Pension Fund: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2013:

| Investment Type | Fair Value | Investment Maturities | | | |
|--|----------------------|-----------------------|---------------------|---------------------|------------------------|
| | | Less than One Year | One to Five Years | Six to Ten Years | Greater than Ten Years |
| U.S. Agencies | \$ 1,878,998 | \$ 361,116 | \$ 1,243,524 | \$ 2,561 | \$ 271,797 |
| U.S. Treasury Notes | 1,295,597 | - | 456,687 | 838,910 | - |
| Money Market Mutual Funds | 1,155,246 | 1,155,246 | - | - | - |
| Corporate Bonds | <u>4,184,249</u> | <u>25,225</u> | <u>3,103,020</u> | <u>1,056,004</u> | <u>-</u> |
| Total | <u>8,514,090</u> | <u>\$ 1,541,587</u> | <u>\$ 4,803,231</u> | <u>\$ 1,897,475</u> | <u>\$ 271,797</u> |
| Investments Not Sensitive to Interest Rate Risk: | | | | | |
| Mutual Funds | 1,164,679 | | | | |
| Life Insurance Annuities | <u>8,326,286</u> | | | | |
| Total Investments | <u>\$ 18,005,055</u> | | | | |

Interest Rate Risk – The Police Pension Fund'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 Fund 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 Fund's investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Police Pension Fund's investment policy also prescribes the "prudent person" rule. Investments in U.S. Treasury Notes totaling \$1,295,597 were rated AA+ by Standard and Poor's with investments in U.S. Agencies totaling \$735,443 being rated AAA and \$1,143,555 were rated AA+. Investments in Corporate Bonds carried the following ratings:

| | |
|------|---------------------|
| AA+ | \$ 129,351 |
| AA | 62,536 |
| A+ | 372,134 |
| A | 1,619,564 |
| A- | 313,948 |
| BBB+ | 604,697 |
| BBB | 932,507 |
| BBB- | <u>149,512</u> |
| | <u>\$ 4,184,249</u> |

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Police Pension Fund 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 Fund's investment policy, the Police Pension Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Police Pension Fund, to act as custodian for its securities and collateral.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk – The Police Pension Fund places no limit on the amount it may invest in any one issuer. More than 5% of the Police Pension Fund’s investments are in Scudder Gateway Insurance Contract, SunLife Insurance Contract, Jackson National Life Insurance Contracts, MetLife Insurance Contracts and ING Insurance Contracts. These investments are 11%, 7%, 7%, 5%, and 5% respectively, of the Police Pension Fund’s total investments.

Cash – Firefighter’s Pension Fund: At April 30, 2013, the Firefighter’s Pension Fund’s carrying amount of cash was \$62,928 while the bank balances were \$58,743. The FDIC insures bank balances up to \$250,000. As of April 30, 2013, all of the bank balance was collateralized with securities of the U.S. government held in the Firefighter’s Pension Fund’s name by a financial institution acting as the Firefighter’s Pension Fund’s agent.

Certificates of Deposit – Fire Pension Fund: Certificates of Deposit amounted to \$2,654,677 at April 30, 2013. In accordance with Fire Pension Fund policy, certificates of deposit of \$2,654,677 were collateralized with securities of the U.S. Government. All investment collateral is held in safekeeping in the Fire Pension Fund’s name by financial institutions acting as the Fire Pension Fund agent. Collateral is priced to market semi-monthly and monitored regularly with additional collateral requested as necessary.

Investments – Firefighter’s Pension Fund: The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighter’s Pension Fund’s investments at April 30, 2013:

| 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 | \$ 35,226 | \$ - | \$ 35,226 | \$ - | \$ - |
| U.S. Treasury Notes | 1,729,741 | - | 1,458,699 | 271,042 | - |
| U.S. Agencies | 2,040,894 | 310,765 | 676,152 | 574,493 | 479,484 |
| Money Market Mutual Funds | 790,227 | 790,227 | - | - | - |
| Corporate Bonds | 3,324,101 | 391,796 | 1,439,653 | 1,243,623 | 249,047 |
| Total | <u>7,920,189</u> | <u>\$ 1,461,263</u> | <u>\$ 3,609,730</u> | <u>\$ 2,089,158</u> | <u>\$ 728,531</u> |

Investments Not Sensitive to

| | |
|--------------------------|----------------------|
| Interest Rate Risk: | |
| Equity Securities | 1,786,723 |
| Mutual Funds | 3,644,986 |
| Life Insurance Annuities | 6,811,851 |
| Total Investments | <u>\$ 20,163,749</u> |

Interest Rate Risk – The Firefighter’s Pension Fund’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 Fund 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 Fund’s investment policy established criteria for allowable investments; those criteria follow the requirements of the Illinois Pension Code. The Firefighter’s Pension Fund’s investment policy also prescribes the “prudent person” rule.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Investments in U.S. Treasury Notes totaling \$1,729,741 were rated AA+ by Standard and Poor's with investments in U.S Agencies totaling \$1,951,035 being rated AA+ and \$89,859 were rated unrated. Investments in State and Local Obligations totaling \$35,226 were rated AA-. Investments in Corporate Bonds carried the following ratings:

| | | |
|------|----|--------------|
| AA+ | \$ | 129,644 |
| AA | | 255,810 |
| AA- | | 306,845 |
| A+ | | 276,742 |
| A | | 992,868 |
| A- | | 1,309,974 |
| BBB+ | | 52,218 |
| | | \$ 3,324,101 |

Unrated investments are listed below:

| Investment | Par Value | Interest Rate | Maturity Date |
|--|-----------|---------------|---------------|
| Federal Home Loan Mortgage Corporation | \$ 579 | 7.000% | 9/1/2015 |
| Federal Home Loan Mortgage Corporation | 600 | 7.000% | 2/1/2032 |
| Federal National Mortgage Association | 7,140 | 7.500% | 7/1/2029 |
| Federal National Mortgage Association | 7,072 | 7.000% | 6/1/2032 |
| Federal National Mortgage Association | 3,898 | 7.000% | 10/1/2029 |

Custodial Credit Risk – For an investment, this is the risk that, in the event of the failure of the counterparty, the Firefighter's Pension Fund 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 Fund limits its exposure to custodial credit risk by utilizing an independent third party institution, selected by the Firefighter's Pension Fund, to act as custodian for its securities and collateral.

Concentration of Credit Risk – The Firefighter's Pension Fund 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 Fund's investments are in Pridex Wishire Insurance Contract, Principal Life Insurance Contract, Artisan International Fund and Vanguard Total International Stock Index Fund. These investments are 24%, 6%, 6% and 6%, respectively, of the Firefighter's Pension Fund's total investments.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - CASH AND INVESTMENTS (Continued)

Reconciliation to Financial Statements:

Cash and investments per financial statements:

| | |
|--------------------------------------|----------------------|
| Statement of Net Position | |
| Cash | \$ 9,660,710 |
| Investments | 2,604,001 |
| Cash overdraft liability | (3,669,961) |
| Statement of Fiduciary Net Position | |
| Pension trust funds | |
| Cash | 68,831 |
| Certificates of deposit | 5,258,481 |
| State and Local Obligations | 35,226 |
| US government and agency obligations | 6,945,230 |
| Corporate bonds | 7,508,350 |
| Insurance contracts | 15,138,137 |
| Equity securities | 1,786,723 |
| Equity mutual funds | 4,809,665 |
| Money market mutual funds | 1,945,473 |
| Total | <u>\$ 52,090,866</u> |

Cash and investments per footnote:

| | |
|--|----------------------|
| Cash | \$ 4,185,113 |
| Investments | 4,409,657 |
| Cash – Police Pension Fund | 5,903 |
| Certificate of deposits – Police Pension Fund | 2,603,804 |
| Investments – Police Pension Fund | 18,005,055 |
| Cash – Firefighter’s Pension Fund | 62,928 |
| Certificate of deposits – Firefighter’s Pension Fund | 2,654,677 |
| Investments – Firefighter’s Pension Fund | 20,163,749 |
| Total | <u>\$ 52,090,886</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's Governmental Activities capital assets for the period May 1, 2012, through April 30, 2013 follows:

| | <u>Balance at May 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at April 30, 2013</u> |
|---|-----------------------------------|----------------------|------------------|--------------------------------------|
| Governmental activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 12,455,266 | \$ - | \$ - | \$ 12,455,266 |
| Construction in progress | <u>1,759,365</u> | <u>10,019,981</u> | <u>-</u> | <u>11,779,346</u> |
| Total capital assets being not depreciated | <u>14,214,631</u> | <u>10,019,981</u> | <u>-</u> | <u>24,234,612</u> |
| Capital assets being depreciated: | | | | |
| Infrastructure | 128,743,106 | 2,455,168 | - | 131,198,274 |
| Buildings and improvements | 6,167,013 | - | - | 6,167,013 |
| Vehicles and equipment | <u>6,018,621</u> | <u>700,544</u> | <u>255,310</u> | <u>6,463,855</u> |
| Subtotal | <u>140,928,740</u> | <u>3,155,712</u> | <u>255,310</u> | <u>143,829,142</u> |
| Less accumulated depreciation: | | | | |
| Infrastructure | (103,682,728) | (1,706,068) | | (105,388,795) |
| Buildings and improvements | (3,317,953) | (129,257) | | (3,447,210) |
| Vehicles and equipment | <u>(4,933,278)</u> | <u>(373,126)</u> | <u>(255,310)</u> | <u>(5,051,094)</u> |
| Total accumulated depreciation | <u>(111,933,959)</u> | <u>(2,208,451)</u> | <u>(255,310)</u> | <u>(113,887,100)</u> |
| Total capital assets being depreciated, net | <u>28,994,781</u> | <u>947,261</u> | <u>-</u> | <u>29,942,042</u> |
| Governmental activities capital assets, net | <u>\$ 43,209,412</u> | <u>\$ 10,967,242</u> | <u>\$ -</u> | <u>\$ 54,176,654</u> |

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

| | |
|--------------------|---------------------|
| General government | \$ 133,466 |
| Public safety | 254,662 |
| Highway and street | <u>1,820,323</u> |
| Total | <u>\$ 2,208,451</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 4 - CAPITAL ASSETS (Continued)

A summary of changes in the Village's Business-Type Activities capital assets for the period May 1, 2012, through April 30, 2013 follows:

| | <u>Balance at</u> <u>May 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance at</u> <u>April 30, 2013</u> |
|--|---|--------------------|------------------|--|
| Business-Type activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 185,000 | \$ - | \$ - | \$ 185,000 |
| Construction in progress | <u>-</u> | <u>702,630</u> | <u>-</u> | <u>702,630</u> |
| Total capital assets being not depreciated | <u>185,000</u> | <u>702,630</u> | <u>-</u> | <u>877,630</u> |
| Capital assets being depreciated: | | | | |
| Water and sewer system | 49,369,419 | 366,989 | - | 49,736,408 |
| Storage reservoir/pump | 5,686,943 | - | - | 5,686,943 |
| Buildings and improvements | 2,109,296 | - | - | 2,109,296 |
| Vehicles and equipment | <u>2,916,042</u> | <u>24,179</u> | <u>-</u> | <u>2,940,221</u> |
| Subtotal | <u>60,081,700</u> | <u>391,168</u> | <u>-</u> | <u>60,472,868</u> |
| Less accumulated depreciation: | | | | |
| Water and sewer system | (16,803,501) | (833,716) | - | (17,637,217) |
| Storage reservoir/pump | (2,780,015) | (180,874) | - | (2,960,889) |
| Buildings and improvements | (968,805) | (33,021) | - | (1,001,826) |
| Vehicles and equipment | <u>(2,657,089)</u> | <u>(70,494)</u> | <u>-</u> | <u>(2,727,583)</u> |
| Total accumulated depreciation | <u>(23,209,410)</u> | <u>(1,118,105)</u> | <u>-</u> | <u>(24,327,515)</u> |
| Total capital assets being depreciated, net | <u>36,872,290</u> | <u>(726,937)</u> | <u>-</u> | <u>36,145,353</u> |
| Business-Type activities capital assets, net | <u>\$ 37,057,290</u> | <u>\$ (24,307)</u> | <u>\$ -</u> | <u>\$ 37,032,983</u> |

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

| | |
|-------|---------------------|
| Water | \$ 1,118,105 |
| Total | <u>\$ 1,118,105</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - 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 | \$ 80,000 | \$ - | \$ (80,000) | \$ - | \$ - |
| G.O. Alt. Rev. – 2004A | 6,215,000 | - | - | 6,215,000 | - |
| G.O. Alt. Rev. – 2005A | 3,690,000 | - | (145,000) | 3,545,000 | 180,000 |
| G.O. Alt. Rev. – 2006 | 9,460,000 | - | (40,000) | 9,420,000 | 45,000 |
| G.O. Alt. Rev. – 2007 | 7,230,000 | - | (415,000) | 6,815,000 | 435,000 |
| G.O. Alt. Rev. – 2011 | 9,975,000 | - | - | 9,975,000 | - |
| Plus deferred premium | 1,123,177 | 44,750 | - | 1,167,927 | - |
| Less deferred discount | <u>(230,062)</u> | <u>-</u> | <u>8,795</u> | <u>(221,267)</u> | <u>-</u> |
| Total G.O. Bonds | 37,543,115 | 44,750 | (671,205) | 36,916,660 | 660,000 |
| Leases payable | 902,201 | - | (204,502) | 697,699 | 202,847 |
| Compensated absences | 1,064,194 | 457,169 | (789,683) | 731,680 | 134,919 |
| Net pension obligation | 2,825,661 | 721,571 | - | 3,547,232 | - |
| Net OPEB obligation | <u>6,044,785</u> | <u>1,907,632</u> | <u>-</u> | <u>7,952,417</u> | <u>-</u> |
| Total | <u>\$ 48,379,956</u> | <u>\$ 3,131,122</u> | <u>\$(1,665,390)</u> | <u>\$ 49,845,688</u> | <u>\$ 997,766</u> |

Business-Type Activities:

| | Balance Beginning of Year | Additions | Deletions | Balance End of Year | Due Within One Year |
|------------------------|------------------------------|-------------------|----------------------|------------------------|------------------------|
| G.O. Alt. Rev. – 2004B | \$ 14,515,000 | \$ - | \$(1,085,000) | \$ 13,430,000 | \$ 1,135,000 |
| Plus deferred premium | <u>1,014,448</u> | <u>-</u> | <u>(78,547)</u> | <u>935,901</u> | <u>-</u> |
| Total G.O. Bonds | 15,529,448 | - | (1,163,547) | 14,365,901 | 1,135,000 |
| Leases payable | 328,016 | - | (328,016) | - | - |
| Loans payable | 4,815,398 | - | (871,361) | 3,944,037 | 897,367 |
| Compensated absences | 42,359 | 29,539 | (46,689) | 25,209 | 25,209 |
| Net OPEB obligation | <u>514,150</u> | <u>139,582</u> | <u>-</u> | <u>653,732</u> | <u>-</u> |
| Total | <u>\$ 21,229,371</u> | <u>\$ 169,121</u> | <u>\$(2,409,613)</u> | <u>\$ 18,988,879</u> | <u>\$ 2,057,576</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - 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 |
|-------------|---------------------|---------------------|----------------------|-------|
| 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>\$ 6,203,375</u> | <u>\$ 12,418,375</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, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|---------------------|---------------------|---------------------|-------|
| 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>\$ 3,545,000</u> | <u>\$ 1,396,329</u> | <u>\$ 4,941,329</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 |
|-------------|---------------------|---------------------|----------------------|-------|
| 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>\$ 9,420,000</u> | <u>\$ 5,133,200</u> | <u>\$ 14,553,200</u> | |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - 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 out of 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:

| Fiscal Year | Principal | Interest | Total | Rate |
|-------------|---------------------|---------------------|---------------------|-------|
| 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>\$ 6,815,000</u> | <u>\$ 1,985,104</u> | <u>\$ 8,800,104</u> | |

General Obligation Alternate Revenue Bonds, Series 2011 – The Village Board authorized the issuance of \$9,975,000 General Obligation Bonds (Alternative Revenue Source), Series 2011. The bonds were issued to pay for costs associated with the purchase and construction of the Police Station and other capital projects. Interest payments are paid in equal semi-annual 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 |
|-------------|---------------------|---------------------|----------------------|-------|
| 2014 | \$ - | \$ 527,337 | \$ 527,337 | 4.00% |
| 2015 | 405,000 | 519,237 | 924,237 | 4.00% |
| 2016 | 425,000 | 502,637 | 927,637 | 4.00% |
| 2017 | 440,000 | 487,537 | 927,537 | 3.00% |
| 2018 | 455,000 | 474,112 | 929,112 | 3.00% |
| 2019 | 470,000 | 459,356 | 929,356 | 3.38% |
| 2020 | 475,000 | 442,519 | 917,519 | 3.75% |
| 2021 | 500,000 | 423,613 | 923,613 | 4.00% |
| 2022 | 520,000 | 403,212 | 923,212 | 4.00% |
| 2023 | 540,000 | 375,937 | 915,937 | 6.25% |
| 2024 | 575,000 | 341,094 | 916,094 | 6.25% |
| 2025 | 610,000 | 304,062 | 914,062 | 6.25% |
| 2026 | 650,000 | 264,688 | 914,688 | 6.25% |
| 2027 | 690,000 | 222,813 | 912,813 | 6.25% |
| 2028 | 735,000 | 178,281 | 913,281 | 6.25% |
| 2029 | 780,000 | 130,937 | 910,937 | 6.25% |
| 2030 | 825,000 | 80,781 | 905,781 | 6.25% |
| 2031 | 880,000 | 27,500 | 907,500 | 6.25% |
| Total | <u>\$ 9,975,000</u> | <u>\$ 6,165,653</u> | <u>\$ 16,140,653</u> | |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

Capital Lease – The Village leases equipment through various leases with lease terms through February 2020. The capitalized cost of \$1,278,483 less accumulated depreciation of \$900,819 is included in vehicles and equipment in the accompanying financial statements. Depreciation expense for this equipment for the year ended April 30, 2013 was \$132,753. Remaining principal and interest payments are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|--------------------|-------------------|------------------|---------------------------|
| 2014 | \$ 202,847 | \$ 27,943 | \$ 230,790 |
| 2015 | 204,160 | 19,470 | 223,630 |
| 2016 | 108,160 | 11,510 | 119,670 |
| 2017 | 70,089 | 6,735 | 76,824 |
| 2018 | 59,271 | 3,973 | 63,244 |
| 2019 | 27,949 | 1,295 | 29,244 |
| 2020 | <u>25,223</u> | <u>365</u> | <u>25,588</u> |
| | <u>\$ 697,699</u> | <u>\$ 71,291</u> | <u>\$ 768,990</u> |

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> |
|--------------------|----------------------|---------------------|----------------------|-------------|
| 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 | <u>925,000</u> | <u>23,125</u> | <u>948,125</u> | 5.00% |
| Total | <u>\$ 13,430,000</u> | <u>\$ 3,454,750</u> | <u>\$ 16,884,750</u> | |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

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> |
|------------------------|-------------------|-----------------|-------------------------------|
| 2014 | \$ 183,369 | \$ 7,792 | \$ 191,161 |
| 2015 | 94,001 | 1,579 | 95,580 |
| | <u>\$ 277,370</u> | <u>\$ 9,371</u> | <u>\$ 286,741</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:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|------------------------|---------------------|------------------|-------------------------------|
| 2014 | \$ 285,774 | \$ 27,170 | \$ 312,944 |
| 2015 | 293,875 | 19,069 | 312,944 |
| 2016 | 302,205 | 10,739 | 312,944 |
| 2017 | 154,300 | 2,173 | 156,473 |
| | <u>\$ 1,036,154</u> | <u>\$ 59,151</u> | <u>\$ 1,095,305</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 of out the Sewer Fund. The principal and interest payments to maturity at May 15, 2017 are as follows:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|------------------------|---------------------|------------------|-------------------------------|
| 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 | 122,537 | 1,930 | 124,467 |
| | <u>\$ 1,036,854</u> | <u>\$ 83,353</u> | <u>\$ 1,120,207</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - LONG-TERM DEBT (Continued)

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:

| <u>Fiscal Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total Debt Service</u> |
|------------------------|---------------------|-------------------|-------------------------------|
| 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 | 245,858 | 4,852 | 250,710 |
| | <u>\$ 1,593,659</u> | <u>\$ 161,311</u> | <u>\$ 1,754,970</u> |

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, 2013, the equalized assessed valuation of the Village using the Tax Year 2012 EAV is \$692,157,576 and the legal debt margin is \$59,698,591 while the equalized assessed valuation of the Village using the Tax Year 2011 EAV (which was also in effect during the fiscal year) is \$751,940,429 and the legal debt margin is \$64,854,862. 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. The Village was not compliant for the fiscal year 2012 by filing in December 2012.

Compensated Absences, Net Pension Obligations and Net OPEB Obligations: The Village uses resources in the General Fund and Water and Sewer Fund to satisfy obligations incurred for these long-term liabilities.

NOTE 6 - 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 2013 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 expire on February 14, 2014. A total of \$0 of interest was paid during the year ended April 30, 2013. A summary of the short-term debt activity is as follows:

| <u>Balance 5/1/2012</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance 4/30/2013</u> |
|-----------------------------|------------------|-------------------|------------------------------|
| \$ _____ - | \$ 2,500,000 | \$ _____ - | \$ 2,500,000 |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 7 - NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2013 total \$17,422,256. 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, 2013 is \$1,497,840 plus unpaid accrued interest of \$261,008 for a total amount due of \$1,758,848. 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, 2013 is \$8,200,000 plus accrued interest of \$7,463,408 for a total amount due of \$15,663,408. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

NOTE 8 - INTERFUNDS AND TRANSFERS

The General Corporate Fund loaned \$1,275,895 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. The Downtown Franklin TIF borrowed \$400,000 from the Water Fund to cover TIF costs. The Garbage Fund borrowed \$584,249 from the General Corporate Fund to cover operating costs. Finally, the General Corporate Fund borrowed \$683,814 from the Water Fund in prior years to cover operating costs.

The transfers include payment to the Corporate Bond and Interest from the TIF funds for scheduled debt service of \$1,139,990, \$769,063 to the General Corporate Fund from the MFT Fund for reimbursement of prior year eligible costs and \$300,000 from the Police Department 1505 Fund to the Police Station Fund for police station construction costs.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 8 - INTERFUNDS AND TRANSFERS (Continued)

| | <u>Due From Other Funds</u> | <u>Due to Other Funds</u> |
|-----------------------------------|---------------------------------|-------------------------------|
| General Corporate | | |
| Police Station | \$ - | \$ 105,454 |
| Corporate Bond and Interest | 182,483 | - |
| Nonmajor Governmental | 1,774,994 | 144,922 |
| Water | - | 683,814 |
| Garbage | 584,249 | - |
| Commuter Parking Lot | 7,498 | - |
| Total General Corporate | <u>2,549,224</u> | <u>934,190</u> |
| Corporate Bond and Interest | | |
| General Corporate | - | 182,483 |
| Nonmajor Governmental | <u>78,842</u> | <u>20,344</u> |
| Total Corporate Bond and Interest | <u>78,842</u> | <u>202,827</u> |
| Police Station | | |
| General Corporate | 105,454 | - |
| Garbage | - | 1,183,492 |
| Total Police Station | <u>105,454</u> | <u>1,183,492</u> |
| Nonmajor Governmental | | |
| General Corporate | 144,922 | 1,774,994 |
| Corporate Bond and Interest | 20,344 | 78,842 |
| Nonmajor Governmental | 1,386,722 | 1,386,722 |
| Water | <u>825,000</u> | <u>400,000</u> |
| Total Nonmajor Governmental | <u>2,376,988</u> | <u>3,640,558</u> |
| Water | | |
| General Corporate | 683,814 | - |
| Nonmajor Governmental | <u>400,000</u> | <u>825,000</u> |
| Total Water | <u>1,083,814</u> | <u>825,000</u> |
| Garbage | | |
| Police Station | 1,183,492 | - |
| General Corporate | - | 584,249 |
| Total Garbage | <u>1,183,492</u> | <u>584,249</u> |
| Commuter Parking Lot | | |
| General Corporate | - | 7,498 |
| Total Commuter Parking Lot | <u>-</u> | <u>7,498</u> |
| Total | <u>\$ 7,377,914</u> | <u>\$ 7,377,914</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 8 - INTERFUNDS AND TRANSFERS (Continued)

| | <u>Transfers In</u> | <u>Transfers Out</u> |
|-----------------------------------|---------------------|----------------------|
| General Corporate | | |
| Nonmajor Governmental | \$ 769,063 | \$ - |
| Total General Corporate | <u>769,063</u> | <u>-</u> |
| Corporate Bond and Interest | | |
| Nonmajor Governmental | 1,139,990 | - |
| Total Corporate Bond and Interest | <u>1,139,990</u> | <u>-</u> |
| Police Station | | |
| Nonmajor Governmental | 300,000 | - |
| Total Police Station | <u>300,000</u> | <u>-</u> |
| Nonmajor Governmental | | |
| General Corporate | - | 769,063 |
| Corporate Bond and Interest | - | 1,139,990 |
| Police Station | - | 300,000 |
| Total Nonmajor Governmental | <u>-</u> | <u>2,209,053</u> |
| Total | <u>\$ 2,209,053</u> | <u>\$ 2,209,053</u> |

NOTE 9 - 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 2012 was 16.22% 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.

Annual Pension Cost: For December 31, 2012, the Village's annual pension cost of \$475,933 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, 2012 | \$ 475,933 | 100% | \$ - |
| December 31, 2011 | 330,827 | 100% | - |
| December 31, 2010 | 348,067 | 100% | - |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 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, 2012, the most recent actuarial valuation date, the Regular plan was 67.17 percent funded. The actuarial accrued liability for benefits was \$7,523,711 and the actuarial value of assets was \$5,053,450, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,470,261. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$2,934,236 and the ratio of the UAAL to the covered payroll was 84 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.

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 contribution rate for calendar year 2012 used by the employer was 0.00% of annual covered payroll. The employer annual required contribution rate for calendar year 2011 was 12.96% 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.

Annual Pension Cost: For December 31, 2012, the Village's actual contributions for pension cost for the Sheriff's Law Enforcement Personnel were \$0. Its required contribution for calendar year 2012 was \$0. Any net pension obligation for the Sheriff's Law Enforcement Personnel is deemed to be immaterial. 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, 2012 | \$ - | 0% | \$ - |
| December 31, 2011 | - | 0% | - |
| December 31, 2010 | 6,372 | 95% | - |

(Continued)

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

The required contribution for 2012 was determined as part of the December 31, 2010 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, 2010 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, 2012, the most recent actuarial valuation date, the Sheriff's Law Enforcement Personnel plan was 0.00 percent funded. The actuarial accrued liability for benefits was \$0 and the actuarial value of assets was \$40,240, resulting in an overfunded actuarial accrued liability (UAAL) of \$40,240. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was \$0. 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.

Police Pension Fund

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

The Police Pension Fund provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The pension shall be increased by 3% of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75% of such salary. Covered Employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5 % of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly benefit of a police officer hired before January 1, 2011, 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% compounded annually thereafter. The monthly pension of a police officer hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

At April 30, 2012 (the most recent information available), the Police Pension Fund membership consisted of:

| | |
|---|----|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 43 |
| Current Employees Vested and Nonvested | 43 |
| | 86 |

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 Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. By the year 2040 the Village's contributions must accumulate to the point where the past service cost for the Police Pension Fund is 90% funded.

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 | 43.87%, 9.91% |
| Annual Pension Cost | \$1,924,212 |
| Contributions Made | \$1,421,637 |
| Actuarial Valuation Date | April 30, 2012 |
| Actuarial Cost Method | Entry Age |
| Amortization Period | Level Percentage of Pay, Closed |
| Remaining Amortization Period | 30 Years |
| Asset Valuation Method | Market |
| Actuarial Assumptions | |
| Investment Rate of Return | 6.75% |
| Projected Salary Increases | 5.50% |
| Inflation | 3.00% |
| Cost of Living Adjustments | 3.00% |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

The amount of the pension liability is as follows:

| | |
|---|---------------------|
| Annual Required Contribution | \$ 1,893,903 |
| Interest on Net Pension Obligation | 100,229 |
| Adjustment to Annual Required Contribution | <u>(69,920)</u> |
| Annual Pension Cost | 1,924,212 |
| Actual Contributions | <u>1,421,637</u> |
| Increase in Net Pension Obligation | 502,575 |
| Net Pension Obligation as of April 30, 2012 | 1,484,869 |
| Net Pension Obligation as of April 30, 2013 | <u>\$ 1,987,444</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, 2013 | \$ 1,924,212 | 73.9% | \$ 1,987,444 |
| April 30, 2012 | 1,544,115 | 86.9% | 1,484,869 |
| April 30, 2011 | 1,390,042 | 99.9% | 1,283,299 |

Funded Status and Funding Progress: As of April 30, 2012, the most recent actuarial valuation date, the Police Pension Fund was 42.47 percent funded. The actuarial accrued liability for benefits was \$49,077,026 and the actuarial value of assets was \$20,841,615, resulting in an underfunded actuarial accrued liability (UAAL) of \$28,235,411. The covered payroll for 2012 (annual payroll of active employees covered by the plan) was \$3,471,918 and the ratio of the UAAL to the covered payroll was 813.25 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.

Firefighter's Pension Plan

Plan Description: Fire sworn personnel are covered by the Firefighter's Pension Fund 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 Fund issues its own stand-alone financial report. The publicly available report that includes financial statements and other required information for the Firefighter's Pension Fund may be obtained by writing the Village.

The Firefighter's Pension Fund provides retirement benefits as well as death and disability benefits. Covered employees hired before January 1, 2011, attaining the age of 50 or more with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 1/2 of the monthly salary attached to the rank held at the date of retirement. The pension shall be increased by 1/12 of 2.5% of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75% of such salary. Covered Employees hired on or after January 1, 2011, attaining the age of 55 with at least 10 years of creditable service are entitled to receive an annual retirement benefit of 2.5% of final average salary for each year of service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter. The monthly pension of a firefighter hired before January 1, 2011, 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% compounded annually

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

thereafter. The monthly pension of a firefighter hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 60, by the lesser of 3% or 1/2 of the consumer price index. Employees with at least 10 years but less than 20 years of creditable service may retire at or after age 60 and receive a reduced benefit.

At April 30, 2012 (the latest information available), the Firefighter's Pension Fund membership consisted of:

| | |
|---|-----------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 45 |
| Current Employees Vested and Nonvested | <u>40</u> |
| | <u>85</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 9.46% of their base salary to the Firefighter's Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Effective January, 1, 2011, the Village's contributions must accumulate to the point where the past service cost for the Firefighter's Pension Fund is 90% funded, by the year 2040.

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

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 9 - DEFINED BENEFIT PENSION PLAN (Continued)

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 | 45.80%, 9.46% |
| Annual Pension Cost | \$1,528,073 |
| Contributions Made | \$1,309,077 |
| Actuarial Valuation Date | April 30, 2012 |
| Actuarial Cost Method | Entry Age |
| Amortization Period | Level Percentage of Pay, Closed |
| Remaining Amortization Period | 28 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 | \$ 1,495,589 |
| Interest on Net Pension Obligation | 93,855 |
| Adjustment to Annual Required Contribution | <u>(61,371)</u> |
| Annual Pension Cost | 1,528,073 |
| Actual Contributions | <u>1,309,077</u> |
| Increase in Net Pension Obligation | 218,996 |
| Net Pension Obligation as of April 30, 2012 | <u>1,340,792</u> |
| Net Pension Obligation as of April 30, 2013 | <u><u>\$ 1,559,788</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, 2013 | \$ 1,528,073 | 85.7% | \$ 1,559,788 |
| April 30, 2012 | 1,435,841 | 97.6% | 1,340,792 |
| April 30, 2011 | 1,613,067 | 86.7% | 1,306,400 |

Funded Status and Funding Progress: As of April 30, 2012, the most recent actuarial valuation date, the Firefighter's Pension Fund was 52.55 percent funded. The actuarial accrued liability for benefits was \$41,520,474 and the actuarial value of assets was \$21,820,417, resulting in an underfunded actuarial accrued liability (UAAL) of \$19,700,057. The covered payroll for 2012 (annual payroll of active employees covered by the plan) was \$3,060,241 and the ratio of the UAAL to the covered payroll was 643.74 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)

NOTE 10 - 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 11 - 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 \$1,076,168 and \$2,663,817, respectively.

NOTE 12 - 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 Fund and Firefighter's Pension Fund members, employees must 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 \$517,737 for 2013.

At April 30, 2012 (the most recent information available), the membership consisted of:

| | |
|---|-------------------------|
| Retirees and Beneficiaries Currently Receiving Benefits and Terminated Employees Entitled to but not yet Receiving Benefits | 133 |
| Current Employees Vested and Nonvested | <u>38</u> <u>171</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS
 April 30, 2013

NOTE 12 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

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 2013, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

| | | |
|--|----|------------------|
| Annual Required Contribution | \$ | 2,693,069 |
| Interest on OPEB | | 196,767 |
| Adjustment to Annual Required Contribution | | <u>(324,885)</u> |
| Annual OPEB Cost | | 2,564,951 |
| Contributions | | <u>(517,737)</u> |
| Increase (Decrease) in OPEB | | 2,047,214 |
| OPEB at April 30, 2012 | | <u>6,558,935</u> |
| OPEB at April 30, 2013 | \$ | <u>8,606,149</u> |

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 and the three preceding years were as follows:

| Year Ending | Annual OPEB Cost (AOC) | Percentage of AOC Contributed | Net OPEB Obligation |
|-------------|---------------------------|----------------------------------|------------------------|
| 4/30/2013 | \$ 2,564,951 | 20.2% | \$ 8,606,149 |
| 4/30/2012 | 2,116,633 | 18.1% | 6,558,935 |
| 4/30/2011 | 2,181,584 | 17.5% | 4,824,498 |
| 4/30/2010 | 1,925,151 | 21.5% | 3,090,062 |

Funded Status and Funding Progress: As of April 30, 2013, the plan was unfunded. The actuarial accrued liability for benefits was \$26,907,472 as of April 30, 2012 (the latest information available). The covered payroll for 2012 (annual payroll of active employees covered by the plan) was \$9,466,395 and the ratio of the UAAL to the covered payroll was 284.2 percent. 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, 2012 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 3.60% - 17.94% initially, reduced by decrements to an ultimate rate of 3.50% - 5.00%. There was no actuarial value of assets of the retiree healthcare account as of April 30, 2012. The UAAL is being amortized as a level dollar percentage of projected payroll on a 30 year open basis.

(Continued)

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS

In March 2012, the GASB issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. Management has noted that there will be a material impact pertaining to the unamortized bond costs of \$1,149,245 that will be required to be removed from the financial statements for the year ended April 30, 2014.

In March 2012, the GASB issued GASB Statement 66, *Technical Corrections – 2012, an amendment of GASB Statements No. 10 and No. 62*. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, and No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This Statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal service fund type. As a result, governments should base their decisions about fund type classification on the nature of the activity to be reported, as required in Statement 54 and Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. This Statement also amends Statement 62 by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straightline basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. Management has not determined what impact, if any, this Statement may have on its financial statements.

In June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. The Statement builds upon the existing framework for financial reports of defined benefit pension plans, which includes a statement of fiduciary net position (the amount held in a trust for paying retirement benefits) and a statement of changes in fiduciary net position. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. The provisions of this Statement are effective for the Village's Pension Funds fiscal year ending April 30, 2015. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

(Continued)

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

In June 2012, the GASB issued Statement 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. The Statement also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). The provisions of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In January 2013, the GASB issued Statement 69, *Government Combinations and Disposals of Government Operations*. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without the exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. Conversely, government acquisitions are transactions in which a government acquires another entity, or its operations, in exchange for significant consideration. This Statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values as well as provides guidance for transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. This Statement defines the term *operations* for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. A disposal of a government's operations results in the removal of specific activities of a government. This Statement provides accounting and financial reporting guidance for disposals of government operations that have been transferred or sold as well as requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. The requirements of this Statement are effective for government combinations and disposals of government operations occurring in fiscal year ending April 30, 2015, and should be applied on a prospective basis. Earlier application is encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees.

(Continued)

NOTE 13 - NEW ACCOUNTING PRONOUNCEMENTS (Continued)

The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

NOTE 14 - COMMITMENTS

The Village entered into construction agreements totaling approximately \$15.4 million for various capital improvements, including the construction of a new police station. Engineering, design and initial construction costs were capitalized as construction in progress during FY13 with construction planned to continue in the subsequent fiscal year.

NOTE 15 - CHANGE IN ACCOUNTING PRINCIPLE

During the fiscal year ended April 30, 2013, the Village implemented the requirements of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Statement 63 is effective for the Village's fiscal year ending April 30, 2013 and 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 position. As such, the Village modified its government-wide financial statement presentation to incorporate these requirements.

NOTE 16 - SUBSEQUENT EVENTS

In May 2013, the Village issued \$13,500,000 General Obligation Limited Tax Debt Certificates, Series 2013. Interest is due semi-annually on April 1 and October 1 beginning on April 1, 2014 through October 1, 2032. Using the Tax Year 2011 EAV, which was the EAV available at the time of the issuance of the notes, the remaining debt limit was \$1,641,284. Using the Tax Year 2012 EAV, which was the most recent EAV available at the time of the issuance of the audit, the remaining debt limit was (\$3,514,987).

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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|--|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 11,464,260 | \$ 10,576,920 | \$ (887,340) |
| Sales taxes | 1,800,000 | 1,812,946 | 12,946 |
| Income taxes | 1,521,639 | 1,719,780 | 198,141 |
| Utility taxes | 2,900,000 | 3,006,323 | 106,323 |
| Other taxes | 882,500 | 1,043,379 | 160,879 |
| Licenses, permits and fees | 1,423,750 | 2,146,680 | 722,930 |
| Grant revenue | 834,000 | 660,914 | (173,086) |
| Other revenue | 575,286 | 751,829 | 176,543 |
| Fines and forfeitures | 508,900 | 585,149 | 76,249 |
| Investment income | 3,000 | 7,503 | 4,503 |
| Charges for services | 1,125,751 | 1,119,739 | (6,012) |
| Total revenues | <u>23,039,086</u> | <u>23,431,162</u> | <u>392,076</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,543,633 | 5,706,641 | 163,008 |
| Public safety | 12,725,090 | 12,047,757 | (677,333) |
| Highway and street | 2,905,866 | 3,427,787 | 521,921 |
| Public health | 269,584 | 284,092 | 14,508 |
| Community development | 618,284 | 389,002 | (229,282) |
| Building department | 724,111 | 639,927 | (84,184) |
| Debt service | | | |
| Interest and other charges | 70,000 | - | (70,000) |
| Capital outlay | 1,161,946 | 1,800,291 | 638,345 |
| Total expenditures | <u>24,018,514</u> | <u>24,295,497</u> | <u>276,983</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(979,428)</u> | <u>(864,335)</u> | <u>115,093</u> |
| Other financing sources (uses) | | | |
| Transfers in | 468,780 | 769,063 | 300,283 |
| Proceeds from capital lease | 368,507 | - | (368,507) |
| Proceeds from the sale of fixed assets | 59,000 | - | (59,000) |
| Total other financing sources (uses) | <u>896,287</u> | <u>769,063</u> | <u>(127,224)</u> |
| Net changes in fund balances | <u>\$ (83,141)</u> | <u>(95,272)</u> | <u>\$ (12,131)</u> |
| Fund balances at beginning of year | | <u>4,732,810</u> | |
| Fund balances at end of year | | <u>\$ 4,637,538</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
April 30, 2013

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:
 - 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
- 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, 2013:

| <u>Fund</u> | <u>Amount</u> |
|------------------------|---------------|
| Belmont/River TIF Fund | \$ 3,340 |
| Resurrection TIF Fund | 6,425 |

VILLAGE OF FRANKLIN PARK, ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS
 April 30, 2013

| 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 | | | | | | |
| 12/31/2012 | \$ 5,053,450 | \$ 7,523,711 | \$ 2,470,261 | 67.2% | \$ 2,934,236 | 84.2% |
| 12/31/2011 | 3,865,203 | 7,020,173 | 3,154,970 | 55.1% | 2,964,396 | 106.4% |
| 12/31/2010 | 4,673,833 | 7,060,024 | 2,386,191 | 66.2% | 3,026,668 | 78.8% |
| ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL | | | | | | |
| 12/31/2012 | \$ 40,240 | \$ - | \$ (40,240) | 0.0% | - | 0.0% |
| 12/31/2011 | 36,762 | - | (36,762) | 0.0% | - | 0.0% |
| 12/31/2010 | 38,765 | - | (38,765) | 0.0% | 43,111 | -89.9% |
| POLICE PENSION FUND | | | | | | |
| 4/30/2012 | \$ 20,841,615 | \$ 49,077,026 | \$ 28,235,411 | 42.5% | \$ 3,471,918 | 813.3% |
| 4/30/2011 | 20,266,531 | 45,019,454 | 24,752,923 | 45.0% | 3,223,128 | 768.0% |
| 4/30/2010 | 19,004,820 | 40,191,355 | 21,186,535 | 47.3% | 3,119,156 | 679.2% |
| FIREFIGHTER'S PENSION FUND | | | | | | |
| 4/30/2012 | \$ 21,820,417 | \$ 41,520,474 | \$ 19,700,057 | 52.6% | \$ 3,060,241 | 643.7% |
| 4/30/2011 | 20,814,877 | 40,573,761 | 19,758,884 | 51.3% | 2,796,067 | 706.7% |
| 4/30/2010 | 19,173,156 | 39,371,275 | 20,198,119 | 48.7% | 2,964,084 | 681.4% |
| OTHER POST EMPLOYMENT BENEFITS | | | | | | |
| 4/30/2012 | \$ - | \$ 26,907,472 | \$ 26,907,472 | 0.0% | \$ 9,466,395 | 284.2% |
| 4/30/2010 | - | 22,505,725 | 22,505,725 | 0.0% | 9,153,019 | 245.9% |
| 4/30/2009 | - | 18,816,415 | 18,816,415 | 0.0% | 9,153,019 | 205.6% |

VILLAGE OF FRANKLIN PARK ILLINOIS
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF EMPLOYER CONTRIBUTIONS
 April 30, 2013

| Actuarial Date | Employer Contributions | Annual Required Contribution | Percent Contributed | Net Pension Obligation |
|---|---------------------------|------------------------------------|------------------------|---------------------------|
| ILLINOIS MUNICIPAL RETIREMENT FUND - REGULAR | | | | |
| 12/31/2012 | \$ 475,933 | \$ 475,933 | 100% | \$ - |
| 12/31/2011 | 330,827 | 330,827 | 100% | - |
| 12/31/2010 | 348,067 | 348,067 | 100% | - |
| ILLINOIS MUNICIPAL RETIREMENT FUND - SHERIFF'S LAW ENFORCEMENT PERSONNEL | | | | |
| 12/31/2012 | \$ - | \$ - | 0% | \$ - |
| 12/31/2011 | - | - | 0% | - |
| 12/31/2010 | 6,053 | 6,372 | 95% | - |
| POLICE PENSION FUND | | | | |
| 4/30/2012 | \$ 1,421,637 | \$ 1,893,903 | 75.06% | \$ 1,987,444 |
| 4/30/2011 | 1,342,545 | 1,511,580 | 88.82% | 1,484,869 |
| 4/30/2010 | 1,388,533 | 1,390,042 | 99.89% | 1,283,299 |
| FIREFIGHTER'S PENSION FUND | | | | |
| 4/30/2012 | \$ 1,309,077 | \$ 1,495,589 | 87.53% | \$ 1,559,788 |
| 4/30/2011 | 1,401,449 | 1,402,721 | 99.91% | 1,340,792 |
| 4/30/2010 | 1,398,379 | 1,613,067 | 86.69% | 1,306,400 |
| OTHER POST EMPLOYMENT BENEFITS | | | | |
| 4/30/2012 | \$ 517,737 | \$ 2,693,069 | 19.22% | \$ 8,606,149 |
| 4/30/2011 | 382,196 | 2,181,584 | 17.52% | 6,558,935 |
| 4/30/2010 | 382,196 | 2,181,584 | 17.52% | 4,824,498 |

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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ 3,121,033 | \$ 3,166,335 | \$ 45,302 |
| Investment income | - | 42 | 42 |
| Total revenues | <u>3,121,033</u> | <u>3,166,377</u> | <u>45,344</u> |
| Expenditures | | | |
| Current | | | |
| General government | 12,000 | 4,315 | (7,685) |
| Principal | 3,093,576 | 680,000 | (2,413,576) |
| Interest and other charges | <u>5,300,826</u> | <u>1,733,573</u> | <u>(3,567,253)</u> |
| Total expenditures | <u>8,406,402</u> | <u>2,417,888</u> | <u>(5,988,514)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(5,285,369)</u> | <u>748,489</u> | <u>6,033,858</u> |
| Other financing sources (uses) | | | |
| Transfers in | <u>1,076,168</u> | <u>1,139,990</u> | <u>63,822</u> |
| Total other financing sources (uses) | <u>1,076,168</u> | <u>1,139,990</u> | <u>63,822</u> |
| Net changes in fund balances | <u>\$ (4,209,201)</u> | 1,888,479 | <u>\$ 6,097,680</u> |
| Fund balances at beginning of year | | <u>1,022,946</u> | |
| Fund balances at end of year | | <u>\$ 2,911,425</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

BUDGETARY COMPARISON SCHEDULE
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET (GAAP BASIS) AND ACTUAL
 POLICE STATION FUND
 Year Ended April 30, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-----------------------|-----------------------------|
| Revenues | | | |
| Grant revenue | \$ - | \$ 520,674 | \$ 520,674 |
| Other revenue | - | 34,867 | \$ 34,867 |
| Investment income | <u>12,000</u> | <u>-</u> | <u>(12,000)</u> |
| Total revenues | <u>12,000</u> | <u>555,541</u> | <u>543,541</u> |
| Expenditures | | | |
| Current | | | |
| General government | - | 94,219 | 94,219 |
| Capital outlay | <u>10,849,307</u> | <u>9,801,875</u> | <u>(1,047,432)</u> |
| Total expenditures | <u>10,849,307</u> | <u>9,896,094</u> | <u>(953,213)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(10,837,307)</u> | <u>(9,340,553)</u> | <u>1,496,754</u> |
| Other financing sources (uses) | | | |
| Transfers in | - | <u>300,000</u> | <u>300,000</u> |
| Total other financing sources (uses) | <u>-</u> | <u>300,000</u> | <u>300,000</u> |
| Net changes in fund balances | <u>\$ (10,837,307)</u> | <u>(9,040,553)</u> | <u>\$ 1,796,754</u> |
| Fund balances at beginning of year | | <u>6,228,061</u> | |
| Fund balances at end of year | | <u>\$ (2,812,492)</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
April 30, 2013

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total |
|--|-----------------------------|----------------------------|------------------------------|----------------------------|
| Assets | | | | |
| Cash | \$ 758,495 | \$ 1,363,571 | \$ - | \$ 2,122,066 |
| Investments | 1,460,189 | 786,416 | - | 2,246,605 |
| Accrued interest | 330 | - | - | 330 |
| Accounts receivable | 31,528 | - | - | 31,528 |
| Interfund receivable | 1,551,988 | 825,000 | - | 2,376,988 |
| Total assets | <u>\$ 3,802,530</u> | <u>\$ 2,974,987</u> | <u>\$ -</u> | <u>\$ 6,777,517</u> |
| Liabilities and fund balances | | | | |
| Liabilities | | | | |
| Cash overdraft liability | \$ 984,813 | \$ 255,662 | \$ - | \$ 1,240,475 |
| Accounts payable | 332,638 | 1,205,506 | 10,473 | 1,548,617 |
| Accrued payroll | 57 | - | - | 57 |
| Interfund payables | 2,213,770 | 1,426,788 | - | 3,640,558 |
| Total liabilities | <u>3,531,278</u> | <u>2,887,956</u> | <u>10,473</u> | <u>6,429,707</u> |
| Fund balances | | | | |
| Restricted | | | | |
| Public safety | 338,824 | - | - | 338,824 |
| TIF development | 2,128,286 | - | - | 2,128,286 |
| Debt service | - | 1,455,719 | - | 1,455,719 |
| Unassigned | (2,195,858) | (1,368,688) | (10,473) | (3,575,019) |
| Total fund balances | <u>271,252</u> | <u>87,031</u> | <u>(10,473)</u> | <u>347,810</u> |
| Total liabilities and fund balances | <u>\$ 3,802,530</u> | <u>\$ 2,974,987</u> | <u>\$ -</u> | <u>\$ 6,777,517</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 Year Ended April 30, 2013

| | Special Revenue Funds | Debt Service Funds | Capital Projects Funds | Total |
|---|-----------------------------|--------------------------|------------------------------|--------------------|
| Revenues | | | | |
| Property taxes | \$ 1,574,600 | \$ 1,089,627 | \$ - | \$ 2,664,227 |
| Other taxes | 496,942 | - | - | 496,942 |
| Grant revenue | 87,796 | - | - | 87,796 |
| Other revenue | 747 | - | - | 747 |
| Fines and forfeitures | 56,947 | - | - | 56,947 |
| Investment income | 1,279 | 1,816 | - | 3,095 |
| Charges for services | 224,547 | - | - | 224,547 |
| Total revenues | <u>2,442,858</u> | <u>1,091,443</u> | <u>-</u> | <u>3,534,301</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | 20,931 | 16,807 | - | 37,738 |
| Public safety | 291,412 | - | - | 291,412 |
| Highway and street | 191,772 | - | - | 191,772 |
| Community development | 71,274 | 290,352 | - | 361,626 |
| Capital outlay | 19,836 | - | - | 19,836 |
| Total expenditures | <u>595,225</u> | <u>307,159</u> | <u>-</u> | <u>902,384</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,847,633</u> | <u>784,284</u> | <u>-</u> | <u>2,631,917</u> |
| Other financing sources | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (2,209,053) | - | - | (2,209,053) |
| Total other financing sources | <u>(2,209,053)</u> | <u>-</u> | <u>-</u> | <u>(2,209,053)</u> |
| Net changes in fund balances | <u>(361,420)</u> | <u>784,284</u> | <u>-</u> | <u>422,864</u> |
| Fund balances at beginning of year | <u>632,672</u> | <u>(697,253)</u> | <u>(10,473)</u> | <u>(75,054)</u> |
| Fund balances at end of year | <u>\$ 271,252</u> | <u>\$ 87,031</u> | <u>\$ (10,473)</u> | <u>\$ 347,810</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 April 30, 2013

| | Foreign Fire Insurance <u>Premium Fund</u> | Police Department <u>1505 Fund</u> | 911 Emergency Surcharge <u>Tax Fund</u> | MFT <u>Fund</u> | GARRA Alternate Source Refunding Bonds Series 2004A <u>Fund</u> |
|--|--|--|---|--------------------|---|
| Assets | | | | | |
| Cash | \$ 78,351 | \$ 118,859 | \$ 202,896 | \$ - | \$ 88,091 |
| Investments | - | - | - | - | - |
| Accrued interest | 330 | - | - | - | - |
| Accounts receivable | - | - | - | 31,528 | - |
| Interfund receivables | - | - | - | 87,360 | - |
| Total assets | \$ 78,681 | \$ 118,859 | \$ 202,896 | \$ 118,888 | \$ 88,091 |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ - | \$ 476,564 | \$ - |
| Accounts payable | - | - | - | - | 88,091 |
| Accrued payroll | - | - | 57 | - | - |
| Interfund payables | - | - | 61,555 | - | - |
| Total liabilities | - | - | 61,612 | 476,564 | 88,091 |
| Fund balances | | | | | |
| Restricted | | | | | |
| Public safety | 78,681 | 118,859 | 141,284 | - | - |
| TIF development | - | - | - | - | - |
| Unassigned | - | - | - | (357,676) | - |
| Total fund balances | 78,681 | 118,859 | 141,284 | (357,676) | - |
| Total liabilities and fund balances | \$ 78,681 | \$ 118,859 | \$ 202,896 | \$ 118,888 | \$ 88,091 |

| West Mannheim Redeveloping Area TIF Fund | Belmont/ River TIF Fund | Mannheim/ Grand TIF Fund | Milwaukee Avenue TIF Fund | Downtown Franklin Avenue TIF Fund | Total |
|---|-------------------------------|--------------------------------|---------------------------------|---|---------------------|
| \$ - | \$ 269,888 | \$ - | \$ 410 | \$ - | \$ 758,495 |
| 1,460,189 | - | - | - | - | 1,460,189 |
| - | - | - | - | - | 330 |
| - | - | - | - | - | 31,528 |
| 343,245 | - | 1,121,383 | - | - | 1,551,988 |
| <u>\$ 1,803,434</u> | <u>\$ 269,888</u> | <u>\$ 1,121,383</u> | <u>\$ 410</u> | <u>\$ -</u> | <u>\$ 3,802,530</u> |
| | | | | | |
| \$ 385,678 | \$ - | \$ 48,830 | \$ - | \$ 73,741 | \$ 984,813 |
| 4,579 | 2,835 | 227,519 | - | 9,614 | 332,638 |
| - | - | - | - | - | 57 |
| - | - | 397,388 | - | 1,754,827 | 2,213,770 |
| <u>390,257</u> | <u>2,835</u> | <u>673,737</u> | <u>-</u> | <u>1,838,182</u> | <u>3,531,278</u> |
| | | | | | |
| - | - | - | - | - | 338,824 |
| 1,413,177 | 267,053 | 447,646 | 410 | - | 2,128,286 |
| - | - | - | - | (1,838,182) | (2,195,858) |
| <u>1,413,177</u> | <u>267,053</u> | <u>447,646</u> | <u>410</u> | <u>(1,838,182)</u> | <u>271,252</u> |
| | | | | | |
| <u>\$ 1,803,434</u> | <u>\$ 269,888</u> | <u>\$ 1,121,383</u> | <u>\$ 410</u> | <u>\$ -</u> | <u>\$ 3,802,530</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 Year Ended April 30, 2013

| | Foreign Fire Insurance Premium Fund | Police Department 1505 Fund | 911 Emergency Surcharge Tax Fund | MFT Fund | GARRA Alternate Source Refunding Bonds Series 2004A Fund |
|--|---|-----------------------------------|--|---------------------|--|
| Revenues | | | | | |
| Property taxes | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other taxes | 60,295 | - | - | 436,647 | - |
| Grant revenue | - | - | - | 87,796 | - |
| Other revenue | - | - | - | - | - |
| Fines and forfeitures | - | 56,947 | - | - | - |
| Investment income | 268 | 3 | 324 | 590 | - |
| Charges for services | - | - | 224,547 | - | - |
| Total revenues | <u>60,563</u> | <u>56,950</u> | <u>224,871</u> | <u>525,033</u> | <u>-</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | - | - | - | - | - |
| Public safety | 26,958 | 23,688 | 240,766 | - | - |
| Highway and street | - | - | - | 191,772 | - |
| Community development | - | - | - | - | - |
| Capital outlay | <u>19,836</u> | - | - | - | - |
| Total expenditures | <u>46,794</u> | <u>23,688</u> | <u>240,766</u> | <u>191,772</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>13,769</u> | <u>33,262</u> | <u>(15,895)</u> | <u>333,261</u> | <u>-</u> |
| Other financing sources (uses) | | | | | |
| Transfers out | - | (335,000) | - | (734,063) | - |
| Total other financing sources | <u>-</u> | <u>(335,000)</u> | <u>-</u> | <u>(734,063)</u> | <u>-</u> |
| Net changes in fund balances | <u>13,769</u> | <u>(301,738)</u> | <u>(15,895)</u> | <u>(400,802)</u> | <u>-</u> |
| Fund balances at beginning of year | <u>64,912</u> | <u>420,597</u> | <u>157,179</u> | <u>43,126</u> | <u>-</u> |
| Fund balances at end of year | <u>\$ 78,681</u> | <u>\$ 118,859</u> | <u>\$ 141,284</u> | <u>\$ (357,676)</u> | <u>\$ -</u> |

| West Mannheim Redeveloping Area TIF Fund | Belmont/ River TIF Fund | Mannheim/ Grand TIF Fund | Milwaukee Avenue TIF Fund | Downtown Franklin Avenue TIF Fund | Total |
|---|-------------------------------|--------------------------------|---------------------------------|---|-------------------|
| \$ 1,025,831 | \$ 68,049 | \$ - | \$ 410 | \$ 480,310 | \$ 1,574,600 |
| - | - | - | - | - | 496,942 |
| - | - | - | - | - | 87,796 |
| - | - | - | - | 747 | 747 |
| - | - | - | - | - | 56,947 |
| 58 | - | 36 | - | - | 1,279 |
| - | - | - | - | - | 224,547 |
| <u>1,025,889</u> | <u>68,049</u> | <u>36</u> | <u>410</u> | <u>481,057</u> | <u>2,442,858</u> |
| 3,048 | 5,918 | - | - | 11,965 | 20,931 |
| - | - | - | - | - | 291,412 |
| - | - | - | - | - | 191,772 |
| 13,214 | 12,272 | 8,337 | - | 37,451 | 71,274 |
| - | - | - | - | - | 19,836 |
| <u>16,262</u> | <u>18,190</u> | <u>8,337</u> | <u>-</u> | <u>49,416</u> | <u>595,225</u> |
| <u>1,009,627</u> | <u>49,859</u> | <u>(8,301)</u> | <u>410</u> | <u>431,641</u> | <u>1,847,633</u> |
| - | - | (747,170) | - | (392,820) | (2,209,053) |
| - | - | (747,170) | - | (392,820) | (2,209,053) |
| <u>1,009,627</u> | <u>49,859</u> | <u>(755,471)</u> | <u>410</u> | <u>38,821</u> | <u>(361,420)</u> |
| <u>403,550</u> | <u>217,194</u> | <u>1,203,117</u> | <u>-</u> | <u>(1,877,003)</u> | <u>632,672</u> |
| <u>\$ 1,413,177</u> | <u>\$ 267,053</u> | <u>\$ 447,646</u> | <u>\$ 410</u> | <u>\$ (1,838,182)</u> | <u>\$ 271,252</u> |

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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 324 | \$ 324 |
| Charges for services | - | 224,547 | 224,547 |
| Total revenues | <u>-</u> | <u>224,871</u> | <u>224,871</u> |
| Expenditures | | | |
| Current | | | |
| Public safety | <u>345,325</u> | <u>240,766</u> | <u>(104,559)</u> |
| Total expenditures | <u>345,325</u> | <u>240,766</u> | <u>(104,559)</u> |
| Net changes in fund balances | <u>\$ (345,325)</u> | (15,895) | <u>\$ 329,430</u> |
| Fund balances at beginning of year | | <u>157,179</u> | |
| Fund balances at end of year | | <u>\$ 141,284</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Other taxes | \$ 441,825 | \$ 436,647 | \$ (5,178) |
| Grant revenue | - | 87,796 | 87,796 |
| Investment income | <u>500</u> | <u>590</u> | <u>90</u> |
| Total revenues | <u>442,325</u> | <u>525,033</u> | <u>82,708</u> |
| Expenditures | | | |
| Current | | | |
| Highway and street | <u>935,658</u> | <u>191,772</u> | <u>(743,886)</u> |
| Total expenditures | <u>935,658</u> | <u>191,772</u> | <u>(743,886)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(493,333)</u> | <u>333,261</u> | <u>826,594</u> |
| Other financing sources (uses) | | | |
| Transfers out | <u>(909,780)</u> | <u>(734,063)</u> | <u>175,717</u> |
| Total other financing sources (uses) | <u>(909,780)</u> | <u>(734,063)</u> | <u>175,717</u> |
| Net changes in fund balances | <u>\$ (1,403,113)</u> | <u>(400,802)</u> | <u>\$ 1,002,311</u> |
| Fund balances at beginning of year | | <u>43,126</u> | |
| Fund balances at end of year | | <u>\$ (357,676)</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, 2013

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|------------------------------------|--|---------------------|--------------------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 1,025,831 | \$ 1,025,831 |
| Investment income | - | 58 | 58 |
| Total revenues | <u>-</u> | <u>1,025,889</u> | <u>1,025,889</u> |
| Expenditures | | | |
| Current | | | |
| General government | 12,925 | 3,048 | (9,877) |
| Community development | <u>890,087</u> | <u>13,214</u> | <u>(876,873)</u> |
| Total expenditures | <u>903,012</u> | <u>16,262</u> | <u>(886,750)</u> |
| Net changes in fund balances | <u>\$ (903,012)</u> | 1,009,627 | <u>\$ 1,912,639</u> |
| Fund balances at beginning of year | | <u>403,550</u> | |
| Fund balances at end of year | | <u>\$ 1,413,177</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 68,049 | \$ 68,049 |
| Total revenues | <u>-</u> | <u>68,049</u> | <u>68,049</u> |
| Expenditures | | | |
| Current | | | |
| General government | 2,200 | 5,918 | 3,718 |
| Community development | <u>12,650</u> | <u>12,272</u> | <u>(378)</u> |
| Total expenditures | <u>14,850</u> | <u>18,190</u> | <u>3,340</u> |
| Net changes in fund balances | <u>\$ (14,850)</u> | 49,859 | <u>\$ 64,709</u> |
| Fund balances at beginning of year | | <u>217,194</u> | |
| Fund balances at end of year | | <u>\$ 267,053</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-------------------|-----------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 36 | \$ 36 |
| Total revenues | <u>-</u> | <u>36</u> | <u>36</u> |
| Expenditures | | | |
| Current | | | |
| General government | 1,100 | - | (1,100) |
| Community development | <u>27,500</u> | <u>8,337</u> | <u>(19,163)</u> |
| Total expenditures | <u>28,600</u> | <u>8,337</u> | <u>(20,263)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(28,600)</u> | <u>(8,301)</u> | <u>20,299</u> |
| Other financing sources (uses) | | | |
| Transfers out | - | <u>(747,170)</u> | <u>(747,170)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>(747,170)</u> | <u>(747,170)</u> |
| Net changes in fund balances | <u>\$ (28,600)</u> | <u>(755,471)</u> | <u>\$ (726,871)</u> |
| Fund balances at beginning of year | | <u>1,203,117</u> | |
| Fund balances at end of year | | <u>\$ 447,646</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|-----------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 480,310 | \$ 480,310 |
| Other revenue | - | 747 | 747 |
| Total revenues | <u>-</u> | <u>481,057</u> | <u>481,057</u> |
| Expenditures | | | |
| Current | | | |
| General government | 5,500 | 11,965 | 6,465 |
| Community development | <u>554,498</u> | <u>37,451</u> | <u>(517,047)</u> |
| Total expenditures | <u>559,998</u> | <u>49,416</u> | <u>(510,582)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(559,998)</u> | <u>431,641</u> | <u>991,639</u> |
| Other financing sources (uses) | | | |
| Transfers out | - | <u>(392,820)</u> | <u>(392,820)</u> |
| Total other financing sources (uses) | <u>-</u> | <u>(392,820)</u> | <u>(392,820)</u> |
| Net changes in fund balances | <u>\$ (559,998)</u> | 38,821 | <u>\$ 598,819</u> |
| Fund balances at beginning of year | | <u>(1,877,003)</u> | |
| Fund balances at end of year | | <u>\$ (1,838,182)</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
April 30, 2013

| | Life/Fitness Reebie Storage <u>TIF Fund</u> | Waveland/ Mannheim <u>TIF Fund</u> | O'Hare East Industrial <u>TIF Fund</u> | Resurrection <u>TIF Fund</u> | <u>Total</u> |
|-------------------------------------|---|--|--|---------------------------------|---------------------|
| Assets | | | | | |
| Cash | \$ 770,150 | \$ 425,000 | \$ 168,421 | \$ - | \$ 1,363,571 |
| Investments | - | - | - | 786,416 | 786,416 |
| Interfund receivable | <u>825,000</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>825,000</u> |
| Total assets | <u>\$ 1,595,150</u> | <u>\$ 425,000</u> | <u>\$ 168,421</u> | <u>\$ 786,416</u> | <u>\$ 2,974,987</u> |
| Liabilities and fund balances | | | | | |
| Liabilities | | | | | |
| Cash overdraft liability | \$ - | \$ - | \$ - | \$ 255,662 | \$ 255,662 |
| Accounts payable | 1,671 | 956,436 | 1,671 | 245,728 | 1,205,506 |
| Interfund payables | <u>304,510</u> | <u>-</u> | <u>-</u> | <u>1,122,278</u> | <u>1,426,788</u> |
| Total liabilities | <u>306,181</u> | <u>956,436</u> | <u>1,671</u> | <u>1,623,668</u> | <u>2,887,956</u> |
| Fund balances | | | | | |
| Restricted | | | | | |
| Debt service | 1,288,969 | - | 166,750 | - | 1,455,719 |
| Unassigned | <u>-</u> | <u>(531,436)</u> | <u>-</u> | <u>(837,252)</u> | <u>(1,368,688)</u> |
| Total fund balances | <u>1,288,969</u> | <u>(531,436)</u> | <u>166,750</u> | <u>(837,252)</u> | <u>87,031</u> |
| Total liabilities and fund balances | <u>\$ 1,595,150</u> | <u>\$ 425,000</u> | <u>\$ 168,421</u> | <u>\$ 786,416</u> | <u>\$ 2,974,987</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 Year Ended April 30, 2013

| | Life/Fitness Reebie Storage TIF Fund | Waveland/ Mannheim TIF Fund | O'Hare East Industrial TIF Fund | Resurrection TIF Fund | Total |
|------------------------------------|--|-----------------------------------|---------------------------------------|--------------------------|------------------|
| Revenues | | | | | |
| Property taxes | \$ 669,263 | \$ - | \$ 420,364 | \$ - | \$ 1,089,627 |
| Investment income | 1,775 | - | - | 41 | 1,816 |
| Total revenues | <u>671,038</u> | <u>-</u> | <u>420,364</u> | <u>41</u> | <u>1,091,443</u> |
| Expenditures | | | | | |
| Current | | | | | |
| General government | 4,848 | - | 2,298 | 9,661 | 16,807 |
| Community development | 286,715 | - | 823 | 2,814 | 290,352 |
| Total expenditures | <u>291,563</u> | <u>-</u> | <u>3,121</u> | <u>12,475</u> | <u>307,159</u> |
| Net changes in fund balances | <u>379,475</u> | <u>-</u> | <u>417,243</u> | <u>(12,434)</u> | <u>784,284</u> |
| Fund balances at beginning of year | <u>909,494</u> | <u>(531,436)</u> | <u>(250,493)</u> | <u>(824,818)</u> | <u>(697,253)</u> |
| Fund balances at end of year | <u>\$ 1,288,969</u> | <u>\$ (531,436)</u> | <u>\$ 166,750</u> | <u>\$ (837,252)</u> | <u>\$ 87,031</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|---|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 669,263 | \$ 669,263 |
| Investment income | - | <u>1,775</u> | <u>1,775</u> |
| Total revenues | <u>-</u> | <u>671,038</u> | <u>671,038</u> |
| Expenditures | | | |
| Current | | | |
| General government | 4,400 | 4,848 | 448 |
| Community development | <u>766,700</u> | <u>286,715</u> | <u>(479,985)</u> |
| Total expenditures | <u>771,100</u> | <u>291,563</u> | <u>(479,537)</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(771,100)</u> | <u>379,475</u> | <u>1,150,575</u> |
| Net changes in fund balances | <u>\$ (771,100)</u> | 379,475 | <u>\$ 1,150,575</u> |
| Fund balances at beginning of year | | <u>909,494</u> | |
| Fund balances at end of year | | <u>\$ 1,288,969</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, 2013

| | <u>Original & Final Budget</u> | <u>Actual</u> | <u>Variance Over (Under)</u> |
|------------------------------------|--|-------------------|--------------------------------------|
| Revenues | | | |
| Property taxes | \$ - | \$ 420,364 | \$ 420,364 |
| Total revenues | <u>-</u> | <u>420,364</u> | <u>420,364</u> |
| Expenditures | | | |
| Current | | | |
| General government | 1,100 | 2,298 | 1,198 |
| Community development | <u>2,200</u> | <u>823</u> | <u>(1,377)</u> |
| Total expenditures | <u>3,300</u> | <u>3,121</u> | <u>(179)</u> |
| Net changes in fund balances | <u>\$ (3,300)</u> | 417,243 | <u>\$ 420,543</u> |
| Fund balances at beginning of year | | <u>(250,493)</u> | |
| Fund balances at end of year | | <u>\$ 166,750</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, 2013

| | Original & Final Budget | Actual | Variance Over (Under) |
|------------------------------------|----------------------------|---------------------|-----------------------------|
| Revenues | | | |
| Investment income | \$ - | \$ 41 | \$ 41 |
| Total revenues | <u>-</u> | <u>41</u> | <u>41</u> |
| Expenditures | | | |
| Current | | | |
| General government | 2,200 | 9,661 | 7,461 |
| Community development | <u>3,850</u> | <u>2,814</u> | <u>(1,036)</u> |
| Total expenditures | <u>6,050</u> | <u>12,475</u> | <u>6,425</u> |
| Net changes in fund balances | <u>\$ (6,050)</u> | (12,434) | <u>\$ (6,384)</u> |
| Fund balances at beginning of year | | <u>(824,818)</u> | |
| Fund balances at end of year | | <u>\$ (837,252)</u> | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUND
April 30, 2013

| | Special Service Area #4 Fund |
|-------------------------------------|------------------------------------|
| Assets | \$ <u><u> -</u></u> |
| Liabilities and fund balances | |
| Liabilities | |
| Accounts payable | \$ <u> 10,473</u> |
| Total liabilities | <u> 10,473</u> |
| Fund balances | |
| Unassigned | <u> (10,473)</u> |
| Total fund balances | <u> (10,473)</u> |
| Total liabilities and fund balances | \$ <u><u> -</u></u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUND
Year Ended April 30, 2013

| | Special Service Area <u>#4 Fund</u> |
|------------------------------------|--|
| Revenues | \$ <u> </u> - |
| Expenditures | <u> </u> - |
| Net changes in fund balances | <u> </u> - |
| Fund balances at beginning of year | <u> </u> (10,473) |
| Fund balances at end of year | <u><u> </u></u> \$ (10,473) |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 April 30, 2013

| | Pension Trust Funds | | | Agency Funds | | |
|---|----------------------|----------------------------|----------------------|---------------------|-------------------------|-------------------|
| | Police Pension Fund | Firefighter's Pension Fund | Total | Village Escrow Fund | Special Assessment Fund | Total |
| Assets | | | | | | |
| Cash | \$ 5,903 | \$ 62,928 | \$ 68,831 | \$ - | \$ - | \$ - |
| Investments: | | | | | | |
| Certificates of deposit | 2,603,804 | 2,654,677 | 5,258,481 | - | - | - |
| State and local obligations | - | 35,226 | 35,226 | - | - | - |
| US government and agency obligations | 3,174,595 | 3,770,635 | 6,945,230 | - | - | - |
| Corporate bonds | 4,184,249 | 3,324,101 | 7,508,350 | - | - | - |
| Insurance contracts | 8,326,286 | 6,811,851 | 15,138,137 | - | - | - |
| Equity securities | - | 1,786,723 | 1,786,723 | - | - | - |
| Equity mutual funds | 1,164,679 | 3,644,986 | 4,809,665 | - | - | - |
| Money market mutual funds | 1,155,246 | 790,227 | 1,945,473 | - | - | - |
| Accrued interest receivable | 71,035 | 69,284 | 140,319 | - | - | - |
| Other receivable | - | - | - | - | 417 | 417 |
| Due from village | 25,014 | 28,449 | 53,463 | 19,961 | 331,489 | 351,450 |
| Prepays | 5,513 | 1,017 | 6,530 | - | - | - |
| Total assets | <u>20,716,324</u> | <u>22,980,104</u> | <u>43,696,428</u> | <u>\$ 19,961</u> | <u>\$ 331,906</u> | <u>\$ 351,867</u> |
| Liabilities | | | | | | |
| Accounts payable | 12,660 | 6,204 | 18,864 | \$ - | \$ - | \$ - |
| Deposits payable | - | - | - | 19,961 | 331,906 | 351,867 |
| Total liabilities | <u>12,660</u> | <u>6,204</u> | <u>18,864</u> | <u>\$ 19,961</u> | <u>\$ 331,906</u> | <u>\$ 351,867</u> |
| Net position | | | | | | |
| Held in trust for pension benefits and other purposes | <u>20,703,664</u> | <u>22,973,900</u> | <u>43,677,564</u> | | | |
| Total net position | <u>\$ 20,703,664</u> | <u>\$ 22,973,900</u> | <u>\$ 43,677,564</u> | | | |

VILLAGE OF FRANKLIN PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 Year Ended April 30, 2013

| | Police Pension Fund | Firefighter's Pension Fund | Total |
|----------------------------------|---------------------------|----------------------------------|----------------------|
| Additions | | | |
| Contributions | | | |
| Employer | \$ 1,456,145 | \$ 1,349,152 | \$ 2,805,297 |
| Plan members | 526,296 | 297,733 | 824,029 |
| Total contributions | <u>1,982,441</u> | <u>1,646,885</u> | <u>3,629,326</u> |
| Net investment earnings | <u>1,493,170</u> | <u>1,880,792</u> | <u>3,373,962</u> |
| Total additions | <u>3,475,611</u> | <u>3,527,677</u> | <u>7,003,288</u> |
| Deductions | | | |
| Benefits | 2,265,708 | 2,097,638 | 4,363,346 |
| Administrative expenses | 47,548 | 35,923 | 83,471 |
| Total deductions | <u>2,313,256</u> | <u>2,133,561</u> | <u>4,446,817</u> |
| Change in net position | 1,162,355 | 1,394,116 | 2,556,471 |
| Net position - beginning of year | <u>19,541,309</u> | <u>21,579,784</u> | <u>41,121,093</u> |
| Net position - end of year | <u>\$ 20,703,664</u> | <u>\$ 22,973,900</u> | <u>\$ 43,677,564</u> |

VILLAGE OF FRANKLIN PARK, ILLINOIS

SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 Year Ended April 30, 2013

| | Balance May 1, 2012 | Additions | Deletions | Balance April 30, 2013 |
|--------------------------------|------------------------|-------------|---------------|---------------------------|
| Village Escrow Fund | | | | |
| Assets | | | | |
| Cash | \$ - | \$ - | \$ - | \$ - |
| Due from village | 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 | \$ - | \$ - | \$ - | \$ - |
| Other receivable | 419 | - | (2) | 417 |
| Due from village | 331,489 | - | - | 331,489 |
| Total assets | <u>\$ 331,908</u> | <u>\$ -</u> | <u>\$ (2)</u> | <u>\$ 331,906</u> |
| Liabilities | | | | |
| Deposits payable | \$ 331,908 | \$ - | \$ (2) | \$ 331,906 |
| Total liabilities | <u>\$ 331,908</u> | <u>\$ -</u> | <u>\$ (2)</u> | <u>\$ 331,906</u> |

INDEPENDENT ACCOUNTANT'S 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, 2013. 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.

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2013.



Crowe Horwath LLP

Oak Brook, Illinois
January 30, 2014

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 POSITION BY COMPONENT
Last Ten Fiscal Years*

| | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Governmental activities | | | | | | | | | | |
| Net investment in capital assets | \$ 16,483,743 | \$ 14,701,902 | \$ 17,261,013 | \$ 19,206,616 | \$ 61,325,754 | \$ 19,588,142 | \$ 15,082,839 | \$ 12,991,451 | \$ 11,757,677 | \$ 17,508,955 |
| 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 | 3,799,427 | 6,834,254 |
| Unrestricted | (10,066,328) | (13,683,883) | (16,381,808) | (21,022,797) | (27,106,796) | (6,101,927) | (8,443,822) | (4,667,352) | (6,909,672) | (13,619,431) |
| TOTAL GOVERNMENTAL ACTIVITIES NET ASSETS | \$ 20,691,745 | \$ 15,301,255 | \$ 14,761,319 | \$ 10,559,247 | \$ 45,540,753 | \$ 21,170,676 | \$ 14,473,625 | \$ 19,215,270 | \$ 8,647,432 | \$ 10,723,778 |
| Business-type activities | | | | | | | | | | |
| Net investment in capital assets | \$ 4,947,892 | \$ 7,224,022 | \$ 8,019,305 | \$ 9,551,252 | \$ 11,046,893 | \$ 12,389,459 | \$ 15,183,634 | \$ 16,153,802 | \$ 17,398,876 | \$ 19,658,946 |
| Unrestricted | 4,434,414 | 3,239,941 | 5,394,736 | 3,952,294 | 5,801,193 | 1,120,905 | (3,081,806) | (7,066,157) | 1,305,343 | (2,322,891) |
| TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS | \$ 9,382,306 | \$ 10,463,963 | \$ 13,414,041 | \$ 13,503,546 | \$ 16,848,086 | \$ 13,510,364 | \$ 12,101,828 | \$ 9,087,645 | \$ 18,704,219 | \$ 17,336,055 |
| Primary government | | | | | | | | | | |
| Net investment in capital assets | \$ 21,431,635 | \$ 21,925,924 | \$ 25,280,318 | \$ 28,757,868 | \$ 72,372,647 | \$ 31,977,601 | \$ 30,266,473 | \$ 29,145,253 | \$ 29,156,553 | \$ 37,167,901 |
| 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 | 3,799,427 | 6,834,254 |
| Unrestricted | (5,631,914) | (10,443,942) | (10,987,072) | (17,070,503) | (21,305,603) | (4,981,022) | (11,525,628) | (11,733,509) | (5,604,329) | (15,942,322) |
| TOTAL PRIMARY GOVERNMENT | \$ 30,074,051 | \$ 25,765,218 | \$ 28,175,360 | \$ 24,062,793 | \$ 62,388,839 | \$ 34,681,040 | \$ 26,575,453 | \$ 28,302,915 | \$ 27,351,651 | \$ 28,059,833 |

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013 (2)</u> |
|--|---------------------|-----------------------|---------------------|-----------------------|-----------------------|------------------------|-----------------------|---------------------|------------------------|---------------------|
| GOVERNMENTAL ACTIVITIES | | | | | | | | | | |
| Program revenues | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 502,751 | \$ 418,575 | \$ - | \$ - | \$ - | \$ 1,218,505 | \$ 897,771 | \$ 1,405,288 | \$ 1,245,000 | \$ 1,147,340 |
| Public safety | 59,393 | 140,687 | 510,064 | 587,716 | 471,531 | 1,514,648 | 2,276,909 | 1,642,993 | 1,685,651 | 1,549,883 |
| Public health | - | - | - | - | - | 810 | 514,558 | - | - | - |
| Community development | - | - | - | - | - | 25,550 | 22,828 | 12,530 | 21,520 | 48,000 |
| Building department | - | - | - | - | - | 1,284,125 | 686,919 | 616,082 | 744,387 | 1,387,839 |
| Operating grants | - | - | - | - | - | 172,272 | 216,352 | 457,595 | 643,744 | 660,914 |
| Capital grants | 1,662,330 | 5,439,305 | 1,001,949 | 188,208 | 454,417 | 3,418,615 | 209,896 | 1,082,446 | 399,659 | 608,470 |
| 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 | 16,423,457 | 16,407,482 |
| Gain on sale of fixed assets | - | - | - | - | - | 109 | - | - | 81,129 | - |
| Replacement | 463,149 | 527,878 | 681,136 | 881,243 | 863,428 | 756,927 | 628,491 | 775,309 | 683,801 | 723,740 |
| 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 | 1,822,068 | 1,812,946 |
| 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 | 3,326,161 | 3,006,323 |
| 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 | 1,564,958 | 1,719,780 |
| Hotel/Motel | 104,435 | 117,139 | 110,946 | 147,476 | 102,819 | 127,202 | 38,784 | 7,807 | 9,118 | 19,403 |
| Motor Fuel | 556,038 | 563,707 | 561,913 | 562,239 | 588,765 | 507,159 | 491,004 | 591,569 | 456,903 | 436,647 |
| Investment | 163,746 | 691,302 | 303,948 | 468,003 | 237,097 | 85,658 | 8,996 | 6,931 | 11,550 | 10,640 |
| Miscellaneous | 1,366,295 | 3,924,432 | 3,679,621 | 4,313,766 | 4,179,633 | 1,145,311 | 607,818 | 1,023,630 | 749,602 | 787,443 |
| Other | 4,429,519 | 337,640 | 732,013 | 362,507 | 514,649 | 1,879,467 | 1,299,815 | 279,561 | 318,338 | 201,847 |
| Transfers | - | - | (1,625,850) | (1,624,550) | (1,623,850) | - | - | 1,024,992 | (10,687,072) | - |
| 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>34,331,396</u> | <u>19,499,974</u> | <u>30,528,697</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 | 5,750,635 | 5,347,045 |
| 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 | 15,890,927 | 15,349,819 |
| 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 | 3,925,578 | 4,014,364 |
| Public health | - | - | - | - | - | 1,733,755 | 1,827,272 | 281,856 | 296,695 | 315,110 |
| Community development | - | - | - | - | - | 1,777,725 | 2,272,932 | 841,746 | 1,174,033 | 797,279 |
| Building department | - | - | - | - | - | 992,053 | 998,682 | 1,020,662 | 1,324,691 | 955,867 |
| 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 | 1,705,253 | 1,672,867 |
| 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> | <u>(30,067,812)</u> | <u>(28,452,351)</u> |
| INCREASE (DECREASE) IN NET POSITION | <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> | <u>\$ (10,567,838)</u> | <u>\$ 2,076,346</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
 CHANGES IN NET POSITION
 Last Ten Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013 (2)</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 (2) | - | - | - | - | - | 4,448,697 | 4,028,559 | 4,425,761 | 4,332,873 | 7,466,510 |
| Sewer (2) | - | - | - | - | - | 2,525,090 | 2,141,395 | 2,358,732 | 2,264,922 | - |
| Commuter parking lot | - | - | - | - | - | 31,386 | 53,717 | 63,255 | 62,131 | 68,342 |
| Garbage | - | - | - | - | - | - | - | 1,454,099 | 1,309,180 | 1,166,731 |
| Operating grants | - | - | - | - | - | - | - | - | 78,399 | 13,500 |
| Capital grants | - | - | - | - | 565,305 | 500,000 | 30,204 | - | - | - |
| General Revenue | | | | | | | | | | |
| Unrestricted investment earnings | - | - | - | - | - | 29,339 | 8,255 | 2,498 | 4,292 | 1,083 |
| 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) | 10,687,072 | - |
| Other | - | - | - | - | - | 6,322 | 8,289 | 13,123 | 2,815 | 234,182 |
| 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> | <u>18,741,684</u> | <u>8,950,348</u> |
| Expenses | | | | | | | | | | |
| Water (2) | - | - | - | - | - | 5,516,858 | 5,294,989 | 4,738,227 | 5,183,861 | 8,617,185 |
| Sewer (2) | - | - | - | - | - | 3,218,477 | 2,374,980 | 2,296,739 | 2,495,388 | - |
| Commuter parking lot | - | - | - | - | - | 8,778 | 8,986 | 13,805 | 17,958 | 29,463 |
| Garbage | - | - | - | - | - | - | - | 1,694,191 | 1,427,903 | 1,671,864 |
| 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> | <u>(9,125,110)</u> | <u>(10,318,512)</u> |
| INCREASE (DECREASE) IN NET POSITION | <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> | <u>\$ 9,616,574</u> | <u>\$ (1,368,164)</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
CHANGES IN NET POSITION
Last Ten Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013 (2)</u> |
|----------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| TOTAL NET POSITION | | | | | | | | | | |
| Program revenues | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | \$ 502,751 | \$ 418,575 | \$ - | \$ - | \$ - | \$ 1,218,505 | \$ 897,771 | \$ 1,405,288 | \$ 1,245,000 | \$ 1,147,340 |
| Public safety | 59,393 | 140,687 | 510,064 | 587,716 | 471,531 | 1,514,648 | 2,276,909 | 1,642,993 | 1,685,651 | 1,549,883 |
| Public health | - | - | - | - | - | 810 | 514,558 | - | - | - |
| Community development | - | - | - | - | - | 25,550 | 22,828 | 12,530 | 21,520 | 48,000 |
| Building department | - | - | - | - | - | 1,284,125 | 686,919 | 616,082 | 744,387 | 1,387,839 |
| Water (2) | - | - | - | - | - | 4,448,697 | 4,028,559 | 4,425,761 | 4,332,873 | 7,466,510 |
| Sewer (2) | - | - | - | - | - | 2,525,090 | 2,141,395 | 2,358,732 | 2,264,922 | - |
| Commuter parking lot | - | - | - | - | - | 31,386 | 53,717 | 63,255 | 62,131 | 68,342 |
| Garbage | - | - | - | - | - | - | - | 1,454,099 | 1,309,180 | 1,166,731 |
| Enterprise | 5,739,978 | 6,050,875 | 6,948,842 | 5,830,298 | 7,153,652 | - | - | - | - | - |
| Operating grants | - | - | - | - | - | 172,272 | 216,352 | 457,595 | 722,143 | 674,414 |
| Capital grants | 1,662,330 | 5,439,305 | 1,001,949 | 188,208 | 1,019,722 | 3,918,615 | 240,100 | 1,082,446 | 399,659 | 608,470 |
| 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 | 16,423,457 | 16,407,482 |
| Replacement | 463,149 | 527,878 | 681,136 | 881,243 | 863,428 | 756,927 | 628,491 | 775,309 | 683,801 | 723,740 |
| 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 | 1,822,068 | 1,812,946 |
| 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 | 3,326,161 | 3,006,323 |
| 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 | 1,564,958 | 1,719,780 |
| Hotel/Motel | 104,435 | 117,139 | 110,946 | 147,476 | 102,819 | 127,202 | 38,784 | 7,807 | 9,118 | 19,403 |
| Motor Fuel | 556,038 | 563,707 | 561,913 | 562,239 | 588,765 | 507,159 | 491,004 | 591,569 | 456,903 | 436,647 |
| Investment | 251,065 | 773,545 | 380,983 | 476,334 | 478,537 | 85,658 | 8,996 | 6,931 | 11,550 | 10,640 |
| Unrestricted investment earnings | - | - | - | - | - | 29,339 | 8,255 | 2,498 | 4,292 | 1,083 |
| Gain on sale of fixed assets | - | - | - | - | - | 4,031 | - | - | 81,129 | - |
| Other | 4,429,519 | 337,640 | 732,013 | 362,507 | 514,649 | 1,885,789 | 1,308,104 | 292,684 | 321,153 | 436,029 |
| Miscellaneous | 1,366,295 | 3,924,432 | 3,679,621 | 4,313,766 | 4,179,633 | 1,145,311 | 607,818 | 1,023,630 | 749,602 | 787,443 |
| 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> | <u>38,241,658</u> | <u>39,479,045</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 | 5,750,635 | 5,347,045 |
| 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 | 15,890,927 | 15,349,819 |
| 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 | 3,925,578 | 4,014,364 |
| Public Health | - | - | - | - | - | 1,733,755 | 1,827,272 | 281,856 | 296,695 | 315,110 |
| Community development | - | - | - | - | - | 1,777,725 | 2,272,932 | 841,746 | 1,174,033 | 797,279 |
| Building department | - | - | - | - | - | 992,053 | 998,682 | 1,020,662 | 1,324,691 | 955,867 |
| 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 | 1,705,253 | 1,672,867 |
| Water (2) | - | - | - | - | - | 5,516,858 | 5,294,989 | 4,738,227 | 5,183,861 | 8,617,185 |
| Sewer (2) | - | - | - | - | - | 3,218,477 | 2,374,980 | 2,296,739 | 2,495,388 | - |
| Commuter parking lot | - | - | - | - | - | 8,778 | 8,986 | 13,805 | 17,958 | 29,463 |
| Garbage | - | - | - | - | - | - | - | 1,694,191 | 1,427,903 | 1,671,864 |
| 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> | <u>39,192,922</u> | <u>38,770,863</u> |

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
 CHANGES IN NET POSITION
 Last Ten Fiscal Years*

| Fiscal Year | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013 (2)</u> |
|------------------------------------|-----------------------|-----------------------|-------------------|-----------------------|-----------------------|------------------------|-----------------------|---------------------|---------------------|--------------------|
| INCREASE(DECREASE) IN NET POSITION | \$ (4,880,563) | \$ (3,074,347) | \$ 737,012 | \$ (4,112,567) | \$ (4,381,084) | \$ (13,491,917) | \$ (8,822,574) | \$ 1,727,462 | \$ (951,264) | \$ 708,182 |
| 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 | \$ (10,567,838) | \$ 2,076,346 |
| Business Type Activities | <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> | <u>9,616,574</u> | <u>(1,368,164)</u> |
| TOTAL NET (EXPENSE) REVENUE | <u>\$ (4,880,563)</u> | <u>\$ (3,074,347)</u> | <u>\$ 737,012</u> | <u>\$ (4,112,567)</u> | <u>\$ (4,381,084)</u> | <u>\$ (13,491,917)</u> | <u>\$ (8,822,574)</u> | <u>\$ 1,727,462</u> | <u>\$ (951,264)</u> | <u>\$ 708,182</u> |

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

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

Source: Village records

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

| Fiscal Year | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|---------------------|
| GENERAL FUND | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 496,818 | \$ - |
| Reserved | - | - | - | - | - | 568,500 | 680,205 | 1,365,205 | - | - |
| Unreserved/Unassigned | <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> | <u>4,235,992</u> | <u>4,637,538</u> |
| SUBTOTAL, GENERAL FUND | \$ 2,189,420 | \$ (1,186,656) | \$ (3,346,433) | \$ (4,667,829) | \$ (3,968,008) | \$ (5,393,376) | \$ (4,760,469) | \$ 3,010,707 | \$ 4,732,810 | \$ 4,637,538 |
| % Change from prior year | -27.54% | -154.20% | -182.01% | -39.49% | 14.99% | -35.92% | 11.73% | 163.24% | 57.20% | -2.01% |
| ALL OTHER GOVERNMENT FUNDS | | | | | | | | | | |
| Nonspendable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Restricted | - | - | - | - | - | - | - | - | 10,512,997 | - |
| Assigned | - | - | - | - | - | - | - | - | 157,179 | 6,834,254 |
| Reserved | 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 | 3,296,791 | 8,474,178 | 7,429,493 | 5,185,108 | 6,967,832 | (3,969,602) | (5,864,787) | (4,006,035) | - | - |
| Unassigned | - | - | - | - | - | - | - | - | (3,494,223) | (6,387,511) |
| SUBTOTAL, ALL OTHER GOVERNMENTAL FUNDS | \$ 17,257,532 | \$ 22,443,825 | \$ 20,998,018 | \$ 17,246,947 | \$ 17,976,038 | \$ 9,013,726 | \$ 8,741,924 | \$ 9,814,875 | \$ 7,175,953 | \$ 446,743 |
| % Change from prior year | 845.96% | 30.05% | -6.44% | -17.86% | 4.23% | -49.86% | -3.02% | 12.27% | -26.89% | -93.77% |
| TOTAL GOVERNMENTAL FUNDS | \$ 19,446,952 | \$ 21,257,169 | \$ 17,651,585 | \$ 12,579,118 | \$ 14,008,030 | \$ 3,620,350 | \$ 3,981,455 | \$ 12,825,582 | \$ 11,908,763 | \$ 5,084,281 |
| % Change from prior year | 301.30% | 9.31% | -16.96% | -28.74% | 11.36% | -74.16% | 9.97% | 222.13% | -7.15% | -57.31% |

Source: Village records

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

| | 2004 | 2005 (1) | 2006 (1) | 2007 (1) | 2008 (1) | 2009 (2) | 2010 | 2011 (3) | 2012 | 2013 |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|-------------------|-------------------|--------------------|
| 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 | \$ 16,423,457 | \$ 16,407,482 |
| Sales taxes | - | - | - | - | - | 2,645,880 | 2,403,228 | 2,023,821 | 1,822,068 | 1,812,946 |
| Income taxes | - | - | - | - | - | 1,679,644 | 1,474,908 | 1,510,967 | 1,564,958 | 1,719,780 |
| Utility taxes | - | - | - | - | - | 2,317,939 | 2,073,897 | 3,117,429 | 3,326,161 | 3,006,323 |
| 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 | 1,474,570 | 1,540,321 |
| 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 | 1,520,581 | 2,146,680 |
| Grant revenue | - | - | - | - | - | 3,590,887 | 426,248 | 1,826,606 | 1,043,403 | 1,269,384 |
| Other revenue | - | - | - | - | - | 1,145,311 | 607,818 | 893,377 | 879,855 | 787,443 |
| Fines and forfeitures | 432,120 | 447,588 | 370,265 | 515,155 | 682,778 | 614,158 | 1,398,471 | 734,603 | 710,478 | 642,096 |
| Investment income | 163,746 | 337,640 | 303,948 | 468,003 | 237,097 | 85,658 | 8,996 | 6,931 | 11,550 | 10,640 |
| Charges for services | 562,144 | 559,262 | 510,064 | 587,716 | 471,531 | 1,524,027 | 1,745,334 | 1,359,902 | 1,465,499 | 1,344,286 |
| 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> | <u>30,242,580</u> | <u>30,687,381</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 | 7,354,957 | 5,842,913 |
| 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 | 12,572,830 | 12,339,169 |
| 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 | 1,833,201 | 3,619,559 |
| Public Health | - | - | - | - | - | 1,713,128 | 1,805,671 | 255,172 | 270,011 | 284,092 |
| Community development | - | - | - | - | - | 1,757,058 | 2,946,157 | 800,946 | 1,134,631 | 750,628 |
| Building department | - | - | - | - | - | 869,230 | 858,240 | 785,341 | 717,285 | 639,927 |
| Other | - | - | - | - | - | - | - | - | - | - |
| Debt service | | | | | | | | | | |
| Principal | 599,991 | 488,160 | 98,880 | 116,552 | 698,807 | 170,000 | 470,000 | 520,000 | 580,000 | 680,000 |
| 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 | 1,473,778 | 1,733,573 |
| Capital outlay | - | - | - | - | - | 4,913,958 | 1,093,348 | 2,462,715 | 5,028,591 | 11,622,002 |
| 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> | <u>30,965,284</u> | <u>37,511,863</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> | <u>(722,704)</u> | <u>(6,824,482)</u> |

(Continued)

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

| | 2004 | 2005 (1) | 2006 (1) | 2007 (1) | 2008 (1) | 2009 (2) | 2010 | 2011 (3) | 2012 | 2013 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| Bond proceeds | \$ 15,388,472 | \$ 4,468,882 | \$ - | \$ - | \$ 8,155,000 | \$ - | \$ - | \$ - | \$ 9,975,000 | \$ - |
| Bond premium | - | - | - | - | 54,690 | - | - | - | 504,324 | - |
| Bond issuance costs | - | - | - | - | (285,158) | - | - | - | (482,352) | - |
| Proceeds from capital lease | - | - | - | - | - | 267,271 | 92,889 | 175,000 | 414,856 | - |
| Proceeds from sale of fixed assets | - | - | - | - | - | 109 | 415,408 | - | 81,129 | - |
| Transfers in | - | - | - | - | - | - | 1,659,872 | 6,620,322 | 4,820,372 | 2,209,053 |
| Transfers out | - | (1,414,117) | (1,625,850) | (1,624,550) | (1,623,850) | - | (1,659,872) | (5,595,330) | (15,507,444) | (2,209,053) |
| 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> | <u>(194,115)</u> | <u>-</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> | <u>(916,819)</u> | <u>(6,824,482)</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> | <u>12,825,582</u> | <u>11,908,763</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> | <u>\$ 11,908,763</u> | <u>\$ 5,084,281</u> |
| CAPITAL EXPENDITURES | - | - | - | - | - | (4,231,846) | (2,248,169) | (1,542,724) | (4,506,046) | (13,175,693) |
| RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES | 5.52 | 5.95 | 7.94 | 10.14 | 8.77 | 4.33 | 7.77 | 7.96 | 8.42 | 11.01 |

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

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

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

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> |
|-----------------|-----------------------------|----------------------------|----------------------------|--------------------------|-------------------------|-----------------|-------------------------------|--------------------------|
| 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% |
| 2011 | 277,073,007 | 69,949,873 | 392,761,273 | 12,156,276 | 751,940,429 | 1.929% | 2,255,821,287 | -10.8% |
| 2012 | 277,073,007 | 69,949,873 | 392,761,273 | 12,156,276 | 692,157,576 | 2.134% | 2,076,472,728 | -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>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011 (2)</u> | <u>2012</u> |
|----------------------|-------------|-------------|-------------|-------------|-------------|-------------|-----------------|-------------|-----------------|-------------|
| Village Direct Rate | | | | | | | | | | |
| Corporate | 0.4159 | 0.3912 | 0.3442 | 0.3338 | 0.2859 | 0.2922 | 0.3827 | 0.3619 | 0.4380 | 0.4196 |
| Bond & Interest | 0.0147 | 0.0114 | 0.0106 | 0.0111 | 0.0093 | 0.0091 | 0.3945 | 0.3909 | 0.4360 | 0.5222 |
| Garbage | 0.1609 | 0.1280 | 0.1390 | 0.1253 | 0.1089 | 0.1219 | - | - | - | - |
| Police Pension | 0.1489 | 0.1218 | 0.1101 | 0.0924 | 0.0905 | 0.0880 | 0.1268 | 0.1431 | 0.1790 | 0.2094 |
| Fire Pension | 0.1322 | 0.1416 | 0.1286 | 0.1073 | 0.0921 | 0.0893 | 0.1286 | 0.1469 | 0.1690 | 0.2008 |
| IMRF | 0.0007 | 0.0008 | 0.0055 | 0.0072 | 0.0199 | 0.0176 | - | - | - | - |
| Street & Bridge | 0.0951 | 0.0894 | 0.0761 | 0.0763 | 0.0653 | 0.0667 | 0.0960 | 0.1000 | 0.1000 | 0.0967 |
| Fire Protection | 0.0713 | 0.0650 | 0.0580 | 0.1437 | 0.1118 | 0.1133 | 0.1631 | 0.2132 | 0.3180 | 0.3424 |
| Police Protection | 0.0713 | 0.0650 | 0.0580 | 0.1437 | 0.1118 | 0.1133 | 0.1631 | 0.2147 | 0.2900 | 0.3424 |
| Civil Defense | 0.0004 | 0.0008 | 0.0007 | 0.0006 | 0.0005 | 0.0005 | - | - | - | - |
| Social Security | 0.0231 | 0.0197 | 0.0408 | 0.0343 | 0.0201 | 0.0183 | - | - | - | - |
| Auditing | 0.0103 | 0.0095 | 0.0061 | 0.0043 | 0.0053 | 0.0056 | - | - | - | - |
| Liability Insurance | 0.0800 | 0.1074 | 0.1314 | 0.1102 | 0.1008 | 0.0880 | 0.1266 | 0.1307 | - | - |
| Street Lighting | 0.0289 | 0.0064 | 0.0392 | 0.0273 | 0.0308 | 0.0351 | - | - | - | - |
| Crossing Guards | 0.0126 | 0.0092 | 0.0080 | 0.0076 | 0.0057 | 0.0063 | - | - | - | - |
| Working Cash | 0.0051 | 0.0026 | 0.0028 | 0.0029 | 0.0325 | 0.0156 | - | - | - | - |
| <u>CBOE Medicare</u> | - | - | - | - | 0.0118 | 0.0137 | - | - | - | - |
| Total Direct Rate | 1.2714 | 1.1698 | 1.1591 | 1.2280 | 1.1030 | 1.0945 | 1.5814 | 1.7014 | 1.9300 | 2.1335 |

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

| Tax Levy Year | <u>2003</u> | <u>2004</u> | <u>2005</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009 (1)</u> | <u>2010</u> | <u>2011 (2)</u> | <u>2012</u> |
|---|--------------|--------------|--------------|--------------|--------------|--------------|-----------------|--------------|-----------------|--------------|
| Overlapping Rates | | | | | | | | | | |
| Consolidated Elections | 0.029 | - | 0.014 | - | 0.012 | - | 0.021 | - | 0.025 | 0.063 |
| Cook County Forest Preserve District | 0.059 | 0.060 | 0.060 | 0.057 | 0.053 | 0.051 | 0.049 | 0.051 | 0.058 | 0.531 |
| County of Cook | 0.063 | 0.593 | 0.533 | 0.500 | 0.446 | 0.415 | 0.394 | 0.423 | 0.462 | - |
| Suburban Cook County TB Sanitarium District | 0.004 | 0.001 | 0.005 | 0.005 | - | - | - | - | - | - |
| Leyden Township Road & Bridge | 0.117 | 0.108 | 0.107 | 0.111 | 0.098 | 0.097 | 0.102 | 0.115 | 0.130 | 0.147 |
| Leyden Township General Assistance | 0.004 | 0.004 | 0.004 | 0.004 | 0.003 | 0.003 | 0.003 | 0.004 | 0.004 | 0.005 |
| Leyden Township | 0.080 | 0.074 | 0.074 | 0.077 | 0.068 | 0.067 | 0.071 | 0.081 | 0.093 | 0.105 |
| Triton Community College District 504 | 0.269 | 0.259 | 0.233 | 0.240 | 0.224 | 0.212 | 0.214 | 0.225 | 0.267 | 0.269 |
| Community High School District 212 | 2.199 | 2.030 | 2.004 | 2.093 | 1.868 | 1.869 | 1.989 | 2.223 | 2.509 | 2.830 |
| School District 84 | 3.154 | 2.933 | 2.922 | 3.424 | 3.389 | 3.374 | 3.383 | 3.932 | 4.343 | 4.586 |
| Metropolitan Water Reclamation District | 0.361 | 0.347 | 0.315 | 0.284 | 0.263 | 0.252 | 0.261 | 0.274 | 0.320 | 0.370 |
| Franklin Park Public Library | 0.179 | 0.166 | 0.165 | 0.175 | 0.152 | 0.152 | 0.167 | 0.187 | 0.213 | 0.238 |
| <u>Franklin Park Park District</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> | <u>0.499</u> | <u>0.562</u> |
| | 8.240 | 8.163 | 8.002 | 8.621 | 8.056 | 7.960 | 8.638 | 9.654 | 10.853 | 11.840 |
| | 9.512 | 9.333 | 9.161 | 9.849 | 9.159 | 9.054 | 10.220 | 11.356 | 12.783 | 13.973 |

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

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

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
PRINCIPAL TAXPAYERS
Calendar (Tax) Years 2012 and 2003

Tax Year 2012

| <u>Taxpayer</u> | <u>Business/Service</u> | <u>Equalized Assessed Valuation</u> | <u>% of EAV</u> |
|--------------------------|---|-------------------------------------|-----------------|
| New Albertsons* | Grocery Store & Distribution Center (Jewel) | 7,527,311 | 1.088% |
| Centerpoint Properties* | Real Estate Investments | 5,883,439 | 0.850% |
| GRE Belmont LLC | Real Estate Investments | 3,504,733 | 0.506% |
| United States Tobacco* | Tobacco Products | 3,256,115 | 0.470% |
| AM Castle & Company* | Metal Distribution/Processing | 2,341,812 | 0.338% |
| Nestle USA* | Candy Manufacturer | 2,256,909 | 0.326% |
| Sloan Valve* | Flush Valve Manufacturer | 2,190,983 | 0.317% |
| Life Fitness | Fitness Equipment | 1,621,372 | 0.234% |
| Entropy Consortium | Real Estate Investments | 1,469,283 | 0.212% |
| <u>Magellen Pipeline</u> | | <u>1,460,177</u> | <u>0.211%</u> |
| | | \$ 31,512,134 | 4.553% |

Tax Year 2003

| <u>Taxpayer</u> | <u>Business/Service</u> | <u>Equalized Assessed Valuation</u> | <u>% of EAV</u> |
|-------------------------|---|-------------------------------------|-----------------|
| Centerpoint Properties* | Real Estate Investments | 8,536,446 | 1.198% |
| Albertsons* | Grocery Store & Distribution Center (Jewel) | 7,895,740 | 1.108% |
| Central Grocers Coop | Grocery Distribution | 6,402,166 | 0.899% |
| United States Tobacco* | Tobacco Products | 4,143,588 | 0.582% |
| Franklin Partners | Real Estate Investments | 3,539,734 | 0.497% |
| Nestle USA* | Candy Manufacturer | 3,248,981 | 0.456% |
| Imperial Realty | Real Estate Investments | 3,167,999 | 0.445% |
| AM Castle & Company* | Fitness Equipment | 3,122,543 | 0.438% |
| Sloan Valve* | Flush Valve Manufacturer | 2,788,200 | 0.391% |
| <u>The Legacy Group</u> | <u>Real Estate Investments</u> | <u>2,021,277</u> | <u>0.284%</u> |
| | | \$ 44,866,674 | 6.299% |

*Denotes those taxpayers appearing on both the 2003 and 2012 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 in Fiscal Year</u> | <u>Percent of Levy Collected in Fiscal Year</u> |
|--------------------|-----------------------|---------------------|--|---|
| 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% |
| 2012 | 2010-2011 | 14,679,093 | 14,599,691 | 99.46% |
| 2013 | 2011-2012 | 14,766,598 | 14,255,328 | 96.54% |

Note: The County adds a mandatory uncollectible allowance to all levies and included such collections in annual distributions. Thus, it is possible for collections to exceed 100% in a given fiscal year.

Collections by levy year subsequent to fiscal year end, total amount of collections to date per levy year and total collections to date per levy year as a percentage of the levy is not available.

Source: Cook County Clerk's Office

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

| | <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> | <u>2012</u> |
|-------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Municipal Sales Tax | | | | | | | | | | |
| General Merchandise | \$ 154,455 | \$ 132,027 | \$ 121,230 | \$ 116,263 | \$ 118,978 | \$ 111,315 | \$ 107,120 | \$ 101,460 | \$ 38,661 | \$ 24,617 |
| Food | 354,958 | 331,400 | 344,072 | 345,713 | 347,827 | 342,977 | 305,796 | 293,895 | 270,598 | 260,534 |
| Drinking and Eating Places | 121,624 | 126,106 | 131,281 | 153,742 | 144,526 | 155,839 | 137,481 | 158,940 | 164,454 | 165,456 |
| Apparel | - | 5,960 | 7,178 | 8,857 | 11,614 | 10,119 | 10,152 | 10,725 | 7,168 | 7,094 |
| Furniture & H.H. & Radio | 23,154 | 23,330 | 31,181 | 39,293 | 57,535 | 30,963 | 200,074 | 392,483 | 286,661 | 249,462 |
| Lumber, Bldg, Hardware | 95,519 | 93,543 | 120,929 | 151,272 | 141,909 | 121,062 | 107,586 | 140,035 | 119,609 | 133,967 |
| Automotive & Filling Stations | 396,398 | 347,353 | 364,016 | 656,042 | 882,801 | 660,003 | 367,812 | 298,049 | 286,720 | 141,359 |
| Drugs & Misc. Retail | 205,374 | 197,147 | 226,813 | 236,786 | 250,925 | 374,365 | 354,649 | 239,827 | 63,067 | 317,291 |
| Agriculture & All Others | 458,228 | 440,580 | 516,403 | 730,571 | 766,316 | 905,352 | 604,012 | 414,891 | 426,697 | 325,327 |
| <u>Manufacturers</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> | <u>164,793</u> | <u>199,581</u> |
| | <u>\$ 1,963,016</u> | <u>\$ 1,860,143</u> | <u>\$ 2,018,118</u> | <u>\$ 2,572,394</u> | <u>\$ 2,895,290</u> | <u>\$ 2,856,633</u> | <u>\$ 2,369,889</u> | <u>\$ 2,243,613</u> | <u>\$ 1,828,428</u> | <u>\$ 1,824,688</u> |

Source: Illinois Department of Revenue

VILLAGE OF FRANKLIN PARK, ILLINOIS
 DIRECT AND OVERLAPPING SALES TAX RATES
 Last Ten 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> | <u>2012</u> | <u>2013</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 (1) | 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% | 1.75% | 1.75% | 1.25% | 1.00% | 0.75% |
| <u>Regional Transportation Authority</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> | <u>1.00%</u> | <u>1.00%</u> |
| | 7.75% | 7.75% | 7.75% | 7.75% | 8.00% | 9.00% | 9.00% | 8.50% | 8.25% | 8.00% |

(1) In Cook County, 0.25% of the State of Illinois' 6.25% sales tax is allocated to the Regional Transportation Authority

Source: Cook County Treasurer and Regional Transportation Authority

VILLAGE OF FRANKLIN PARK, ILLINOIS
RATIO OF NET BONDED DEBT TO ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
AND OF TOTAL LONG TERM DEBT TO PERSONAL INCOME, AND TOTAL DEBT PER CAPITA
Last Ten Fiscal Years

| Fiscal Year | Estimated Population | Estimated Actual Value | General Obligation Bonded Debt ⁽¹⁾ | Ratio of Bonded Debt to Estimated Actual Value | Illinois EPA Loans | Leases Payable | Total Debt | Ratio of Total Debt to Estimated Actual Value | Total Personal Income | Ratio of Total Debt to Personal Income | Total Debt Per Capita | Total Debt Per Capita | Total Debt to Personal Income |
|-------------|----------------------|------------------------|---|--|--------------------|----------------|------------|---|-----------------------|--|-----------------------|-----------------------|-------------------------------|
| 2004 | 19,213 | 2,136,872,859 | 36,345,000 | 1.70% | 10,547,698 | 100,838 | 46,993,536 | 2.20% | 362,864,480 | 12.95% | 2,445.90 | 18,886.21 | 14835631.5% |
| 2005 | 19,067 | 2,385,462,978 | 39,745,000 | 1.67% | 10,247,811 | 721,136 | 50,713,947 | 2.13% | 367,756,033 | 13.79% | 2,659.85 | 19,288.07 | 13826217.1% |
| 2006 | 18,920 | 2,493,245,094 | 38,980,000 | 1.56% | 9,538,431 | 604,674 | 49,123,105 | 1.97% | 372,531,046 | 13.19% | 2,596.39 | 19,690.01 | 14348060.6% |
| 2007 | 18,773 | 2,461,202,238 | 39,045,000 | 1.59% | 8,807,916 | 488,234 | 48,341,150 | 1.96% | 377,189,120 | 12.82% | 2,575.02 | 20,092.00 | 14647994.7% |
| 2008 | 18,626 | 2,828,743,557 | 46,385,000 | 1.64% | 8,055,631 | 502,871 | 54,943,502 | 1.94% | 381,730,182 | 14.39% | 2,949.76 | 20,494.04 | 12941037.3% |
| 2009 | 18,480 | 2,989,229,889 | 45,440,000 | 1.52% | 7,280,921 | 649,490 | 53,370,411 | 1.79% | 386,135,606 | 13.82% | 2,888.06 | 20,895.12 | 13370086.6% |
| 2010 | 18,333 | 2,750,668,377 | 44,160,000 | 1.61% | 6,483,112 | 1,102,840 | 51,745,952 | 1.88% | 390,463,920 | 13.25% | 2,822.56 | 21,298.42 | 13833690.9% |
| 2011 | 18,333 | 2,528,744,472 | 42,800,000 | 1.69% | 5,661,510 | 975,834 | 49,437,344 | 1.96% | 387,357,957 | 12.76% | 2,696.63 | 21,129.00 | 14364512.4% |
| 2012 | 18,333 | 2,255,821,287 | 51,165,000 | 2.27% | 4,815,398 | 1,230,217 | 57,210,615 | 2.54% | 376,468,155 | 15.20% | 3,120.64 | 20,535.00 | 12063828.9% |
| 2013 | 18,333 | 2,076,472,728 | 49,400,000 | 2.38% | 3,944,037 | 697,699 | 54,041,736 | 2.60% | 421,347,339 | 12.83% | 2,947.78 | 22,983.00 | 14293694.7% |

(1) Net of amortizing premiums and discounts

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
 SCHEDULE OF BONDED DEBT RETIREMENT
 At April 30, 2013

| <u>Payment Year</u> | <u>Amortization</u> | <u>Percent Retired</u> | |
|---------------------|----------------------|------------------------|---------------------|
| | | <u>Annually</u> | <u>Cumulatively</u> |
| 2013 | 1,795,000 | 3.63% | 3.63% |
| 2014 | 2,280,000 | 4.62% | 8.25% |
| 2015 | 2,475,000 | 5.01% | 13.26% |
| 2016 | 2,625,000 | 5.31% | 18.57% |
| 2017 | 2,745,000 | 5.56% | 24.13% |
| 2018 | 2,960,000 | 5.99% | 30.12% |
| 2019 | 3,120,000 | 6.32% | 36.44% |
| 2020 | 3,270,000 | 6.62% | 43.06% |
| 2021 | 3,525,000 | 7.14% | 50.19% |
| 2022 | 2,905,000 | 5.88% | 56.07% |
| 2023 | 1,975,000 | 4.00% | 60.07% |
| 2024 | 2,080,000 | 4.21% | 64.28% |
| 2025 | 1,720,000 | 3.48% | 67.76% |
| 2026 | 1,800,000 | 3.64% | 71.41% |
| 2027 | 1,895,000 | 3.84% | 75.24% |
| 2028 | 1,985,000 | 4.02% | 79.26% |
| 2029 | 2,080,000 | 4.21% | 83.47% |
| 2030 | 2,190,000 | 4.43% | 87.90% |
| 2031 | 1,385,000 | 2.80% | 90.71% |
| 2032 | 1,455,000 | 2.95% | 93.65% |
| 2033 | 1,530,000 | 3.10% | 96.75% |
| <u>2034</u> | <u>1,605,000</u> | <u>3.25%</u> | <u>100.00%</u> |
| | \$ 49,400,000 | | |

Source: Village records

VILLAGE OF FRANKLIN PARK, ILLINOIS
SCHEDULE OF DIRECT AND OVERLAPPING DEBT
At August 15, 2013

| <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> |
|---|--|--|--|
| Direct Debt | | | |
| <u>Village of Franklin Park⁽¹⁾</u> | <u>48,220,000</u> | <u>100.00%</u> | <u>48,220,000</u> |
| Total Direct Debt | \$ 48,220,000 | | \$ 48,220,000 |
| Overlapping Debt⁽²⁾ | | | |
| Leyden Township Fire Protection District | 474,525 | 6.445% | 30,583 |
| Northlake Public Library District | 6,825,000 | 1.635% | 111,589 |
| Bensenville Park District | 8,340,000 | 3.162% | 263,711 |
| School District 84 1/2 | 4,570,000 | 6.533% | 298,558 |
| Cook County Forest Preserve District | 187,950,000 | 0.501% | 941,630 |
| Franklin Park Park District | 930,000 | 100.000% | 930,000 |
| Veterans Park District | 9,655,000 | 15.066% | 1,454,622 |
| School District 81 | 23,971,248 | 8.705% | 2,086,697 |
| High School District 212 | 14,610,000 | 33.744% | 4,929,998 |
| School District 84 | 8,302,341 | 91.801% | 7,621,632 |
| Metropolitan Water Reclamation District | 2,492,761,543 | 0.511% | 12,738,011 |
| School District 83 | 32,000,000 | 46.430% | 14,857,600 |
| <u>Cook County</u> | <u>3,616,435,000</u> | <u>0.501%</u> | <u>18,118,339</u> |
| Total Overlapping Debt | \$ 6,406,824,657 | 1.005% | \$ 64,382,971 |
| Total Direct and Overlapping Debt | | | \$ 112,602,971 |

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

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

Source: Cook County Clerk's Office

VILLAGE OF FRANKLIN PARK, ILLINOIS
DEBT LIMIT
At April 30, 2013

| | | |
|---|-----------|-------------------|
| Tax Year 2012 Estimated Market Valuation | \$ | 2,076,472,728 |
| Tax Year 2012 Equalized Assessed Valuation | \$ | 692,157,576 |
| <u>Debt Limit Percentage</u> | | <u>8.625%</u> |
| Current Debt Limit | \$ | 59,698,591 |
| Outstanding General Obligation Bonds | \$ | - |
| <u>Outstanding Alternate Revenue/GO Bonds</u> | | <u>49,400,000</u> |
| Total Direct Debt | \$ | 49,400,000 |
| Less Debt Not Subject to Debt Limit | | - |
| Debt Subject to Debt Limit | | 49,400,000 |
| Debt Margin | \$ | 10,298,591 |

*Alternate revenue bonds are normally excluded from statutory limits on indebtedness. However, per ILCS 350/15(e), as the Village levied property taxes to cover debt service expenditures, the bonds are now included in the calculation.

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

| Calendar <u>Year</u> | Estimated <u>Population</u> (1) | Estimated Per Capita <u>Income</u> (2) | School <u>Enrollment</u> (3) | Annual Average Unemployment <u>Rate</u> (4) | Estimated Median Household <u>Income</u> (2) | Estimated <u>Median</u> <u>Age</u> (2) | Estimated College <u>Graduation %</u> (2) |
|-------------------------|------------------------------------|--|---------------------------------|---|--|---|---|
| 2003 | 19,360 | 18,743 | 3,388 | 9.2% | 50,364 | 34.5 | 12.1% |
| 2004 | 19,213 | 19,141 | 3,390 | 8.5% | 51,589 | 34.7 | 12.3% |
| 2005 | 19,067 | 19,538 | 3,345 | 8.2% | 52,814 | 34.9 | 12.6% |
| 2006 | 18,920 | 19,936 | 3,306 | 6.2% | 54,039 | 35.1 | 12.8% |
| 2007 | 18,773 | 20,334 | 3,311 | 6.9% | 55,265 | 35.3 | 13.1% |
| 2008 | 18,626 | 20,731 | 3,291 | 8.6% | 56,490 | 35.5 | 13.3% |
| 2009 | 18,480 | 21,129 | 3,259 | 13.8% | 57,715 | 35.7 | 13.6% |
| 2010 | 18,333 | 21,129 | 3,243 | 14.1% | 57,715 | 35.7 | 13.6% |
| 2011 | 18,333 | 20,535 | 3,173 | 13.7% | 54,437 | 35.6 | 12.8% |
| 2012 | 18,333 | 22,983 | 3,246 | 12.1% | 56,098 | 35.6 | 14.6% |

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

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

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

(4) Source: Illinois Department of Employment Security

VILLAGE OF FRANKLIN PARK, ILLINOIS
 MAJOR EMPLOYERS LOCATED WITHIN VILLAGE LIMITS
 Calendar Years 2011 and 2002

2011

| <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 hand dryers | 750 |
| Nestle USA Confections & Snacks Division* | Candy and confectionary | 750 |
| Fresh Express Corporation | Produce processing | 696 |
| Bretford, Inc.* | Office furniture | 500 |
| DHL Global Forwarding | International freight consolidation | 450 |
| Life Fitness, Inc.* | Fitness equipment | 450 |
| RCM Industgries | Aluminum Die Castings | 400 |
| US Smokeless Tobacco | Smokeless tobacco | 240 |

2002

| <u>Company</u> | <u>Business</u> | <u>Employment</u> |
|---|---|-------------------|
| ESNA Industrial | Bolts, nuts, rivets and washer | 2,000 |
| Ekco Housewares, 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 hand 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 |

*Denotes those employers appearing on both the 2011 and 2002 lists. Calendar Year 2012 information not available.
 % of employment not available.

Source: Illinois Manufacturers Directory and Illinois Services Directory

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

| | <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> | <u>2012</u> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIRE PROTECTION | | | | | | | | | | |
| Fire responses | 212 | 160 | 184 | 203 | 203 | 156 | 130 | 116 | 115 | 109 |
| Rescue/emergency responses | 1,756 | 1,692 | 1,742 | 1,787 | 1,742 | 1,744 | 1,591 | 1,523 | 1,630 | 1,620 |
| Other incidents | 1,335 | 1,290 | 1,465 | 1,485 | 1,698 | 1,539 | 1,013 | 1,377 | 1,422 | 1,350 |
| Injuries/fatalities | 10 | 21 | 24 | 12 | 12 | 58 | 5 | 8 | 9 | 1 |
| Mutual aid given | 352 | 347 | 332 | 373 | 374 | 397 | 330 | 289 | 180 | 274 |
| Mutual aid received | 532 | 447 | 246 | 244 | 239 | 330 | 221 | 327 | 309 | 189 |
| POLICE PROTECTION | | | | | | | | | | |
| Parking violations | 9,269 | 7,340 | 6,246 | 7,125 | 7,193 | 5,695 | 8,499 | 9,914 | 6,440 | 5,541 |
| Traffic citations | 5,358 | 5,832 | 5,565 | 4,680 | 3,668 | 4,027 | 4,528 | 3,422 | 2,287 | 1,679 |
| Arrests | N/A | N/A | N/A | N/A | N/A | 1,274 | 1,147 | 741 | 696 | 939 |
| 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 |
| Water/Sewer Customers, Commercial/Industrial | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 112 | 1,112 | 1,112 |
| Metered Fire Line Customers | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 | 184 |
| Annual Water Main Breaks | 87 | 104 | 105 | 70 | 76 | 101 | 86 | 46 | 52 | 47 |
| Potable Water Pumped, Millions of Gallons | 1,851.8 | 1,752.0 | 1,770.6 | 1,673.4 | 1,614.0 | 1,535.1 | 1,243.9 | 1,176.6 | 946.0 | 931.6 |

(1) Arrest data prior to 2008 not available

Source: Village records

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

| | <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> | <u>2012</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 | 5 | 5 | 5 |
| Ambulances | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 1 | 2 | 2 |
| 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 | 19 |
| PUBLIC WORKS | | | | | | | | | | |
| Streets, miles | 75.0 | 75.0 | 75.0 | 75.0 | 74.2 | 74.2 | 74.8 | 75.0 | 75.0 | 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 | 31 | 29 | 30 | 28 | 26 | 24 | 25 | 27 | 28 | 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 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 | 9 |
| Number of fire hydrants | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 876 | 881 |
| Vehicles | 11 | 9 | 9 | 8 | 9 | 9 | 9 | 9 | 10 | 10 |
| Other major equipment | 14 | 14 | 15 | 17 | 16 | 16 | 18 | 18 | 17 | 18 |

Source: Village Records

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

| | <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> | <u>2012</u> |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| FIRE PROTECTION | | | | | | | | | | |
| Sworn personnel | 46 | 46 | 46 | 46 | 46 | 46 | 44 | 42 | 38 | 40 |
| Civilian personnel | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 0.5 | 0.5 | - |
| POLICE PROTECTION | | | | | | | | | | |
| Sworn personnel | 53 | 53 | 53 | 52 | 51 | 51 | 49 | 49 | 43 | 46 |
| Civilian personnel | 7 | 7 | 7 | 7 | 7 | 6 | 5 | 5 | 2 | 27 |
| PUBLIC WORKS | | | | | | | | | | |
| Supervisory personnel | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Non-supervisory personnel | 16.0 | 16.0 | 16.0 | 14.0 | 15.0 | 13.0 | 11.5 | 10.5 | 9.0 | 8.0 |
| MUNICIPAL WATER SYSTEM | | | | | | | | | | |
| Supervisory personnel | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Non-supervisory personnel | 10 | 9 | 11 | 9 | 9 | 10 | 9 | 8 | 6 | 5 |

Source: Village Records