

Village of Franklin Park, Illinois
Comprehensive Annual Financial Report
For the Year Ended April 30, 2014



Village of Franklin Park, Illinois

Comprehensive Annual Financial Report with Supplemental Information April 30, 2014

Village of Franklin Park, Illinois

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Introductory Section

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
Vernel Miller	Information Technology
Michael Witz	Chief of Police

OFFICIAL ISSUING REPORT

Ron Heller	Comptroller
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DIVISION ISSUING REPORT

Administration and Finance Department



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

October 24, 2014

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

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

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

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

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

Plante & Moran PLLC, independent certified public accountants, has issued an unmodified opinion on the Village's financial statements for the fiscal year ended April 30, 2014. 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 of transmittal and MD&A should be read and considered together.

VILLAGE GOVERNMENT PROFILE

General Description

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

Form of Government

The Village operates under a Mayor/Village Board form of government in which the Village President, or Mayor, presides over a six-member Board of Trustees. The Mayor and Board of Trustees determine the compensation of all 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 its Finance Committee. Once the budget has been developed, the appropriation ordinance is derived from it and voted upon by the Board in open session. It is the budget, however, that Village administration uses as its principal management tool and standard by which to measure financial performance.

ECONOMIC AND FINANCIAL NEXUS

Economic Base

Because of its proximity to Chicago – O'Hare International Airport and the presence of one of the nation's largest rail freight yards, the Village has long been an important industrial center; traditionally ranked the fourth largest in Illinois. Indeed, over the past ten years, industrial property has accounted for an average 58.5% of the Village's Equalized Assessed Value ("EAV"): When combined with commercial and railroad property, the three classes have averaged 69.1% of the Village's 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 recent 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 right now the picture is mixed, albeit improving slowly. For example, building permits and associated fees are at their highest point in the past five years, and the unemployment rate, which peaked at 14.0% in CY09, has since receded to 8.6%. At the same time, sales tax revenues hit their lowest point in the past ten years in FY14 and the Village's tax base has contracted by 38.6% from its peak in CY08. (Though we anticipate that this trend has abated, and that this will be borne out in the coming triennial reassessment).

Village Finances

Despite the poor economy, its effect on our residents and its constraints on economically sensitive revenues such as sales and income taxes, in FY14 the Village's general fund balance grew by \$909 thousand, and remains strong and stable at 23.8% of general fund expenditures; this after achieving, in FY11, a positive general fund balance for the first time since FY04.

Though faced with significant challenges, the Village's financial picture has indeed improved over the past four years. These gains are due to a number of actions taken by the new administration since assuming office at FY09 yearend. These include revenue enhancements (i.e., instituting refuse collection and vehicle registration fees, aggressively pursuing grant and below market funding sources as well as new industrial and commercial entities), and expenditure reductions (in payroll and increased productivity).

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.

All of these efforts have been rewarded, first by Standard & Poor's, which awarded the Village its first ever investment grade rating ("BBB") in 2011 and then upgraded our GO rating two categories in November 2012 (to "A-") and then to "A+" in August 2014.

Second, the GFOA awarded our 2011 CAFR, our first, the Certificate of Excellence in Financial Reporting. Our two subsequent CAFRs have been similarly commended.

Having accomplished our broad financial 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, as was found by a study commissioned and completed during FY14. The study, conducted by one of the Village's engineering firms, identified our infrastructure needs and proposed a strategy to meet them over the next 30 years. The Village is now implementing this strategy, which will allow us to meet them while preserving our financial stability.

Actions taken to date include the following:

- Successfully bringing to referendum a one percent non-home rule sales tax, the proceeds of which will be used exclusively for road repair and replacement. The additional sales tax is expected to generate about a million dollars annually.
- Commissioning a water and sewer rate study incorporating the infrastructure study's findings and recommendations, subjecting it to review by a citizens committee which, over several meetings endorsed a significant rate increase, which the Village Board enacted in September 2014. This new rate is expected to generate sufficient funding for operations, maintenance, renewal and replacement.

- Creating a special service area in an industrial section of the Village and negotiating a low interest loan from Cook County to reconstruct its badly worn roads. The loan is to be repaid by the 20 affected businesses.

THE FUTURE

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

Though overall revenue projections remain constrained in the near term, the Village appears to be at the forefront, at least with respect to its local peers, in rationally addressing its infrastructure needs. Indeed, infrastructure renewal is and will be the major focus of Village management for some time to come.

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

ACKNOWLEDGEMENTS

The preparation of this report, indeed, the substantive results achieved in FY14 would not have been possible without the dedication, cooperation and assistance provided by all Village personnel.

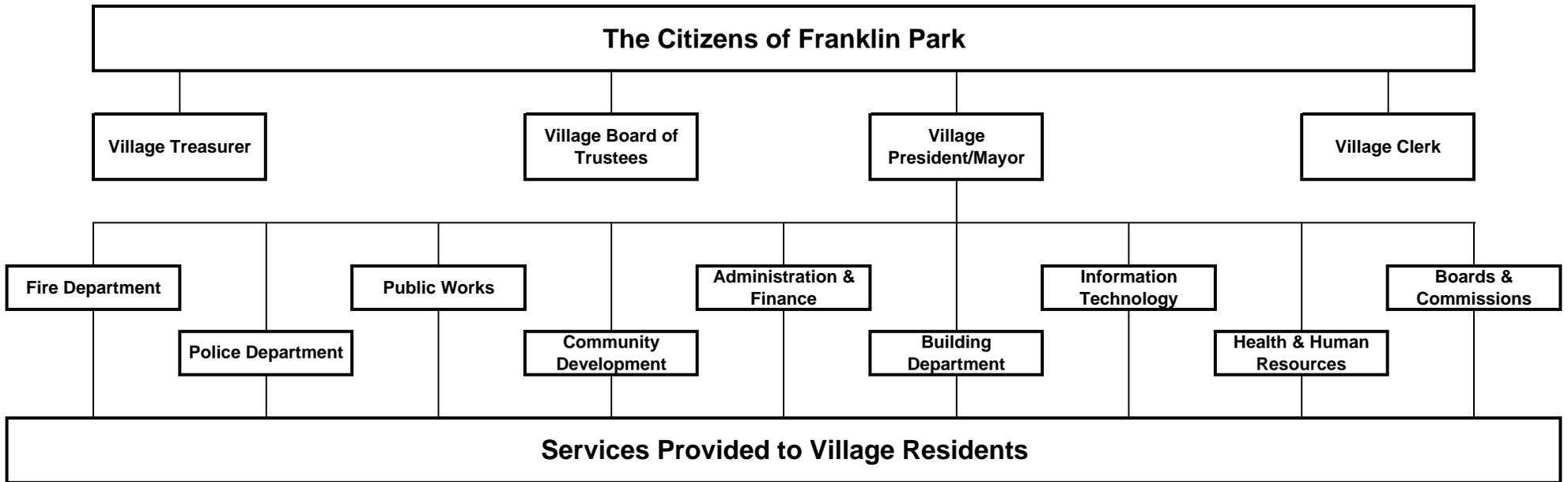
Deserving of special note, particularly in the preparation of this document are Deputy Comptroller Cynthia Perez, Health and Human Resources Director Lisa Anthony, Fire Chief Steve Iovinelli, Police Chief Michael Witz, Utilities Commissioner Joseph Lauro, Community Development Director John Schneider, Village Clerk Tommy Thomson and IT Manager Vernel Miller. Additionally, consultant Rob Romo and financial intern Brendan Chaplain 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





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, 2013

Executive Director/CEO

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois (the "Village"), as of and for the year ended April 30, 2014, and the related notes to the financial statements, which collectively comprise the Village of Franklin Park, Illinois'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 Firefighter's Pension Fund, which represent all of the financial balances and activity of the Pension Trust Funds. Those financial statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pension Trust Funds, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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 report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois as of April 30, 2014 and the respective changes in its financial position, and, where applicable, cash flows, for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 15 to the basic financial statements, in 2014 the Village adopted GASB Statement Number 65, *Items Previously Reported as Assets and Liabilities*. As a result, the Village now reports deferred inflows of resources for property taxes levied for the following year, and unavailable revenue in governmental funds. In addition, bond issuance costs are now expensed when incurred, rather than capitalized and amortized over the life of the bond issue. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

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

Other Information

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

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

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

Plante & Moran, PLLC

Elgin, Illinois
October 24, 2014

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

As management of the Village of Franklin Park ("the Village"), we are pleased to provide readers of the Village's financial statements this Management's Discussion and Analysis ("MD&A"), a narrative overview and analysis of the financial activities of the Village for the fiscal year ended April 30, 2014. 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 FY14 audit are the following:

At the entity-wide level of analysis:

- Assets employed in governmental activities declined \$2.8 million, while liabilities plus deferred revenue inflows declined \$449 thousand, resulting in a decrease in net position of \$2.3 million.
- Revenues supporting governmental activities increased by \$679 thousand from FY13 while expenditures grew by \$4.1 million.
- Assets employed in business-type activities increased \$6.4 million as liabilities and deferred revenue inflows increased \$8 million. As a result, business-type net position declined \$1.6 million.
- Business-type activity revenues increased \$1.3 million from FY13 while expenditures increased \$1.4 million.
- Total Village assets increased \$3.6 million, and total liabilities plus deferred revenue inflows increased \$7.6 million. As a result, total net position declined \$4 million.
- Total Village revenue increased \$2 million and total expenditures increased \$5.5 million.

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

- General fund assets declined by \$3.2 million while liabilities plus deferred revenue inflows declined by \$4.1 million, resulting in a \$908 thousand increase in fund balance.
- Governmental funds' assets decreased by \$3.2 million while liabilities decreased by \$7.3 million. As a result, governmental fund balances increased \$4.1 million.
- General fund revenues declined \$792 thousand from FY13 levels, expenditures fell by \$991 thousand and other sources decreased \$780 thousand.
- Total governmental fund revenues increased \$423 thousand, while expenditures declined by \$5.6 million. Other sources grew by \$4.9 million.
- Proprietary fund assets and liabilities both increased; the former by \$7.6 million, the latter by \$9.2 million. As a result, net position fell \$1.5 million.
- Proprietary fund operating revenues increased \$787 thousand while operating expenses grew by \$1.2 million, resulting in an operating loss of \$923 thousand. After giving effect to a net \$600 thousand in non-operating expenses, net position declined by \$1.5 million.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

These results are also described in more detail further below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which 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 19 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Corporate Fund, Corporate Bond and Interest Fund, and the Police Station Fund. Information from the Village's sixteen 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.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements, this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees. Nonmajor 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 of dollars) at April 30, 2014, with comparisons to April 30, 2013:

NOTE: GASB 65 was implemented in FY14, but was not reflected retroactively in FY13 in the following table.

	Governmental Activities		Business-Type Activities		Total Primary Government	
	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>
Assets:						
Current Assets	\$21.5	\$18.3	\$2.4	\$0.5	\$23.9	\$18.8
Non-Current, Non-Capital Assets	1.9	0.0	0.1	8.2	2.0	8.2
<u>Capital Assets</u>	<u>54.2</u>	<u>56.5</u>	<u>37.0</u>	<u>37.2</u>	<u>91.2</u>	<u>93.7</u>
Total Assets	77.6	74.8	39.5	45.9	117.1	120.7
Liabilities:						
Current Liabilities	18.0	4.9	5.3	5.8	23.2	10.7
Non-Current Liabilities	48.8	54.9	16.9	24.3	65.8	79.2
<u>Deferred Inflows</u>	<u>0.0</u>	<u>6.6</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>6.7</u>
Total Liabilities and Deferred Inflows	66.8	66.4	22.2	30.2	89.0	96.6
Net Position:						
Invested in Capital Assets, Net	17.5	14.9	19.6	20.2	37.2	35.1
Restricted	6.8	9.3	0.0	0.0	6.8	9.3
<u>Unrestricted</u>	<u>(13.6)</u>	<u>(15.8)</u>	<u>(2.3)</u>	<u>(4.5)</u>	<u>(15.9)</u>	<u>(20.3)</u>
Total Net Position	<u>\$10.7</u>	<u>\$8.4</u>	<u>\$17.3</u>	<u>\$15.7</u>	<u>\$28.1</u>	<u>\$24.1</u>

Total Village assets increased \$3.6 million, or 3.1%, and total Village liabilities plus deferred net inflows increased \$7.6 million, or 8.5%. Accordingly, total net position declined by \$4 million, or 14.0%.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

Assets employed in governmental activities decreased by \$2.8 million (3.6%), as a \$3.2 million decrease in current assets exceeded a \$445 thousand increase in non-current assets.

The \$3.2 million decrease in current governmental assets was primarily due to a \$4.1 million drop in cash and investments and a decrease of \$1.0 million in net property tax receivables. This was offset by an increase of \$1.7 million in internal balances.

- The \$4.1 million drop in cash and investments was principally driven by a \$1.1 million drop in accounts payable and a \$2.5 million drop in line of credit payable, as the entire amount was liquidated early in FY14.
- Net property tax receivables decreased \$1.0 million due to timing differences in collections.
- The increase in internal balances was largely driven by accumulated general fund support of the garbage fund.

Non-current assets increased by \$445 thousand (0.8%). The addition of \$3.8 million in depreciable capital assets largely consisting of final police station costs incurred as construction came to a close in FY14 was reduced by \$2.4 million in additional depreciation and, per GASB 65, the elimination of \$1.0 million in prior outstanding unamortized bond issuance costs.

Liabilities employed in governmental activities declined \$449 thousand (0.7%) as current liabilities dropped \$13.1 million and non-current liabilities plus deferred inflows grew \$12.7 million.

The \$13.1 million decrease in current liabilities is due to the reclassification of what was previously unearned property tax revenue, a current liability, to deferred inflows. Treating the latter as a current liability for the moment and netting these two categories yields a negative change in unearned property tax revenues of \$1.1 million, which results in an apples-to-apples comparison decrease in current liabilities of \$6.5 million. Additionally, and as mentioned earlier, the line of credit balance of \$2.5 million from FY13 was paid down early in FY14, accounts payable was reduced by \$1.1 million and the overdraft cash liability of \$2.2 million was shifted to business-type activities because of netting. This was all partially offset by a \$430 thousand increase in the current portion of bond maturities.

Non-current liabilities increased \$6.1 million because of a \$3.6 net increase in long-term debt reflecting the Village's series 2013 certificates of indebtedness, as well as a combined increase of \$2.5 million in personnel-related obligations (i.e., compensated absences, net pension and net OPEB liabilities)

VILLAGE OF FRANKLIN PARK, ILLINOIS
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STATEMENT OF ACTIVITIES

The following table presents the condensed *Statement of Activities* (in millions of dollars) at April 30, 2014, with comparisons to April 30, 2013.

NOTE: GASB 65 was implemented in FY14, but was not reflected retroactively in FY13 in the following table.

	Governmental Activities		Business-type Activities		Total Primary Government	
	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>
<u>Revenues</u>						
Program Revenues:						
Charges for Services						
General Government	\$1.1	\$1.2	\$0.0	\$0.0	\$1.1	\$1.2
Public Safety	1.6	1.6	0.0	0.0	1.6	1.6
Community Development	0.0	0.0	0.0	0.0	0.0	0.0
Building Department	1.4	1.8	0.0	0.0	1.4	1.8
Water & Sewer	0.0	0.0	7.5	8.5	7.5	8.5
Garbage	0.0	0.0	1.1	1.1	1.1	1.1
Commuter Parking Lot	0.0	0.0	0.1	0.1	0.1	0.1
Operating Grants/Contributions	0.7	0.2	0.0	0.0	0.7	0.2
Capital Grants/Contributions	0.6	0.8	0.0	0.3	0.6	1.1
General Revenues:						
Property Taxes	16.4	16.5	0.0	0.2	16.4	16.7
Unrestricted Intergovernmental Revenue ¹	3.5	3.6	0.0	0.0	3.5	3.6
Public Service and State- Shared Taxes ²	4.4	4.8	0.0	0.0	4.4	4.8
<u>Other</u>	<u>0.8</u>	<u>0.7</u>	<u>0.2</u>	<u>0.0</u>	<u>1.0</u>	<u>0.7</u>
Total Revenues	30.5	31.2	8.9	10.2	39.4	41.4
<u>Expenses</u>						
General Government	5.3	6.9	0.0	0.0	5.3	6.9
Public Safety	15.3	16.1	0.0	0.0	15.3	16.1
Highways and Streets	4.0	5.4	0.0	0.0	4.0	5.4
Public Health	0.3	0.4	0.0	0.0	0.3	0.4
Community Development	0.8	1.1	0.0	0.0	0.8	1.1
Building Department	1.0	0.7	0.0	0.0	1.0	0.7
Interest on Long-Term Debt	1.7	1.9	0.0	0.0	1.7	1.9
Water & Sewer	0.0	0.0	8.6	10.1	8.6	10.1
Garbage	0.0	0.0	1.7	1.5	1.7	1.5
<u>Commuter Parking Lot</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>0.1</u>
Total Expenses	28.4	32.5	10.3	11.7	38.7	44.2
Change in Net Position	<u>\$2.1</u>	<u>(\$1.3)</u>	<u>(\$1.4)</u>	<u>(\$1.5)</u>	<u>\$0.7</u>	<u>(\$2.8)</u>

Revenues from governmental activities increased from FY13 levels by \$679 thousand, or 2.2%. All revenue sources but two increased. The largest increases were as follows:

- Charges for services increased \$431 thousand (10.4%) largely due to a \$370 thousand (26.7%) increase in building permit revenue, principally due to various permits issued for a new Digital Realty facility, a major development project currently underway in the Village. The project is expected to generate upwards of four million dollars in permits and fees over the next few years, and about \$600 thousand annually in additional electric utility taxes when fully online.

¹ Consists of sales and income taxes

² Consists of utility and other taxes

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- Total grant revenue declined \$243 thousand (35.8%) as operating grants and contributions fell by \$483 thousand and capital grants and contributions increased from FY13 levels by \$240 thousand. On the capital side, a \$521 thousand Illinois EPA green infrastructure grant received in FY13 for the new police station was supplemented during FY14 in the amount of \$464 thousand. Additionally, the Village received a \$300 thousand grant from the Illinois Commerce Commission for school crossing improvements. This, combined with a thirty four hundred dollar decrease in the annual MFT grant, comprised the increase in capital grants over 2013.

On the operating side, public safety grant and contribution funding declined \$449 thousand, as \$622 thousand in various grants lapsed, to be replaced by \$58 thousand in grants and \$115 thousand in contributions from confiscations.

- General revenues, consisting of property, sales and income taxes as well as public service and state-shared taxes, and miscellaneous revenue increased by a combined \$492 thousand, or 2.0% over FY13. By far the largest contributor to this increase was other taxes, which increased \$409 thousand over FY13. This increase consisted of revenues over which the Village has no control.

Expenditures for governmental activities increased by \$4.0 million over FY13, or 14.2%, and all expenditure categories but one increased.

- General government expenditures increased by \$1.6 million, or 29.9% due to a number of factors. The largest of these was \$728 thousand, mostly related to a change in the accounting estimate for FY13 compensated absences which reduced the associated liability and, consequently the expense by \$175 thousand in FY13. Additionally, there was a \$164 thousand increase due to debt issuance costs, an increase of \$156 thousand in liability insurance expense, and a \$115 thousand increase in telephone expenses, largely due to system upgrades. Other increases included \$97 thousand in software licensing costs, \$72 thousand in increased legal fees (the consequence of a significant lawsuit) and \$42 thousand for Village roof replacement.
- Public safety expenditures increased \$719 thousand (4.7%) over FY13, \$247 thousand of it due to previously negotiated salary increases, \$243 thousand in increased actuarially mandated pension expense, \$94 thousand in 911 emergency expenses and \$50 thousand in energy costs.
- Highway and street expenditures grew by \$1.4 million, or 35.5%. This included an additional \$250 thousand spent on salt, given the harsh nature of this past winter and resulting run-up in salt prices, \$669 thousand in non-capitalized road repairs, \$72 thousand in increased engineering expense and \$68 thousand in increased expenditures for right-of-way maintenance. The balance of this difference is composed of several accounts with smallish changes.
- Community development expenditures increased \$260 thousand (32.6%), from FY13-FY14, principally due to a \$487 thousand developer incentive payment due in FY13 which was paid in FY14, along with the usual FY14 payment. Offsetting this increase was the refund of \$116 thousand in erroneously paid property taxes from Cook County, \$49 thousand less in engineering fees and \$25 thousand in consultant fees.
- Building department expenses fell by \$212 thousand, mostly due to lack of FY14 participation in the Village's 50/50 sidewalk replacement program. Another \$28

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thousand that was spent on electric vehicle charging stations in FY13 was *not* spent in FY14, and plan review expenses fell by \$12 thousand.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed *Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance* (in millions of dollars) at April 30, 2014, with comparisons to April 30, 2013.

	General Corporate Fund		Other Governmental Funds		Total Governmental Funds	
	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>
<u>Revenues</u>						
Property Taxes	\$10.6	\$11.3	\$5.9	\$5.3	\$16.5	\$16.6
Intergovernmental Revenue						
Sales Tax	1.8	1.8	0.0	0.0	1.8	1.8
Income Tax	1.7	1.7	0.0	0.0	1.7	1.7
Utility Taxes	3.0	3.1	0.0	0.0	3.0	3.1
Other Taxes	1.0	1.1	0.5	0.5	1.5	1.6
Licenses, Permits, Fees	2.1	2.6	0.0	0.0	2.1	2.6
Grants	0.7	0.4	0.6	0.6	1.3	1.0
Other Revenue	0.8	0.5	0.0	0.1	0.8	0.6
Fines and Forfeitures	0.6	0.6	0.1	0.1	0.7	0.7
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
<u>Charges for Services</u>	<u>1.1</u>	<u>1.1</u>	<u>0.2</u>	<u>0.3</u>	<u>1.3</u>	<u>1.4</u>
Total Revenues	23.4	24.2	7.3	6.9	30.7	31.1
<u>Expenditures</u>						
General Government	5.7	5.9	0.1	0.3	5.8	6.2
Public Safety	12.0	12.6	0.3	0.5	12.3	13.1
Highways and Streets	3.4	2.5	0.2	0.9	3.6	3.4
Public Health	0.3	0.4	0.0	0.0	0.3	0.4
Community Development	0.4	0.3	0.4	0.8	0.8	1.1
Building Department	0.7	0.7	0.0	0.0	0.7	0.7
Debt Service	0.0	0.2	2.4	2.5	2.4	2.7
<u>Capital Outlay</u>	<u>1.8</u>	<u>0.7</u>	<u>9.8</u>	<u>3.6</u>	<u>11.6</u>	<u>4.3</u>
Total Expenditures	24.3	23.3	13.2	8.6	37.5	31.9
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(0.9)	0.9	(5.9)	(1.7)	(6.8)	(0.8)
Other Sources (Uses), Net	<u>0.8</u>	<u>(0.0)</u>	<u>(0.8)</u>	<u>4.9</u>	<u>0.0</u>	<u>4.9</u>
Change in Fund Balance	<u>(\$0.1)</u>	<u>\$0.9</u>	<u>(\$6.7)</u>	<u>\$3.2</u>	<u>(\$6.8)</u>	<u>\$4.1</u>

Governmental fund revenues increased \$423 thousand (1.4%) from FY13 levels as a \$792 thousand (3.4%) increase in general fund revenues and a \$384 thousand (12.1%) increase in the bond and interest fund was largely offset by a \$745 thousand (21.1%) decline in non-major governmental fund revenues.

- General fund property tax revenues were up \$702 thousand, or 6.6% (due to timing differences from the prior year), while licenses, permits and fees increased \$395 thousand (18.4%) on the strength of the Digital Realty development mentioned previously. Adding to this was an increase in utility taxes of \$143 thousand (4.8%). These gains were partially offset by a decrease of \$303 thousand in grant revenues (discussed earlier) and a decline of \$208 thousand in other revenue.

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- Bond and interest fund revenue increased \$384 thousand (12.1%), all of it due to higher property taxes received in the first annual installment exceeding those received in the same period during the previous year.
- Non-major governmental fund revenues retreated largely due to a decline in property tax revenues of \$959 thousand; \$722 thousand in the various TIF funds and \$238 thousand in non-major debt service funds. These losses were partially offset by a \$109 thousand increase in charges for service in the 911 fund and \$58 thousand in fines and forfeitures in the police department's asset seizure fund.

Governmental fund expenditures fell by \$5.6 million (14.8%). Total general corporate fund expenditures fell by \$991 thousand (4.1%) and police station capital expenditures declined by \$6.3 million as the station was finally completed. These were offset by an increase of \$266 thousand (11.0%) and \$1.4 million (155.3%) in the bond and interest and non-major funds, respectively.

- General government, general corporate fund expenditures increased \$229 thousand (4.0%) principally due to increased expenditures of \$156 thousand in liability insurance expense, \$97 thousand in software licensing costs and \$72 thousand in increased legal fees (the consequence of a series of thus far frivolous lawsuits brought by a local "sovereign citizen"). This was partially offset by a decrease of \$86 thousand in workers' comp premium expense.

Public safety expenses increased \$531 thousand (4.4%), due to both negotiated salary increases for both police and firefighters of \$247 thousand, as well as an increase of \$243 thousand in actuarially mandated pension contributions.

Community development expenses declined \$153 thousand (39.3%) because of the refund of \$116 thousand in erroneously paid property taxes from Cook County (which was treated as a contra expense), and \$49 thousand less in engineering fees.

Building department expenditures increased by \$93 thousand (14.6%) as salaries rose \$56 thousand (11.8%) and maintenance of municipal property almost doubled, by \$75 thousand (98.7%). Lower expenditures of \$28 thousand (for electric vehicle charging stations in FY13 but *not* in FY14), and plan review fell by \$12 thousand partially offset these increases.

Highway and street expenditures fell \$920 thousand from the prior year, as no major road reconstruction projects were done in FY14.

- Bond and interest fund expenses increased \$266 thousand due primarily to bond issuance costs and slightly higher debt service payments.
- Police station construction expenditures tapered off in FY14 as the project neared completion.

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- Non-major fund expenses increased \$1.4 million on the basis of \$250 thousand expended from the motor fuel tax fund for salt purchases (again, due to the harshness of the 2013-2014 winter) as well as an additional \$634 thousand for both street lighting and various street maintenance projects. There was also a \$183 thousand increase in public safety expenditures, principally from the asset seizure and 911 funds for equipment and other purchases. TIF expenditures also increased due to a \$487 thousand developer incentive payment due in FY13 which was paid in FY14, along with the usual FY14 payment.

PROPRIETARY FUNDS

The following table presents the condensed *Statement of Revenues, Expenditures and Changes in Fund Net Position* for the Village's proprietary funds (in millions of dollars) at April 30, 2014, with comparisons to 2013.

NOTE: GASB 65 was implemented in FY14, but was not reflected retroactively in FY13 in the following table.

<u>Operating Revenues</u>	<u>Water & Sewer Fund</u>		<u>Garbage Fund</u>		<u>Parking Fund</u>		<u>Total</u>	
	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>	<u>FY13</u>	<u>FY14</u>
Charges for Services	\$7.5	\$8.5	\$1.2	\$1.2	\$0.1	\$0.1	\$8.9	\$9.8
<u>Other Revenue</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>	<u>0.0</u>
Total Operating Revenues	7.7	8.5	1.2	1.2	0.1	0.1	9.1	9.8
 <u>Operating Expenses</u>								
Administration	1.0	1.8	0.3	0.2	0.0	0.0	1.3	2.0
Water Purchases	3.0	3.3	0.0	0.0	0.0	0.0	3.0	3.3
Repairs and Maintenance	1.6	1.5	0.1	0.0	0.0	0.1	1.7	1.6
Supplies and Services	1.1	1.3	1.3	1.4	0.0	0.0	2.4	2.7
<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	7.8	9.0	1.7	1.6	0.0	0.1	9.5	10.7
Operating Income (Loss)	(0.1)	(0.5)	(0.5)	(0.4)	0.1	0.0	(0.4)	(0.9)
 <u>Non-Operating Revenues (Expenses)</u>								
Interest Expense	(0.7)	(0.6)	0.0	0.0	0.0	0.0	(0.7)	(0.6)
<u>Other, Net</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total Non-Operating Revenue (Expense)	(0.7)	(0.6)	0.0	0.0	0.0	0.0	(0.7)	(0.6)
Net Income (Loss)	(0.8)	(1.1)	(0.5)	(0.4)	0.1	0.0	(1.2)	(1.5)
Net Position	\$18.2	\$17.0	(\$0.9)	(\$1.3)	\$0.2	\$0.2	\$17.5	\$15.9

Proprietary fund operating revenues and expenses increased \$787 thousand (8.8%) and \$1.2 million (11.9%), respectively. The resulting operating loss of \$923 thousand represented a deterioration of \$346 thousand from FY13's loss of \$578 thousand. Non-operating expenses grew, by \$58 thousand (8.0%), resulting in a net loss of \$1.5 million, consistent with FY13's loss of \$1.2 million.

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In the water and sewer fund, service charges increased \$1 million, or 10.4% on the strength of a midyear rate increase of 55%. As the increase was tiered and conservation oriented, approximately 80% of Village residents were unaffected by it, hence a revenue increase lower than might otherwise be expected. There was also an *apparent* decrease of \$229 thousand in other revenue, however this was due to an FY13 reclassification of interest and to record the extinguishment of debt.

Operating expenditures increased \$1.2 million (20.0%) over FY13. This consisted of \$845 thousand (83.9%) in administrative costs (principally labor and overhead), as the departments, sorely undermanned in FY13, increased staff dramatically in FY14; \$281 thousand (9.3%) in higher water costs as a result of ongoing rate increases by the City of Chicago, from which the Village purchases its water, and \$209 thousand (20.0%) in higher service and supply expenditures, as an aging infrastructure aged further, requiring greater repair costs. The fund's net operating loss of \$548 thousand was \$410 thousand larger than FY13.³

Net non-operating expenses increased \$58 thousand despite the addition of \$162 thousand in property taxes levied on an exception basis to optimize property tax revenue receipts; and \$94 thousand less in interest expense as principal continues to be steadily paid down. A new expense in FY14, debt issuance costs associated with the issuance of the series 2013 debt certificates, contributed \$302 thousand to the bottom line, and a capital grant of \$276 thousand rounded out the revenue/expenditure picture.

As a result, the net loss fell to \$1.1 million, a deterioration of \$193 thousand from FY13's \$863 thousand loss.

Garbage fund operating revenues fell eight thousand dollars (0.7%), while operating expenses declined \$102 thousand (6.2%) as fewer additional services were required from haulers. Finally, the commuter parking lot fund saw an operating revenue decrease of four thousand dollars (5.3%) and an increase in maintenance expenditures of \$27 thousand (90.2%) due to the cost of repaving the lots.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
<u>Revenues</u>			
Property Taxes	\$11.5	\$11.3	(\$0.2)
Sales Taxes	1.8	1.8	(0.0)
Income Taxes	2.0	1.7	(0.3)
Utility Taxes	2.9	3.1	0.2
Other Taxes	0.8	1.1	0.3
Licenses, Permits, Fees	2.1	2.6	0.5
Fines & Forfeitures	0.6	0.6	0.0
Charges for Services	1.1	1.1	0.0
<u>Other Revenue</u>	<u>0.7</u>	<u>0.9</u>	<u>0.2</u>
Total	\$23.5	\$24.2	\$0.7

³ As discussed more fully in the Letter of Transmittal, the Village has begun addressing the fund's financial and capital asset needs.

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<u>Expenditures</u>			
General Government	\$5.7	\$5.9	(\$0.2)
Public Safety	12.9	12.6	0.3
Highway & Street	4.0	2.5	1.5
Public Health	0.3	0.4	(0.1)
Community Development	0.6	0.3	0.3
Building	0.7	0.7	0.0
Debt Service	0.0	0.2	(0.2)
<u>Capital</u>	<u>1.0</u>	<u>0.7</u>	<u>0.3</u>
Total	<u>\$25.2</u>	<u>\$23.3</u>	<u>\$1.9</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.7)	0.9	2.6
Other Sources (Uses), Net	0.5	(0.0)	(0.6)
Change in Fund Balance	<u>(\$1.2)</u>	<u>\$0.9</u>	<u>\$2.1</u>

Actual revenues exceeded budget by \$718 thousand, or 3.1%, while actual expenditures came in under budget by a noteworthy \$1.9 million, or 7.6%. Taken together, this resulted in an overall positive variance of \$2.6 million. Budgeted net transfers of \$550 thousand were deemed unnecessary and thus did not occur. The net effect was to increase fund balance by \$909 thousand, as opposed to a budgeted deficit of \$1.2 million.

Property taxes came in at a weaker rate than anticipated for the second year in a row, falling short of budget by \$187 thousand (1.6%). Other under budget revenue sources included sales and income taxes, which fell short by \$25 thousand (1.4%) and \$298 thousand (14.6%), respectively, and other revenues, which missed by \$80 thousand (12.9%). These were offset by positive variances in the following categories:

- Utility taxes - \$201 thousand, 6.8%
- Licenses, permits and fees - \$397 thousand, 18.5%
- Grant revenue \$308 thousand, 616.4%
- Fines and forfeitures - \$24 thousand, 4.3%
- Other taxes - \$373 thousand, 49.3%
- Charges for service - \$3 thousand, 0.2%

On the expenditure side, negative variances occurred in general government (\$281 thousand, 5.0%) and public health (\$88 thousand, 25.0%). These were offset by positive variances in the following categories:

- Public safety - \$321 thousand, 2.5%
- Highways and streets - \$1.5 million, 37.6%
- Community development - \$341 thousand, 59.1%
- Capital outlay - \$347 thousand, 35.4%

Finally, building department expenditures came in \$7 thousand, or 0.9% below budget, and debt service, which had originally been unbudgeted, required \$241 thousand because of a reclassification.

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CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2014, the Village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities
Change in Capital Assets
(in millions of dollars)

	<u>Balance at May 1, 2013</u>	<u>Net Additions (Deletions)</u>	<u>Balance at April 30, 2014</u>
<u>Non-Depreciable Assets:</u>			
Land/CIP ⁴	\$24.2	(\$10.7)	\$13.5
<u>Depreciable Assets:</u>			
Infrastructure	131.2	0.0	131.2
Buildings/Improvements	6.2	15.3	21.5
Vehicles/Equipment	6.5	0.1	6.6
<u>Accumulated Depreciation</u>	<u>(113.9)</u>	<u>(2.4)</u>	<u>(116.3)</u>
Net Capital Assets	\$54.2	\$2.3	\$56.5

Assets deployed in governmental activities increased \$2.3 million. The increase was due to \$3.7 million in final police station construction costs and the acquisition of land valued at \$887 thousand. This was offset by \$2.4 million in additional depreciation.

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

	<u>Balance at May 1, 2013</u>	<u>Net Additions (Deletions)</u>	<u>Balance at April 30, 2014</u>
<u>Non-Depreciable Assets:</u>			
Land/CIP	\$0.9	\$0.5	\$1.4
<u>Depreciable Assets:</u>			
Water/Sewer System	49.7	0.8	50.5
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>(24.3)</u>	<u>(1.1)</u>	<u>(25.4)</u>
Totals	\$37.0	\$0.2	\$37.2

Business-type assets grew by \$204 thousand, as net additions of \$463 thousand to CIP and \$845 thousand in new water and sewer lines were largely offset by \$1.1 million in additional depreciation.

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

DEBT ADMINISTRATION

At April 30, 2014, the Village had outstanding \$82,742,283 in total long-term debt, allocated as follows:

⁴ Includes \$11.7M in reclassification of police station

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<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	-	12,295,000
G.O. Alternate Revenue Bonds of 2005A	3,365,000	-
G.O. Alternate Revenue Bonds of 2006	9,375,000	-
G.O. Alternate Revenue Bonds of 2007	6,380,000	-
G.O. Alternate Revenue Bonds of 2011	9,975,000	-
G.O. Alternate Revenue Bonds of 2013	4,760,000	8,740,000
Deferred Premium (Discount), Net	1,053,068	1,148,617
Loans Payable	-	3,046,670
Leases Payable	493,635	-
Compensated Absences	861,844	36,156
Net Pension Obligation	4,277,422	-
Net OPEB Obligation	<u>9,632,088</u>	<u>1,087,783</u>
Totals	<u>\$56,388,057</u>	<u>\$26,354,226</u>

During fiscal 2014, the Village had net additions to governmental debt totaling \$6.5 million and net increases of \$7.3 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	\$4,206,408	\$7,817,716	\$12,024,094
Net change in leases/loans payable	(204,064)	(897,367)	(1,101,431)
Net change in employee-related debt	<u>2,540,025</u>	<u>444,998</u>	<u>2,985,023</u>
Totals	<u>\$6,542,369</u>	<u>\$7,365,347</u>	<u>\$13,907,716</u>

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

ECONOMIC FACTORS

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

At this point, however, there are various signs of an improving economic picture. For example, building permits and income and sales taxes, perhaps the three most economically sensitive sources of Village revenue, continue to show some strength.

- Building permit revenue was up 26.7% over FY13, and stands at almost three times what it was at its most recent low point in FY11.
- Income tax revenues increased for the fourth straight year, at an average annual rate of 4.4% but remain 13.7% below the most recent banner year of FY08.
- Finally, although sales tax revenue fell another 2.1%, continuing a six-year slide, and remaining at 57.3% of its most recent peak in FY08, a major retail space that had become vacant in FY13 has since been reoccupied and appears to be having a non-trivial impact on revenues.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2014

At this writing, management anticipates that sluggish economic growth will persist over the coming year or more, though it is also becoming clear 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 widely perceived "jobless" nature of the recovery, will continue to affect our residents' financial stability

All that having been said, the Village's manufacturing character is a strength as well as weakness. In addition, its location adjacent to O'Hare International Airport and proximity to one of the largest rail yards in the nation will allow it to recover more quickly once the economic recovery begins to gain steam. Further, ongoing development at O'Hare holds several benefits for the Village, including a new tollway 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, 2014

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets			
Cash and investments (Note 2)	\$ 7,448,946	\$ -	\$ 7,448,946
Receivables:			
Property taxes receivable	7,158,966	144,495	7,303,461
Receivables from sales to customers on account	-	2,822,545	2,822,545
Other taxes receivable	1,853,141	3,108	1,856,249
Allowance for doubtful accounts	(497,425)	(1,544,093)	(2,041,518)
Internal balances	954,281	(954,281)	-
Prepaid expenses and other assets	-	30	30
Restricted assets	-	8,228,355	8,228,355
IPBC reserve	1,388,456	-	1,388,456
Capital assets (Note 3):			
Assets not subject to depreciation	13,492,374	1,350,233	14,842,607
Assets subject to depreciation	42,992,673	35,886,738	78,879,411
Total assets	74,791,412	45,937,130	120,728,542
Liabilities			
Accounts payable	1,867,248	1,275,514	3,142,762
Bank overdraft	-	2,194,752	2,194,752
Refundable deposits, bonds, etc.	11,000	-	11,000
Accrued liabilities and other:			
Accrued salaries and wages	626,244	30,417	656,661
Accrued interest payable	626,483	232,646	859,129
Unearned revenue	215,731	-	215,731
Due to pension funds	53,463	-	53,463
Noncurrent liabilities:			
Due within one year (Note 4):			
Compensated absences	172,369	36,156	208,525
Current portion of loans payable	-	828,574	828,574
Current portion of leases payable	204,160	-	204,160
Current portion of bonds payable	1,090,000	1,190,000	2,280,000
Due in more than one year (Note 4):			
Compensated absences	689,475	-	689,475
Loans payable	-	2,218,096	2,218,096
Leases payable	289,475	-	289,475
Net OPEB obligation (Note 13)	9,632,088	1,087,783	10,719,871
Net pension obligation (Notes 9 and 10)	4,277,422	-	4,277,422
Bonds payable	40,033,068	20,993,617	61,026,685
Total liabilities	59,788,226	30,087,555	89,875,781
Deferred Inflows of Resources -			
Property taxes levied for the following year	6,593,483	133,947	6,727,430
Net Position			
Net investment in capital assets	14,868,344	20,235,039	35,103,383
Restricted for:			
Public safety	291,157	-	291,157
TIF development	3,252,604	-	3,252,604
Debt service	5,780,077	-	5,780,077
Unrestricted	(15,782,479)	(4,519,411)	(20,301,890)
Total net position	\$ 8,409,703	\$ 15,715,628	\$ 24,125,331

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

Village of Franklin Park, Illinois

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,948,033	\$ 1,203,703	\$ -	\$ 300,000
Public safety	16,068,460	1,560,086	173,605	464,326
Highway and street	5,440,731	-	-	84,396
Public health	311,396	-	-	-
Community development	1,056,993	41,966	4,381	-
Building department	743,800	1,757,858	-	-
Interest on long-term debt	1,926,590	-	-	-
Total governmental activities	32,496,003	4,563,613	177,986	848,722
Business-type activities:				
Water and Sewer	10,055,096	8,494,967	-	275,000
Garbage	1,547,781	1,163,533	-	-
Commuter Parking Lot	56,028	64,735	-	-
Total business-type activities	11,658,905	9,723,235	-	275,000
Total primary government	<u>\$ 44,154,908</u>	<u>\$ 14,286,848</u>	<u>\$ 177,986</u>	<u>\$ 1,123,722</u>

General revenue:

Property taxes
 Unrestricted intergovernmental revenue - Sales tax and income tax
 Public service taxes and state shared taxes - Utility tax and other taxes
 Investment income
 Other revenue

Total general revenue

Change in Net Position

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

Net Position - End of year

**Statement of Activities
Year Ended April 30, 2014**

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (5,444,330)	\$ -	\$ (5,444,330)
(13,870,443)	-	(13,870,443)
(5,356,335)	-	(5,356,335)
(311,396)	-	(311,396)
(1,010,646)	-	(1,010,646)
1,014,058	-	1,014,058
(1,926,590)	-	(1,926,590)
(26,905,682)	-	(26,905,682)
-	(1,285,129)	(1,285,129)
-	(384,248)	(384,248)
-	8,707	8,707
-	(1,660,670)	(1,660,670)
(26,905,682)	(1,660,670)	(28,566,352)
16,534,573	162,455	16,697,028
3,612,367	-	3,612,367
4,797,102	-	4,797,102
13,060	887	13,947
660,651	-	660,651
25,617,753	163,342	25,781,095
(1,287,929)	(1,497,328)	(2,785,257)
9,697,632	17,212,956	26,910,588
\$ 8,409,703	\$ 15,715,628	\$ 24,125,331

Village of Franklin Park, Illinois

Governmental Funds Balance Sheet April 30, 2014

	General Corporate Fund	Corporate Bond and Interest Fund	Police Station Fund	Nonmajor Funds	Total
Assets					
Cash and investments (Note 2)	\$ 740,513	\$ 3,956,679	\$ 103,736	\$ 3,274,746	\$ 8,075,674
Receivables:					
Property taxes receivable	5,543,095	1,609,204	-	6,667	7,158,966
Other taxes receivable	1,819,013	-	-	34,128	1,853,141
Allowance for doubtful accounts	(327,273)	(170,152)	-	-	(497,425)
Due from other funds (Note 7)	424,475	644,861	-	175,000	1,244,336
Advances to other funds (Note 7)	3,114,057	114,579	105,454	2,033,743	5,367,833
IPBC reserve	1,388,456	-	-	-	1,388,456
Total assets	\$ 12,702,336	\$ 6,155,171	\$ 209,190	\$ 5,524,284	\$ 24,590,981
Liabilities					
Accounts payable	\$ 584,779	\$ -	\$ 23,294	\$ 1,245,316	\$ 1,853,389
Due to other funds (Note 7)	-	-	-	270,855	270,855
Advances from other funds (Note 7)	192,814	20,344	1,183,492	4,096,568	5,493,218
Refundable deposits, bonds, etc.	11,000	-	-	-	11,000
Accrued salary and wages	620,188	-	-	57	620,245
Unearned revenue	215,731	-	-	-	215,731
Due to pension funds	53,463	-	-	-	53,463
Total liabilities	1,677,975	20,344	1,206,786	5,612,796	8,517,901
Deferred Inflows of Resources					
Unavailable revenue	308,272	-	-	-	308,272
Property taxes levied for the following year	5,169,813	1,423,670	-	-	6,593,483
Total deferred inflows of resources	5,478,085	1,423,670	-	-	6,901,755
Fund Balances (Deficit)					
Nonspendable	4,502,513	114,579	105,454	2,033,743	6,756,289
Restricted:					
Public safety	-	-	-	291,157	291,157
TIF development	-	-	-	2,610,458	2,610,458
Debt service	-	4,596,578	-	243,920	4,840,498
Unassigned	1,043,763	-	(1,103,050)	(5,267,790)	(5,327,077)
Total fund balances (deficit)	5,546,276	4,711,157	(997,596)	(88,512)	9,171,325
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 12,702,336	\$ 6,155,171	\$ 209,190	\$ 5,524,284	\$ 24,590,981

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

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position April 30, 2014

Fund Balance Reported in Governmental Funds	\$ 9,171,325
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	56,485,047
Tax and other receivables that are collected after year end, such that they are not available to pay bills outstanding as of year end, are not recognized in the funds	308,272
Long-term debt payable and capital lease obligations are not due and payable in the current period and are not reported in the funds	(40,302,868)
Unamortized bond premiums associated with long-term debt payable are not reported in the funds	(1,313,835)
Accrued interest is not due and payable in the current period and is not reported in the funds	(626,483)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(861,844)
Net pension obligation is payable over a long period of years and does not represent a claim on current financial resources; therefore, it is not reported as a fund liability	(4,277,422)
Net OPEB obligation is payable over a long period of years and does not represent a claim on current financial resources; therefore, it is not reported as a fund liability	(9,632,088)
Internal Service Funds are included as part of governmental activities	(540,401)
Net Position of Governmental Activities	<u>\$ 8,409,703</u>

Village of Franklin Park, Illinois

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Year Ended April 30, 2014

	General Corporate Fund	Corporate Bond and Interest Fund	Police Station Fund	Nonmajor Funds	Total
Revenue					
Property taxes	\$ 11,278,696	\$ 3,550,795	\$ -	\$ 1,705,082	\$ 16,534,573
Intergovernmental revenue - Sales tax	1,775,018	-	-	-	1,775,018
Intergovernmental revenue - Income taxes	1,747,711	-	-	-	1,747,711
Utility tax	3,149,578	-	-	-	3,149,578
Other taxes	1,129,115	-	-	510,441	1,639,556
Licenses, permits, and fees	2,541,873	-	-	-	2,541,873
Grant revenue	358,220	-	464,326	88,777	911,323
Charges for services	1,101,030	-	-	333,239	1,434,269
Fines and forfeitures	587,471	-	-	115,385	702,856
Investment income	10,342	29	-	2,689	13,060
Other revenue	544,179	-	83,000	33,472	660,651
Total revenue	<u>24,223,233</u>	<u>3,550,824</u>	<u>547,326</u>	<u>2,789,085</u>	<u>31,110,468</u>
Expenditures					
Current:					
General government	5,935,781	135,086	156,312	44,013	6,271,192
Public safety	12,578,380	-	-	474,102	13,052,482
Highway and street	2,507,739	-	-	884,247	3,391,986
Public health	438,747	-	-	-	438,747
Community development	236,202	-	-	817,828	1,054,030
Building department	733,376	-	-	-	733,376
Capital outlay	632,502	-	3,498,306	83,294	4,214,102
Debt service	241,295	2,548,402	-	-	2,789,697
Total expenditures	<u>23,304,022</u>	<u>2,683,488</u>	<u>3,654,618</u>	<u>2,303,484</u>	<u>31,945,612</u>
Excess of Revenue Over (Under) Expenditures	919,211	867,336	(3,107,292)	485,601	(835,144)
Other Financing Sources (Uses)					
Face value of debt issue	-	-	4,760,000	-	4,760,000
Debt premium	-	-	162,188	-	162,188
Transfers in (Note 7)	-	932,396	-	1,458,213	2,390,609
Transfers out (Note 7)	(10,473)	-	-	(2,380,136)	(2,390,609)
Total other financing sources (uses)	<u>(10,473)</u>	<u>932,396</u>	<u>4,922,188</u>	<u>(921,923)</u>	<u>4,922,188</u>
Net Change in Fund Balances	908,738	1,799,732	1,814,896	(436,322)	4,087,044
Fund Balances (Deficit) - Beginning 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>
Fund Balances (Deficit) - End of year	<u>\$ 5,546,276</u>	<u>\$ 4,711,157</u>	<u>\$ (997,596)</u>	<u>\$ (88,512)</u>	<u>\$ 9,171,325</u>

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

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities Year Ended April 30, 2014

Net Change in Fund Balances - Total Governmental Funds	\$ 4,087,044
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	3,854,841
Depreciation expense	(2,383,769)
Revenues are recorded in the statement of activities when earned; they are not reported in the funds until collected or collectible within 60 days of year end	97,606
Proceeds from the issuance of debt provide financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position	(4,922,188)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	660,000
Repayment of principal on capital leases is an expenditure in the governmental funds, but not in the statement of activities (where it reduces long-term debt)	204,064
Change in unamortized bond premium	55,781
Change in accrued interest payable	(56,737)
Increase in accumulated employee sick and vacation pay reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	(265,083)
Increase in the net pension and OPEB obligations reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	(2,409,861)
Internal Service Funds are included as part of governmental activities	<u>(209,627)</u>
Change in Net Position of Governmental Activities	<u>\$ (1,287,929)</u>

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position April 30, 2014

	Major Funds		Nonmajor Funds	Total Enterprise Funds	Internal Service
	Water and Sewer	Garbage Fund	Commuter Parking		Fund
	Fund		Lot Fund		Fleet Maintenance Fund
Assets					
Current assets:					
Cash and investments (Note 2)	\$ -	\$ -	\$ 183,667	\$ 183,667	\$ -
Receivables:					
Property taxes receivable	144,495	-	-	144,495	-
Receivables from sales to customers on account	2,269,898	552,647	-	2,822,545	-
Other receivables	3,037	46	25	3,108	-
Allowance for doubtful accounts	(1,243,165)	(300,928)	-	(1,544,093)	-
Due from other funds (Note 7)	-	-	9,698	9,698	-
Prepaid expenses and other assets	30	-	-	30	-
Total current assets	1,174,295	251,765	193,390	1,619,450	-
Noncurrent assets:					
Restricted assets	8,228,355	-	-	8,228,355	-
Advances to other funds (Note 7)	400,000	1,183,492	-	1,583,492	-
Capital assets (Note 3):					
Assets not subject to depreciation	1,350,233	-	-	1,350,233	-
Assets subject to depreciation	35,865,101	-	21,637	35,886,738	-
Total noncurrent assets	45,843,689	1,183,492	21,637	47,048,818	-
Total assets	47,017,984	1,435,257	215,027	48,668,268	-
Liabilities					
Current liabilities:					
Accounts payable	1,141,284	116,477	17,753	1,275,514	13,859
Bank overdraft	391,473	1,986,946	-	2,378,419	626,728
Due to other funds (Note 7)	905,039	-	-	905,039	78,140
Accrued liabilities and other:					
Accrued salaries and wages	26,955	3,462	-	30,417	5,999
Accrued interest payable	232,646	-	-	232,646	-
Compensated absences	36,156	-	-	36,156	-
Current portion of loans payable	828,574	-	-	828,574	-
Current portion of bonds payable (Note 4)	1,190,000	-	-	1,190,000	-
Total current liabilities	4,752,127	2,106,885	17,753	6,876,765	724,726
Noncurrent liabilities:					
Advances from other funds (Note 7)	825,000	622,791	10,316	1,458,107	-
Loans payable	2,218,096	-	-	2,218,096	-
Net OPEB obligation (Note 13)	1,087,783	-	-	1,087,783	-
Bonds payable (Note 4)	20,993,617	-	-	20,993,617	-
Total noncurrent liabilities	25,124,496	622,791	10,316	25,757,603	-
Total liabilities	29,876,623	2,729,676	28,069	32,634,368	724,726
Deferred Inflows of Resources - Property taxes levied for the following year					
	133,947	-	-	133,947	-
Net Position					
Net investment in capital assets Unrestricted	20,213,402 (3,205,988)	- (1,294,419)	21,637 165,321	20,235,039 (4,335,086)	- (724,726)
Total net position	\$ 17,007,414	\$ (1,294,419)	\$ 186,958	15,899,953	\$ (724,726)
Amounts reported for business-type activities in the statement of net position are different because a portion of the Internal Service Fund is included as business-type activities				(184,325)	
Net Position of Business-type Activities				\$ 15,715,628	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended April 30, 2014

	Major Funds		Nonmajor Funds		Internal Service
				Total Enterprise	Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Funds	Fleet Maintenance Fund
Operating Revenue					
Sale of water	\$ 5,591,593	\$ -	\$ -	\$ 5,591,593	\$ -
Sewage disposal charges	2,902,928	-	-	2,902,928	-
Other sales to customers	-	1,161,950	64,735	1,226,685	-
Other revenue	446	1,583	-	2,029	-
Charges to other funds	-	-	-	-	241,799
Total operating revenue	8,494,967	1,163,533	64,735	9,723,235	241,799
Operating Expenses					
Water purchases	3,314,166	-	-	3,314,166	-
Repairs and maintenance	1,499,806	21,507	45,340	1,566,653	-
Administration	1,851,712	155,950	9,549	2,017,211	304,290
Supplies and services	1,252,086	1,370,324	-	2,622,410	213,080
Depreciation	1,124,827	-	1,139	1,125,966	-
Total operating expenses	9,042,597	1,547,781	56,028	10,646,406	517,370
Operating (Loss) Income	(547,630)	(384,248)	8,707	(923,171)	(275,571)
Nonoperating Revenue (Expenses)					
Property tax revenue	162,455	-	-	162,455	-
Investment income	615	-	272	887	-
Interest expense	(645,008)	-	-	(645,008)	-
Debt issuance costs	(301,547)	-	-	(301,547)	-
Total nonoperating (expenses) revenue	(783,485)	-	272	(783,213)	-
(Loss) Income - Before contributions	(1,331,115)	(384,248)	8,979	(1,706,384)	(275,571)
Capital Contributions - Capital grants	275,000	-	-	275,000	-
Change in Net Position	(1,056,115)	(384,248)	8,979	(1,431,384)	(275,571)
Net Position - Beginning of year - As restated (Note 15)	18,063,529	(910,171)	177,979	17,331,337	(449,155)
Net Position - End of year	\$ 17,007,414	\$ (1,294,419)	\$ 186,958	\$ 15,899,953	\$ (724,726)
Net Change in Net Position - Total Enterprise Funds				\$ (1,431,384)	
Amounts reported for business-type activities in the statement of activities are different because the Internal Service Fund is allocated partially to business-type activities				(65,944)	
Change in Net Position of Business-type Activities				\$ (1,497,328)	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows Year Ended April 30, 2014

	Major Funds		Nonmajor Funds		Internal Service
	Water and Sewer	Garbage Fund	Commuter		Fund
	Fund		Parking Lot Fund	Total Enterprise Funds	Fleet Maintenance Fund
Cash Flows from Operating Activities					
Receipts from customers	\$ 8,192,780	\$ 1,142,850	\$ 64,735	\$ 9,400,365	\$ -
Receipts from interfund services	-	-	-	-	241,799
Payments to suppliers	(6,272,736)	(1,501,949)	(43,224)	(7,817,909)	(215,470)
Payments to employees	(1,096,660)	(157,445)	-	(1,254,105)	(304,223)
Internal activity - Receipts from (payments to) other funds	1,588,853	-	(9,698)	1,579,155	78,140
Claims paid	(897,367)	-	-	(897,367)	-
Other receipts	-	(46)	(25)	(71)	-
Net cash provided by (used in) operating activities	1,514,870	(516,590)	11,788	1,010,068	(199,754)
Cash Flows from Noncapital Financing Activities					
Advances received from other funds	-	38,542	2,818	41,360	-
Property taxes not restricted for capital activities	27,127	-	-	27,127	-
Implied bank financing	391,473	478,048	-	869,521	199,754
Net cash provided by noncapital financing activities	418,600	516,590	2,818	938,008	199,754
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds	8,736,251	-	-	8,736,251	-
Receipt of capital grants	275,000	-	-	275,000	-
Purchase of capital assets	(1,307,178)	-	(22,776)	(1,329,954)	-
Principal and interest paid on capital debt	(1,586,653)	-	-	(1,586,653)	-
Bond issuance costs	(301,547)	-	-	(301,547)	-
Net cash provided by (used in) capital and related financing activities	5,815,873	-	(22,776)	5,793,097	-
Cash Flows from Investing Activities - Interest received on investments	615	-	272	887	-
Net Increase (Decrease) in Cash and Cash Equivalents	7,749,958	-	(7,898)	7,742,060	-
Cash and Cash Equivalents - Beginning of year	478,397	-	191,565	669,962	-
Cash and Cash Equivalents - End of year	<u>\$ 8,228,355</u>	<u>\$ -</u>	<u>\$ 183,667</u>	<u>\$ 8,412,022</u>	<u>\$ -</u>

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

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows (Continued) Year Ended April 30, 2014

	Major Funds		Nonmajor Funds		Internal Service
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Fund Fleet Maintenance Fund
Balance Sheet Classification of Cash and Cash Equivalents					
Cash and investments	\$ -	\$ -	\$ 183,667	\$ 183,667	\$ -
Restricted cash	8,228,355	-	-	8,228,355	-
Total cash and cash equivalents	<u>\$ 8,228,355</u>	<u>\$ -</u>	<u>\$ 183,667</u>	<u>\$ 8,412,022</u>	<u>\$ -</u>
Reconciliation of Operating (Loss) Income to Net Cash from Operating Activities					
Operating (loss) income	\$ (547,630)	\$ (384,248)	\$ 8,707	\$ (923,171)	\$ (275,571)
Adjustments to reconcile operating (loss) income to net cash from operating activities:					
Depreciation and amortization	1,124,827	-	1,139	1,125,966	-
Changes in assets and liabilities:					
Receivables	(302,187)	(20,729)	(25)	(322,941)	4
Accounts payable	101,516	(110,118)	11,665	3,063	(2,394)
Due to others	1,588,853	-	(9,698)	1,579,155	78,140
Estimated claims liability	(897,367)	-	-	(897,367)	-
Accrued and other liabilities	446,858	(1,495)	-	445,363	67
Net cash provided by (used in) operating activities	<u>\$ 1,514,870</u>	<u>\$ (516,590)</u>	<u>\$ 11,788</u>	<u>\$ 1,010,068</u>	<u>\$ (199,754)</u>

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Fiduciary Net Position April 30, 2014

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 35,526	\$ 351,450
Investments:		
Certificates of deposit	3,417,760	-
U.S. government and agency obligations	7,130,479	-
Money market mutual funds	2,607,160	-
Equity securities	1,992,895	-
Corporate bonds	8,097,599	-
Insurance company contracts	17,712,441	-
Equity mutual funds	5,613,058	-
Receivables:		
Accrued interest receivable	142,704	-
Other receivables	-	419
Due from Village	162,220	-
Prepaid expenses	6,858	-
Total assets	46,918,700	\$ 351,869
Liabilities		
Accounts payable	5,902	\$ -
Refundable deposits, bonds, etc.	-	351,869
Total liabilities	5,902	\$ 351,869
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 46,912,798	

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Changes in Fiduciary Net Position - Pension Trust Funds Year Ended April 30, 2014

	Pension Trust Funds
Additions	
Investment income:	
Interest and dividends	\$ 689,445
Net increase in fair value of investments	3,471,259
Investment-related expenses	<u>(93,257)</u>
Net investment income	4,067,447
Contributions:	
Employer	3,088,198
Employee	<u>694,320</u>
Total contributions	<u>3,782,518</u>
Total additions	7,849,965
Deductions	
Benefit payments	4,507,478
Administrative expenses	<u>107,253</u>
Total deductions	<u>4,614,731</u>
Net Increase in Net Position Held in Trust	3,235,234
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	<u>43,677,564</u>
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	<u><u>\$ 46,912,798</u></u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies

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

Reporting Entity

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

Blended Component Units

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

Accounting and Reporting Principles

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

Fund Accounting

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

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

- *General Corporate Fund* - The primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- *Corporate Bond and Interest Fund* - A debt service fund used to account for resources utilized for payment of principal and interest of the Village's long-term debt.
- *Police Station Fund* - A capital projects fund used to account for resources utilized for payment of construction and related costs for the Village's new police station.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

Basis of Accounting

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

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

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

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

Report Presentation

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

Specific Balances and Transactions

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village currently does not have any items that qualify for reporting in this category.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

In addition to liabilities, the statement of financial position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Village has two items that qualify for reporting in this category. The deferred inflows of resources related to unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from certain intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The government also has property taxes received before the period levied. These property taxes are shown as deferred inflows of resources on both the governmental funds balance sheet as well as the statement of financial position. Those property taxes will be recognized as revenue next year, as those amounts were levied for the subsequent year's budgeted operations.

Net Position Flow Assumption

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

Fund Balance Flow Assumption

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

Fund Balance Policies

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The Village board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. As of April 30, 2014, the Village does not have any commitments of fund balance.

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

The governmental funds balance sheet reports \$291,157 restricted fund balance for the function of public safety. Within this function, there are several purposes as follows: \$55,719 restricted for use within the fire department, \$95,461 restricted for use on law enforcement, and \$139,977 restricted for use related to the 911 emergency system.

Property Tax Revenue

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 1 - Summary of Significant Accounting Policies (Continued)

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

Note 2 - Deposits and Investments

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

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 3,642,839	\$ -
Investments	3,806,107	-
Bank overdraft liability	-	(2,194,752)
Restricted cash and investments	-	8,228,355
Total	<u>\$ 7,448,946</u>	<u>\$ 6,033,603</u>

Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, 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 percent of plan net position in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net position of at least \$5 million that have appointed an investment advisor may invest up to 45 percent of the plan's net position in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold. The shares do not mature.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 2 - Deposits and Investments (Continued)

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

Custodial Credit Risk of Bank Deposits - Custodial credit risk is the risk that in the event of a bank failure, the Village's deposits may not be returned to it. The carrying amount of cash, excluding the Pension Trust Funds, was \$9,674,676 at April 30, 2014, while the bank balances were \$10,305,546. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

At April 30, 2014, the Police Pension Fund's carrying amount of cash was \$13,232. The FDIC insures bank balances up to \$250,000. The entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Pension Fund's deposits with financial institutions.

At April 30, 2014, the Firefighters' Pension Fund's carrying amount of cash was \$22,294 while the bank balances were \$22,519. The entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters' Pension Fund's deposits with financial institutions.

Investments - The following schedule reports the fair values for the Village's investments (excluding Pension Trust Funds) as of April 30, 2014. All investments mature in less than one year:

Investment Type	Fair Value
Money market mutual fund	\$ 3,361,886
Treasurer Illinois Funds	444,221

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 2 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Village or the Police or Firefighters' Pension Funds will not be able to recover the value of 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 Village limits its exposure to custodial credit risk by utilizing independent, third-party institutions, selected by the Village, to act as custodians for its securities and collateral as described in the Village's investment policy. The Village's investments are fully collateralized as of April 30, 2014. Although not required by the Police or Firefighters' Pension Funds' investment policies, the Police and Firefighters' Pension Funds limit their exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Police or Firefighters' Pension Funds, to act as custodian for its securities and collateral.

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

The Police and Firefighters' Pension Funds' formal investment policies do not limit investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates.

The following schedule reports the fair values and maturities for the Police and Firefighters' Pension Funds' investments at April 30, 2014:

Police Pension Fund	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury Notes	\$ 2,672,627	\$ -	\$ 576,947	\$ 2,095,680	\$ -
U.S. Government Agency Securities	1,088,838	160,423	821,437	2,026	104,952
Corporate Bonds	4,775,265	-	4,093,790	681,475	-
Total	\$ 8,536,730	\$ 160,423	\$ 5,492,174	\$ 2,779,181	\$ 104,952
Firefighters' Pension Fund	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
U.S. Treasury Notes	\$ 1,307,100	\$ 289,999	\$ 350	\$ 811,406	\$ 205,345
U.S. Government Agency Securities	2,061,914	601,299	1,234,964	225,651	-
Corporate Bonds	3,322,334	22,517	2,509,031	790,786	-
Total	\$ 6,691,348	\$ 913,815	\$ 3,744,345	\$ 1,827,843	\$ 205,345

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 2 - Deposits and Investments (Continued)

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

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

For the Police Pension Fund, investments in U.S. government agencies totaling \$1,088,838 were rated AA+ by Standard & Poor's and/or by Moody's. Investments in Corporate Bonds carried the ratings noted below.

For the Firefighters' Pension Fund, investments in U.S. government agencies totaling \$1,657,890 were rated AAA to AA+ by Standard & Poor's and/or by Moody's and \$404,024 were unrated. Investments in State and Local Obligations were rated AA or better. Investments in Corporate Bonds carried the ratings noted below.

Investment	Fair Value
Police Pension Fund	
AA+	\$ 153,362
A+	285,341
A	574,090
A-	1,230,406
BBB+	936,962
BBB	1,152,152
BBB-	442,952
Total	<u>\$ 4,775,265</u>
Firefighters' Pension Fund	
AA+	\$ 54,996
AA+	124,479
AA	405,732
AA-	404,587
A+	606,836
A	687,351
A-	927,189
BBB+	111,164
Total	<u>\$ 3,322,334</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 2 - Deposits and Investments (Continued)

Concentration of Credit Risk - The Village limits the amount the Village may invest in any one issuer; no more than 50 percent of the funds may be invested in a single institution as described in the adopted Village investment policy. More than 5 percent of the Village's investments (excluding Pension Trust Funds) are in the Amalgamated Bank money market mutual fund (23 percent).

The Police Pension Fund places no limit on the amount it may invest in any one issuer. More than 5 percent of the Police Pension Fund's investments are in Commonwealth Gateway Insurance Contract, SunLife Insurance Contracts, Jackson National Life Insurance Contracts, MetLife Insurance Contracts, ING Insurance Contracts, and LPL Financial Money Market Mutual Funds. These investments are 12 percent, 8 percent, 8 percent, 6 percent, 5 percent, and 6 percent, respectively, of the Police Pension Fund's total investments.

The Firefighters' Pension Fund has a stated target that 45 percent of the portfolio be in fixed-income securities, 50 percent in equities, and 5 percent in real estate. More than 5 percent of the Firefighters' Pension Fund's investments are in US Equity Fund/PRIDEX Insurance Contract, Principal Life Insurance Contract, Artisan International Mutual Fund, Vanguard Total International Stock Index Mutual Fund, and U.S. Bank Money Market Mutual Fund. These investments are 26 percent, 7 percent, 6 percent, 6 percent, and 5 percent, respectively, of the Firefighters' Pension Fund's total investments.

Note 3 - Capital Assets

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

	Balance May 1, 2013	Reclassifications	Additions	Disposals	Balance April 30, 2014
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 12,455,266	\$ -	\$ 887,320	\$ -	\$ 13,342,586
Construction in progress	11,779,346	(11,655,459)	25,901	-	149,788
Subtotal	24,234,612	(11,655,459)	913,221	-	13,492,374
Capital assets being depreciated:					
Infrastructure	131,198,274	-	-	-	131,198,274
Buildings and improvements	6,167,013	11,655,459	3,712,197	-	21,534,669
Vehicles and equipment	6,463,855	-	66,743	-	6,530,598
Subtotal	143,829,142	11,655,459	3,778,940	-	159,263,541
Accumulated depreciation:					
Infrastructure	105,388,795	-	1,757,856	-	107,146,651
Buildings and improvements	3,447,210	-	322,913	-	3,770,123
Vehicles and equipment	5,051,094	-	303,000	-	5,354,094
Subtotal	113,887,099	-	2,383,769	-	116,270,868
Net capital assets being depreciated	29,942,043	11,655,459	1,395,171	-	42,992,673
Net capital assets	\$ 54,176,655	\$ -	\$ 2,308,392	\$ -	\$ 56,485,047

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 3 - Capital Assets (Continued)

Business-type Activities	Balance May 1, 2013	Reclassifications	Additions	Disposals	Balance April 30, 2014
Capital assets not being depreciated:					
Land	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000
Construction in progress	702,630	(702,630)	1,165,233	-	1,165,233
Subtotal	887,630	(702,630)	1,165,233	-	1,350,233
Capital assets being depreciated:					
Water and sewer lines	49,736,408	702,630	141,944	-	50,580,982
Storage reservoir/pump	5,686,944	-	-	-	5,686,944
Buildings and improvements	2,109,296	-	-	-	2,109,296
Vehicles and equipment	2,940,221	-	22,776	-	2,962,997
Subtotal	60,472,869	702,630	164,720	-	61,340,219
Accumulated depreciation:					
Water and sewer lines	17,637,217	-	851,244	-	18,488,461
Storage reservoir/pump	2,960,889	-	161,348	-	3,122,237
Buildings and improvements	1,001,826	-	52,544	-	1,054,370
Vehicles and equipment	2,727,583	-	60,830	-	2,788,413
Subtotal	24,327,515	-	1,125,966	-	25,453,481
Net capital assets being depreciated	36,145,354	702,630	(961,246)	-	35,886,738
Net capital assets	\$ 37,032,984	\$ -	\$ 203,987	\$ -	\$ 37,236,971

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

Governmental activities:	
General government	\$ 124,291
Public safety	417,022
Highway and streets	<u>1,842,456</u>
Total governmental activities	<u>\$ 2,383,769</u>
Business-type activities:	
Water and sewer	\$ 1,124,827
Commuter parking lot	<u>1,139</u>
Total business-type activities	<u>\$ 1,125,966</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 3 - Capital Assets (Continued)

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Anderson Lift Station	\$ 68,238	\$ 68,238
Sewer Lining	704,744	198,942
Drainage	51,764	145,436
Total	<u>\$ 824,746</u>	<u>\$ 412,616</u>

Note 4 - Long-term Debt

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

Long-term debt activity can be summarized as follows:

	<u>Interest Rate Ranges</u>	<u>Principal Maturity Ranges</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities							
General Obligation Bonds (Alternate Revenue Source) - Series 2004A - \$14,865,000 - payable through 2035	5.00%	\$240,000 - \$1,605,000	\$ 6,215,000	\$ -	\$ -	\$ 6,215,000	\$ -
General Obligation Bonds (Alternate Revenue Source) - Series 2005A - \$4,165,000 - payable through 2025	3.70 - 5.50%	\$190,000 - \$440,000	3,545,000	-	(180,000)	3,365,000	190,000
General Obligation Bonds (Alternate Revenue Source) - Series 2006 - \$9,500,000 - payable through 2031	4.00%	\$45,000 - \$1,255,000	9,420,000	-	(45,000)	9,375,000	45,000
General Obligation Bonds (Alternate Revenue Source) - Series 2007 - \$8,155,000 - payable through 2023	4.20 - 5.50%	\$450,000 - \$975,000	6,815,000	-	(435,000)	6,380,000	450,000
General Obligation Bonds (Alternate Revenue Source) - Series 2011 - \$9,975,000 - payable through 2031	4.00 - 6.25%	\$405,000 - \$880,000	9,975,000	-	-	9,975,000	405,000
General Obligation Limited Tax Debt Certificates - Series 2013 - \$4,760,000 - payable through 2033	3.625 - 5.00%	\$68,738 - \$428,288	-	4,760,000	-	4,760,000	-
Plus deferred premium			1,167,927	213,981	(68,073)	1,313,835	-
Less deferred discount			(221,267)	(51,793)	12,293	(260,767)	-
Total bonds payable			36,916,660	4,922,188	(715,780)	41,123,068	1,090,000
Leases payable			697,699	-	(204,064)	493,635	204,160
Compensated absences			731,680	265,083	(134,919)	861,844	172,369
Net pension obligation			3,547,232	730,190	-	4,277,422	-
Net OPEB obligation			7,952,417	1,679,671	-	9,632,088	-
Total governmental activities			<u>\$ 49,845,688</u>	<u>\$ 7,597,132</u>	<u>\$ (1,054,763)</u>	<u>\$ 56,388,057</u>	<u>\$ 1,466,529</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 4 - Long-term Debt (Continued)

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

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General Obligation Bonds (Alternate Revenue Source) - Series 2004B - payable through 2021							
	5.00%	\$1,190,000 - \$1,675,000	\$ 13,430,000	\$ -	\$ (1,135,000)	\$ 12,295,000	\$ 1,190,000
Plus unamortized premium			935,901	-	(85,082)	850,819	-
General Obligation Limited Tax Debt Certificates - Series 2013 - \$8,740,000 - payable through 2033							
	3.625 - 5.00%	\$126,263 - \$786,713	-	8,740,000	-	8,740,000	-
Plus unamortized premium			-	392,897	-	392,897	-
Less unamortized discount			-	(95,099)	-	(95,099)	-
Total bonds payable			14,365,901	9,037,798	(1,220,082)	22,183,617	1,190,000
Loans payable			3,944,037	-	(897,367)	3,046,670	828,574
Compensated absences			25,209	36,156	(25,209)	36,156	36,156
Net OPEB obligation			653,732	434,051	-	1,087,783	-
Total business-type activities			\$ 18,988,879	\$ 9,482,796	\$ (2,142,658)	\$ 26,354,226	\$ 1,960,729

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

Total interest expense for the year was approximately \$2,910,000. Annual debt service requirements to maturity for the above bonds, loans, and lease obligations (excluding unamortized premiums and discounts) are as follows:

Year Ending April 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2015	\$ 1,294,160	\$ 1,889,139	\$ 3,183,299	\$ 2,018,572	\$ 1,032,459	\$ 3,051,031
2016	1,333,273	1,839,697	3,172,970	2,005,746	948,707	2,954,453
2017	1,378,840	1,779,792	3,158,632	1,936,061	862,795	2,798,856
2018	1,493,082	1,484,917	2,977,999	1,862,212	777,257	2,639,469
2019	1,696,651	1,331,754	3,028,405	1,980,905	508,509	2,489,414
2020-2024	10,333,334	5,783,933	16,117,267	8,209,159	1,279,985	9,489,144
2025-2029	11,170,237	3,333,099	14,503,336	3,104,762	424,133	3,528,895
2030-2034	10,254,450	1,385,570	11,640,020	2,964,253	91,880	3,056,133
2035-2039	1,609,608	41,375	1,650,983	-	-	-
Total	\$ 40,563,635	\$ 18,869,276	\$ 59,432,911	\$ 24,081,670	\$ 5,925,725	\$ 30,007,395

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 4 - Long-term Debt (Continued)

Legal Debt Margin - The Village is subject to a legal debt margin of 8.625 percent of equalized assessed value (EAV) of property in the Village. As of April 30, 2014, the equalized assessed valuation of the Village using the Tax Year 2013 EAV is \$611,138,981 and the legal debt margin is \$52,710,737 while the equalized assessed valuation of the Village using the Tax Year 2012 EAV (which was also in effect during the fiscal year) is \$692,157,576 and the legal debt margin is \$59,698,591. Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2005A and 2007 are such bonds, therefore the Village is in compliance.

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

Note 5 - Short-term Debt

The Village took out a line of credit on October 4, 2009 for \$2,000,000 at an interest rate of 4.00 percent. An additional \$500,000 was added during 2013 to bring the total available amount to be drawn to \$2,500,000. This amount was drawn during the year ended April 30, 2013 and was repaid in May 2013 with interest of \$38,448. An additional \$1,500,000 was added during 2014 to bring the total available to be drawn to \$4,000,000. The line of credit was extended during the year and is scheduled to expire on April 14, 2015.

Note 6 - Noncommitment Debt

Tax increment financing notes outstanding as of April 30, 2014 total \$17,579,083. 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 percent. Principal balance as of April 30, 2014 is \$1,336,215 plus unpaid accrued interest of \$246,461 for a total amount due of \$1,582,676. On August 5, 2002, the Redevelopment Agreement and the note were 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 percent, which was cancelled 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.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 6 - Noncommitment Debt (Continued)

O'Hare East Industrial Complex Redevelopment Project - \$8,200,000 note issued November 1, 2000 bearing interest at 10 percent. Principal balance as of April 30, 2014 is \$8,200,000 plus accrued interest of \$7,796,407 for a total amount due of \$15,996,407. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

Note 7 - Interfund Receivables, Payables, and Transfers

The composition of interfund balances is as follows:

Receivable Fund	Payable Fund	Amount
Due to/from Other Funds		
General Corporate Fund	Nonmajor Governmental Funds	\$ 86,157
	Water and Sewer Fund	260,178
	Internal Service Fund	<u>78,140</u>
	Total General Corporate Fund	424,475
Corporate Bond and Interest	Water and Sewer Fund	644,861
Nonmajor Governmental Funds	Nonmajor Governmental Funds	175,000
Nonmajor Enterprise Fund	Nonmajor Governmental Funds	<u>9,698</u>
	Total	<u>\$ 1,254,034</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

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

Receivable Fund	Payable Fund	Amount
Advances from/to Other Funds		
General Corporate Fund	Corporate Bond and Interest Fund	\$ 20,344
	Nonmajor Governmental Funds	2,460,606
	Garbage Fund	622,791
	Nonmajor Enterprise Fund	<u>10,316</u>
	Total General Corporate Fund	3,114,057
Corporate Bond and Interest Fund	Nonmajor Governmental Funds	114,579
Police Station Fund	General Corporate Fund	105,454
Nonmajor Governmental Funds	General Corporate Fund	87,360
	Nonmajor Governmental Funds	1,121,383
	Water and Sewer Fund	<u>825,000</u>
	Total Nonmajor Governmental Funds	2,033,743
Water and Sewer Fund	Nonmajor Governmental Funds	400,000
Garbage Fund	Police Station Fund	<u>1,183,492</u>
	Total	<u>\$ 6,951,325</u>

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

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

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

<u>Fund Transferred From</u>	<u>Fund Transferred To</u>	<u>Amount</u>
General Corporate Fund	Nonmajor Governmental Funds	\$ 10,473
Nonmajor Governmental Funds	Corporate Bond and Interest Fund	932,396
	Nonmajor Governmental Funds	<u>1,447,740</u>
	Total Nonmajor Governmental Funds	<u>\$ 2,380,136</u>

The transfers between the Nonmajor Governmental Funds and the Corporate Bond and Interest Fund are due to the fact that bond covenants require that the expenditures for debt service need to be shown in the Corporate Bond and Interest Fund; however, the payment related to TIF bonds. The transfers between Nonmajor Governmental Funds and other Nonmajor Governmental Funds relate to the transfers of cash between contiguous TIF districts.

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

Plan Description - The Village's defined benefit pension plan for regular employees provides retirement and disability benefits, postretirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund (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 4.50 percent 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 Village's annual required contribution rate for calendar year 2013 was 21.72 percent. The Village's annual required contribution for calendar year 2014 was 19.14 percent. 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.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

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

Annual Pension Cost - For the year ended April 30, 2014, the Village's annual pension cost of \$720,161 for the plan was equal to the Village's required and actual contribution. The annual required contribution was determined as part of an actuarial valuation at December 31, 2011, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 7.5 investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.0 percent per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4 percent to 10 percent per year depending on age and service, attributable to seniority/merit, and (d) postretirement benefit increases of 3 percent annually. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period with a 20 percent corridor between the actuarial and market value of assets. The unfunded actuarial liability is being amortized as a level percentage of payroll on an open basis. The remaining amortization period is 30 years.

Three-year Trend Information

	Fiscal Year Ended April 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 720,161	\$ 507,167	\$ 420,732
Percentage of APC contributed	100.0 %	100.0 %	100.0 %
Net pension obligation	\$ -	\$ -	\$ -

	Year Ended December 31		
	2013	2012	2011
Actuarial value of assets	\$ 6,412,394	\$ 5,053,450	\$ 3,865,203
Actuarial accrued liability (AAL) (entry age)	\$ 7,996,811	\$ 7,523,711	\$ 7,020,173
Unfunded AAL (UAAL)	\$ 1,584,417	\$ 2,470,261	\$ 3,154,970
Funded ratio	80.2 %	67.2 %	55.1 %
Covered payroll	\$ 3,312,552	\$ 2,934,236	\$ 2,964,396
UAAL as a percentage of covered payroll	47.8 %	84.2 %	106.4 %

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 9 - Defined Benefit Pension Plan - 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 2.5 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. 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 percent 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 percent of the original pension and 3 percent 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 percent 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.

Funding Policy - Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining assets 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 percent funded.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 9 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Annual Pension Cost and Net Pension Obligation - The Village's annual pension cost for the current year and related information for the Police Pension Fund is as follows:

Annual required contribution	\$ 1,931,074
Interest on net pension obligation	134,152
Adjustment to annual required contribution	<u>(116,854)</u>
Annual pension cost (APC)	1,948,372
Contributions made	<u>(1,561,471)</u>
Increase in net pension obligation	386,901
Net pension obligation - Beginning of year	<u>1,987,444</u>
Net pension obligation - End of year	<u>\$ 2,374,345</u>

For the year ended April 30, 2014, the Village's annual pension cost was \$1,948,372 and the actual contribution was \$1,561,471. The annual required contribution was determined as part of an actuarial valuation at April 30, 2013, using the entry age actuarial cost method. Significant assumptions used include (a) a 6.75 investment rate of return, (b) projected salary increases of 4.75 to 11.75 percent per year, and (c) 4.5 percent per year postretirement benefit increases. Both (a) and (b) include an inflation component of 3.0 percent. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is through 2041.

Three-year Trend Information

	Fiscal Year Ended April 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 1,948,372	\$ 1,924,212	\$ 1,544,115
Percentage of APC contributed	80.1 %	73.9 %	86.9 %
Net pension obligation	\$ 2,374,345	\$ 1,987,444	\$ 1,484,869

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 9 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Funding Status and Funding Progress - As of April 30, 2013, the most recent actuarial valuation date, the plan was 43.04 percent funded. The actuarial accrued liability for benefits was \$50,241,850, and the actuarial value of assets was \$21,623,504, resulting in an unfunded actuarial accrued liability of \$28,618,346. The covered payroll (annual payroll to active employees covered by the plan) was \$3,744,121, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 764.35 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 of benefits.

Note 10 - Defined Benefit Pension Plan - Firefighters' Pension Plan

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

The Firefighters' 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 percent of such monthly salary for each additional month over 20 years of service through 30 years of service, to a maximum of 75 percent 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 percent 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 percent of the original pension and 3 percent compounded annually 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 percent 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.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 10 - Defined Benefit Pension Plan - Firefighters' Pension Plan (Continued)

Funding Policy - Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan 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 Firefighters' pension Fund is 90 percent funded by the year 2040.

Annual Pension Cost and Net Pension Obligation - The Village's annual pension cost for the current year and related information for the Firefighters' Pension Fund is as follows:

Annual required contribution	\$ 1,781,597
Interest on net pension obligation	109,185
Adjustment to annual required contribution	<u>(82,646)</u>
Annual pension cost (APC)	1,808,136
Contributions made	<u>(1,464,847)</u>
Increase in net pension obligation	343,289
Net pension obligation - Beginning of year	<u>1,559,788</u>
Net pension obligation - End of year	<u>\$ 1,903,077</u>

For the year ended April 30, 2014, the Village's annual pension cost was \$1,808,136 and the actual contribution was \$1,464,847. The annual required contribution was determined as part of an actuarial valuation at April 30, 2012, using the entry age actuarial cost method. Significant actuarial assumptions used include (a) a 7.0 investment rate of return, (b) projected salary increases of 4.75 to 12.75 percent per year, and (c) 4.5 percent per year cost of living adjustments. Both (a) and (b) include an inflation component of 3.0. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility over a five-year period. The unfunded actuarial liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period is through 2040.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 10 - Defined Benefit Pension Plan - Firefighters' Pension Plan (Continued)

Three-year Trend Information

	Fiscal Year Ended April 30		
	2014	2013	2012
Annual pension cost (APC)	\$ 1,808,136	\$ 1,528,073	\$ 1,435,841
Percentage of APC contributed	81.0 %	85.7 %	97.6 %
Net pension obligation	\$ 1,903,077	\$ 1,559,788	\$ 1,340,792

Funding Status and Funding Progress - As of April 30, 2013, the most recent actuarial valuation date, the plan was 49.42 percent funded. The actuarial accrued liability for benefits was \$46,382,603, and the actuarial value of assets was \$22,920,440, resulting in an unfunded actuarial accrued liability of \$23,462,163. The covered payroll (annual payroll to active employees covered by the plan) was \$3,244,286, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 723.18 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 of benefits.

Note 11 - Risk Management

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

Note 12 - Tax Incremental 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 \$932,396 and \$1,701,789, respectively.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 13 - Other Postemployment Benefits

Plan Description - The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF who were enrolled in IMRF prior to January 1, 2011 must be at least 55 years old, have at least eight years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under IMRF who were enrolled in IMRF on or after January 1, 2011 must be at least 62 years old, have at least 10 years of credited service and no longer work in a position that qualifies for participation in IMRF. Employees under the Police Pension Fund and Firefighters' Pension Fund must be at least 50 years old and have at least 20 years of credited service. This is a single employer defined benefit plan administered by the Village. The benefits are provided under collective bargaining agreements. Currently the plan has 171 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

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

Funding Progress - For the year ended April 30, 2014, the Village has estimated the cost of providing retiree health care benefits through an actuarial valuation as of May 1, 2012. The valuation computes an annual required contribution, which represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. This valuation's computed contribution and actual funding are summarized as follows:

Annual required contribution (recommended)	\$ 2,693,069
Interest on the prior year's net OPEB obligation	258,184
Less adjustment to the annual required contribution	<u>(286,871)</u>
Annual OPEB cost	2,664,382
Amounts contributed - Payments of current premiums	<u>(550,660)</u>
Increase in net OPEB obligation	2,113,722
OPEB obligation - Beginning of year	<u>8,606,149</u>
OPEB obligation - End of year	<u>\$ 10,719,871</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 13 - Other Postemployment Benefits (Continued)

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

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed	Net OPEB Obligation
4/30/12	5/1/10	\$ 2,181,584	17.5	\$ 6,558,935
4/30/13	5/1/12	2,693,069	19.2	8,606,149
4/30/14	5/1/12	2,693,069	20.4	10,719,871

The funding progress of the plan is as follows:

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 13 - Other Postemployment Benefits (Continued)

In the May 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3 percent investment rate of return (net of administrative expenses) and an annual healthcare trend rate of 3.60 percent - 17.94 percent initially, reduced by decrements to an ultimate rate of 3.50 percent - 5.00 percent. Both rates included a 3 percent inflation rate. There was no actuarial value of assets of the retiree healthcare account as of May 1, 2012. The UAAL is being amortized as a level dollar. The remaining amortization period at May 1, 2012 was 30 years.

Note 14 - Upcoming Accounting Pronouncements

In June 2012, the GASB issued two new pension standards, GASB Statement No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*. These new standards significantly revise the current accounting and reporting for pensions, both from an employer perspective as well as from a plan perspective. Employers providing defined benefit pensions to its employees must now, under these new standards, recognize their unfunded pension benefit obligation as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. This net pension liability that will be recorded on the government-wide, proprietary, and discretely presented component units statements will be computed differently than the current unfunded actuarial accrued liability, using specific parameters set forth by the GASB. The Statement also enhances accountability and transparency through revised and expanded note disclosures and required supplementary information (RSI). Statement No. 67 is required to be adopted for April 30, 2015 and Statement No. 68 one year later.

In January 2013, the Governmental Accounting Standards Board issued GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*. Until now, governments had been accounting for mergers, acquisitions, and transfers of operations by analogizing to accounting and financial reporting guidance intended for the business environment. This Statement provides specific accounting and financial reporting guidance for combinations in the governmental environment. This Statement also requires that disclosures be made by governments about combination arrangements in which they engage and for disposals of government operations. GASB Statement No. 69 is required to be adopted for years beginning after December 15, 2013. The Village is currently evaluating the impact this standard will have on the financial statements when adopted, during the Village's 2014-2015 fiscal year.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2014

Note 14 - Upcoming Accounting Pronouncements (Continued)

In April 2013, the Governmental Accounting Standards Board issued GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The requirements of this Statement will enhance comparability of financial statements among governments by requiring consistent reporting by those governments that extend nonexchange financial guarantees and by those governments that receive nonexchange financial guarantees. This Statement also will enhance the information disclosed about a government's obligations and risk exposure from extending nonexchange financial guarantees. This Statement also will augment the ability of financial statement users to assess the probability that governments will repay obligation holders by requiring disclosures about obligations that are issued with this type of financial guarantee. GASB Statement No. 70 is required to be adopted for years beginning after June 15, 2013. The Village is currently evaluating the impact this standard will have on the financial statements when adopted, during the Village's 2014-2015 fiscal year.

Note 15 - Change in Accounting

During the current year, the Village adopted GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. The objective of this Statement is to establish standards that reclassify certain items that were previously reported as assets and liabilities and instead to classify them as deferred inflows of resources, deferred outflows of resources, or as outflows of resources.

As a result of implementing this Statement, the following assets and liabilities have been reclassified, as indicated below.

In addition, beginning net position was restated for governmental activities, business-type activities, and the Water and Sewer Fund related to the bond issuance costs being expensed retroactively. Beginning net position was reduced by the following amounts: \$1,026,146 for governmental activities and \$123,099 for business-type activities and the Water and Sewer Fund to write off unamortized bond issuance costs at May 1, 2013.

Item	Amount	Prior Reporting Classification/Treatment	New Classification After Adoption of GASB Statement No. 65
Bond issuance costs	\$ 1,149,245	Asset	Outflow of resources (an expense)
Property taxes billed, but which were levied for next year's budget	6,727,430	Liability	Deferred inflow of resources
Grant resources received before the time requirements have been met	308,272	Liability	Deferred inflow of resources

Required Supplemental Information

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - General Corporate Fund Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 11,465,803	\$ 11,278,696	\$ (187,107)
Sales tax	1,800,000	1,775,018	(24,982)
Income taxes	2,045,358	1,747,711	(297,647)
Utility tax	2,948,968	3,149,578	200,610
Other taxes	756,058	1,129,115	373,057
Licenses, permits, and fees	2,145,300	2,541,873	396,573
Grant revenue	50,000	358,220	308,220
Charges for services	1,098,479	1,101,030	2,551
Fines and forfeitures	563,070	587,471	24,401
Investment income	7,500	10,342	2,842
Other revenue	624,675	544,179	(80,496)
Total revenue	23,505,211	24,223,233	718,022
Expenditures			
Current:			
General government	5,654,660	5,935,781	(281,121)
Public safety	12,899,264	12,578,380	320,884
Highway and street	4,016,369	2,507,739	1,508,630
Public health	350,935	438,747	(87,812)
Community development	577,336	236,202	341,134
Building department	740,273	733,376	6,897
Capital outlay	979,172	632,502	346,670
Debt service	-	241,295	(241,295)
Total expenditures	25,218,009	23,304,022	1,913,987
Excess of Revenue (Under) Over Expenditures	(1,712,798)	919,211	2,632,009
Other Financing Sources (Uses)			
Transfers in	550,000	-	(550,000)
Transfers out	-	(10,473)	(10,473)
Total other financing sources (uses)	550,000	(10,473)	(560,473)
Net Change in Fund Balance	(1,162,798)	908,738	2,071,536
Fund Balance - Beginning of year	4,637,538	4,637,538	-
Fund Balance - End of year	<u>\$ 3,474,740</u>	<u>\$ 5,546,276</u>	<u>\$ 2,071,536</u>

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Corporate Bond and Interest Fund Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 3,442,113	\$ 3,550,795	\$ 108,682
Investment income	-	29	29
Total revenue	3,442,113	3,550,824	108,711
Expenditures			
Current - General government	6,000	135,086	(129,086)
Debt service	2,366,679	2,548,402	(181,723)
Total expenditures	2,372,679	2,683,488	(310,809)
Excess of Revenue Over Expenditures	1,069,434	867,336	(202,098)
Other Financing Sources (Uses)			
Transfers in	1,107,691	932,396	(175,295)
Transfers out	(1,778,125)	-	1,778,125
Net Change in Fund Balance	399,000	1,799,732	1,400,732
Fund Balance - Beginning of year	2,911,425	2,911,425	-
Fund Balance - End of year	<u>\$ 3,310,425</u>	<u>\$ 4,711,157</u>	<u>\$ 1,400,732</u>

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Funds Police Station Fund Year Ended April 30, 2014

	Original and Final Budget	Actual	Variance with Amended Budget
Revenue			
Grant revenue	\$ -	\$ 464,326	\$ 464,326
Other revenue	-	83,000	83,000
Total revenue	-	547,326	547,326
Expenditures			
Current - General government	-	156,312	(156,312)
Capital outlay	4,400,000	3,498,306	901,694
Total expenditures	4,400,000	3,654,618	745,382
Excess of Expenditures Over Revenue	(4,400,000)	(3,107,292)	1,292,708
Other Financing Sources			
Proceeds from debt issue	-	4,760,000	4,760,000
Debt premium or discount	-	162,188	162,188
Total other financing sources	-	4,922,188	4,922,188
Net Change in Fund Balance	(4,400,000)	1,814,896	6,214,896
Fund Balance (Deficit) - Beginning of year	(2,812,492)	(2,812,492)	-
Fund Balance (Deficit) - End of year	<u>\$ (7,212,492)</u>	<u>\$ (997,596)</u>	<u>\$ 6,214,896</u>

Village of Franklin Park, Illinois

Note to Required Supplemental Information Year Ended April 30, 2014

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

- The finance director submits to the board of trustees a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Budget hearings are conducted.
- The budget is legally enacted through passage of an ordinance.
- Budgets are adopted for all funds with the exception of the following funds: Police Station Fund, Foreign Fire Insurance Premium Fund, Police Department 1505 Fund, 911 Emergency Surcharge Tax Fund, GARRA Alternate Refunding Bonds Series 2004A Fund, Milwaukee Avenue TIF Fund, Waveland Mannheim TIF Fund, Special Service Area #4 Fund, and DHL Seymour TIF Fund.

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

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

Excess of Expenditures Over Appropriations in Budgeted Funds - During the year, the Village of Franklin Park, Illinois incurred significant expenditures that were in excess of the amounts budgeted, as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Corporate Bond and Interest Fund	\$ 2,372,679	\$ 2,683,488	\$ (310,809)

Village of Franklin Park, Illinois

Required Supplemental Information Pension System Schedule - Illinois Municipal Retirement Fund - Regular Year Ended April 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/11	\$ 3,865,203	\$ 7,020,173	\$ 3,154,970	55.1	\$ 2,964,396	106.4
12/31/12	5,053,450	7,523,711	2,470,261	67.2	2,934,236	84.2
12/31/13	6,412,394	7,996,811	1,584,417	80.2	3,312,552	47.8

The schedule of employer contributions is as follows:

Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/11	12/31/09	\$ 330,827	100.0
12/31/12	12/31/10	475,933	100.0
12/31/13	12/31/11	720,161	100.0

* The required contribution is expressed to the Village as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market with a 20% corridor

Actuarial assumptions:

Investment rate of return, net of administrative and direct investment expense	7.5%
Projected salary increases attributable to inflation	4.0%
Additional projected salary increases attributable to seniority/merit	0.4 - 10.0%
Cost of living adjustments	None

Village of Franklin Park, Illinois

Required Supplemental Information Pension System Schedule - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Personnel Year Ended April 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
12/31/11	\$ 36,762	\$ -	\$ (36,762)	-	\$ -	-
12/31/12	40,240	-	(40,240)	-	-	-
12/31/13	45,685	-	(45,685)	-	-	-

The schedule of employer contributions is as follows:

Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
12/31/11	12/31/09	\$ -	100.0
12/31/12	12/31/10	-	100.0
12/31/13	12/31/11	-	100.0

* The required contribution is expressed to the Village as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of December 31, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	30 years
Asset valuation method	5-year smoothed market with a 20% corridor

Actuarial assumptions:

Investment rate of return, net of administrative and direct investment expense	7.5%
Projected salary increases attributable to inflation	4.0%
Additional projected salary increases attributable to seniority/merit	0.4 - 10.0%
Cost of living adjustments	None

Village of Franklin Park, Illinois

Required Supplemental Information Pension System Schedule - Police Pension Fund Year Ended April 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
4/30/11	\$ 20,266,531	\$ 45,019,454	\$ 24,752,923	45.0	\$ 3,311,764	747.4
4/30/12	20,841,615	49,077,026	28,235,411	42.5	3,567,396	791.5
4/30/13	21,623,504	50,241,850	28,618,346	43.0	3,744,121	764.4

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
4/30/12	4/30/11	\$ 1,511,580	88.8
4/30/13	4/30/12	1,893,903	76.9
4/30/14	4/30/13	1,931,074	80.9

* The required contribution is expressed to the Village as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of April 30, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent of pay, closed
Amortization period (perpetual)	Through 2041
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	6.75%
Projected salary increases*	4.75% - 11.75%
*Includes inflation at	3.0%
Post-retirement benefit increases	4.5%

Village of Franklin Park, Illinois

Required Supplemental Information Pension System Schedule - Firefighters' Pension Fund Year Ended April 30, 2014

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
4/30/11	\$ 20,814,877	\$ 40,573,761	\$ 19,758,884	51.3	\$ 2,796,067	706.7
4/30/12	21,820,417	41,520,474	19,700,057	52.6	3,144,398	626.5
4/30/13	22,920,440	46,382,603	23,462,163	49.4	3,244,286	723.2

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
4/30/12	4/30/11	\$ 1,402,721	99.9
4/30/13	4/30/12	1,495,589	90.2
4/30/14	4/30/13	1,781,597	85.7

* The required contribution is expressed to the Village as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of April 30, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent of pay, closed
Amortization period (perpetual)	Through 2040
Asset valuation method	5-year smoothed market
Actuarial assumptions:	
Investment rate of return*	7.0%
Projected salary increases*	4.75 to 12.75%
*Includes inflation at	3.0%
Cost of living adjustments	4.5%

Village of Franklin Park, Illinois

Required Supplemental Information OPEB System Schedule Year Ended April 30, 2014

The schedule of funding progress is as follows:

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

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution *	Percentage Contributed
4/30/12	4/30/10	\$ 2,181,584	17.5
4/30/13	4/30/12	2,693,069	19.2
4/30/14	4/30/12	2,693,069	20.4

* The required contribution is expressed to the Village as a percentage of payroll.

The information presented above was determined as part of the actuarial valuations at the dates indicated. Additional information as of April 30, 2013, the latest actuarial valuation, follows:

Amortization method	Level percent
Amortization period (perpetual)	16 years
Asset valuation method	4-year smoothed market
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5% - 8.5%
*Includes inflation at	4.5%
Cost of living adjustments	None

Other Supplemental Information

Village of Franklin Park, Illinois

Special Revenue Funds								
	Foreign Fire Insurance Premium Fund		911 Emergency Surcharges Tax Fund		GARRA Alternate Source Refunding Bonds Series 2004A Fund		West Mannheim Redeveloping Area TIF Fund	
	Police Department 1505 Fund	Motor Fuel Tax Fund	Motor Fuel Tax Fund	Motor Fuel Tax Fund	Motor Fuel Tax Fund	Belmont/River TIF Fund	Mannheim/Grand TIF Fund	
Assets								
Cash and investments	\$ 55,389	\$ 95,461	\$ 201,589	\$ -	\$ 82,166	\$ 2,406,468	\$ 247,416	\$ -
Receivables:								
Property taxes receivable	-	-	-	-	-	6,667	-	-
Other taxes receivable	330	-	-	33,798	-	-	-	-
Due from other funds	-	-	-	-	-	-	25,000	-
Advances to other funds	-	-	-	87,360	-	-	-	1,121,383
Total assets	\$ 55,719	\$ 95,461	\$ 201,589	\$ 121,158	\$ 82,166	\$ 2,413,135	\$ 272,416	\$ 1,121,383
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 82,166	\$ 309	\$ 309	\$ 226,134
Bank overdraft	-	-	-	825,997	-	-	-	100,622
Due to other funds	-	-	-	-	-	72,867	4,903	-
Advances from other funds	-	-	61,555	-	-	-	-	149,186
Accrued salary and wages	-	-	57	-	-	-	-	-
Total liabilities	-	-	61,612	825,997	82,166	73,176	5,212	475,942
Fund Balances (Deficit)								
Nonspendable - Long-term advances	-	-	-	87,360	-	-	-	1,121,383
Restricted:								
Public safety	55,719	95,461	139,977	-	-	-	-	-
TIF development	-	-	-	-	-	2,339,959	267,204	-
Debt service	-	-	-	-	-	-	-	-
Unassigned	-	-	-	(792,199)	-	-	-	(475,942)
Total fund balances (deficit)	55,719	95,461	139,977	(704,839)	-	2,339,959	267,204	645,441
Total liabilities and fund balances (deficit)	\$ 55,719	\$ 95,461	\$ 201,589	\$ 121,158	\$ 82,166	\$ 2,413,135	\$ 272,416	\$ 1,121,383

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2014**

Special Revenue Funds				Debt Service Funds					Capital Projects Funds	Total Nonmajor Governmental Funds
Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour TIF Fund	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total	Special Service Area #4 Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 103,295	\$ 3,191,784	\$ 759,906	\$ 402,342	\$ -	\$ 92,758	\$ 1,255,006	\$ -	\$ 4,446,790
-	-	-	6,667	-	-	-	-	-	-	6,667
-	-	-	34,128	-	-	-	-	-	-	34,128
-	-	-	25,000	150,000	-	-	-	150,000	-	175,000
-	-	-	1,208,743	825,000	-	-	-	825,000	-	2,033,743
\$ -	\$ -	\$ 103,295	\$ 4,466,322	\$ 1,734,906	\$ 402,342	\$ -	\$ 92,758	\$ 2,230,006	\$ -	\$ 6,696,328
\$ 266	\$ 309	\$ -	\$ 309,493	\$ 309	\$ 933,778	\$ 353	\$ 1,383	\$ 935,823	\$ -	\$ 1,245,316
719	178,078	-	1,105,416	-	-	66,628	-	66,628	-	1,172,044
-	-	100,000	177,770	9,698	-	8,387	75,000	93,085	-	270,855
-	1,827,545	-	2,038,286	655,979	-	-	1,402,303	2,058,282	-	4,096,568
-	-	-	57	-	-	-	-	-	-	57
985	2,005,932	100,000	3,631,022	665,986	933,778	75,368	1,478,686	3,153,818	-	6,784,840
-	-	-	1,208,743	825,000	-	-	-	825,000	-	2,033,743
-	-	-	291,157	-	-	-	-	-	-	291,157
-	-	3,295	2,610,458	-	-	-	-	-	-	2,610,458
-	-	-	-	243,920	-	-	-	243,920	-	243,920
(985)	(2,005,932)	-	(3,275,058)	-	(531,436)	(75,368)	(1,385,928)	(1,992,732)	-	(5,267,790)
(985)	(2,005,932)	3,295	835,300	1,068,920	(531,436)	(75,368)	(1,385,928)	(923,812)	-	(88,512)
\$ -	\$ -	\$ 103,295	\$ 4,466,322	\$ 1,734,906	\$ 402,342	\$ -	\$ 92,758	\$ 2,230,006	\$ -	\$ 6,696,328

Village of Franklin Park, Illinois

	Special Revenue Funds							
	Foreign Fire Insurance Premium Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	GARRA Alternate Source Refunding Bonds Series 2004A Fund	West Mannheim Redeveloping Area TIF Fund	Belmont/River TIF Fund	Mannheim/Grand TIF Fund
Revenue								
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 794,736	\$ 5,740	\$ 34,387
Other taxes	57,839	-	-	452,602	-	-	-	-
Grant revenue	-	-	-	84,396	-	-	-	-
Charges for services	-	-	333,239	-	-	-	-	-
Fines and forfeitures	-	115,385	-	-	-	-	-	-
Investment income	109	1	134	86	-	133	20	4
Other revenue	3,022	-	-	-	-	21,499	-	-
Total revenue	60,970	115,386	333,373	537,084	-	816,368	5,760	34,391
Expenditures								
Current:								
General government	-	-	-	-	-	26,970	2,038	1
Public safety	29,397	110,025	334,680	-	-	-	-	-
Highway and street	-	-	-	884,247	-	-	-	-
Community development	-	-	-	-	-	11,753	3,571	7,269
Capital outlay	54,535	28,759	-	-	-	-	-	-
Debt service:								
Total expenditures	83,932	138,784	334,680	884,247	-	38,723	5,609	7,270
Excess of Revenue (Under) Over Expenditures	(22,962)	(23,398)	(1,307)	(347,163)	-	777,645	151	27,121
Other Financing Sources (Uses)								
Transfers in	-	-	-	-	-	267,562	-	921,037
Transfers out	-	-	-	-	-	(118,425)	-	(750,363)
Total other financing sources (uses)	-	-	-	-	-	149,137	-	170,674
Net Change in Fund Balances	(22,962)	(23,398)	(1,307)	(347,163)	-	926,782	151	197,795
Fund Balances (Deficit) - Beginning of year	78,681	118,859	141,284	(357,676)	-	1,413,177	267,053	447,646
Fund Balances (Deficit) - End of year	\$ 55,719	\$ 95,461	\$ 139,977	\$ (704,839)	\$ -	\$ 2,339,959	\$ 267,204	\$ 645,441

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended April 30, 2014

Special Revenue Funds				Debt Service Funds					Capital Projects Fund	Total Nonmajor Governmental Funds
Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/ Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total	Special Service Area #4 Fund	Total Nonmajor Governmental Funds
\$ -	\$ 14,944	\$ 3,293	\$ 853,100	\$ 595,732	\$ -	\$ 253,930	\$ 2,320	\$ 851,982	\$ -	\$ 1,705,082
-	-	-	510,441	-	-	-	-	-	-	510,441
-	4,381	-	88,777	-	-	-	-	-	-	88,777
-	-	-	333,239	-	-	-	-	-	-	333,239
-	-	-	115,385	-	-	-	-	-	-	115,385
-	-	2	489	2,187	-	-	13	2,200	-	2,689
-	-	-	24,521	-	-	-	8,951	8,951	-	33,472
-	19,325	3,295	1,925,952	597,919	-	253,930	11,284	863,133	-	2,789,085
495	2,280	-	31,784	1,320	-	7,819	3,090	12,229	-	44,013
-	-	-	474,102	-	-	-	-	-	-	474,102
-	-	-	884,247	-	-	-	-	-	-	884,247
900	2,762	-	26,255	298,758	-	488,229	4,586	791,573	-	817,828
-	-	-	83,294	-	-	-	-	-	-	83,294
1,395	5,042	-	1,499,682	300,078	-	496,048	7,676	803,802	-	2,303,484
(1,395)	14,283	3,295	426,270	297,841	-	(242,118)	3,608	59,331	-	485,601
-	-	-	1,188,599	-	-	-	259,141	259,141	10,473	1,458,213
-	(182,033)	-	(1,050,821)	(517,890)	-	-	(811,425)	(1,329,315)	-	(2,380,136)
-	(182,033)	-	137,778	(517,890)	-	-	(552,284)	(1,070,174)	10,473	(921,923)
(1,395)	(167,750)	3,295	564,048	(220,049)	-	(242,118)	(548,676)	(1,010,843)	10,473	(436,322)
410	(1,838,182)	-	271,252	1,288,969	(531,436)	166,750	(837,252)	87,031	(10,473)	347,810
\$ (985)	\$ (2,005,932)	\$ 3,295	\$ 835,300	\$ 1,068,920	\$ (531,436)	\$ (75,368)	\$ (1,385,928)	\$ (923,812)	\$ -	\$ (88,512)

Village of Franklin Park, Illinois

Other Supplemental Information 911 Emergency Surcharge Tax Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Charges for services	\$ -	\$ 333,239	\$ 333,239
Investment income	-	134	134
Total revenue	-	333,373	333,373
Expenditures - Current - Public safety	-	334,680	(334,680)
Net Change in Fund Balance	-	(1,307)	(1,307)
Fund Balance - Beginning of year	141,284	141,284	-
Fund Balance - End of year	<u>\$ 141,284</u>	<u>\$ 139,977</u>	<u>\$ (1,307)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Motor Fuel Tax Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Grant revenue	\$ -	\$ 84,396	\$ 84,396
Investment income	500	86	(414)
Other taxes	440,000	452,602	12,602
Other revenue	50,000	-	(50,000)
Total revenue	490,500	537,084	46,584
Expenditures - Current - Highway and street	200,000	884,247	(684,247)
Other Financing Uses - Transfers out	(550,000)	-	550,000
Net Change in Fund Balance	(259,500)	(347,163)	(87,663)
Fund Balance (Deficit) - Beginning of year	(357,676)	(357,676)	-
Fund Balance (Deficit) - End of year	<u>\$ (617,176)</u>	<u>\$ (704,839)</u>	<u>\$ (87,663)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - West Mannheim Redeveloping Area TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 785,000	\$ 794,736	\$ 9,736
Investment income	-	133	133
Other revenue	-	21,499	21,499
Total revenue	785,000	816,368	31,368
Expenditures - Current			
General government	20,000	26,970	(6,970)
Community development	615,000	11,753	603,247
Total expenditures	635,000	38,723	596,277
Excess of Revenue Over Expenditures	150,000	777,645	627,645
Other Financing Sources (Uses)			
Transfers in	-	267,562	267,562
Transfers out	-	(118,425)	(118,425)
Net Change in Fund Balance	150,000	926,782	776,782
Fund Balance - Beginning of year	1,413,177	1,413,177	-
Fund Balance - End of year	\$ 1,563,177	\$ 2,339,959	\$ 776,782

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Belmont/River TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 24,000	\$ 5,740	\$ (18,260)
Investment income	-	20	20
Total revenue	24,000	5,760	(18,240)
Expenditures - Current			
General government	15,000	2,038	12,962
Community development	9,000	3,571	5,429
Total expenditures	24,000	5,609	18,391
Net Change in Fund Balance	-	151	151
Fund Balance - Beginning of year	267,053	267,053	-
Fund Balance - End of year	<u>\$ 267,053</u>	<u>\$ 267,204</u>	<u>\$ 151</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Mannheim/Grand TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 104,000	\$ 34,387	\$ (69,613)
Investment income	-	4	4
Total revenue	104,000	34,391	(69,609)
Expenditures - Current			
General government	-	1	(1)
Community development	25,000	7,269	17,731
Total expenditures	25,000	7,270	17,730
Excess of Revenue Over Expenditures	79,000	27,121	(51,879)
Other Financing Sources (Uses)			
Transfers in	-	921,037	921,037
Transfers out	(750,363)	(750,363)	-
Net Change in Fund Balance	(671,363)	197,795	869,158
Fund Balance - Beginning of year	447,646	447,646	-
Fund Balance (Deficit) - End of year	<u>\$ (223,717)</u>	<u>\$ 645,441</u>	<u>\$ 869,158</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Milwaukee Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Expenditures - Current			
General government	\$ -	\$ 495	\$ (495)
Community development	-	900	(900)
Total expenditures	-	1,395	(1,395)
Net Change in Fund Balance	-	(1,395)	(1,395)
Fund Balance - Beginning of year	410	410	-
Fund Balance (Deficit) - End of year	<u>\$ 410</u>	<u>\$ (985)</u>	<u>\$ (1,395)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Downtown Franklin Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 197,000	\$ 14,944	\$ (182,056)
Grant revenue	-	4,381	4,381
Total revenue	197,000	19,325	(177,675)
Expenditures - Current			
General government	188,000	2,280	185,720
Community development	15,000	2,762	12,238
Total expenditures	203,000	5,042	197,958
Other Financing Uses - Transfers out	(357,328)	(182,033)	175,295
Net Change in Fund Balance	(363,328)	(167,750)	195,578
Fund Balance (Deficit) - Beginning of year	(1,838,182)	(1,838,182)	-
Fund Balance (Deficit) - End of year	\$ (2,201,510)	\$ (2,005,932)	\$ 195,578

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Life/Fitness Reebie Storage TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 661,000	\$ 595,732	\$ (65,268)
Investment income	-	2,187	2,187
Total revenue	661,000	597,919	(63,081)
Expenditures - Current			
General government	5,000	1,320	3,680
Community development	515,000	298,758	216,242
Total expenditures	520,000	300,078	219,922
Other Financing Uses - Transfers out	-	(517,890)	(517,890)
Net Change in Fund Balance	141,000	(220,049)	(361,049)
Fund Balance - Beginning of year	1,288,969	1,288,969	-
Fund Balance - End of year	<u>\$ 1,429,969</u>	<u>\$ 1,068,920</u>	<u>\$ (361,049)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - O'Hare East Industrial TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue - Property taxes	\$ 264,000	\$ 253,930	\$ (10,070)
Expenditures - Current			
General government	2,500	7,819	(5,319)
Community development	352,500	488,229	(135,729)
Total expenditures	355,000	496,048	(141,048)
Net Change in Fund Balance	(91,000)	(242,118)	(151,118)
Fund Balance - Beginning of year	166,750	166,750	-
Fund Balance (Deficit) - End of year	<u>\$ 75,750</u>	<u>\$ (75,368)</u>	<u>\$ (151,118)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Resurrection TIF Fund Budgetary Comparison Year Ended April 30, 2014

	Original and Final Budget Unaudited	Actual	Variance with Amended Budget
Revenue			
Property taxes	\$ 4,000	\$ 2,320	\$ (1,680)
Investment income	-	13	13
Other revenue	-	8,951	8,951
Total revenue	4,000	11,284	7,284
Expenditures - Current			
General government	15,000	3,090	11,910
Community development	10,000	4,586	5,414
Total expenditures	25,000	7,676	17,324
Excess of Revenue (Under) Over Expenditures	(21,000)	3,608	24,608
Other Financing Sources (Uses)			
Transfers in	-	259,141	259,141
Transfers out	-	(811,425)	(811,425)
Net Change in Fund Balance	(21,000)	(548,676)	(527,676)
Fund Balance (Deficit) - Beginning of year	(837,252)	(837,252)	-
Fund Balance (Deficit) - End of year	<u>\$ (858,252)</u>	<u>\$ (1,385,928)</u>	<u>\$ (527,676)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds April 30, 2014

	Pension Trust Funds			Agency Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds	Village Escrow Funds	Special Assessments Fund	Total Agency Funds
Assets						
Cash and cash equivalents	\$ 13,232	\$ 22,294	\$ 35,526	\$ 19,961	\$ 331,489	\$ 351,450
Investments:						
Certificates of deposit	921,663	2,496,097	3,417,760	-	-	-
U.S. government and agency obligations	3,761,465	3,369,014	7,130,479	-	-	-
Money market mutual funds	1,282,349	1,324,811	2,607,160	-	-	-
Equity securities	-	1,992,895	1,992,895	-	-	-
Corporate bonds	4,775,265	3,322,334	8,097,599	-	-	-
Insurance company contracts	9,518,469	8,193,972	17,712,441	-	-	-
Equity mutual funds	1,668,611	3,944,447	5,613,058	-	-	-
Receivables:						
Accrued interest receivable	85,357	57,347	142,704	-	-	-
Other taxes receivable	-	-	-	-	419	419
Due from Village	71,892	90,328	162,220	-	-	-
Prepaid expenses	4,989	1,869	6,858	-	-	-
Total assets	<u>22,103,292</u>	<u>24,815,408</u>	<u>46,918,700</u>	<u>\$ 19,961</u>	<u>\$ 331,908</u>	<u>\$ 351,869</u>
Liabilities						
Accounts payable	725	5,177	5,902	\$ -	\$ -	\$ -
Deposits payable	-	-	-	19,961	331,908	351,869
Total liabilities	<u>725</u>	<u>5,177</u>	<u>5,902</u>	<u>\$ 19,961</u>	<u>\$ 331,908</u>	<u>\$ 351,869</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 22,102,567</u>	<u>\$ 24,810,231</u>	<u>\$ 46,912,798</u>			

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended April 30, 2014

	Pension Police Fund	Firefighters' Pension Fund	Total
Additions			
Investment income:			
Interest and dividends	\$ 361,991	\$ 327,454	\$ 689,445
Net increase in fair value of investments	1,396,940	2,074,319	3,471,259
Investment-related expenses	(19,663)	(73,594)	(93,257)
Net investment income	1,739,268	2,328,179	4,067,447
Contributions:			
Employer	1,561,471	1,526,727	3,088,198
Employee	387,570	306,750	694,320
Net contributions	1,949,041	1,833,477	3,782,518
Total additions	3,688,309	4,161,656	7,849,965
Deductions			
Benefit payments	2,234,328	2,273,150	4,507,478
Administrative expenses	55,078	52,175	107,253
Total deductions	2,289,406	2,325,325	4,614,731
Net Increase in Net Position Held in Trust	1,398,903	1,836,331	3,235,234
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	20,703,664	22,973,900	43,677,564
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 22,102,567	\$ 24,810,231	\$ 46,912,798

Village of Franklin Park, Illinois

Other Supplemental Information Schedule of Changes in Assets and Liabilities Agency Funds Year Ended April 30, 2014

	Balance at May 1, 2013	Additions	Reductions	Balance at April 30, 2014
<u>Village Escrow Funds</u>				
Assets - Cash and investments	\$ 19,961	\$ -	\$ -	\$ 19,961
Liabilities - Refundable deposits, bonds, etc.	\$ 19,961	\$ -	\$ -	\$ 19,961
<u>Special Assessments Fund</u>				
Assets				
Cash and investments	\$ 331,489	\$ -	\$ -	\$ 331,489
Other receivable	419	-	-	419
Total assets	\$ 331,908	\$ -	\$ -	\$ 331,908
Liabilities - Refundable deposits, bonds, etc.	\$ 331,908	\$ -	\$ -	\$ 331,908

Statistical Section

Statistical Section

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

The statistical section is organized into the following main categories:

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

Financial Trends

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

Village of Franklin Park, Illinois

STATEMENT OF NET POSITION BY COMPONENT Last Ten Fiscal Years

	<u>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>	<u>2014</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in capital assets	\$ 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	\$ 14,868,344
Restricted	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	9,323,838
Unrestricted	<u>(13,683,883)</u>	<u>(16,381,808)</u>	<u>(21,022,797)</u>	<u>(27,106,796)</u>	<u>(6,101,927)</u>	<u>(8,443,822)</u>	<u>(4,667,352)</u>	<u>(6,909,672)</u>	<u>(13,619,431)</u>	<u>(15,782,479)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>15,301,255</u>	<u>14,761,319</u>	<u>10,559,247</u>	<u>45,540,753</u>	<u>21,170,676</u>	<u>14,473,625</u>	<u>19,215,270</u>	<u>8,647,432</u>	<u>10,723,778</u>	<u>8,409,703</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in capital assets	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	20,235,039
Unrestricted	<u>3,239,941</u>	<u>5,394,736</u>	<u>3,952,294</u>	<u>5,801,193</u>	<u>1,120,905</u>	<u>(3,081,806)</u>	<u>(7,066,157)</u>	<u>1,305,343</u>	<u>(2,322,891)</u>	<u>(4,519,411)</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>10,463,963</u>	<u>13,414,041</u>	<u>13,503,546</u>	<u>16,848,086</u>	<u>13,510,364</u>	<u>12,101,828</u>	<u>9,087,645</u>	<u>18,704,219</u>	<u>17,336,055</u>	<u>15,715,628</u>
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	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	35,103,383
Restricted	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	9,323,838
Unrestricted	<u>(10,443,942)</u>	<u>(10,987,072)</u>	<u>(17,070,503)</u>	<u>(21,305,603)</u>	<u>(4,981,022)</u>	<u>(11,525,628)</u>	<u>(11,733,509)</u>	<u>(5,604,329)</u>	<u>(15,942,322)</u>	<u>(20,301,890)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 25,765,218</u>	<u>\$ 28,175,360</u>	<u>\$ 24,062,793</u>	<u>\$ 62,388,839</u>	<u>\$ 34,681,040</u>	<u>\$ 26,575,453</u>	<u>\$ 28,302,915</u>	<u>\$ 27,351,651</u>	<u>\$ 28,059,833</u>	<u>\$ 24,125,331</u>

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION Last Ten Fiscal Years

Fiscal Year	2005	2006	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013	2014
GOVERNMENTAL ACTIVITIES										
Program revenues										
Charges for services										
General government	\$ 418,575	\$ -	\$ -	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703
Public safety	140,687	510,064	587,716	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	810	514,558	-	-	-	-
Community development	-	-	-	-	25,550	22,828	12,530	21,520	48,000	41,966
Building department	-	-	-	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858
Operating grants	-	-	-	-	172,272	216,352	457,595	643,744	660,914	177,986
Capital grants	5,439,305	1,001,949	188,208	454,417	3,418,615	209,896	1,082,446	399,659	608,470	848,722
General revenues										
Property taxes	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	16,534,573
Gain on sale of fixed assets	-	-	-	-	109	-	-	81,129	-	-
Sales	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	1,864,656
Income	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	1,747,711
Utility	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	3,149,578
Replacement	527,878	681,136	881,243	863,428	756,927	628,491	775,309	683,801	723,740	758,485
Hotel/Motel	117,139	110,946	147,476	102,819	127,202	38,784	7,807	9,118	19,403	13,125
Motor Fuel	563,707	561,913	562,239	588,765	507,159	491,004	591,569	456,903	436,647	452,602
Other taxes	337,640	732,013	362,507	514,649	1,879,467	1,299,815	279,561	318,338	201,847	423,312
Investment	691,302	303,948	468,003	237,097	85,658	8,996	6,931	11,550	10,640	13,060
Miscellaneous	3,924,432	3,679,621	4,313,766	4,179,633	1,145,311	607,818	1,023,630	749,602	787,443	660,651
Transfers	-	(1,625,850)	(1,624,550)	(1,623,850)	-	-	1,024,992	(10,687,072)	-	-
Total revenues	29,850,151	24,757,842	26,614,027	26,568,582	31,588,871	28,712,032	34,331,396	19,499,974	30,528,697	31,208,074
Expenses										
General government	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	6,948,033
Public safety	11,565,461	10,977,811	12,312,699	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460
Highway and street	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	5,440,731
Public health	-	-	-	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396
Community development	-	-	-	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993
Building department	-	-	-	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800
Interest on long-term debt	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	1,926,590
Transfers	1,414,116	-	-	-	-	-	-	-	-	-
Total expenses	(34,006,155)	(25,725,591)	(30,816,099)	(33,876,045)	(43,881,431)	(36,126,070)	(31,183,566)	(30,067,812)	(28,452,351)	(32,496,003)
(DECREASE) INCREASE IN NET POSITION	\$ (4,156,004)	\$ (967,749)	\$ (4,202,072)	\$ (7,307,463)	\$ (12,292,560)	\$ (7,414,038)	\$ 3,147,830	\$ (10,567,838)	\$ 2,076,346	\$ (1,287,929)

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

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION Last Ten Fiscal Years Continued

Fiscal Year	2005	2006	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014
BUSINESS-TYPE ACTIVITIES										
Program Revenues										
Charges for Services	\$6,050,875	\$6,948,842	\$5,830,298	\$7,153,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Grants	-	-	-	-	-	-	-	78,399	13,500	-
Capital Grants	-	-	-	565,305	-	-	-	-	-	275,000
Water ⁽²⁾	-	-	-	-	4,448,697	4,028,559	4,425,761	4,332,873	7,466,510	8,494,967
Sewer ⁽²⁾	-	-	-	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-
Garbage collection	-	-	-	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533
Commuter parking lot	-	-	-	-	31,386	53,717	63,255	62,131	68,342	64,735
General revenues										
Property taxes	-	-	-	-	-	-	-	-	-	162,455
Gain on sale of fixed assets	-	-	-	-	3,922	-	-	-	-	-
Unrestricted investment earnings	82,243	77,035	8,331	241,440	29,339	8,255	2,498	4,292	1,083	887
Transfers	1,414,117	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	7,547,235	8,651,727	7,463,179	9,584,247	7,544,756	6,270,419	7,292,476	18,741,684	8,950,348	10,161,577
Expenses										
Water ⁽²⁾	-	-	-	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096
Sewer ⁽²⁾	-	-	-	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-
Garbage collection	-	-	-	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781
Commuter parking lot	-	-	-	-	8,778	8,986	13,805	17,958	29,463	56,028
Enterprise	6,465,577	6,946,966	7,373,674	6,657,868	-	-	-	-	-	-
Total expenses	(6,465,577)	(6,946,966)	(7,373,674)	(6,657,868)	(8,744,113)	(7,678,955)	(8,742,962)	(9,125,110)	(10,318,512)	(11,658,905)
INCREASE (DECREASE) IN NET POSITION	\$1,081,658	\$1,704,761	\$ 89,505	\$2,926,379	\$(1,199,357)	\$(1,408,536)	\$(1,450,486)	\$9,616,574	\$(1,368,164)	\$ (1,497,328)

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

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

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION Last Ten Fiscal Years Continued

Fiscal Year	2005	2006	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
Program revenues										
Charges for services										
General government	\$ 418,575	\$ -	\$ -	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703
Public safety	140,687	510,064	587,716	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	-	-	-	810	514,558	-	-	-	-
Community development	-	-	-	-	25,550	22,828	12,530	21,520	48,000	41,966
Building department	-	-	-	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858
Water ⁽²⁾	-	-	-	-	4,448,697	4,028,559	4,425,761	4,332,873	-	-
Sewer ⁽²⁾	-	-	-	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-
Garbage collection	-	-	-	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533
Commuter parking lot	-	-	-	-	31,386	53,717	63,255	62,131	68,342	64,735
Charges for services/water, sewer ⁽²⁾	6,050,875	6,948,842	5,830,298	7,153,652	-	-	-	-	7,466,510	8,494,967
Operating grants	-	-	-	-	172,272	216,352	457,595	722,143	674,414	177,986
Capital grants	5,439,305	1,001,949	188,208	1,019,722	3,418,615	209,896	1,082,446	399,659	608,470	1,123,722
General revenues										
Property taxes	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	16,697,028
Gain on sale of fixed assets	-	-	-	-	4,031	-	-	81,129	-	-
Sales	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	1,864,656
Income	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	1,747,711
Utility	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	3,149,578
Replacement	527,878	681,136	881,243	863,428	756,927	628,491	775,309	683,801	723,740	758,485
Hotel/Motel	117,139	110,946	147,476	102,819	127,202	38,784	7,807	9,118	19,403	13,125
Motor fuel	563,707	561,913	562,239	588,765	507,159	491,004	591,569	456,903	436,647	452,602
Other taxes	337,640	732,013	362,507	514,649	1,879,467	1,299,815	279,561	749,602	201,847	423,312
Investment	773,545	380,983	476,334	478,537	114,997	17,251	9,429	15,842	11,723	13,947
Miscellaneous	3,924,432	3,679,621	4,313,766	4,179,633	1,151,633	616,107	1,036,753	321,153	1,021,625	660,651
Transfers	1,414,117	-	-	-	-	-	-	-	-	-
Total Revenues	<u>\$ 37,397,386</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>	<u>\$ 41,369,651</u>

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

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

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN NET POSITION
Last Ten Fiscal Years
Continued

Fiscal Year	2005	2006	2007	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
General Expenses										
General government	\$ 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	\$ 6,948,033
Public safety	11,565,461	10,977,811	12,312,699	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460
Highway and street	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	5,440,731
Public Health	-	-	-	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396
Community development	-	-	-	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993
Building department	-	-	-	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800
Interest-on long term debt	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	1,926,590
Water ⁽²⁾	-	-	-	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096
Sewer ⁽²⁾	-	-	-	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-
Garbage collection	-	-	-	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781
Commuter parking lot	-	-	-	-	8,778	8,986	13,805	17,958	29,463	56,028
Enterprise	6,465,577	6,946,966	7,373,674	6,657,868	-	-	-	-	-	-
Transfers	1,414,116	-	-	-	-	-	-	-	-	-
Total Expenses	<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>39,926,528</u>	<u>39,192,922</u>	<u>38,770,863</u>	<u>44,154,908</u>
(DECREASE) INCREASE IN NET POSITION	<u>(3,074,346)</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>1,697,344</u>	<u>(951,264)</u>	<u>708,182</u>	<u>(2,785,257)</u>
NET (EXPENSE) REVENUE										
Governmental Activities	(4,156,004)	(967,749)	(4,202,072)	(7,307,463)	(12,292,560)	(7,414,038)	3,147,830	(10,567,838)	2,076,346	(1,287,929)
Business Type Activities	1,081,658	1,704,761	89,505	2,926,379	(1,199,357)	(1,408,536)	(1,450,486)	9,616,574	(1,368,164)	(1,497,328)
TOTAL NET (EXPENSE) REVENUE	<u>\$ (3,074,346)</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>\$ 1,697,344</u>	<u>\$ (951,264)</u>	<u>\$ 708,182</u>	<u>\$ (2,785,257)</u>

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

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

Source: Village records

Village of Franklin Park, Illinois

GOVERNMENTAL FUND BALANCES Last Ten Fiscal Years

Fiscal Year	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012⁽¹⁾</u>	<u>2013</u>	<u>2014</u>
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 496,818	\$ -	\$ 4,502,513
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Reserved	-	-	-	-	568,500	680,205	1,365,205	-	-	-
Unreserved/Unassigned	<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>	<u>1,043,763</u>
SUBTOTAL, GENERAL FUND	<u>(1,186,656)</u>	<u>(3,346,433)</u>	<u>(4,667,829)</u>	<u>(3,968,008)</u>	<u>(5,393,376)</u>	<u>(4,760,469)</u>	<u>3,010,707</u>	<u>4,732,810</u>	<u>4,637,538</u>	<u>5,546,276</u>
% Change from prior year	-154.2%	-182.0%	-39.5%	15.0%	-35.9%	11.7%	163.2%	57.2%	-2.0%	19.6%
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,253,776
Restricted	-	-	-	-	-	-	-	10,512,997	6,834,254	7,742,113
Assigned	-	-	-	-	-	-	-	157,179	-	-
Reserved	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	12,170,535	11,379,989	10,577,426	10,272,112	-	-	-	-	-	-
Nonmajor Governmental Funds	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)	(6,370,840)
SUBTOTAL, ALL OTHER GOVERNMENTAL FUNDS	<u>22,443,825</u>	<u>20,998,018</u>	<u>17,246,947</u>	<u>17,976,038</u>	<u>9,013,726</u>	<u>8,741,924</u>	<u>9,814,875</u>	<u>7,175,953</u>	<u>446,743</u>	<u>3,625,049</u>
% Change from prior year	30.1%	-6.4%	-17.9%	4.2%	-49.9%	-3.0%	12.3%	-26.9%	-93.8%	711.4%
TOTAL GOVERNMENTAL FUNDS	<u>\$21,257,169</u>	<u>\$17,651,585</u>	<u>\$12,579,118</u>	<u>\$14,008,030</u>	<u>\$3,620,350</u>	<u>\$3,981,455</u>	<u>\$12,825,582</u>	<u>\$11,908,763</u>	<u>\$ 5,084,281</u>	<u>\$ 9,171,325</u>
% Change from prior year	9.3%	-17.0%	-28.7%	11.4%	-74.2%	10.0%	222.1%	-7.1%	-57.3%	80.4%

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

Source: Village records

Village of Franklin Park, Illinois

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS Last Ten Fiscal Years

	2005 ⁽¹⁾	2006 ⁽¹⁾	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014
REVENUES										
Property taxes	\$ 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	\$ 16,534,573
Sales taxes	-	-	-	-	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,775,018
Income taxes	-	-	-	-	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711
Utility taxes	-	-	-	-	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578
Other taxes	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	1,639,556
Licenses, permits and fees	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	2,541,873
Grant revenue	-	-	-	-	3,590,887	426,248	1,826,606	1,043,403	1,269,384	911,323
Other revenue	-	-	-	-	1,145,311	607,818	893,377	879,855	787,443	660,651
Fines and forfeitures	447,588	370,265	515,155	682,778	614,158	1,398,471	734,603	710,478	642,096	702,856
Investment income	337,640	303,948	468,003	237,097	85,658	8,996	6,931	11,550	10,640	13,060
Charges for services	559,262	510,064	587,716	471,531	1,524,027	1,745,334	1,359,902	1,465,499	1,344,286	1,434,269
Intergovernmental	4,626,015	4,884,388	6,235,875	6,906,299	-	-	-	-	-	-
Fees, reimbursements, grants and misc	7,900,772	3,016,253	1,735,794	2,503,047	-	-	-	-	-	-
TOTAL REVENUES	29,850,151	26,343,538	28,411,763	28,388,616	31,127,007	28,742,653	33,231,525	30,242,580	30,687,381	31,110,468
EXPENDITURES										
General government	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	6,271,192
Public safety	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	13,052,482
Highway and street	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	3,391,986
Public health	-	-	-	-	1,713,128	1,805,671	255,172	270,011	284,092	438,747
Community development	-	-	-	-	1,757,058	2,946,157	800,946	1,134,631	750,628	1,054,030
Building department	-	-	-	-	869,230	858,240	785,341	717,285	639,927	733,376
Other	-	-	-	-	-	-	-	-	-	-
Debt service										
Principal	488,160	98,880	116,552	698,807	170,000	470,000	520,000	580,000	680,000	862,847
Interest and other charges	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	1,926,850
Capital outlay	-	-	-	-	4,913,958	1,093,348	2,462,715	5,028,591	11,622,002	4,214,102
TOTAL EXPENDITURES	(31,105,007)	(28,323,271)	(31,859,680)	(27,723,371)	(39,892,931)	(29,606,832)	(27,151,087)	(30,965,284)	(37,511,863)	(31,945,612)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,254,856)	(1,979,733)	(3,447,917)	665,245	(8,765,924)	(864,179)	6,080,438	(722,704)	(6,824,482)	(835,144)

Village of Franklin Park, Illinois

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

	2005 ⁽¹⁾	2006 ⁽¹⁾	2007 ⁽¹⁾	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014
OTHER FINANCING SOURCES (USES)										
Bond proceeds	\$ 4,468,882	\$ -	\$ -	\$ 8,155,000	\$ -	\$ -	\$ -	\$ 9,975,000	\$ -	\$ -
Bond premium	-	-	-	54,690	-	-	-	504,324	-	162,188
Bond issuance costs	-	-	-	(285,158)	-	-	-	(482,352)	-	-
Proceeds from capital lease	-	-	-	-	267,271	92,889	175,000	414,856	-	-
Proceeds from debt issue	-	-	-	-	-	-	-	-	-	4,760,000
Proceeds from sale of fixed assets	-	-	-	-	109	415,408	-	81,129	-	-
Transfers in	-	-	-	-	-	1,659,872	6,620,322	4,820,372	2,209,053	2,390,609
Transfers out	(1,414,117)	(1,625,850)	(1,624,550)	(7,160,865)	-	(1,659,872)	(5,595,330)	(15,507,444)	(2,209,053)	(2,390,609)
Transfers of assets held for resale	-	-	-	-	(837,320)	-	-	-	-	-
Total other financing sources (uses)	3,054,765	(1,625,850)	(1,624,550)	763,667	(569,940)	508,297	1,199,992	(194,115)	-	4,922,188
NET CHANGES IN FUND BALANCES	1,799,909	(3,605,583)	(5,072,467)	1,428,912	(9,335,864)	(355,882)	7,280,430	(916,819)	(6,824,482)	4,087,044
FUND BALANCES, BEGINNING OF YEAR	19,457,259	21,257,168	17,651,585	12,579,118	12,956,214	4,337,337	5,545,152	12,825,582	11,908,763	5,084,281
FUND BALANCES, END OF YEAR	\$ 21,257,168	\$ 17,651,585	\$ 12,579,118	\$ 14,008,030	\$ 3,620,350	\$ 3,981,455	\$ 12,825,582	\$ 11,908,763	\$ 5,084,281	\$ 9,171,325
CAPITAL EXPENDITURES	-	-	-	-	(4,231,846)	(2,248,169)	(1,542,724)	(4,506,046)	(13,175,693)	(3,854,841)
RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES	5.62%	7.36%	9.20%	8.06%	4.15%	7.21%	7.38%	7.76%	9.92%	9.93%

(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

Revenue Capacity

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

Village of Franklin Park, Illinois

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>
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	314,852,432	78,973,050	514,736,708	8,327,269	916,889,459	1.582%	2,750,668,377	-8.0%
2010	237,545,123	82,906,086	516,164,672	6,298,942	842,914,823	1.702%	2,528,744,469	-8.1%
2011	277,073,007	69,949,873	392,761,273	12,156,276	751,940,429	1.929%	2,255,821,287	-10.8%
2012	252,904,351	63,586,726	364,046,541	11,619,958	692,157,576	2.134%	2,076,472,728	-8.0%
2013	203,744,556	57,678,100	338,349,141	11,367,184	611,138,981	2.392%	1,833,416,943	-11.7%

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

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

Tax Levy Year	2004	2005	2006	2007	2008	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012	2013
Village Direct Rate										
Corporate	0.3912	0.3442	0.3338	0.2859	0.2922	0.3827	0.3619	0.4375	0.4196	0.4375
Bond & Interest	0.0114	0.0106	0.0111	0.0093	0.0091	0.3945	0.3909	0.4358	0.5222	0.5568
Garbage	0.1280	0.1390	0.1253	0.1089	0.1219	-	-	-	-	-
Police Pension	0.1218	0.1101	0.0924	0.0905	0.0880	0.1268	0.1431	0.1788	0.2094	0.2821
Fire Pension	0.1416	0.1286	0.1073	0.0921	0.0893	0.1286	0.1469	0.1687	0.2008	0.2749
IMRF	0.0008	0.0055	0.0072	0.0199	0.0176	-	-	-	-	0.0276
Street & Bridge	0.0894	0.0761	0.0763	0.0653	0.0667	0.0960	0.1000	0.1000	0.0967	0.1000
Fire Protection	0.0650	0.0580	0.1437	0.1118	0.1133	0.1631	0.2132	0.3176	0.3424	0.2700
Police Protection	0.0650	0.0580	0.1437	0.1118	0.1133	0.1631	0.2147	0.2902	0.3424	0.3489
Civil Defense	0.0008	0.0007	0.0006	0.0005	0.0005	-	-	-	-	-
Social Security	0.0197	0.0408	0.0343	0.0201	0.0183	-	-	-	-	-
Auditing	0.0095	0.0061	0.0043	0.0053	0.0056	-	-	-	-	0.0064
Liability Insurance	0.1074	0.1314	0.1102	0.1008	0.0880	0.1266	0.1307	-	-	0.0257
Street Lighting	0.0064	0.0392	0.0273	0.0308	0.0351	-	-	-	-	0.0119
Crossing Guards	0.0092	0.0080	0.0076	0.0057	0.0063	-	-	-	-	-
Water and Sewage	-	-	-	-	-	-	-	-	-	0.0500
Working Cash	0.0026	0.0028	0.0029	0.0325	0.0156	-	-	-	-	-
CBOE Medicare	-	-	-	0.0118	0.0137	-	-	-	-	-
Total Direct Rate	1.1698	1.1591	1.2280	1.1030	1.0945	1.5814	1.7024	1.9286	2.1335	2.3918
Overlapping Rates										
Consolidated Elections	-	0.0140	-	0.0120	-	0.0210	-	0.0250	-	0.0310
Cook County Forest Preserve District	0.0600	0.0600	0.0570	0.0530	0.0510	0.0490	0.0510	0.0580	0.0630	0.0690
County of Cook	0.5930	0.5330	0.5000	0.4460	0.4150	0.3940	0.4230	0.4620	0.5310	0.5600
Suburban Cook County TB Sanitarium District	0.0010	0.0050	0.0050	-	-	-	-	-	-	-
Leyden Township Road & Bridge	0.1080	0.1070	0.1110	0.0980	0.0970	0.1020	0.1150	0.1300	0.1470	0.1720
Leyden Township General Assistance	0.0040	0.0040	0.0040	0.0030	0.0030	0.0030	0.0040	0.0040	0.0050	0.0060
Leyden Township	0.0740	0.0740	0.0770	0.0680	0.0670	0.0710	0.0810	0.0930	0.1050	0.1240
Triton Community College District 504	0.2590	0.2330	0.2400	0.2240	0.2120	0.2140	0.2250	0.2670	0.2690	0.3250
Community High School District 212	2.0300	2.0040	2.0930	1.8680	1.8690	1.9890	2.2230	2.5090	2.8300	3.2640
School District 84	2.9330	2.9220	3.4240	3.3890	3.3740	3.3830	3.9320	4.3430	4.5860	4.9610
Metropolitan Water Reclamation District	0.3470	0.3150	0.2840	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170
Franklin Park Public Library	0.1660	0.1650	0.1750	0.1520	0.1520	0.1670	0.1870	0.2130	0.2380	0.2750
Franklin Park Park District	0.4180	0.4070	0.4230	0.3770	0.3730	0.4030	0.4380	0.4990	0.5620	0.6410
Total Overlapping Rate	6.9930	6.8430	7.3930	6.9530	6.8650	7.0570	7.9530	8.9230	9.7060	10.8450
Total Direct and Overlapping Tax Rates	8.1628	8.0021	8.6210	8.0560	7.9595	8.6384	9.6554	10.8516	11.8395	13.2368

(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

VILLAGE OF FRANKLIN PARK, ILLINOIS
PRINCIPAL TAXPAYERS
Calendar (Tax) Years 2013 and 2003

Tax Year 2013

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
New Albertsons*	Grocery Store & Distribution Center (Jewel)	\$ 6,511,622	1.065%
Centerpoint Properties*	Real Estate Investments	6,253,681	1.023%
GRE Belmont LLC	Real Estate Investments	3,265,009	0.534%
United States Tobacco*	Tobacco Products	2,880,031	0.471%
AM Castle & Company	Metal Distribution/Processing	2,427,537	0.397%
JCG Industries	Industrial Metals	2,346,723	0.384%
Nestle USA*	Candy Manufacturer	2,178,137	0.356%
Sloan Valve	Flush Valve Manufacturer	2,140,031	0.350%
The Legacy Group	Real Estate Investments	1,599,412	0.262%
<u>Life Fitness</u>	<u>Fitness Equipment</u>	<u>1,452,965</u>	<u>0.238%</u>
		\$ 31,055,148	5.082%

Tax Year 2003

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
Centerpoint Properties*	Real Estate Investments	\$ 7,338,725	1.030%
Albertsons*	Grocery Store & Distribution Center (Jewel)	6,701,919	0.941%
Central Grocers Coop	Grocery Distribution	5,317,065	0.746%
United States Tobacco*	Tobacco Products	3,410,471	0.479%
Franklin Partners	Real Estate Investments	2,965,411	0.416%
Nestle USA*	Candy Manufacturer	2,666,950	0.374%
Hamilton Realty	Real Estate Investments	2,621,364	0.368%
Imperial Realty	Real Estate Investments	2,597,548	0.365%
Old River LLC	Real Estate Investments	2,500,929	0.351%
<u>AM Casting Co</u>	<u>Cold Finishing & Metal Shops</u>	<u>2,430,982</u>	<u>0.341%</u>
		\$ 38,551,364	5.412%

*Denotes those taxpayers appearing on both the 2003 and 2013 lists

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

PROPERTY TAX LEVIES AND COLLECTIONS Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Levy Years</u>	<u>Net Tax Levy</u>	<u>Amount Collected</u>	<u>Percent of Levy</u>
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	2009-2010	14,346,410	15,664,822	109.19%
2012	2010-2011	14,679,093	14,599,691	99.46%
2013	2011-2012	14,766,598	14,255,328	96.54%
2014	2012-2013	14,617,714	13,603,525	93.06%

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

Village of Franklin Park, Illinois

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

Municipal Sales Tax	<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>
General Merchandise	\$ 132,027	\$ 121,230	\$ 116,263	\$ 118,978	\$ 111,315	\$ 107,120	\$ 101,460	\$ 38,661	\$ 24,617	\$ 49,077
Food	331,400	344,072	345,713	347,827	342,977	305,796	293,895	270,598	260,534	237,992
Drinking and Eating Places	126,106	131,281	153,742	144,526	155,839	137,481	158,940	164,454	165,456	172,241
Apparel	5,960	7,178	8,857	11,614	10,119	10,152	10,725	7,168	7,094	4,561
Furniture & H.H. & Radio	23,330	31,181	39,293	57,535	30,963	200,074	392,483	286,661	249,462	53,412
Lumber, Bldg, Hardware	93,543	120,929	151,272	141,909	121,062	107,586	140,035	119,609	133,967	641,694
Automotive & Filling Stations	347,353	364,016	656,042	882,801	660,003	367,812	298,049	286,720	141,359	341,974
Drugs & Misc. Retail*	197,147	226,813	236,786	250,925	374,365	354,649	239,827	63,067	317,291	(55,817)
Agriculture & All Others	440,580	516,403	730,571	766,316	905,352	604,012	414,891	426,697	325,327	264,421
<u>Manufacturers*</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>(50,627)</u>
	\$ 1,860,143	\$ 2,018,119	\$ 2,572,394	\$ 2,895,291	\$ 2,856,633	\$ 2,369,889	\$ 2,243,615	\$ 1,828,428	\$ 1,824,688	\$ 1,658,928

*These two categories are, for some reason, negative. The Illinois DoR has said they would look into them, but as of this writing has not notified the Village that it has. Nevertheless, they have assured us that the total dollar amount is correct.

Source: Illinois Department of Revenue

Village of Franklin Park, Illinois

DIRECT AND OVERLAPPING SALES TAX RATES Last Ten Fiscal Years

	<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>	<u>2014</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%	1.75%	1.75%	1.25%	1.00%	1.00%	0.75%
<u>Regional Transportation Authority</u>	<u>0.75%</u>	<u>0.75%</u>	<u>0.75%</u>	<u>1.00%</u>						
	7.75%	7.75%	7.75%	8.00%	9.00%	9.00%	8.50%	8.25%	8.25%	8.00%

(1) In Cook County, .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

Debt Capacity

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

Village of Franklin Park, Illinois

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

Fiscal Year	Estimated Population	Equalized Assessed Valuation (EAV)	General Obligation Bonded Debt ⁽¹⁾	Illinois EPA Loans	Leases Payable	Net OPEB and Pension Obligations ⁽²⁾	Total Debt	Ratio of Total Debt to EAV	Total Personal Income	Ratio of Total Debt to Personal Income	Total Debt Per Capita
2005	19,067	\$ 795,154,326	\$ 39,745,000	\$ 10,247,811	\$ 721,136	\$ -	\$ 50,713,947	6.4%	\$ 367,756,033	13.8%	\$ 2,659.85
2006	18,920	831,081,698	38,980,000	9,538,431	604,674	-	49,123,105	5.9%	372,531,046	13.2%	2,596.39
2007	18,773	820,400,746	39,045,000	8,807,916	488,234	-	48,341,150	5.9%	377,189,120	12.8%	2,575.02
2008	18,626	942,914,519	46,385,000	8,055,631	502,871	-	54,943,502	5.8%	381,730,182	14.4%	2,949.76
2009	18,480	996,409,963	45,440,000	7,280,921	649,490	3,209,989	56,580,400	5.7%	386,135,606	14.7%	3,061.76
2010	18,333	916,889,459	44,160,000	6,483,112	1,102,840	6,608,099	58,354,051	6.4%	390,463,920	14.9%	3,183.01
2011	18,333	842,914,824	42,800,000	5,661,510	975,834	8,589,349	58,026,693	6.9%	387,357,957	15.0%	3,165.15
2012	18,333	751,940,429	51,165,000	4,815,398	1,230,217	10,491,149	67,701,764	9.0%	376,468,155	18.0%	3,692.89
2013	18,333	692,157,576	49,400,000	3,944,037	697,699	12,153,381	66,195,117	9.6%	421,347,339	15.7%	3,610.71
2014	18,333	611,138,981	61,105,000	3,046,670	493,635	14,997,293	79,642,598	13.0%	429,774,286	18.5%	4,344.22

(1) Net of amortizing premiums and discounts

(2) The provisions of GASB 45 were implemented by the village in FY 2009

Source: Village records

Village of Franklin Park, Illinois

VILLAGE OF FRANKLIN PARK, ILLINOIS
 SCHEDULE OF BONDED DEBT RETIREMENT
 At April 30, 2014

<u>Fiscal Year</u>	<u>Amortization</u>	Percent Retired	
		<u>Annually</u>	<u>Cumulatively</u>
2015	\$ 2,280,000	3.73%	3.73%
2016	2,475,000	4.05%	7.78%
2017	2,625,000	4.30%	12.08%
2018	2,940,000	4.81%	16.89%
2019	3,410,000	5.58%	22.47%
2020	3,590,000	5.88%	28.34%
2021	3,885,000	6.36%	34.70%
2022	4,290,000	7.02%	41.72%
2023	3,700,000	6.06%	47.78%
2024	2,810,000	4.60%	52.38%
2025	2,955,000	4.84%	57.21%
2026	2,640,000	4.32%	61.53%
2027	2,765,000	4.52%	66.06%
2028	2,895,000	4.74%	70.80%
2029	3,020,000	4.94%	75.74%
2030	3,160,000	5.17%	80.91%
2031	3,310,000	5.42%	86.33%
2032	2,550,000	4.17%	90.50%
2033	2,670,000	4.37%	94.87%
2034	1,530,000	2.50%	97.37%
<u>2035</u>	<u>1,605,000</u>	<u>2.63%</u>	<u>100.00%</u>
	\$ 61,105,000	100.00%	

Source: Village records

Village of Franklin Park, Illinois

VILLAGE OF FRANKLIN PARK, ILLINOIS
 SCHEDULE OF DIRECT AND OVERLAPPING DEBT
 At September 30, 2014⁽¹⁾

<u>Government</u>	General Obligation	Percentage Applicable	Village of Franklin Park
Direct Debt	<u>Bonded Debt</u>	to the Village of	<u>Share of Debt</u>
Village of Franklin Park ⁽²⁾	\$	Franklin Park	\$
Total Direct Debt	\$ 59,465,000	100.00%	\$ 59,465,000
Overlapping Debt ⁽³⁾			
Leyden Township Fire Protection District	474,525	6.445%	30,583
Northlake Public Library District	6,400,000	1.635%	104,640
Bensenville Park District	1,725,905	3.162%	54,573
School District 84 1/2	4,335,000	6.533%	283,206
Cook County Forest Preserve District	124,455,000	0.501%	623,520
Franklin Park Park District	945,000	100.000%	945,000
Veterans Park District	5,115,000	15.066%	770,626
School District 81	22,532,145	8.705%	1,961,423
High School District 212	12,935,000	33.744%	4,364,786
School District 84	7,732,340	91.801%	7,098,365
Metropolitan Water Reclamation District	2,435,930,267	0.511%	12,447,604
School District 83	43,265,000	46.430%	20,087,940
<u>Cook County</u>	<u>3,572,060,000</u>	<u>0.501%</u>	<u>17,896,021</u>
Total Overlapping Debt			\$ 66,668,287
Total Direct and Overlapping Debt			\$ 126,133,287

(1) Overlapping debt numbers were not available for April 30, 2014

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

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

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

DEBT LIMIT At April 30, 2014

Tax Year 2013 Equalized Assessed Valuation (including TIF districts)	\$	626,692,164
<u>Debt Limit Percentage</u>		<u>8.625%</u>
Current Debt Limit	\$	54,052,199
Outstanding Debt		
G.O. Alternate Revenue Bonds of 2004A		6,215,000
G.O. Alternate Revenue Bonds of 2004B		12,295,000
G.O. Alternate Revenue Bonds of 2005A		3,365,000
G.O. Alternate Revenue Bonds of 2006		9,375,000
G.O. Alternate Revenue Bonds of 2007		6,380,000
G.O. Alternate Revenue Bonds of 2011		9,975,000
<u>G.O. Alternate Revenue Bonds of 2013</u>		<u>13,500,000</u>
Total Direct Debt		61,105,000
Less Debt Not Subject to Debt Limit*		9,745,000
Debt Subject to Debt Limit		51,360,000
Debt Margin	\$	2,692,199

*Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625% of EAV limit unless the government fails to abate the associated property tax levies. The Series 2005A and 2007 are such bonds.

Demographics and Economic Information

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

Village of Franklin Park, Illinois

DEMOGRAPHIC STATISTICS Last Ten Calendar Years

<u>Calendar Year</u>	<u>Estimated Population⁽¹⁾</u>	<u>Estimated Per Capita Income⁽²⁾</u>	<u>School Enrollment⁽³⁾</u>	<u>Annual Average Unemployment Rate⁽⁴⁾</u>	<u>Estimated Median Household Income⁽²⁾</u>	<u>Estimated Median Age⁽²⁾</u>	<u>Estimated College Graduate %⁽²⁾</u>
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%
2013	18,333	22,983	3,556	10.2%	56,098	36.8	12.0%

(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 2013 and 2003

2013

<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 Industries	Aluminum die castings	400
US Smokeless Tobacco	Smokeless tobacco	240

2003

<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 2013 and 2003 lists

Source: Illinois Manufacturers Directory and Illinois Services Directory

Operating Information

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

Village of Franklin Park, Illinois

OPERATING INFORMATION AND INDICATORS Last Ten Calendar Years

	<u>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>
FIRE PROTECTION										
Fire responses	160	184	203	203	156	130	116	115	109	74
Rescue/emergency responses	1,692	1,742	1,787	1,742	1,744	1,591	1,523	1,630	1,620	1,271
Other incidents	1,290	1,465	1,485	1,698	1,539	1,013	1,377	1,422	1,350	1,119
Injuries/fatalities	21	24	12	12	58	5	8	9	1	-
Mutual aid given	347	332	373	374	397	330	289	180	274	235
Mutual aid received	447	246	244	239	330	221	327	309	189	71
POLICE PROTECTION										
Parking violations	7,340	6,246	7,125	7,193	5,695	8,499	9,914	6,440	5,541	3,371
Traffic citations	5,832	5,565	4,680	3,668	4,027	4,528	3,422	2,287	1,679	4,677
Arrests ⁽¹⁾	NA	NA	NA	NA	1,274	1,147	741	696	939	1,195
MUNICIPAL WATER & SEWER SYSTEM										
Water/Sewer Customers, Residential	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,709	4,630
Water/Sewer Customers, Commercial/Industrial	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,112	1,216
Metered Fire Line Customers	184	184	184	184	184	184	184	184	184	171
Annual Water Main Breaks	104	105	70	76	101	86	46	52	47	90
Potable Water Pumped, Millions of Gallons	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	1134.1

(1) Arrest data prior to 2008 not available

Source: Village records

Village of Franklin Park, Illinois

CAPITAL ASSETS STATISTICS Last Ten Calendar 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>
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire fighting vehicles	6	6	6	6	6	6	5	5	5	5
Ambulances	3	3	3	3	3	3	1	2	2	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Vehicles	24	24	24	24	24	24	24	24	19	17
PUBLIC WORKS										
Streets, miles	75.0	75.0	75.0	74.2	74.2	74.8	75.0	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	19.2
Vehicles	29	30	28	26	24	25	27	28	27	103
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	34.0
CSO/storm sewer pipe, miles	65.5	65.5	65.5	65.5	65.5	65.5	65.5	65.5	65.5	66.0
Water mains, miles	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Pump stations	3	3	3	3	3	3	3	3	3	3
Water storage tanks	7	7	7	7	7	7	7	7	7	7
Water storage capacity, millions of gallons	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Sanitary/storm lift stations	9	9	9	9	9	9	9	9	9	6
Number of fire hydrants	876	876	876	876	876	876	876	876	881	872
Vehicles	9	9	8	9	9	9	9	10	10	103
Other major equipment	14	15	17	16	16	18	18	17	18	18

Source: Village records

Village of Franklin Park, Illinois

FULL-TIME EQUIVALENT EMPLOYEES Last Ten Calendar 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>
FIRE PROTECTION										
Sworn personnel	46	46	46	46	46	44	42	38	40	39
Civilian personnel	1.0	1.0	1.0	1.0	1.0	1.0	0.5	0.5	-	-
POLICE PROTECTION										
Sworn personnel	53	53	52	51	51	49	49	43	46	39
Civilian personnel	27	27	27	27	26	25	25	22	27	27
PUBLIC WORKS										
Supervisory personnel	3	3	3	3	3	3	3	3	3	4
Non-supervisory personnel	16.0	16.0	14.0	15.0	13.0	11.5	10.5	9.0	8.0	8.0
MUNICIPAL WATER SYSTEM										
Supervisory personnel	3	3	3	3	3	3	3	3	3	2
Non-supervisory personnel	9	11	9	9	10	9	8	6	5	7

Source: Village records