

Comprehensive Annual Financial Report



Village of Franklin Park, Illinois

Fiscal Year Ended April 30, 2017

Village of Franklin Park, Illinois

**Comprehensive Annual Financial Report
with Supplemental Information
For the Fiscal Year Ended April 30, 2017**

Village of Franklin Park, Illinois

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Introductory Section

PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2017

BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Barrett F. Pedersen	President	2021
Irene Avitia	Clerk	2021
Karen Special	Trustee	2021
John Johnson	Trustee	2021
Cheryl McLean	Trustee	2019
Jimmy Caporusso	Trustee	2019
Andy Ybarra	Trustee	2021
Bill Ruhl	Trustee	2019

VILLAGE DEPARTMENT HEADS

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

OFFICIAL ISSUING REPORT

David Gonzalez	Comptroller
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DIVISION ISSUING REPORT

Administration and Finance Department



VILLAGE OF FRANKLIN PARK
DAVID A. GONZALEZ, COMPTROLLER

November 22, 2017

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

The Comprehensive Annual Financial Report of the Village of Franklin Park, Illinois for the year ended April 30, 2017 is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village annually issue a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

This report consists of management's representations concerning the finances of the Village of Franklin Park, Illinois. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report.

To provide a reasonable basis for making these representations, management of the Village of Franklin Park, Illinois has established a comprehensive internal control framework that is designed to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Village's financial statements in conformance with GAAP. Because the cost of internal controls should not outweigh their benefits, the Village's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As duly authorized representatives of management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Village of Franklin Park, Illinois' financial statements have been audited by Plante & Moran, PLLC, an independent licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Franklin Park, Illinois for the fiscal year ended April 30, 2017 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2017 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

VILLAGE GOVERNMENT PROFILE

General Description

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

Form of Government

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

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

Village Services

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

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

Budgeting

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

ECONOMIC AND FINANCIAL NEXUS

Economic Base

Because of its proximity to Chicago - O'Hare International Airport and the presence of one of the nation's largest rail freight yards, the Village has long been an important industrial center, traditionally ranked the third or fourth largest in Illinois. Indeed, over the past 10 years, industrial property has accounted for an average 56.9% of the Village's equalized assessed value (EAV). When combined with commercial and railroad property, the three classes have averaged 68.1% of the Village's EAV over the same period.

Economic Condition

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

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

I am pleased to note several signs of improvement. Specifically, the unemployment rate, which peaked at 13.8% in CY10, has since receded to 5.8%. At the same time, sales tax revenue, which, in FY14, hit its lowest point in the previous 10 years, rebounded nicely in FY15, fell off a bit in FY16, and increased \$0.1 million in FY17. Overall, we feel the sales tax trend remains positive. Additionally, the Village's one percent non-home rule sales tax (all proceeds of which are dedicated to road repair) again produced \$1.5 million in FY17 as it did in FY16.

Village Finances

Despite the recent economy, its effect on our residents, and its constraints on economically sensitive revenues such as sales and income taxes, in FY17 the Village's general fund balance grew by \$0.3 million, and remains strong and stable at 26.0% of general fund expenditures.

Despite these positive signs, we still face significant challenges.

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

- The FY14 and FY15 implementations of water and sewer rates are projected to provide sufficient cash flow to sustain a capital replacement program of between \$4 million and \$6 million annually over the next 10 years.
- The FY15 referendum-approved one percent non-home rule sales tax has generated an average of \$1.5 million annually during FY16 and FY17 and is fully dedicated to fund road renewal and replacement.

Having made a very good beginning at these infrastructure issues, pension funding remains a challenge, consuming an ever-increasing share of Village resources. The Village will continue to search for ways to manage the increasing required pension contributions.

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

Standard & Poor's awarded the Village's general obligation its first ever investment grade rating ("BBB") in 2011 and then upgraded its GO rating two categories in November 2012 (to "A-") and then to "A+" in August 2014, where it remains today.

The GFOA awarded our 2011 CAFR, the Village's first, the Certificate of Excellence in Financial Reporting. Our five subsequent CAFR's have been similarly commended.

In sum, the Village has been fortunate to have ridden out the recent recession. To this we owe a solid core of active and involved residents, a workforce of well-qualified employees fully dedicated to their jobs, a mayor and Village board with a vision and a willingness to take the necessary risks and measures to advance the Village's long-term interests.

THE FUTURE

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

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

In sum, those responsible for the Village's direction believe the new paradigm for municipal government of doing *more* 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.

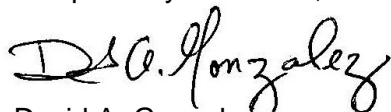
AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Franklin Park, Illinois for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended April 30, 2016. In order to receive this prestigious award, the Village had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

Our 2017 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

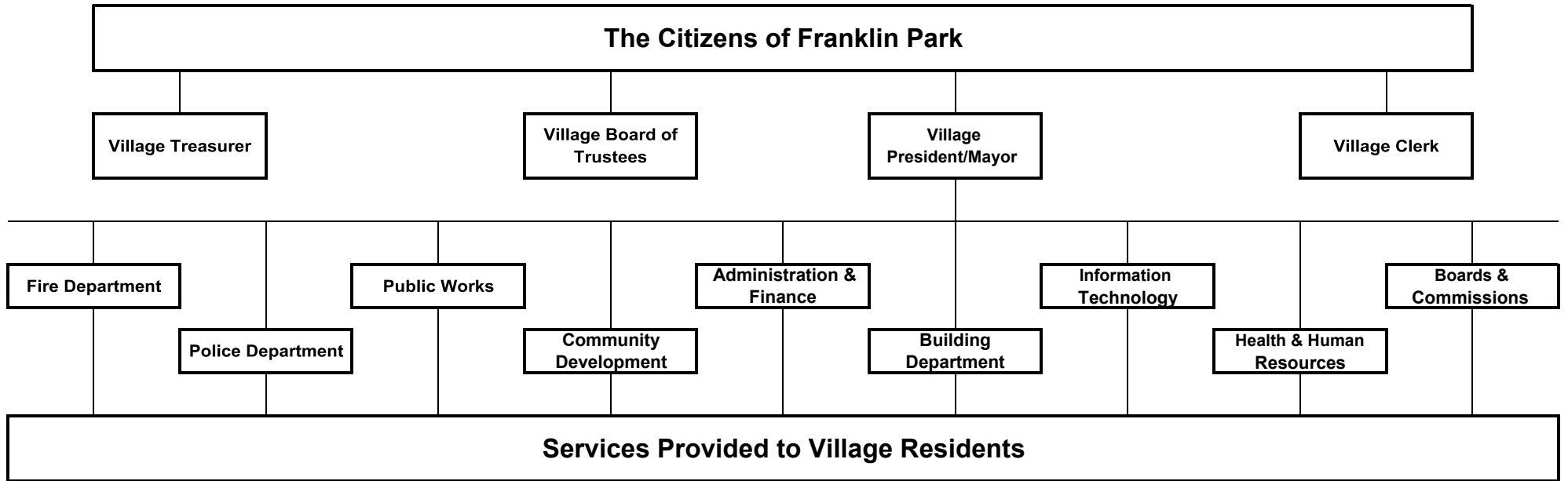
The preparation of this report would not have been possible without the efficient and dedicated service of the entire finance department. We also want to express appreciation to the village president, village trustees, and all department heads for their support and encouragement in maintaining the highest standards of professionalism in the financial operations of the Village.

Respectfully submitted,



David A. Gonzalez
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, 2016

Executive Director/CEO

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, 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, 2017, and the related notes to the financial statements, which collectively comprise the Village of Franklin Park, Illinois' basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois as of April 30, 2017 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 Matters

As discussed in Note 18 to the basic financial statements, the basic financial statements have been restated as of May 1, 2016 to correct a misstatement. Our opinion is not modified with respect to this matter.

As discussed in Note 3 to the basic financial statements, in fiscal year 2017, the Village adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which requires measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and acceptable valuation techniques. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

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

Plante & Moran, PLLC

November 22, 2017

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

As management of the Village of Franklin Park, Illinois (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, 2017. As the MD&A is designed to focus on fiscal year 2017'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 during fiscal year 2017 are the following:

At the entity-wide level:

- Assets employed in governmental activities plus deferred outflows related to pensions decreased \$0.8 million, while liabilities plus deferred inflows increased \$5.9 million. This resulted in a decrease in net position of \$6.7 million. A total of \$4.3 million of the decrease is a result of a prior period adjustment to reclassify capital assets to land held for resale and value at the cost or market (see Note 18).
- Revenue supporting governmental activities decreased by \$1.5 million from fiscal year 2017, while expenditures grew by \$1.5 million.
- Assets employed in business-type activities plus deferred outflows related to pensions increased \$2.2 million as liabilities plus deferred inflows increased \$2.0 million. As a result, business-type activities' net position was raised by \$200,000.
- Business-type activity revenue decreased \$0.2 million from fiscal year 2016, while expenditures decreased \$1.8 million.
- Total village assets plus deferred outflows increased \$1.4 million, and total liabilities plus deferred inflows increased \$7.9 million. As a result, total net position declined \$6.5 million. A total of \$4.3 million of the decrease is a result of a prior period adjustment in governmental activities to reclassify capital assets to land held for resale and value at the cost or market (see Note 18).
- Total village revenue decreased \$1.7 million, and total expenditures decreased \$0.3 million.

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

- General fund assets increased \$0.4 million, while liabilities plus deferred inflows increased by \$80,000, resulting in a \$291 thousand decrease in fund balance.
- Governmental funds' assets increased by \$3.2 million, while liabilities and deferred inflows decreased by \$233 thousand. Accordingly, governmental fund balances increased by \$3.4 million.
- General fund revenue increased by \$119,000 from fiscal year 2016 levels, while expenditures grew by about \$202,000. A net decrease in other sources of \$771,000 resulted in a \$291,000 fund balance increase.
- Total governmental fund revenue decreased \$1.9 million, while expenditures decreased by \$4.2 million. There was a net positive swing of \$2.1 million in other sources, all of which resulted in a fund balance increase of \$3.4 million.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

- Proprietary fund assets and deferred outflows decreased by \$73,000, while liabilities and deferred inflows decreased by \$304,000. Accordingly, net position increased \$231,000.

- Proprietary fund operating revenues decreased \$88,000, while operating expenses fell by \$1.7 million, resulting in an operating gain of \$1.1 million. After giving effect to a net \$952,000 in nonoperating expenses, a \$1.3 million capital contribution, and net transfers out of \$1.2 million, net position increased by \$231,000.

These results are described in more detail below.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Village's basic financial statements, which consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplemental 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/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

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

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

FUND FINANCIAL STATEMENTS

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

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

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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 revenue, expenditures, and changes in fund balances (deficit) provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains 21 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances (deficit) for the General Corporate Fund, Corporate Bond and Interest Fund, and the West Mannheim Redeveloping Area TIF Fund. Information from the Village's 18 other governmental funds is combined into a single column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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

OTHER INFORMATION

In addition to the basic financial statements, this report also includes certain required supplemental 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 supplemental information.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

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, 2017, with comparisons to April 30, 2016. The fiscal year 2016 figures do not include the impact of the prior period restatement described in Note 18 to the financial statements.

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY16	FY17	FY16	FY17	FY16	FY17
<u>Assets</u>						
Current Assets	\$ 19.0	\$ 22.4	\$ 1.7	\$ 1.0	\$ 20.7	\$ 23.4
Noncurrent, Noncapital Assets	1.3	4.9	-	-	1.3	4.9
Capital Assets	<u>58.1</u>	<u>48.6</u>	<u>48.7</u>	<u>51.7</u>	<u>106.8</u>	<u>100.3</u>
Total Assets	78.4	75.9	50.4	52.7	128.8	128.6
Deferred Outflows Related to Pensions	9.9	11.6	0.4	0.3	10.3	11.9
<u>Liabilities</u>						
Current Liabilities	5.7	5.9	5.1	6.1	10.8	12.0
Noncurrent Liabilities	<u>126.8</u>	<u>128.0</u>	<u>28.1</u>	<u>29.2</u>	<u>154.9</u>	<u>157.2</u>
Total Liabilities	132.5	133.9	33.2	35.3	165.7	169.2
Deferred Inflows	<u>8.1</u>	<u>12.6</u>	<u>0.5</u>	<u>0.4</u>	<u>8.6</u>	<u>13.0</u>
<u>Net Position</u>						
Invested in Capital Assets, Net	14.4	5.7	20.0	22.2	34.4	27.9
Restricted	12.0	15.2	-	-	12.0	15.2
Unrestricted	<u>(78.7)</u>	<u>(79.9)</u>	<u>(2.9)</u>	<u>(4.9)</u>	<u>(81.6)</u>	<u>(84.8)</u>
Total Net Position	<u>\$ (52.3)</u>	<u>\$ (59.0)</u>	<u>\$ 17.1</u>	<u>\$ 17.3</u>	<u>\$ (35.2)</u>	<u>\$ (41.7)</u>

Total village assets plus deferred outflows grew by \$1.4 million (1.0%). Total village liabilities plus deferred net inflows increased by \$7.9 million (4.5%). Accordingly, total net position declined by \$6.5 million, to negative \$41.7 million. A total of \$4.3 million of the decrease is a result of a prior period adjustment in governmental activities to reclassify capital assets to land held for resale and value at the cost or market (see Note 18).

Governmental assets plus deferred outflows fell \$0.8 million (0.9%) due to a \$3.4 million increase in current assets and a \$4.2 million decrease in noncurrent assets, capital assets, and deferred outflows.

The \$3.4 million increase in current governmental assets was largely due to a \$2.9 million (33.0%) increase in cash, attributable to several increases in cash balances. Among the notable changes:

- One of the Village's TIF's experienced an increase of \$1.3 million, as \$825 thousand due from the water and sewer fund was liquidated.
- A total increase of \$873,000 in bond and interest fund cash was due to property tax receipts and transfers exceeding required debt service.

There was a \$3.6 million increase in noncurrent assets (excluding capital assets), largely due to the addition of \$3.5 million in land held for sale. This was a result of a prior period adjustment (see Note 18).

Liabilities flowing from governmental activities grew \$1.4 million (1.1%) as current liabilities grew by \$210,000 (3.7%) and noncurrent liabilities plus deferred inflows grew \$5.7 million, or 4.2 percent.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

Current liabilities increased by \$210,000, largely driven by a \$414,000 (22.8%) increase in the current portion of long-term debt, and smaller increases in several other liabilities (accrued salaries \$35,000, accrued interest payable \$46,000, unearned revenue \$70,000, due to pension funds \$62,000), and all off-set by a \$408,000 (18.0%) decrease in payables.

Noncurrent liabilities increased \$1.2 million (0.9%), which was principally driven by retirement benefits increases (pension liability of \$1.1 million or 1.6 percent and OPEB obligation of \$1.4 million or 10.8 percent). These increases were offset by a \$1.4 (3.7%) reduction in long-term debt obligations.

STATEMENT OF ACTIVITIES

The following table presents the condensed statement of activities (in millions of dollars) at April 30, 2017, with comparisons to April 30, 2016. The ending net position for fiscal year 2016 reflects the prior period adjustment described in Note 18 to the financial statements.

	Governmental Activities		Business-type Activities		Total Primary Government	
	FY16	FY17	FY16	FY17	FY16	FY17
Revenue						
Program Revenue:						
Charges for Services						
General Government	\$ 1.1	\$ 1.1	\$ -	\$ -	\$ 1.1	\$ 1.1
Public Safety	1.6	2.1	-	-	1.6	2.1
Community Development	0.1	0.2	-	-	0.1	0.2
Building Department	1.8	1.9	-	-	1.8	1.9
Water and Sewer	-	-	11.6	11.4	11.6	11.4
Garbage	-	-	1.2	1.2	1.2	1.2
Commuter Parking Lot	-	-	0.1	0.1	0.1	0.1
Operating Grants/Contributions	0.5	0.1	-	-	0.5	0.1
Capital Grants/Contributions	2.3	-	1.2	1.3	3.5	1.3
General Revenue:						
Property Taxes	16.8	16.5	-	-	16.8	16.5
Unrestricted Intergovernmental Revenue	5.4	5.3	-	-	5.4	5.3
Public Service and State-shared Taxes	4.9	5.1	-	-	4.9	5.1
Other	1.3	2.0	0.1	-	1.4	2.0
Total Revenue	35.8	34.3	14.2	14.0	50.0	48.3
Expenses						
General Government	6.8	6.6	-	-	6.8	6.6
Public Safety	19.4	20.2	-	-	19.4	20.2
Highways and Streets	6.5	7.3	-	-	6.5	7.3
Public Health	0.3	0.3	-	-	0.3	0.3
Community Development	1.2	0.7	-	-	1.2	0.7
Building Department	0.7	0.8	-	-	0.7	0.8
Interest on Long-term Debt	1.5	2.0	-	-	1.5	2.0
Water and Sewer	-	-	12.6	11.0	12.6	11.0
Garbage	-	-	1.7	1.6	1.7	1.6
Commuter Parking Lot	-	-	0.1	-	0.1	-
Total Expenses	36.4	37.9	14.4	12.6	50.8	50.5
Change in Net Position Before Transfers	(0.6)	(3.6)	(0.2)	1.4	(0.8)	(2.2)
Transfers	0.3	1.2	(0.3)	(1.2)	-	-
Change in Net Position	\$ (0.3)	\$ (2.4)	\$ (0.5)	\$ 0.2	\$ (0.8)	\$ (2.2)
Ending Net Position	\$ (56.6)	\$ (59.0)	\$ 17.1	\$ 17.3	\$ (39.5)	\$ (41.7)

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

Governmental activity revenue before transfers decreased from fiscal year 2016 levels by \$1.5 million, or 4.2 percent, mostly due to several sources:

- Capital grant receipts fell by \$2.3 million, as two large grants (\$950,000 and \$886,000) were awarded to the Village to undertake two significant projects in fiscal year 2016 and no such grants were received in fiscal year 2017.
- Property tax revenue decreased by \$0.3 million (1.6%) This was a result in a lower corporate levy passed to offset the increase in the police and fire pension levy.
- Operating grant revenue also decreased by \$398,000 (76.1%).

These declines were slightly offset by increases in public safety revenue of \$517,000 (32.7%) and the sale of fixed assets (\$711,000 in fiscal year 2017 versus no revenue in fiscal year 2016).

Governmental activity expenditures grew by \$1.5 million (4.1%), led by public safety, highways and streets, and debt service.

- Public safety expenditures increased by \$0.8 million (4.1%).
- Debt service expenditures increased \$503,000 (or 34.0%) due largely to the issuance costs associated with fiscal year 2017 new debt (\$272,000).
- Highway and streets expenditures increased by \$769,000 (11.8%) due largely to increased maintenance and repair costs.
- General government expenditures decreased \$0.2 million.
- Building department expenditures grew \$45,000 (6.4%) due to increase in maintenance of property.
- Community development expenditures declined \$453,000 (or 37.7%).

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

FINANCIAL ANALYSIS OF VILLAGE FUNDS

GOVERNMENTAL FUNDS

The following table presents the condensed governmental funds statement of revenue, expenditures, and changes in fund balance (in millions of dollars) at April 30, 2017, with comparisons to April 30, 2016.

	General Corporate Fund		Other Governmental Funds		Total Governmental Funds	
	FY16	FY17	FY16	FY17	FY16	FY17
<u>Revenue</u>						
Property Taxes	\$ 11.7	\$ 11.3	\$ 5.1	\$ 5.2	\$ 16.8	\$ 16.5
Intergovernmental Revenue:						
Sales Tax	3.5	3.6	-	-	3.5	3.6
Income Tax	1.9	1.7	-	-	1.9	1.7
Utility Tax	3.3	3.6	-	-	3.3	3.6
Other Taxes	1.1	1.0	0.5	0.4	1.6	1.4
Licenses, Permits, Fees	2.6	2.8	-	-	2.6	2.8
Grants	0.4	0.1	1.8	-	2.2	0.1
Other Revenue	1.2	1.2	0.1	0.1	1.3	1.3
Fines and Forfeitures	0.7	1.0	0.3	0.1	1.0	1.1
Investment Income	-	-	-	-	-	-
Charges for Services	1.1	1.2	0.2	0.3	1.3	1.5
Total Revenue	27.5	27.5	8.0	6.1	35.5	33.6
<u>Expenditures</u>						
General Government	6.2	6.1	0.1	0.1	6.3	6.2
Public Safety	14.1	14.6	0.3	0.4	14.4	15.0
Highways and Streets	4.1	4.4	1.2	0.3	5.3	4.7
Public Health	0.4	0.3	-	-	0.4	0.3
Community Development	0.4	0.4	0.8	0.3	1.2	0.7
Building Department	0.7	0.7	-	-	0.7	0.7
Debt Service	0.1	0.1	3.0	3.3	3.1	3.4
Capital Outlay	1.6	1.1	3.9	0.6	5.5	1.7
Total Expenditures	27.6	27.7	9.3	5.0	36.9	32.7
Excess of Revenue						
(Under) Over Expenditures	(0.1)	(0.2)	(1.3)	1.1	(1.4)	0.9
Other Sources, Net	1.3	0.5	3.3	2.0	4.6	2.5
Change in Fund Balance	<u>\$ 1.2</u>	<u>\$ 0.3</u>	<u>\$ 2.0</u>	<u>\$ 3.1</u>	<u>\$ 3.2</u>	<u>\$ 3.4</u>

Governmental fund revenue decreased \$1.9 million (5.4%) from fiscal year 2016 levels. General Fund revenue remained the same and the \$1.9 million is solely attributable to a decrease in other governmental fund revenue (23.8%).

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

General Fund Revenue

The \$119,000 General Fund revenue increase was due to several factors.

- License, permit, and fee receipts increased \$251,000 (9.8%). This was due to an increase in the number of permits pulled for various commercial and industrial projects currently underway within the Village.
- Utility tax revenue increased \$302,000 (9.1%) due to an increase in manufacturing usage.
- Fine and forfeiture revenue increased by \$324,000 (48.1%) on the strength of an increase in red light photo enforcement receipts spurred by the installation of cameras at an additional intersection. To this was added a slight increase in local parking tickets.

Property tax revenue fell \$407,000 (3.5%) due to reducing the corporate levy to allow an increase in the police and fire pension levies.

General Fund Expenditures

General Fund expenditures increased by \$202,000 (0.7%), with large fluctuations in several areas from the prior year.

- Capital outlay decreased by \$482,000 (31.2%). This was a result of capital improvements begun in fiscal year 2016 and finalizing projects in fiscal year 2017.
- Public safety expenditures increased \$545,000 (3.9%) over fiscal year 2016, which was a result of increased pension and operating costs.

Other Major Funds

The Village presents two additional major funds other than the General Fund, including the Corporate Bond and Interest Fund and the West Mannheim Redeveloping Area TIF Fund. The fund balance of the Corporate Bond and Interest Fund increased by \$0.8 million (18.6%) in fiscal year 2017. This was the result of an increase in cash held for future debt payments. The West Mannheim Redeveloping Area TIF Fund (not a major fund in the prior year) fund balance increased by \$1.4 million (39.6%) in fiscal year 2017. This was a result of increase in property tax collections of \$200,000 and sale of property for \$700,000.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

PROPRIETARY FUNDS

The following table presents the condensed statement of revenue, expenses, and changes in net position for the Village's proprietary funds (in millions of dollars) at April 30, 2017, with comparisons to 2016.

	Water and Sewer Fund		Garbage Fund		Parking Fund		Total	
	FY16	FY17	FY16	FY17	FY16	FY17	FY16	FY17
Operating Revenue								
Charges for Services	\$ 11.5	\$ 11.4	\$ 1.2	\$ 1.2	\$ 0.1	\$ 0.1	\$ 12.8	\$ 12.7
Other Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	11.5	11.4	1.2	1.2	0.1	0.1	12.8	12.7
Operating Expenses								
Administration	1.9	1.5	0.1	-	-	-	2.0	1.5
Water Purchases	3.7	3.6	-	-	-	-	3.7	3.6
Repairs and Maintenance	1.9	1.2	-	-	0.1	-	2.0	1.2
Supplies and Services	2.8	2.2	1.6	1.6	-	-	4.4	3.8
Depreciation	1.2	1.5	-	-	-	-	1.2	1.5
Total Operating Expense	11.5	10.0	1.7	1.6	0.1	-	13.3	11.6
Operating Income (Loss)	-	1.4	(0.5)	(0.4)	-	0.1	(0.5)	1.1
Nonoperating (Expenses) Revenue								
Interest Expense	(0.7)	(0.9)	-	-	-	-	(0.7)	(0.9)
Other, Net	(0.2)	1.3	-	-	-	-	(0.2)	1.3
Total Nonoperating (Expense) Revenue	(0.9)	0.4	-	-	-	-	(0.9)	0.4
Transfers/Contributions, Net	0.9	(1.2)	-	-	-	-	0.9	(1.2)
Change in Net Position	\$ -	\$ 0.6	\$ (0.5)	\$ (0.4)	\$ -	\$ 0.1	\$ (0.5)	\$ 0.3
Ending Net Position	\$ 19.6	\$ 20.2	\$ (2.4)	\$ (2.8)	\$ 0.1	\$ 0.2	\$ 17.3	\$ 17.6

Proprietary fund operating revenue decreased \$88,000 (0.7%) from fiscal year 2016, while operating expenses decreased by \$1.7 million (12.4%), resulting in operating income of \$1.1 million. After giving effect to net nonoperating expenses, contributions, and transfers, the funds' collective net position increased by \$231,000.

Proprietary Fund Revenue

Water and sewer fund revenue fell by \$171,000 (1.5%). This was a result of customers paying timely and a reduction of penalty fees of \$150,000.

Refuse fund revenue grew by \$84,000 (7.3%). This was a result of an increase in late fees of \$71,000 from the previous year. Commuter parking fund revenue decreased by only \$2,000 (2.6%).

Proprietary Fund Expenses

Water and sewer fund expenses fell by \$1.5 million (13.2%). Expenses in most categories decreased from the prior year. Supply and service costs decreased \$590,000 (21.0%), and repair and maintenance expenses decreased by \$735,000 (38.4%), reflecting the Village's stepped-up activities in maintaining, repairing, and renewing its water and sewer infrastructure. Only depreciation expense had an increase of \$238,000 (19.4%).

The Village's refuse fund saw an expense decrease of \$81,000 (4.9%). The major decrease was in personnel expenses of \$55,000.

Commuter parking fund expenses declined by \$35,000 (12.4%) as several maintenance expenses incurred in fiscal year 2016 were not incurred in fiscal year 2017.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

GENERAL FUND BUDGETARY HIGHLIGHTS

The following table reflects the condensed General Fund budgetary comparison schedule (in millions of dollars):

	Original and Final		
	Budget	Actual	Variance
<u>Revenue</u>			
Property Taxes	\$ 10.3	\$ 11.3	\$ 1.0
Sales Tax	3.3	3.6	0.3
Income Tax	1.9	1.7	(0.2)
Utility Tax	3.3	3.6	0.3
Other Taxes	1.0	1.0	-
Licenses, Permits, and Fees	2.5	2.8	0.3
Fines and Forfeitures	0.6	1.0	0.4
Charges for Services	1.0	1.2	0.2
Other Revenue	1.0	1.3	0.3
Total Revenue	<u>24.9</u>	<u>27.5</u>	<u>2.6</u>
<u>Expenditures</u>			
General Government	6.2	6.1	0.1
Public Safety	14.5	14.6	(0.1)
Highways and Streets	5.5	4.4	1.1
Public Health	0.3	0.3	-
Community Development	0.6	0.4	0.2
Building Department	0.8	0.7	0.1
Debt Service	0.1	0.1	-
Capital Outlay	0.9	1.1	(0.2)
Total Expenditures	<u>28.9</u>	<u>27.7</u>	<u>1.2</u>
Excess of Expenditures Over Revenue	(4.0)	(0.2)	3.8
Other Sources, Net	0.5	0.5	-
Change in Fund Balance	<u>\$ (3.5)</u>	<u>\$ 0.3</u>	<u>\$ 3.8</u>

Actual revenue exceeded budget by almost \$2.6 million (10.5%), while actual expenditures came in better than budget by \$1.2 million (4.2%). Taken together with other financing sources being exactly as the amount budgeted for, this resulted in an overall positive variance of \$3.8 million. Some budgeted net transfers were deemed unnecessary and thus did not occur, but this was offset by the sale of capital assets (which was not budgeted for), with a net effect of a variance of zero for other financing sources and uses. The net effect was to increase fund balance by \$0.3 million, as opposed to a budgeted reduction of \$3.5 million.

Property taxes came in at a slightly stronger rate than anticipated for the first time, exceeding the budget by \$1 million (9.7%). Sales tax revenue also exceeds the budget by \$255,000 (7.8%). Only income taxes fell short of the amount budgeted, coming in \$0.2 million short (10.5%).

VILLAGE OF FRANKLIN PARK, ILLINOIS
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Other positive revenue variances occurred in the following categories:

- Other revenue - \$189,000, 18.9%
- Fines and forfeitures - \$355,000, 55.2%
- License, permit, and fee - \$325,000, 13.1%
- Grant revenue - \$48,000, 320.0%
- Utility taxes - \$376,000, 11.16%
- Other taxes - \$98,000, 10.3%
- Charges for service - \$139,000, 13.6%

Results were a bit more mixed on the expenditure side, but nevertheless resulted in a net positive variance of \$1.2 million. The most significant positive variance occurred in highways and streets (\$1.1 million, 19.7 percent) reflecting the postponement of several scheduled projects. Building also came in under budget by \$65,000 (8.1%). Finally, community development expenditures came in under budget as well by \$245,000 (38.3%).

CAPITAL ASSET AND DEBT ADMINISTRATION

At April 30, 2017, the village had capital asset investments as follows:

CAPITAL ASSETS

Governmental Activities

Change in capital assets
(in millions of dollars)

	Balance at May 1, 2016*	Net Additions (Deletions)	Balance at April 30, 2017
<u>Nondepreciable Assets</u>			
Land/CIP	\$ 10.7	\$ (4.5)	\$ 6.2
<u>Depreciable Assets</u>			
Infrastructure	131.2	4.4	135.6
Buildings/Improvements	21.8	0.4	22.2
Vehicles/Equipment	7.8	0.5	8.3
Accumulated Depreciation	(121.2)	(2.6)	(123.8)
Net Capital Assets	\$ 50.3	\$ (1.8)	\$ 48.5

*Land balance was restated at May 1, 2016 to reflect reclassification of certain properties to land held for resale.

Assets deployed in governmental activities decreased \$1.8 million, after giving effect to \$4.5 million in construction in progress (all of which was reclassified to depreciable assets), a net \$0.5 million in additional vehicles and equipment, and the disposal of three pieces of property (\$0.7 million). Accumulated depreciation increased by \$2.6 million.

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
April 30, 2017

Business-type Activities

Change in capital assets
(in millions of dollars)

	Balance at May 1, 2016*	Net Additions (Deletions)	Balance at April 30, 2017
<u>Nondepreciable Assets</u>			
Land/CIP	\$ 7.1	\$ (6.9)	\$ 0.2
<u>Depreciable Assets</u>			
Water/Sewer System	58.2	11.1	69.3
Storage/Pumps	5.7	-	5.7
Buildings/Improvements	2.1	0.1	2.2
Vehicles/Equipment	3.4	0.2	3.6
Accumulated Depreciation	(27.8)	(1.5)	(29.3)
Net Capital Assets	<u>\$ 48.7</u>	<u>\$ 3.0</u>	<u>\$ 51.7</u>

Business-type net capital assets grew by \$3.0 million. Depreciable capital assets increased \$11.1 million as previous CIP projects as well as new water and sewer main projects were completed as part of the Village's increased efforts in this area. Part of the \$11.1 million increase in the water and sewer system was related to \$6.9 million that was reclassified from nondepreciable assets. Approximately \$185,000 of machinery and equipment was added. Finally, accumulated depreciation increased by \$1.5 million.

For more detailed information regarding capital assets, see Note 4 to the financial statements.

DEBT ADMINISTRATION

At April 30, 2017, the Village had \$161,414,046 outstanding in total long-term debt, allocated as follows:

<u>Item</u>	<u>Governmental</u>	<u>Business-type</u>
G.O. Alternative Revenue Bonds of 2007	\$ 4,795,000	\$ -
G.O. Alternative Revenue Bonds of 2011	8,705,000	-
G.O. Limited Tax Debt Certificates of 2013	4,760,000	8,740,000
G.O. Alternative Revenue Bonds of 2014A	-	7,820,000
G.O. Alternative Revenue Bonds of 2014B	2,790,000	-
G.O. Alternative Revenue Bonds of 2015A	6,140,000	-
G.O. Limited Tax Debt Certificates of 2015	-	6,855,000
G.O. Alternative Revenue Bonds of 2016A	8,800,000	2,545,000
Deferred Premium (Discount), Net	1,492,758	1,578,517
Loans Payable	4,505,211	1,488,126
Leases Payable	160,668	-
Compensated Absences	1,390,671	68,982
Net Pension Liability	72,005,379	291,232
Net OPEB Obligation	14,727,180	1,755,322
Total	<u>\$ 130,271,867</u>	<u>\$ 31,142,179</u>

VILLAGE OF FRANKLIN PARK, ILLINOIS
MANAGEMENT'S DISCUSSION AND ANALYSIS
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Net governmental debt increased \$1.6 million, \$1.1 million of which is attributable to the increases in the pension liability and \$1.4 million in other employee-related obligations accrued during the year. The Village incurred \$9.7 million in new bond and loan debt, offset by reductions of \$10.8 million in debt, lease, and loan payments.

Net business-related debt increased \$1.1 million, as the Village issued \$2.5 million of debt certificates for various water and sewer projects, retired \$1.3 million of bonded debt and loans payable, and saw employee-related obligations increase by \$188 thousand.

<u>Item</u>	<u>Governmental</u>	<u>Business-type</u>	<u>Total</u>
Net change in bonded debt	\$ (1,156,257)	\$ 1,354,009	\$ 197,752
Net change in leases/loans payable	128,661	(448,226)	(319,565)
Net change in employee-related debt	<u>2,619,620</u>	<u>188,331</u>	<u>2,807,951</u>
Total	<u>\$ 1,592,024</u>	<u>\$ 1,094,114</u>	<u>\$ 2,686,138</u>

For more detailed information regarding the Village's debt position, see Note 5 to the financial statements.

ECONOMIC FACTORS

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

That said, there are several signs of improvement. Specifically, the unemployment rate, which peaked at 13.8 percent in CY10, has since receded to 5.8 percent. At the same time, sales tax revenue, which, in fiscal year 2015, hit its lowest point in the previous 10 years, has rebounded over the past two years. Additionally, the Village's 1 percent nonhome rule sales tax (all proceeds of which are dedicated to road repair) produced \$1.5 million in fiscal year 2017, its second full year in effect. Finally, we believe that the Village's tax base, which had contracted by 40.5 percent from its 2008 peak, has bottomed out. In 2016, the Village had a 12.1 percent increase in its tax base from the previous year.

At this writing, management anticipates that sluggish economic growth will persist over the coming several years, though it is also clear that revenue declines have ended and possibly reversed. The State's financial plight 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.

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

FURTHER INFORMATION

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

The Village of Franklin Park, Illinois' 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, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 11,768,471	\$ 202,502	\$ 11,970,973	\$ 31,662
Receivables:				
Property taxes receivable	7,930,924	-	7,930,924	-
Receivables from sales to customers on account	-	3,157,875	3,157,875	-
Due from other governmental units	266,136	-	266,136	-
Other taxes receivable	2,345,208	-	2,345,208	-
Allowance for doubtful accounts	(498,263)	(1,777,551)	(2,275,814)	-
Internal balances	570,462	(570,462)	-	-
Prepaid expenses and other assets	-	30	30	2,100
Restricted assets	300,000	-	300,000	-
Land held for resale	3,541,258	-	3,541,258	-
Net pension asset (Note 10)	50,206	-	50,206	-
IPBC reserve	1,043,120	-	1,043,120	-
Capital assets (Note 4):				
Assets not subject to depreciation	6,189,822	185,000	6,374,822	-
Assets subject to depreciation	42,360,037	51,477,582	93,837,619	-
Total assets	75,867,381	52,674,976	128,542,357	33,762
Deferred Outflows of Resources - Deferred outflows related to pensions (Notes 9, 10, 11, and 12)	11,607,076	339,009	11,946,085	-
Liabilities				
Accounts payable	1,864,402	1,299,094	3,163,496	-
Bank overdraft	-	2,629,661	2,629,661	-
Due to other governmental units	21,205	-	21,205	-
Refundable deposits, bonds, etc.	11,000	-	11,000	-
Accrued liabilities and other:				
Accrued salaries and wages	634,279	49,636	683,915	-
Accrued interest payable	555,241	166,459	721,700	-
Unearned revenue	277,644	-	277,644	-
Due to pension funds	270,820	-	270,820	-
Noncurrent liabilities:				
Due within one year (Note 5):				
Compensated absences	278,134	68,982	347,116	-
Current portion of loans payable	308,576	441,553	750,129	-
Current portion of leases payable	69,696	-	69,696	-
Current portion of bonds payable	1,568,250	1,411,750	2,980,000	-
Due in more than one year:				
Compensated absences (Note 5)	1,112,537	-	1,112,537	-
Loans payable (Note 5)	4,196,635	1,046,573	5,243,208	-
Leases payable (Note 5)	90,972	-	90,972	-
Net OPEB obligation (Note 15)	14,727,180	1,755,322	16,482,502	-
Net pension liability (Notes 9, 10, 11, and 12)	72,005,379	291,232	72,296,611	-
Long-term debt (Note 5)	35,914,508	26,126,767	62,041,275	-
Total liabilities	133,906,458	35,287,029	169,193,487	-
Deferred Inflows of Resources				
Property taxes levied for the following year	7,302,488	-	7,302,488	-
Deferred charges on refunding	734,701	439,710	1,174,411	-
Deferred inflows related to pensions (Notes 9, 11, and 12)	4,516,161	5,595	4,521,756	-
Total deferred inflows of resources	12,553,350	445,305	12,998,655	-

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

Village of Franklin Park, Illinois

Statement of Net Position (Continued) April 30, 2017

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net Position				
Net investment in capital assets	\$ 5,666,521	\$ 22,196,229	\$ 27,862,750	\$ -
Restricted for:				
Public safety	385,373	-	385,373	-
TIF development	5,342,873	-	5,342,873	-
Debt service	7,539,320	-	7,539,320	-
Highways and streets	1,903,622	-	1,903,622	-
Unrestricted	(79,823,060)	(4,914,578)	(84,737,638)	33,762
Total net position	\$ (58,985,351)	\$ 17,281,651	\$ (41,703,700)	\$ 33,762

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	\$ 6,669,245	\$ 1,090,292	\$ -	\$ 3,425
Public safety	20,150,692	2,095,634	125,230	-
Highway and street	7,264,894	-	-	-
Public health	308,466	-	-	-
Community development	751,113	151,426	-	-
Building department	754,907	1,926,846	-	-
Interest on long-term debt	1,981,317	-	-	-
Total governmental activities	37,880,634	5,264,198	125,230	3,425
Business-type activities:				
Water and Sewer	11,001,938	11,401,925	-	1,305,911
Garbage	1,595,849	1,247,583	-	-
Commuter Parking Lot	18,494	71,227	-	-
Total business-type activities	12,616,281	12,720,735	-	1,305,911
Total primary government	<u>\$ 50,496,915</u>	<u>\$ 17,984,933</u>	<u>\$ 125,230</u>	<u>\$ 1,309,336</u>
Component units	<u>\$ 91,082</u>	<u>\$ -</u>	<u>\$ 122,755</u>	<u>\$ -</u>

General revenue:

Property taxes

Unrestricted intergovernmental revenue - Sales tax and income tax

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

Investment income

Other revenue

Gain on sale of fixed assets

Total general revenue

Transfers

Change in Net Position

Net Position - Beginning of year - As restated (Note 18)

Net Position - End of year

Statement of Activities
Year Ended April 30, 2017

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Units
\$ (5,575,528)	\$ -	\$ (5,575,528)	\$ -
(17,929,828)	-	(17,929,828)	-
(7,264,894)	-	(7,264,894)	-
(308,466)	-	(308,466)	-
(599,687)	-	(599,687)	-
1,171,939	-	1,171,939	-
(1,981,317)	-	(1,981,317)	-
(32,487,781)	-	(32,487,781)	-
-	1,705,898	1,705,898	-
-	(348,266)	(348,266)	-
-	52,733	52,733	-
-	1,410,365	1,410,365	-
(32,487,781)	1,410,365	(31,077,416)	-
-	-	-	31,673
16,525,969	-	16,525,969	-
5,281,763	-	5,281,763	-
5,124,461	-	5,124,461	-
11,934	998	12,932	-
1,268,014	-	1,268,014	-
711,294	-	711,294	-
28,923,435	998	28,924,433	-
1,219,471	(1,219,471)	-	-
(2,344,875)	191,892	(2,152,983)	31,673
(56,640,476)	17,089,759	(39,550,717)	2,089
<u>\$ (58,985,351)</u>	<u>\$ 17,281,651</u>	<u>\$ (41,703,700)</u>	<u>\$ 33,762</u>

Village of Franklin Park, Illinois

Governmental Funds Balance Sheet April 30, 2017

	General Corporate Fund	Corporate Bond and Interest Fund	West Mannheim Redeveloping Area TIF Fund	Nonmajor Funds	Total
Assets					
Cash and investments (Note 2)	\$ 3,937,585	\$ 3,590,028	\$ 4,942,765	\$ 3,837,445	\$ 16,307,823
Receivables:					
Property taxes receivable	6,308,210	1,616,632	2,592	3,490	7,930,924
Due from other governmental units	-	-	-	266,136	266,136
Other taxes receivable	2,305,068	-	-	40,140	2,345,208
Allowance for doubtful accounts	(346,352)	(151,911)	-	-	(498,263)
Due from other funds (Note 8)	29,072	332,389	-	178,782	540,243
Advances to other funds (Note 8)	1,935,782	883,977	-	1,121,383	3,941,142
Restricted assets	-	-	-	300,000	300,000
IPBC reserve	1,043,120	-	-	-	1,043,120
	<u>\$ 15,212,485</u>	<u>\$ 6,271,115</u>	<u>\$ 4,945,357</u>	<u>\$ 5,747,376</u>	<u>\$ 32,176,333</u>
Total assets					
Liabilities					
Accounts payable	\$ 563,518	\$ -	\$ 71	\$ 1,298,959	\$ 1,862,548
Bank overdraft	-	-	-	3,521,313	3,521,313
Due to other governmental units	21,205	-	-	-	21,205
Due to other funds (Note 8)	-	-	-	183,767	183,767
Advances from other funds (Note 8)	-	-	-	3,912,457	3,912,457
Refundable deposits, bonds, etc.	11,000	-	-	-	11,000
Accrued liabilities and other	615,863	-	-	57	615,920
Unearned revenue	277,644	-	-	-	277,644
Due to pension funds	270,820	-	-	-	270,820
	<u>1,760,050</u>	<u>-</u>	<u>71</u>	<u>8,916,553</u>	<u>10,676,674</u>
Total liabilities					
Deferred Inflows of Resources					
Unavailable revenue	401,157	-	-	266,136	667,293
Property taxes levied for the following year	5,860,747	1,441,741	-	-	7,302,488
	<u>6,261,904</u>	<u>1,441,741</u>	<u>-</u>	<u>266,136</u>	<u>7,969,781</u>
Total deferred inflows of resources					
Fund Balances (Deficit)					
Nonspendable	2,978,902	-	-	-	2,978,902
Restricted:					
Public safety	-	-	-	385,373	385,373
TIF development	-	-	4,945,286	397,587	5,342,873
Debt service	-	4,829,374	-	2,709,946	7,539,320
Highways and streets	1,788,115	-	-	3,666	1,791,781
Assigned - Subsequent year's budget	1,820,445	-	-	-	1,820,445
Unassigned	603,069	-	-	(6,931,885)	(6,328,816)
	<u>7,190,531</u>	<u>4,829,374</u>	<u>4,945,286</u>	<u>(3,435,313)</u>	<u>13,529,878</u>
Total fund balances (deficit)					
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 15,212,485</u>	<u>\$ 6,271,115</u>	<u>\$ 4,945,357</u>	<u>\$ 5,747,376</u>	<u>\$ 32,176,333</u>

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position April 30, 2017

Fund Balance Reported in Governmental Funds	\$ 13,529,878
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	48,549,859
Land held for resale does not represent financial resources and is not reported in the funds	3,541,258
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	667,293
Long-term debt payable, loan payable, and capital lease obligations are not due and payable in the current period and are not reported in the funds	(40,440,622)
Unamortized bond premiums associated with long-term debt payable are not reported in the funds	(1,708,015)
Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds	(734,701)
Accrued interest is not due and payable in the current period and is not reported in the funds	(555,241)
Employee compensated absences are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities	(1,390,671)
Net pension liability 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	(71,893,371)
Deferred outflows of resources and deferred inflows of resources related to pensions are not reported in the funds	7,020,161
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	(14,727,180)
Internal Service Funds are included as part of governmental activities	<u>(843,999)</u>
Net Position of Governmental Activities	<u>\$ (58,985,351)</u>

Village of Franklin Park, Illinois

Governmental Funds Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) Year Ended April 30, 2017

	General Corporate Fund	Corporate Bond and Interest Fund	West Mannheim Redeveloping Area TIF Fund	Nonmajor Funds	Total
Revenue					
Property taxes	\$ 11,338,964	\$ 2,741,240	\$ 775,364	\$ 1,670,401	\$ 16,525,969
State-shared revenue and grants	3,555,471	-	-	-	3,555,471
Income taxes	1,736,125	-	-	-	1,736,125
Intergovernmental revenue - Utility tax	3,626,361	-	-	-	3,626,361
Intergovernmental revenue - Other taxes	1,045,460	-	-	464,677	1,510,137
Licenses, permits, and fees	2,806,391	-	-	-	2,806,391
Grant revenue	63,007	-	-	-	63,007
Charges for services	1,167,137	-	-	293,697	1,460,834
Fines and forfeitures	996,973	-	-	65,648	1,062,621
Investment income	3,365	239	1,506	6,824	11,934
Other revenue	1,191,330	-	-	76,684	1,268,014
Total revenue	<u>27,530,584</u>	<u>2,741,479</u>	<u>776,870</u>	<u>2,577,931</u>	<u>33,626,864</u>
Expenditures					
Current:					
General government	6,079,148	11,323	25,558	964	6,116,993
Public safety	14,602,190	-	-	420,969	15,023,159
Highway and streets	4,386,920	-	-	301,350	4,688,270
Public health	349,016	-	-	-	349,016
Community development	397,257	-	47,584	302,448	747,289
Building department	744,303	-	-	-	744,303
Capital outlay	1,061,127	-	-	597,269	1,658,396
Debt service	143,072	3,228,585	-	30,735	3,402,392
Total expenditures	<u>27,763,033</u>	<u>3,239,908</u>	<u>73,142</u>	<u>1,653,735</u>	<u>32,729,818</u>
Excess of Revenue (Under) Over Expenditures	(232,449)	(498,429)	703,728	924,196	897,046
Other Financing Sources (Uses)					
Face value of debt issue	210,769	8,800,000	-	-	9,010,769
Debt premium	-	881,021	-	-	881,021
Proceeds from sale of capital assets	12,044	-	699,250	-	711,294
Transfers in (Note 8)	517,825	878,453	-	1,100,417	2,496,695
Transfers out (Note 8)	(217,011)	-	-	(1,060,213)	(1,277,224)
Payment to bond refunding escrow agent (Note 5)	-	(9,302,736)	-	-	(9,302,736)
Total other financing sources	<u>523,627</u>	<u>1,256,738</u>	<u>699,250</u>	<u>40,204</u>	<u>2,519,819</u>
Net Change in Fund Balances	291,178	758,309	1,402,978	964,400	3,416,865
Fund Balances (Deficit) - Beginning of year	<u>6,899,353</u>	<u>4,071,065</u>	<u>3,542,308</u>	<u>(4,399,713)</u>	<u>10,113,013</u>
Fund Balances (Deficit) - End of year	<u>\$ 7,190,531</u>	<u>\$ 4,829,374</u>	<u>\$ 4,945,286</u>	<u>\$ (3,435,313)</u>	<u>\$ 13,529,878</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) to the Statement of Activities Year Ended April 30, 2017

Net Change in Fund Balances - Total Governmental Funds	\$ 3,416,865
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	1,732,180
Depreciation expense	(2,735,091)
Net book value of assets disposed of	(743,999)
Revenue is recorded in the statement of activities when earned; it is not reported in the funds until collected or collectible within 60 days of year end	(21,870)
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	(9,920,012)
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)	11,489,073
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)	82,108
Change in unamortized bond premium	(623,573)
Change in deferred charges on refunding	(149,791)
Change in accrued interest payable	(45,786)
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	(117,507)
Increase in the net pension liability, deferred outflows of resources, and deferred inflows of resources related to pensions reported in the statement of activities do not require the use of current resources, and therefore are not reported in the fund statements until they come due for payment	(3,111,228)
Increase in the net OPEB obligations reported in the statement of activities does not require the use of current resources, and therefore is not reported in the fund statements until it comes due for payment	(1,441,487)
Internal Service Funds are included as part of governmental activities	<u>(154,757)</u>
Change in Net Position of Governmental Activities	<u>\$ (2,344,875)</u>

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position April 30, 2017

	Major Funds		Nonmajor Funds		Total Enterprise	Internal Service
	Water and Sewer	Garbage Fund	Commuter		Funds	Fund
	Fund		Parking Lot Fund			Fleet Maintenance Fund
Assets						
Current assets:						
Cash and cash equivalents (Note 2)	\$ -	\$ -	\$ 202,502	\$ 202,502	\$ -	
Receivables:						
Receivables from sales to customers on account	2,594,947	562,928	-	3,157,875	-	
Allowance for doubtful accounts	(1,459,585)	(317,966)	-	(1,777,551)	-	
Prepaid expenses and other assets	30	-	-	30	-	
Total current assets	1,135,392	244,962	202,502	1,582,856	-	
Noncurrent assets:						
Advances to other funds (Note 8)	400,000	-	-	400,000	-	
Capital assets (Note 4):						
Assets not subject to depreciation	185,000	-	-	185,000	-	
Assets subject to depreciation	51,464,219	-	13,363	51,477,582	-	
Total noncurrent assets	52,049,219	-	13,363	52,062,582	-	
Total assets	53,184,611	244,962	215,865	53,645,438	-	
Deferred Outflows of Resources -						
Deferred outflows related to pensions	339,009	-	-	339,009	71,941	
Liabilities						
Current liabilities:						
Accounts payable	1,153,779	144,286	1,029	1,299,094	1,854	
Bank overdraft	76,775	2,552,886	-	2,629,661	1,018,039	
Due to other funds (Note 8)	337,179	-	19,297	356,476	-	
Accrued liabilities and other:						
Accrued salaries and wages	48,383	1,253	-	49,636	18,359	
Accrued interest payable	166,459	-	-	166,459	-	
Compensated absences	68,982	-	-	68,982	-	
Current portion of loans payable	441,553	-	-	441,553	-	
Current portion of bonds payable (Note 5)	1,411,750	-	-	1,411,750	-	
Total current liabilities	3,704,860	2,698,425	20,326	6,423,611	1,038,252	
Noncurrent liabilities:						
Advances from other funds (Note 8)	-	350,545	-	350,545	78,140	
Loans payable	1,046,573	-	-	1,046,573	-	
Net OPEB obligation (Note 15)	1,755,322	-	-	1,755,322	-	
Net pension liability	291,232	-	-	291,232	61,802	
Bonds payable (Note 5)	26,126,767	-	-	26,126,767	-	
Total noncurrent liabilities	29,219,894	350,545	-	29,570,439	139,942	
Total liabilities	32,924,754	3,048,970	20,326	35,994,050	1,178,194	

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

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position (Continued) April 30, 2017

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund		Fleet Maintenance Fund
Deferred Inflows of Resources					
Deferred charges on refunding	\$ 439,710	\$ -	\$ -	\$ 439,710	\$ -
Deferred inflows related to pensions	5,595	-	-	5,595	1,187
Total deferred inflows of resources	<u>445,305</u>	<u>-</u>	<u>-</u>	<u>445,305</u>	<u>1,187</u>
Net Position					
Net investment in capital assets	22,182,866	-	13,363	22,196,229	-
Unrestricted	<u>(2,029,305)</u>	<u>(2,804,008)</u>	<u>182,176</u>	<u>(4,651,137)</u>	<u>(1,107,440)</u>
Total net position	<u>\$ 20,153,561</u>	<u>\$ (2,804,008)</u>	<u>\$ 195,539</u>	17,545,092	<u>\$ (1,107,440)</u>
Amounts reported for business-type activities in the statement of net position are different because a portion of the Internal Service Fund is included as business-type activities				<u>(263,441)</u>	
Net Position of Business-type Activities				<u>\$ 17,281,651</u>	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position Year Ended April 30, 2017

	Major Funds	Nonmajor Funds			Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Fleet Maintenance Fund
Operating Revenue					
Sale of water	\$ 7,097,986	\$ -	\$ -	\$ 7,097,986	\$ -
Sewage disposal charges	4,295,348	-	-	4,295,348	-
Other sales to customers	2,703	1,246,994	71,227	1,320,924	-
Other revenue	5,888	589	-	6,477	-
Charges to other funds	-	-	-	-	169,171
Total operating revenue	11,401,925	1,247,583	71,227	12,720,735	169,171
Operating Expenses					
Water purchases	3,652,958	-	-	3,652,958	-
Repairs and maintenance	1,178,392	21,897	4,415	1,204,704	-
Billing and administrative costs	1,501,844	(37,780)	11,321	1,475,385	330,230
Supplies and services	2,219,860	1,607,535	-	3,827,395	32,389
Depreciation	1,461,421	-	2,758	1,464,179	-
Total operating expenses	10,014,475	1,591,652	18,494	11,624,621	362,619
Operating Income (Loss)	1,387,450	(344,069)	52,733	1,096,114	(193,448)
Nonoperating Revenue (Expenses)					
Investment income	749	-	249	998	-
Interest expense	(952,970)	-	-	(952,970)	-
Total nonoperating (expenses) revenue	(952,221)	-	249	(951,972)	-
Income (Loss) - Before capital contributions and transfers	435,229	(344,069)	52,982	144,142	(193,448)
Capital Contributions - Capital grants	1,305,911	-	-	1,305,911	-
Transfers In	91,187	-	-	91,187	-
Transfers Out	(1,310,658)	-	-	(1,310,658)	-
Change in Net Position	521,669	(344,069)	52,982	230,582	(193,448)
Net Position - Beginning of year	19,631,892	(2,459,939)	142,557	17,314,510	(913,992)
Net Position - End of year	<u>\$ 20,153,561</u>	<u>\$ (2,804,008)</u>	<u>\$ 195,539</u>	<u>\$ 17,545,092</u>	<u>\$ (1,107,440)</u>
Net Change in Net Position - Total Enterprise Funds				\$ 230,582	
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				(38,690)	
Change in Net Position of Business-type Activities				<u>\$ 191,892</u>	

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

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows Year Ended April 30, 2017

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund	Total Enterprise Funds	Internal Service Fund Fleet Maintenance Fund
Cash Flow from Operating Activities					
Receipts from customers	\$ 11,452,343	\$ 1,264,047	\$ 71,227	\$ 12,787,617	\$ -
Receipts from interfund services	-	-	-	-	169,171
Payments to suppliers	(8,291,087)	(1,701,590)	(16,453)	(10,009,130)	(30,515)
Payments to employees	(1,404,057)	(8,699)	-	(1,412,756)	(319,280)
Internal activity - (Payments to) receipts from other funds	(194,055)	-	10,318	(183,737)	-
Net cash provided by (used in) operating activities	1,563,144	(446,242)	65,092	1,181,994	(180,624)
Cash Flows from Noncapital Financing Activities					
Transfers from other funds	91,187	-	-	91,187	-
Transfers to other funds	(1,310,658)	-	-	(1,310,658)	-
Implied bank financing	76,775	446,242	-	523,017	180,624
Net cash (used in) provided by noncapital financing activities	(1,142,696)	446,242	-	(696,454)	180,624
Cash Flows from Capital and Related Financing Activities					
Issuance of bonds	3,012,024	-	-	3,012,024	-
Receipt of capital grants	1,305,911	-	-	1,305,911	-
Purchase of capital assets	(4,423,270)	-	-	(4,423,270)	-
Principal and interest paid on capital debt	(3,105,149)	-	-	(3,105,149)	-
Bond issuance costs	(164,267)	-	-	(164,267)	-
Net cash used in capital and related financing activities	(3,374,751)	-	-	(3,374,751)	-
Cash Flows from Investing Activities - Interest received on investments	749	-	249	998	-
Net (Decrease) Increase in Cash and Cash Equivalents	(2,953,554)	-	65,341	(2,888,213)	-
Cash and Cash Equivalents - Beginning of year	2,953,554	(2,106,645)	137,161	984,070	(837,415)
Cash and Cash Equivalents - End of year	<u>\$ -</u>	<u>\$ (2,106,645)</u>	<u>\$ 202,502</u>	<u>\$ (1,904,143)</u>	<u>\$ (837,415)</u>

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows (Continued) Year Ended April 30, 2017

	Major Funds	Nonmajor Funds		Total Enterprise Funds	Internal Service Fund
	Water and Sewer Fund	Garbage Fund	Commuter Parking Lot Fund		Fleet Maintenance Fund
Statement of Net Position					
Classification of Cash and Cash Equivalents -					
Cash and investments	\$ -	\$ -	\$ 202,502	\$ 202,502	\$ -
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities					
Operating income (loss)	\$ 1,387,450	\$ (344,069)	\$ 52,733	\$ 1,096,114	\$ (193,448)
Adjustments to reconcile operating income (loss) to net cash from operating activities:					
Depreciation and amortization	1,461,421	-	2,758	1,464,179	-
Changes in assets and liabilities:					
Receivables	50,418	16,464	-	66,882	-
Accounts payable	(1,402,051)	(119,073)	(717)	(1,521,841)	1,874
Due to others	(194,055)	-	10,318	(183,737)	-
Accrued and other liabilities	259,961	436	-	260,397	10,950
Net cash provided by (used in) operating activities	<u>\$ 1,563,144</u>	<u>\$ (446,242)</u>	<u>\$ 65,092</u>	<u>\$ 1,181,994</u>	<u>\$ (180,624)</u>

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Fiduciary Net Position April 30, 2017

	Pension Trust Funds	Agency Funds
Assets		
Cash and cash equivalents	\$ 1,561,464	\$ 19,961
Investments:		
Certificates of deposit	1,560,645	-
U.S. government and agency obligations	7,943,650	-
Equity securities	2,585,050	-
Corporate bonds	10,715,190	-
Insurance company contracts	5,700,276	-
Equity mutual funds	22,151,026	-
Receivables - Accrued interest receivable	135,586	-
Due from the Village	270,820	-
Prepaid expenses	7,693	-
	52,631,400	\$ 19,961
Liabilities		
Accounts payable	6,355	\$ -
Refundable deposits, bonds, etc.	-	19,961
	6,355	\$ 19,961
Net Position Held in Trust for Pension and Other Employee Benefits	\$ 52,625,045	

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Changes in Fiduciary Net Position - Pension Trust Funds Year Ended April 30, 2017

Additions

Investment income (expense):	
Interest and dividends	\$ 1,150,909
Net decrease in fair value of investments	3,075,730
Investment-related expenses	<u>(108,592)</u>
Net investment income (expense)	4,118,047
Contributions:	
Employer	3,961,591
Employee	<u>743,978</u>
Total contributions	<u>4,705,569</u>
Total additions	8,823,616

Deductions

Benefit payments	5,307,489
Administrative expenses	<u>98,530</u>
Total deductions	<u>5,406,019</u>

Net Increase in Net Position Held in Trust

3,417,597

Net Position Restricted for Pension and Other Employee Benefits -

Beginning of year 49,207,448

Net Position Restricted for Pension and Other Employee Benefits -

End of year \$ 52,625,045

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

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 legally 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 whom 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, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

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

Accounting and Reporting Principles

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

Fund Accounting

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

- *Corporate Bond and Interest Fund* - A debt service fund used to account for resources utilized for payment of principal and interest of the Village's long-term debt.
- *West Mannheim Redeveloping Area TIF Fund* - A special revenue fund used to account for the Tax Increment Financing revenue and expenditures within the West Mannheim TIF District.

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

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

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

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

Basis of Accounting

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

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Report Presentation

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

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

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

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

Specific Balances and Transactions

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

Restricted Assets - The loans payable held at Cook County on behalf of the Village and paid with tax revenue require a debt reserve of cash to be held at the county to cover the next period's principal payment. This reserve of cash represents the restricted assets recorded within the Cullerton Ave capital projects fund.

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 acquisition value at the date of donation.

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

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. Furthermore, 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.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The village board of trustees is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. As of April 30, 2017, 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 \$385,373 of restricted fund balance for the function of public safety. Within this function, there are several purposes as follows: \$67,899 restricted for use within the fire department, \$278,874 restricted for use on law enforcement, and \$38,600 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.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note I - Summary of Significant Accounting Policies (Continued)

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

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

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 1 - Summary of Significant Accounting Policies (Continued)

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

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

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:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Cash and cash equivalents	\$ 8,417,499	\$ 77,392
Investments	<u>3,350,972</u>	<u>125,110</u>
Total	<u>\$ 11,768,471</u>	<u>\$ 202,502</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 2 - Deposits and Investments (Continued)

Statutes authorize the Village to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. The Pension Trust Funds may also invest in certain non-U.S. obligations, mortgages, veterans' loans, life insurance company contracts, money market mutual funds, and common and preferred stocks. Pension funds with net position of \$2.5 million or more may invest up to 45 percent of plan net position in separate accounts of life insurance companies and mutual funds. In addition, pension funds with net position of at least \$5 million that have appointed an investment advisor may invest up to 45 percent of the plan's net position in common and preferred stocks that meet specific restrictions. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the state to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with SEC regulated Rule 2a7. Investments in Illinois Funds are valued at Illinois Funds' share price, the price for which the investment could be sold, at amortized cost. The shares do not mature. There are no limitations or restrictions on participant withdrawals for the Illinois Funds.

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 \$8,525,198 at April 30, 2017, while the bank balances were \$9,629,485. 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, 2017, the Police Pension Fund's carrying amount of cash was \$710,683, while the bank balances were \$711,469. The FDIC insures bank balances up to \$250,000. At April 30, 2017, \$310,205 of the bank balance of deposits was uninsured and uncollateralized. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions. The percentage of the \$310,205 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 2 - Deposits and Investments (Continued)

At April 30, 2017, the Firefighters' Pension Fund's carrying amount of cash was \$847,782 while the bank balances were \$848,532. The FDIC insures bank balances up to \$250,000. At April 30, 2017, \$562,623 of the bank balance of deposits was uninsured and uncollateralized. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions. The percentage of the \$562,623 bank balance of deposits covered by the flow-through FDIC insurance cannot be determined at this time.

Investments - The following schedule reports the fair values for the Village's investments (excluding Pension Trust Funds) as of April 30, 2017. All investments mature in less than one year:

Investment Type	Fair Value
Money market mutual fund	\$ 2,776,012
Treasurer Illinois Funds	684,608

Custodial Credit Risk of Investments - For an investment, this is the risk that, in the event of the failure of the counterparty, the Village or the Police or Firefighters' Pension Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Village limits its exposure to custodial credit risk by utilizing independent, third-party institutions, selected by the Village, to act as custodians for its securities and collateral as described in the Village's investment policy. The Village's investments are fully collateralized as of April 30, 2017. 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 limit its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 2 - Deposits and Investments (Continued)

The following schedule reports the fair values and maturities for the Police and Firefighters' Pension Funds' investments at April 30, 2017:

	Fair Value	Less than 1 Year	1-5 Years	6-10 Years	More than 10 Years
Police Pension Fund					
U.S. Treasury notes	\$ 2,491,884	\$ -	\$ 1,063,545	\$ 1,428,339	\$ -
U.S. government agency securities	264,114	-	-	2,159	261,955
Corporate bonds	6,983,048	672,739	4,373,025	1,872,582	64,702
Total	\$ 9,739,046	\$ 672,739	\$ 5,436,570	\$ 3,303,080	\$ 326,657
Firefighters' Pension Fund					
U.S. Treasury notes	\$ 3,401,148	\$ 613,796	\$ 1,969,280	\$ 818,072	\$ -
U.S. government agency securities	1,786,504	-	748,458	450,123	587,923
Corporate bonds	3,732,142	547,502	1,953,591	1,231,049	-
Total	\$ 8,919,794	\$ 1,161,298	\$ 4,671,329	\$ 2,499,244	\$ 587,923

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 2 - Deposits and Investments (Continued)

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

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

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

Investment	Fair Value
Police Pension Fund - Unrated	<u>\$ 223,551</u>
Firefighters' Pension Fund - Unrated	<u>\$ 371,184</u>

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 (29 percent).

The Police Pension Fund diversifies investments so as to minimize the risk of large losses and "the securities of any one company should not exceed 5 percent of the total fund and no more than 10 percent of the total fund should be invested in any one industry." At April 30, 2017, more than 5 percent of the Police Pension Fund's investments are in Voya/ING Life Insurance Contracts and Vanguard Total Stock Market Index Fund. These investments are 5 percent and 24 percent, respectively, of the Police Pension Fund's total investments.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 2 - Deposits and Investments (Continued)

The Firefighters' Pension Fund's investment policy states the trustees seek to "optimize the asset allocation to best meet the actuarial and cash flow needs of the Pension Fund at a prudent level of risk." At April 30, 2017, more than 5 percent of the Firefighters' Pension Fund's investments are in Principal Life Financial Insurance Contract, Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, and Artisan International Investor Fund. These investments are 8 percent, 27 percent, 6 percent, and 5 percent, respectively, of the Firefighters' Pension Fund's total investments.

Note 3 - Fair Value Measurement

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In instances whereby inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Village's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset.

The Police Pension Fund has the following recurring fair value measurements as of April 30, 2017:

Assets Measured at Fair Value on a Recurring Basis

	Balance at April 30, 2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Treasuries	\$ 2,491,884	\$ 2,491,884	\$ -	\$ -
U.S. agencies	264,114	-	264,114	-
Corporate bonds	6,983,048	-	6,983,048	-
Certificates of deposit	242,696	-	242,696	-
Total debt securities	9,981,742	2,491,884	7,489,858	-
Equity securities:				
Insurance contracts	3,439,907	3,439,907	-	-
Mutual funds	10,783,707	10,783,707	-	-
Total equity securities	14,223,614	14,223,614	-	-
Total investments by fair value level	\$ 24,205,356	\$ 16,715,498	\$ 7,489,858	\$ -

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 3 - Fair Value Measurement (Continued)

The Firefighters' Pension Fund has the following recurring fair value measurements as of April 30, 2017:

Assets Measured at Fair Value on a Recurring Basis

	Balance at April 30, 2017	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt securities:				
U.S. Treasuries	\$ 3,401,148	\$ 3,401,148	\$ -	\$ -
U.S. agencies	1,786,504	-	1,786,504	-
Corporate bonds	3,732,142	-	3,732,142	-
Certificates of deposit	1,317,949	-	1,317,949	-
Total debt securities	10,237,743	3,401,148	6,836,595	-
Equity securities:				
Insurance contracts	2,260,369	2,260,369	-	-
Equity securities	2,585,050	2,585,050	-	-
Mutual funds	11,367,319	11,367,319	-	-
Total equity securities	16,212,738	16,212,738	-	-
Total investments by fair value level	\$ 26,450,481	\$ 19,613,886	\$ 6,836,595	\$ -

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities.

The fair value of U.S. agencies, corporate bonds, and certificates of deposit at April 30, 2017 was determined primarily based on Level 2 inputs. The Village estimates the fair value of these investments using other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 4 - Capital Assets

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

	Balance May 1, 2016	Reclassifications	Additions	Disposals	Balance April 30, 2017
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 5,510,361	\$ -	\$ 20,045	\$ (702,829)	\$ 4,827,577
Construction in progress	5,177,287	(4,399,889)	584,847	-	1,362,245
Subtotal	10,687,648	(4,399,889)	604,892	(702,829)	6,189,822
Capital assets being depreciated:					
Infrastructure	131,198,274	4,323,409	118,053	-	135,639,736
Buildings and improvements	21,756,277	-	396,514	-	22,152,791
Machinery and equipment	7,851,905	76,480	612,721	(209,527)	8,331,579
Subtotal	160,806,456	4,399,889	1,127,288	(209,527)	166,124,106
Accumulated depreciation:					
Infrastructure	110,650,026	-	1,822,320	-	112,472,346
Buildings and improvements	4,790,045	-	523,582	-	5,313,627
Machinery and equipment	5,757,264	-	389,189	(168,357)	5,978,096
Subtotal	121,197,335	-	2,735,091	(168,357)	123,764,069
Net capital assets being depreciated	39,609,121	4,399,889	(1,607,803)	(41,170)	42,360,037
Net capital assets	\$ 50,296,769	\$ -	\$ (1,002,911)	\$ (743,999)	\$ 48,549,859
Business-type Activities					
Capital assets not being depreciated:					
Land	\$ 185,000	\$ -	\$ -	\$ -	\$ 185,000
Construction in progress	6,926,317	(6,926,317)	-	-	-
Subtotal	7,111,317	(6,926,317)	-	-	185,000
Capital assets being depreciated:					
Water and sewer lines	58,213,689	6,926,317	4,175,026	-	69,315,032
Storage Reservoir Pump	5,686,944	-	-	-	5,686,944
Buildings and improvements	2,109,296	-	63,281	-	2,172,577
Machinery and equipment	3,385,394	-	184,963	-	3,570,357
Subtotal	69,395,323	6,926,317	4,423,270	-	80,744,910
Accumulated depreciation:					
Water and sewer lines	20,304,324	-	1,172,914	-	21,477,238
Storage Reservoir Pump	3,444,933	-	161,347	-	3,606,280
Buildings and improvements	1,159,463	-	53,337	-	1,212,800
Machinery and equipment	2,894,429	-	76,581	-	2,971,010
Subtotal	27,803,149	-	1,464,179	-	29,267,328
Net capital assets being depreciated	41,592,174	6,926,317	2,959,091	-	51,477,582
Net capital assets	\$ 48,703,491	\$ -	\$ 2,959,091	\$ -	\$ 51,662,582

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 4 - Capital Assets (Continued)

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

Governmental activities:

General government	\$ 149,493
Public safety	618,103
Highway and streets	<u>1,967,495</u>
Total governmental activities	<u>\$ 2,735,091</u>

Business-type activities:

Water and sewer	\$ 1,461,421
Commuter parking lot	<u>2,758</u>
Total business-type activities	<u>\$ 1,464,179</u>

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

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Reuter Phase I	\$ -	\$ 1,565,000

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 5 - Long-term Debt

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

Long-term debt activity can be summarized as follows:

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities							
General Obligation Bonds (Alternate Revenue Source) - Series 2006 - \$9,500,000 - Payable through 2031	4.00%	-	\$ 9,280,000	\$ -	\$ (9,280,000)	\$ -	\$ -
General Obligation Bonds (Alternate Revenue Source) - Series 2007 - \$8,155,000 - Payable through 2023	4.20% - 5.50%	\$555,000 - \$975,000	5,375,000	-	(580,000)	4,795,000	610,000
General Obligation Bonds (Alternate Revenue Source) - Series 2011 - \$9,975,000 - Payable through 2031	4.00% - 6.25%	\$425,000 - \$880,000	9,145,000	-	(440,000)	8,705,000	455,000
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	68,250
General Obligation Refunding Bonds (Alternate Revenue Source) - Series 2014B - \$3,335,000 - Payable through 2023	3.00% - 5.00%	\$235,000 - \$430,000	3,085,000	-	(295,000)	2,790,000	300,000
General Obligation Refunding Bonds (Alternate Revenue Source) - Series 2015A - \$6,140,000 - Payable through 2035	3.625% - 5.00%	\$85,000 - \$1,520,000	6,140,000	-	-	6,140,000	-
General Obligation Refunding Bonds (Alternate Revenue Source) - Series 2016A - \$8,800,000 - Payable through 2031	2.00% - 4.00%	\$30,000 - \$1,200,000	-	8,800,000	-	8,800,000	135,000
Plus deferred premium			1,084,442	708,926	(85,353)	1,708,015	-
Less deferred discount			(230,427)	-	15,170	(215,257)	-
Total bonds payable			38,639,015	9,508,926	(10,665,183)	37,482,758	1,568,250
Leases payable			242,776	-	(82,108)	160,668	69,696
Loans payable			4,294,442	238,991	(28,222)	4,505,211	308,576
Compensated absences			1,273,164	372,140	(254,633)	1,390,671	278,134
Net pension liability			70,944,753	1,060,626	-	72,005,379	-
Net OPEB obligation			13,285,693	1,441,487	-	14,727,180	-
Total governmental activities			\$ 128,679,843	\$ 12,622,170	\$ (11,030,146)	\$ 130,271,867	\$ 2,224,656

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 5 - Long-term Debt (Continued)

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type Activities							
General Obligation Limited Tax							
Debt Certificates - Series							
2013 - \$8,740,000 - Payable through 2033	3.625% - 5.00%	\$126,263 - \$786,713	\$ 8,740,000	\$ -	\$ -	\$ 8,740,000	\$ 126,750
Plus unamortized premium			349,241	-	(21,828)	327,413	-
Less unamortized discount			(84,533)	-	5,283	(79,250)	-
General Obligation Refunding							
Bonds (Alternate Revenue Source) - Series 2014A - \$10,445,000 - Payable through 2022							
Plus unamortized premium	2.00% - 5.00%	\$780,000 - \$1,545,000	9,070,000	-	(1,250,000)	7,820,000	1,285,000
Plus unamortized premium			947,047	-	(189,410)	757,637	-
General Obligation Limited Tax							
Debt Certificates - Series							
2015 - \$6,855,000 - Payable through 2036	4.00% - 5.00%	\$260,000 - \$1,030,000	6,855,000	-	-	6,855,000	-
Plus unamortized premium			373,877	-	(20,771)	353,106	-
Less unamortized discount			(66,124)	-	3,674	(62,450)	-
General Obligation Limited Tax							
Debt Certificates - Series							
2016 - \$2,545,000 - Payable through 2036	4.00% - 5.00%	\$85,000 - \$2,545,000	-	2,545,000	-	2,545,000	-
Plus unamortized premium			-	282,061	-	282,061	-
Total bonds payable			26,184,508	2,827,061	(1,473,052)	27,538,517	1,411,750
Loans payable			1,936,352	184,963	(633,189)	1,488,126	441,553
Compensated absences			60,735	68,981	(60,734)	68,982	68,982
Net pension liability			357,352	-	(66,120)	291,232	-
Net OPEB obligation			1,509,118	246,204	-	1,755,322	-
Total business-type activities			<u>\$ 30,048,065</u>	<u>\$ 3,327,209</u>	<u>\$ (2,233,095)</u>	<u>\$ 31,142,179</u>	<u>\$ 1,922,285</u>

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

Total interest expense for the year was approximately \$3,019,000.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 5 - Long-term Debt (Continued)

Annual debt service requirements to maturity for the above bonds, loans, and lease obligations (excluding unamortized premiums and discounts) are as follows:

Year Ending April 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2018	\$ 1,946,522	\$ 1,808,342	\$ 3,754,864	\$ 1,853,303	\$ 1,185,950	\$ 3,039,253
2019	2,050,383	1,678,937	3,729,320	1,958,677	1,108,141	3,066,818
2020	2,153,475	1,602,047	3,755,522	2,045,170	1,019,058	3,064,228
2021	2,262,132	1,519,606	3,781,738	1,955,457	926,137	2,881,594
2022	2,468,064	1,430,605	3,898,669	2,134,898	830,689	2,965,587
2023-2027	11,918,216	5,403,438	17,321,654	6,548,605	3,065,672	9,614,277
2028-2032	12,091,411	2,585,141	14,676,552	5,301,000	1,826,820	7,127,820
2033-2036	5,765,676	340,949	6,106,625	5,651,016	651,120	6,302,136
Total	<u>\$ 40,655,879</u>	<u>\$ 16,369,065</u>	<u>\$ 57,024,944</u>	<u>\$ 27,448,126</u>	<u>\$ 10,613,587</u>	<u>\$ 38,061,713</u>

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, 2017, the equalized assessed valuation of the Village using the tax year 2016 EAV is \$665,482,275 and the legal debt margin is \$57,397,846 while the equalized assessed valuation of the Village using the tax year 2015 EAV (which was also in effect during the fiscal year) is \$593,755,621 and the legal debt margin is \$51,211,422. Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2007, 2014B, and 2016A 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.

Advance Refundings - During the year, the Village issued \$8,800,000 in general obligation refunding bonds (alternate revenue source) with an interest rate ranging from 2.0 to 4.0 percent. The proceeds of these bonds were used to advance refund \$9,230,000 of outstanding general obligation bonds with an average interest rate of 4.0 percent. The net proceeds of \$9,409,836 (after payment of \$271,185 in underwriting fees, insurance, and other issuance costs) were used to purchase U.S. government securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the original bonds. As a result, the bonds are considered to be defeased and the liability for the bonds has been removed from the governmental activities statement of net position. The advance refunding reduced total debt service payments over the next 21 years by approximately \$803,260.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 6 - Short-term Debt

The Village maintains a \$4,000,000 revolving line of credit with one of its banks. The line provides a liquidity cushion for the Village, largely for use between the twice-yearly receipt of property tax revenue. The Village has maintained a liquidity facility since 2009, when it was \$2,000,000. During the intervening period, the facility has grown to its present \$4,000,000. The line is renewable annually at the end of June. As of April 30, 2017, there were no outstanding draws on the line of credit.

Note 7 - Noncommitment Debt

Tax increment financing notes outstanding as of April 30, 2017 total \$17,658,344. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of noncommitment is as follows:

O'Hare East Industrial Complex Redevelopment Project - \$8,200,000 note issued on November 1, 2000 bearing interest at 10 percent. Principal balance as of April 30, 2017 is \$8,200,000 plus accrued interest of \$9,458,344 for a total amount due of \$17,658,344. 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.

Subsequent Event - Seymour Avenue/Waveland TIF District - Series 2017 A and B notes in the amounts of \$1,393,651 and \$1,678,682, respectively, were issued subsequent to year end.

Note 8 - 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 fund	\$ 4,985
	Water and Sewer Fund	4,790
	Nonmajor enterprise funds	<u>19,297</u>
	Total General Corporate Fund	29,072
Corporate Bond and Interest Fund	Water and Sewer Fund	332,389
Nonmajor governmental funds	Nonmajor governmental funds	<u>178,782</u>
	Total	<u>\$ 540,243</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 8 - Interfund Receivables, Payables, and Transfers (Continued)

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Advances from/to Other Funds		
General Corporate Fund	Nonmajor governmental funds	\$ 1,507,097
	Internal Service Fund	78,140
	Nonmajor enterprise fund	<u>350,545</u>
	Total General Corporate Fund	1,935,782
Corporate Bond and Interest Fund	Nonmajor governmental funds	883,977
Nonmajor governmental funds	Nonmajor governmental funds	1,121,383
Water and Sewer Fund	Nonmajor governmental funds	<u>400,000</u>
	Total	<u>\$ 4,341,142</u>

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 8 - 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	\$ 217,011
Nonmajor governmental funds	Corporate Bond and Interest Fund	878,453
	Nonmajor governmental funds	90,573
	Water and Sewer Fund	<u>91,187</u>
	Total nonmajor governmental funds	1,060,213
Water and Sewer Fund	General Corporate Fund	517,825
	Nonmajor governmental funds	<u>792,833</u>
	Total Water and Sewer Fund	<u>1,310,658</u>
	Total	<u>\$ 2,587,882</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 be shown in the Corporate Bond and Interest Fund; however, the payment related to TIF bonds. The transfer between the Water and Sewer Fund and the nonmajor governmental funds related to the movement of capital costs to the correct fund.

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

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

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

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

Employees Covered by Benefit Terms - At the December 31, 2016 measurement date, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	118
Inactive plan members entitled to but not yet receiving benefits	37
Active plan members	<u>65</u>
Total employees covered by IMRF	<u>220</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

Contributions - As set by statute, the Village's Regular Plan Members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village's annual contribution rate for calendar years 2017 and 2016 was 8.74 percent and 9.46 percent, respectively. For the fiscal year ended April 30, 2017, the Village contributed \$353,128 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's board of trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability

The net pension liability reported at April 30, 2017 was determined using a measure of the total pension liability and the pension net position as of December 31, 2016. The December 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at December 31, 2015	\$ 24,548,877	\$ 23,202,483	\$ 1,346,394
Service cost	417,970	-	417,970
Interest	1,799,259	-	1,799,259
Differences between expected and actual experience	(29,794)	-	(29,794)
Contributions - Employer	-	363,032	(363,032)
Contributions - Employee	-	172,689	(172,689)
Net investment income	-	1,593,242	(1,593,242)
Benefit payments, including refunds	(1,535,484)	(1,535,484)	-
Miscellaneous other charges	-	342,607	(342,607)
Net changes	651,951	936,086	(284,135)
Balance at December 31, 2016	<u>\$ 25,200,828</u>	<u>\$ 24,138,569</u>	<u>\$ 1,062,259</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

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

For the year ended April 30, 2017, the village recognized pension expense of \$382,549. At April 30, 2017, the village reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 52,387	\$ (20,407)
Net difference between projected and actual earnings on pension plan investments	1,082,250	-
Employer contributions to the plan subsequent to the measurement date	<u>101,885</u>	<u>-</u>
Total	<u>\$ 1,236,522</u>	<u>\$ (20,407)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows. These amounts are exclusive of the employer contributions to the plan made subsequent to the measurement date (\$101,885), which will impact the net pension liability in fiscal year 2018, rather than pension expense.

<u>Years Ending April 30</u>	<u>Amount</u>
2018	\$ 395,597
2019	343,211
2020	350,963
2021	24,459

Actuarial Assumptions - The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

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

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

Projected Cash Flows

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

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return as of December 31, 2016, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Domestic equity	38 %	6.85 %
International equity	17	6.75
Fixed income	27	3.00
Real estate	8	5.75
Alternative investments	9	5.08
Cash equivalents	1	2.25

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 9 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Regular Plan (Continued)

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

	1 Percent Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percent Increase (8.5%)
Net pension liability (asset) of the Village	\$ 3,980,834	\$ 1,062,259	\$ (1,338,065)

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

Note 10 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 10 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

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

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

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

Employees Covered by Benefit Terms - At the December 31, 2016 measurement date, there were no employees covered by the benefit terms.

Contributions - As set by statute, the Village's SLEP plan members are required to contribute 7.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended April 30, 2017, the Village contributed \$0 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's board of trustees, while the supplemental retirement benefits rate is set by statute.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 10 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Net Pension Asset

The net pension asset reported at April 30, 2017 was determined using a measure of the total pension liability and the pension net position as of December 31, 2016. The December 31, 2016 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at December 31, 2015	\$ -	\$ 46,890	\$ (46,890)
Net investment income	-	3,221	(3,221)
Miscellaneous other revenue	-	95	(95)
Net changes	-	3,316	(3,316)
Balance at December 31, 2016	<u>\$ -</u>	<u>\$ 50,206</u>	<u>\$ (50,206)</u>

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

For the year ended April 30, 2017, the village recognized pension expense of (\$2,857). At April 30, 2017, the village reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 2,335</u>

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

Years Ending April 30	Amount
2018	\$ 758
2019	758
2020	758
2021	61

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 10 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

Actuarial Assumptions - The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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

Projected Cash Flows

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 10 - Defined Benefit Pension Plan - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) (Continued)

The long-term expected rate of return on pension plan investments was determined using a model in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return as of December 31, 2016, the measurement date, for each major asset class are summarized in the following table:

Asset Class	Target Allocation (%)	Long-term Expected Real Rate of Return
Domestic equity	38 %	6.85 %
International equity	17	6.75
Fixed income	27	3.00
Real estate	8	5.75
Alternative investments	9	5.08
Cash equivalents	1	2.25

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

	1 Percent Decrease (6.5%)	Current Discount Rate (7.5%)	1 Percent Increase (8.5%)
Net pension asset of the Village	\$ (50,206)	\$ (50,206)	\$ (50,206)

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund

Pension Plan Description

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

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

Employees Covered by Benefit Terms - At April 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	46
Active plan members	<u>49</u>
Total employees covered by the plan	<u>95</u>

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

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

Contributions - Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2017, the Village's contribution was 45.50 percent of covered payroll.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes at April 30, 2017. Illinois Compiled Statutes (ILCS) limit the Fund's investments in equities, mutual funds, and variable annuities to 65 percent. Securities in any one company should not exceed 5 percent of the total fund.

Asset Class	Target Allocation
Domestic large-cap equities	38.9 %
Domestic small-cap equities	5.1
International equities	8.2
International small-cap equities	1.0
Fixed income	40.5
Real estate	3.1
Cash or cash equivalents	3.2

Rate of Return - For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.73 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the village at April 30, 2017 were as follows:

Total pension liability	\$ 67,226,257
Plan fiduciary net position	<u>(25,108,836)</u>
Village's net pension liability	<u>\$ 42,117,421</u>

Plan fiduciary net position as a percentage of the total pension liability 37.3 %

The village has chosen to use April 30, 2017 as its measurement date for the net pension liability. The April 30, 2017 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of April 30, 2017. The April 30, 2017 total pension liability was determined by an actuarial valuation performed as of that date.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2016	\$ 60,333,270	\$ 23,445,339	\$ 36,887,931
Service cost	1,136,048	-	1,136,048
Interest	3,557,715	-	3,557,715
Differences between expected and actual experience	(250,021)	-	(250,021)
Changes in assumptions	5,115,283	-	5,115,283
Contributions - Employer	-	1,981,999	(1,981,999)
Contributions - Employee	-	401,553	(401,553)
Net investment income	-	1,997,951	(1,997,951)
Benefit payments, including refunds	(2,666,038)	(2,666,038)	-
Administrative expenses	-	(51,968)	51,968
Net changes	<u>6,892,987</u>	<u>1,663,497</u>	<u>5,229,490</u>
Balance at April 30, 2017	<u>\$ 67,226,257</u>	<u>\$ 25,108,836</u>	<u>\$ 42,117,421</u>

Assumption Changes - The discount rate used in determination of the total pension liability was changed from 6.75 percent to 6.03 percent. The rate is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

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

For the year ended April 30, 2017, the village recognized pension expense of \$4,258,684. At April 30, 2017, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (408,851)
Changes in assumptions	7,029,873	-
Net difference between projected and actual earnings on pension plan investments	416,885	-
Total	<u>\$ 7,446,758</u>	<u>\$ (408,851)</u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

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

Years Ending April 30	Amount
2018	\$ 1,485,778
2019	1,485,778
2020	1,485,778
2021	1,233,035
2022	925,437
Thereafter	422,101

Actuarial Assumptions - The total pension liability in the April 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

Discount Rate - The discount rate used to measure the total pension liability was 6.03 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 3.82 percent. The source of that bond rate was an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date. The long-term expected rate of return was applied to projected benefit payments from 2018 - 2060 and the municipal bond rate was applied to the remaining periods.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of April 30, 2017 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Domestic large-cap equities	3.95 %
Domestic small-cap equities	4.56
International equities	4.25
International small-cap equities	3.93
Fixed income	1.01
Real estate	3.30

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the village, calculated using the discount rate of 6.03 percent, as well as what the village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.03 percent) or 1 percentage point higher (7.03 percent) than the current rate:

	1 Percent Decrease (5.03%)	Current Discount Rate (6.03%)	1 Percent Increase (7.03%)
Net pension liability of the Village	\$ 52,117,855	\$ 42,117,421	\$ 33,975,440

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 11 - Defined Benefit Pension Plan - Police Pension Fund (Continued)

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

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund

Pension Plan Description

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

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

Employees Covered by Benefit Terms - At April 30, 2017, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	51
Inactive plan members entitled to but not yet receiving benefits	1
Active plan members	<u>43</u>
Total employees covered by the plan	<u><u>95</u></u>

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

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

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Contributions - Covered employees are required to contribute 9.455 percent of their base salary to the Firefighters' Pension Fund. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2017, the Village's contribution was 54.60 percent of covered payroll.

Pension Plan Investments - Policy and Rate of Return

Investment Policy - The Fund's investment policy in accordance with Illinois Compiled Statutes (ILCS) establishes the following target allocation across asset classes at April 30, 2017. Illinois Compiled Statutes (ILCS) limit the fund's investments in equities, mutual funds, and variable annuities to 65 percent. Securities in any one company should not exceed 5 percent of the total fund.

Asset Class	Target Allocation
Fixed income	40.0 %
Domestic equities	35.0
International equities	15.0
Real estate equities	10.0

Rate of Return - For the year ended April 30, 2017, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 8.48 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net Pension Liability

The components of the net pension liability of the village at April 30, 2017 were as follows:

Total pension liability	\$ 56,633,140
Plan fiduciary net position	<u>(27,516,209)</u>
Village's net pension liability	<u>\$ 29,116,931</u>
Plan fiduciary net position as a percentage of the total pension liability	48.6 %

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

The village has chosen to use April 30, 2017 as its measurement date for the net pension liability. The April 30, 2017 reported net pension liability was determined using a measure of the total pension liability and the pension net position as of April 30, 2017. The April 30, 2017 total pension liability was determined by an actuarial valuation performed as of that date.

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

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2016	\$ 58,876,780	\$ 25,762,110	\$ 33,114,670
Service cost	829,379	-	829,379
Interest	3,977,123	-	3,977,123
Differences between expected and actual experience	(654,886)	-	(654,886)
Changes in assumptions	(3,753,805)	-	(3,753,805)
Contributions - Employer	-	1,979,592	(1,979,592)
Contributions - Employee	-	342,425	(342,425)
Net investment income	-	2,120,096	(2,120,096)
Benefit payments, including refunds	(2,641,451)	(2,641,451)	-
Administrative expenses	-	(46,563)	46,563
Net changes	(2,243,640)	1,754,099	(3,997,739)
Balance at April 30, 2017	<u>\$ 56,633,140</u>	<u>\$ 27,516,209</u>	<u>\$ 29,116,931</u>

Assumption Changes - The discount rate used in determination of the total pension liability was changed from 6.41 percent to 6.91 percent. The rate is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

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

For the year ended April 30, 2017, the village recognized pension expense of \$2,794,417. At April 30, 2017, the village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ (933,591)
Changes in assumptions	2,507,131	(3,158,907)
Net difference between projected and actual earnings on pension plan investments	<u>753,339</u>	<u>-</u>
Total	<u>\$ 3,260,470</u>	<u>\$ (4,092,498)</u>

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

<u>Years Ending April 30</u>	<u>Amount</u>
2018	\$ 74,314
2019	74,314
2020	74,314
2021	(264,679)
2022	(573,704)
Thereafter	(216,587)

Actuarial Assumptions - The total pension liability in the April 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

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

Discount Rate - The discount rate used to measure the total pension liability was 6.91 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Projected Cash Flows

Based on those assumptions, the pension plan's fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate incorporates a municipal bond rate which was 3.82 percent. The source of that bond rate was the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date. The long-term expected rate of return was applied to projected benefit payments from years one through 60 and the municipal bond rate was applied to the remaining periods.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return as of April 30, 2017 for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following table:

Asset Class	Long-term Expected Real Rate of Return
Fixed income	2.00 %
Domestic equities	5.60
International equities	5.90
Real estate equities	5.40

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 12 - Defined Benefit Pension Plan - Firefighters' Pension Fund (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the net pension liability of the village, calculated using the discount rate of 6.91 percent, as well as what the village's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (5.91 percent) or 1 percentage point higher (7.91 percent) than the current rate:

	1 Percent Decrease (5.91%)	Current Discount Rate (6.91%)	1 Percent Increase (7.91%)
Net pension liability of the Village	\$ 36,894,468	\$ 29,116,931	\$ 22,738,331

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

Note 13 - 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.

There is one ongoing lawsuit related to an automobile accident in which the attorney for the Village has indicated that a finding against the Village is probable; however, there is currently no reasonable estimate of the amount of loss the Village will incur.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 14 - Tax Increment Revenue Pledged

The Village has pledged a portion of future property tax revenue to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenue were \$878,453 and \$2,155,030, respectively.

Note 15 - Other Postemployment Benefits

Plan Description - The Village provides full healthcare insurance for its eligible retired employees until age 65. Employees under IMRF who were enrolled in IMRF prior to January 1, 2011 must be at least 55 years old, have at least eight years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under IMRF who were enrolled in IMRF on or after January 1, 2011 must be at least 62 years old, have at least 10 years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under the Police Pension Fund and Firefighters' Pension Fund hired prior to January 1, 2011 must be at least 50 years old and have at least 20 years of credited service. Employees under the Police Pension Fund and Firefighters' Pension Fund hired on or after January 1, 2011 must be at least 55 years old and have at least 10 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 189 members (including employees in active service, terminated employees not yet receiving benefits, and retired employees and beneficiaries currently receiving benefits).

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 15 - Other Postemployment Benefits (Continued)

Funding Progress - For the year ended April 30, 2017, the Village has estimated the cost of providing retiree healthcare benefits through an actuarial valuation as of May 1, 2016. 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)	\$ 2,418,183
Interest on the prior year's net OPEB obligation	517,818
Less adjustment to the annual required contribution	<u>(777,211)</u>
Annual OPEB cost	2,158,790
Amounts contributed - Payments of current premiums	<u>(471,099)</u>
Increase in net OPEB obligation	1,687,691
OPEB obligation - Beginning of year	<u>14,794,811</u>
OPEB obligation - End of year	<u>\$ 16,482,502</u>

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

Fiscal Year Ended	Actuarial Valuation Date	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
4/30/15	5/1/15	\$ 2,419,905	19.1 %	\$ 12,678,534
4/30/16	5/1/15	2,609,911	18.9	14,794,811
4/30/17	5/1/16	2,609,911	18.9	16,482,502

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
5/1/12	\$ -	\$ 26,907,472	\$ 26,907,472	-	\$ 9,242,824	291.1
5/1/15	-	24,710,141	24,710,141	-	10,171,789	242.9
5/1/16	-	21,241,314	21,241,314	-	11,212,783	189.4

Note 15 - Other Postemployment Benefits (Continued)

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

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

In the May 1, 2016 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 3.50 percent investment rate of return (net of administrative expenses) and an annual healthcare trend rate of 3.00 percent to 6.00 percent initially to an ultimate rate of 5.00 percent. Both rates included a 3.50 percent inflation rate. There was no actuarial value of assets of the retiree healthcare account as of May 1, 2016. The UAAL is being amortized as a level dollar on an open basis. The remaining amortization period at May 1, 2016 was 30 years.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 16 - Tax Abatements

As of April 30, 2017, the Village of Franklin Park, Illinois provides tax incentives under the Tax Increment Allocation Redevelopment Act. The Village uses the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1 to, among other things, finance infrastructure redevelopment projects that retain, expand, and create employment opportunities within the Village's TIF districts, increase industry and commerce within the State of Illinois, increase the tax base, and eradicate potentially blighting conditions, through the use of tax increment allocation financing for economic redevelopment. Under the TIF program, the Village authorizes incentives through passage of public ordinances, based upon each business' investment criteria, and through a contractual redevelopment agreement with each business, including among other things, a proposed TIF budget outlining the project and proof that the project and or improvements have been made. Parcels located within a TIF district receive a property tax bill as well as any normal increase in the property tax bill; however, the increase or increment from the time the TIF is adopted and certified comes back to the Village to be used within the TIF district for the TIF-eligible costs, some of which are described above. A portion or the agreed-upon amount of increment is rebated to the developer for the TIF-eligible costs in accordance with the signed and adopted Redevelopment Agreement. For the fiscal year ended April 30, 2017, the Village's property tax revenue was not reduced, but was segregated by virtue of the TIF base value and the incremental property taxes collected. Payouts made by the Village under these programs for the O'Hare East Industrial TIF totaled \$269,831 for the year ended April 30, 2017.

There are no significant abatements made by other governments that reduce the Village's tax revenue.

Note 17 - Upcoming Accounting Pronouncements

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

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 17 - Upcoming Accounting Pronouncements (Continued)

In January 2017, the Governmental Accounting Standards Board issued GASB Statement No. 84, *Fiduciary Activities*, which establishes criteria for identifying fiduciary activities of governments and improves guidance for accounting and financial reporting related to how these activities should be reported. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2020.

In March 2017, the Governmental Accounting Standards Board issued GASB Statement No. 85, *Omnibus 2017*, which addresses practice issues that have been identified during implementation and application of certain GASB Statements. The statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pension and other postemployment benefits (OPEB)). The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2019.

In May 2017, the Governmental Accounting Standards Board issued GASB Statement No. 86, *Certain Debt Extinguishment Issues*, which improves consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources - resources other than the proceeds of refunding debt - are placed in an irrevocable trust for the sole purpose of extinguishing debt. This statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2019.

In June 2017, the Governmental Accounting Standards Board issued GASB Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2021.

Village of Franklin Park, Illinois

Notes to Financial Statements April 30, 2017

Note 18 - Reporting Change (Prior Period Adjustments)

The financial statements for the year ended April 30, 2017 have been restated in order to reclassify capital assets that had originally been acquired for resale purposes, rather than for use in providing governmental services. These assets are now reported as land held for resale and, accordingly, the valuation has been changed to the lower of cost or market value.

The effect of this correction was to reduce beginning of year net position in governmental activities by \$4,290,967.

The effect of this change is as follows:

	<u>Governmental Activities</u>
Net position - April 30, 2016 - As previously reported	\$ (52,349,509)
Adjustment to reclassify capital assets to land held for resale and value at the lower of cost or market	<u>(4,290,967)</u>
Net position - April 30, 2016 - As restated	<u>\$ (56,640,476)</u>

Required Supplemental Information

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - General Corporate Fund Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 10,314,487	\$ 11,338,964	\$ 1,024,477
State-shared revenue and grants	3,300,000	3,555,471	255,471
Income taxes	1,869,966	1,736,125	(133,841)
Intergovernmental revenue - Utility tax	3,250,000	3,626,361	376,361
Intergovernmental revenue - Other taxes	947,953	1,045,460	97,507
Licenses, permits, and fees	2,480,900	2,806,391	325,491
Grant revenue	15,000	63,007	48,007
Charges for services	1,027,865	1,167,137	139,272
Fines and forfeitures	642,300	996,973	354,673
Investment income	4,000	3,365	(635)
Other revenue	1,002,295	1,191,330	189,035
Total revenue	24,854,766	27,530,584	2,675,818
Expenditures			
Current:			
General government	6,194,122	6,079,148	114,974
Public safety	14,522,947	14,602,190	(79,243)
Highway and street	5,447,751	4,386,920	1,060,831
Public health	319,774	349,016	(29,242)
Community development	642,162	397,257	244,905
Building department	809,678	744,303	65,375
Capital outlay	889,883	1,061,127	(171,244)
Debt service	77,729	143,072	(65,343)
Total expenditures	28,904,046	27,763,033	1,141,013
Excess of Expenditures Over Revenue	(4,049,280)	(232,449)	3,816,831
Other Financing Sources (Uses)			
Face value of debt issue	250,000	210,769	(39,231)
Proceeds from sale of capital assets	-	12,044	12,044
Transfers in	255,000	517,825	262,825
Transfers out	-	(217,011)	(217,011)
Total other financing sources	505,000	523,627	18,627
Net Change in Fund Balance	(3,544,280)	291,178	3,835,458
Fund Balance - Beginning of year	6,899,353	6,899,353	-
Fund Balance - End of year	<u>\$ 3,355,073</u>	<u>\$ 7,190,531</u>	<u>\$ 3,835,458</u>

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund West Mannheim Redeveloping Area TIF Fund Year Ended April 30, 2017

	Original and Final Budget	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 750,000	\$ 775,364	\$ 25,364
Investment income	-	1,506	1,506
Total revenue	750,000	776,870	26,870
Expenditures - Current:			
General government	5,000	25,558	(20,558)
Community and economic development	602,500	47,584	554,916
Total expenditures	607,500	73,142	534,358
Excess of Revenue Over Expenditures	142,500	703,728	561,228
Other Financing Sources (Uses)			
Proceeds from sale of capital assets	-	699,250	699,250
Transfers out	(750,000)	-	750,000
Total other financing (uses) sources	(750,000)	699,250	1,449,250
Net Change in Fund Balance	(607,500)	1,402,978	2,010,478
Fund Balance - Beginning of year	3,542,308	3,542,308	-
Fund Balance - End of year	\$ 2,934,808	\$ 4,945,286	\$ 2,010,478

Village of Franklin Park, Illinois

Note to Required Supplemental Information Year Ended April 30, 2017

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

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

Budget hearings are conducted.

The budget is legally enacted through passage of an ordinance.

Budgets are adopted for all funds with the exception of the following funds: Foreign Fire Insurance Premium Fund, Police Department 1505 Fund, 911 Emergency Surcharge Tax Fund, Seymour Waveland TIF, Waveland Mannheim TIF Fund, Police Station Fund, Tollway Fund, and Cullerton Ave. Fund.

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

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

Village of Franklin Park, Illinois

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

	2017	2016
Total Pension Liability		
Service cost	\$ 417,970	\$ 351,910
Interest	1,799,259	1,742,327
Changes in benefit terms	-	-
Differences between expected and actual experience	(29,794)	158,282
Changes in assumptions	-	-
Benefit payments, including refunds	(1,535,484)	(1,517,433)
Net Change in Total Pension Liability	651,951	735,086
Total Pension Liability - Beginning of year	24,548,877	23,813,791
Total Pension Liability - End of year	\$ 25,200,828	\$ 24,548,877
Plan Fiduciary Net Position		
Contributions - Employer	\$ 363,032	\$ 710,898
Contributions - Member	172,689	168,390
Net investment income	1,593,242	117,389
Administrative expenses	-	-
Benefit payments, including refunds	(1,535,484)	(1,517,433)
Other	342,607	(73,663)
Net Change in Plan Fiduciary Net Position	936,086	(594,419)
Plan Fiduciary Net Position - Beginning of year	23,202,483	23,796,902
Plan Fiduciary Net Position - End of year	\$ 24,138,569	\$ 23,202,483
Village's Net Pension Liability - Ending	\$ 1,062,259	\$ 1,346,394
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	95.78 %	94.52 %
Covered Employee Payroll	\$ 3,837,534	\$ 3,742,009
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	27.7 %	36.0 %

Village of Franklin Park, Illinois

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

	2017	2016	2015
Actuarially determined contribution	\$ 355,637	\$ 594,658	\$ 604,279
Contributions in relation to the actuarially determined contribution	355,637	594,658	604,279
Contribution Deficiency	\$ -	\$ -	\$ -
Covered Employee Payroll	\$ 3,837,534	\$ 3,742,009	\$ 3,220,943
Contributions as a Percentage of Covered Employee Payroll	9.3 %	15.9 %	18.8 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
Asset valuation method	5-year smoothed market; 20 percent corridor
Inflation	2.75 percent - Approximate
Salary increases	3.75 percent to 14.50 percent including inflation
Investment rate of return	7.50 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information	There were no benefit changes during the year.

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Village Net Pension Liability and Related Ratios Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP) Fiscal Year

	2017	2016
Total Pension Liability		
Service cost	\$ -	\$ -
Interest	-	-
Changes in benefit terms	-	-
Differences between expected and actual experience	-	-
Changes in assumptions	-	-
Benefit payments, including refunds	-	-
	-	-
Net Change in Total Pension Liability	-	-
Total Pension Liability - Beginning of year	-	-
	-	-
Total Pension Liability - End of year	\$ -	\$ -
Plan Fiduciary Net Position		
Contributions - Employer	\$ -	\$ -
Contributions - Member	-	-
Net investment income	3,221	268
Administrative expenses	-	-
Benefit payments, including refunds	-	-
Other	95	(7,050)
	95	(7,050)
Net Change in Plan Fiduciary Net Position	3,316	(6,782)
Plan Fiduciary Net Position - Beginning of year	46,890	53,672
	46,890	53,672
Plan Fiduciary Net Position - End of year	\$ 50,206	\$ 46,890
Village's Net Pension Asset - Ending	\$ (50,206)	\$ (46,890)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	-	-
	%	%
Covered Employee Payroll	\$ -	\$ -
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	-	-
	%	%

Village of Franklin Park, Illinois

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

	2017	2016
Actuarially determined contribution	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	-	-
Contribution Deficiency	\$ -	\$ -
Covered Employee Payroll	\$ -	\$ -
Contributions as a Percentage of Covered Employee Payroll	- %	- %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.
Methods and assumptions used to determine contribution rates	
Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	27-year closed period until remaining period reaches 15 years (then 15-year rolling period)
Asset valuation method	5-year smoothed market; 20 percent corridor
Inflation	2.75 percent - Approximate
Salary increases	3.75 percent to 14.50 percent including inflation
Investment rate of return	7.5 percent
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For nondisabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF-specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF-specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.
Other information	There were no benefit changes during the year.

Village of Franklin Park, Illinois

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

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 1,136,048	\$ 804,105	\$ 914,123
Interest	3,557,715	3,609,252	3,474,363
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(250,021)	(288,036)	-
Changes in assumptions	5,115,283	3,940,011	-
Benefit payments, including refunds	(2,666,038)	(2,404,927)	(2,375,322)
Net Change in Total Pension Liability	6,892,987	5,660,405	2,013,164
Total Pension Liability - Beginning of year	60,333,270	54,672,865	52,659,701
Total Pension Liability - End of year	\$ 67,226,257	\$ 60,333,270	\$ 54,672,865
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,981,999	\$ 1,769,378	\$ 1,881,099
Contributions - Member	401,553	403,414	443,000
Net investment income	1,997,951	308,450	1,442,872
Administrative expenses	(51,968)	(76,709)	(48,484)
Benefit payments, including refunds	(2,666,038)	(2,404,927)	(2,375,322)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	1,663,497	(394)	1,343,165
Plan Fiduciary Net Position - Beginning of year	23,445,339	23,445,733	22,102,568
Plan Fiduciary Net Position - End of year	\$ 25,108,836	\$ 23,445,339	\$ 23,445,733
Village's Net Pension Liability - Ending	\$ 42,117,421	\$ 36,887,931	\$ 31,227,132
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	37.35 %	38.86 %	42.88 %
Covered Employee Payroll	\$ 4,356,296	\$ 4,204,830	\$ 4,022,813
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	966.8 %	877.3 %	776.3 %

Village of Franklin Park, Illinois

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

	2017	2016	2015
Actuarially determined contribution	\$ 2,083,488	\$ 2,035,492	\$ 1,931,074
Contributions in relation to the actuarially determined contribution	1,981,999	1,769,378	1,881,099
Contribution Deficiency	\$ 101,489	\$ 266,114	\$ 49,975
Covered Employee Payroll	\$ 4,356,296	\$ 4,204,830	\$ 4,022,813
Contributions as a Percentage of Covered Employee Payroll	45.5 %	42.1 %	46.8 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent pay (closed)
Remaining amortization period	90 percent funded in year 2040
Asset valuation method	5-year smoothed market
Inflation	3.00 percent
Salary increases	4.75 percent - 11.75 percent
Investment rate of return	6.75 percent
Retirement age	See notes to the financial statements
Mortality	Mortality rates are based on rates developed by an independent actuary assumption study for Illinois Police 2012.
Other information	None

Village of Franklin Park, Illinois

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

	2017	2016	2015
Total Pension Liability			
Service cost	\$ 829,379	\$ 864,916	\$ 923,057
Interest	3,977,123	3,382,646	3,358,358
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(654,886)	(562,489)	-
Changes in assumptions	(3,753,805)	3,686,959	-
Benefit payments, including refunds	(2,641,451)	(2,533,270)	(2,409,632)
Net Change in Total Pension Liability	(2,243,640)	4,838,762	1,871,783
Total Pension Liability - Beginning of year	58,876,780	54,038,018	52,166,235
Total Pension Liability - End of year	\$ 56,633,140	\$ 58,876,780	\$ 54,038,018
Plan Fiduciary Net Position			
Contributions - Employer	\$ 1,979,592	\$ 1,814,047	\$ 1,862,970
Contributions - Member	342,425	356,782	309,228
Net investment income	2,120,096	114,621	1,532,903
Administrative expenses	(46,563)	(45,348)	(50,421)
Benefit payments, including refunds	(2,641,451)	(2,533,270)	(2,409,632)
Other	-	-	-
Net Change in Plan Fiduciary Net Position	1,754,099	(293,168)	1,245,048
Plan Fiduciary Net Position - Beginning of year	25,762,110	26,055,278	24,810,230
Plan Fiduciary Net Position - End of year	\$ 27,516,209	\$ 25,762,110	\$ 26,055,278
Village's Net Pension Liability - Ending	\$ 29,116,931	\$ 33,114,670	\$ 27,982,740
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	48.59 %	43.76 %	48.22 %
Covered Employee Payroll	\$ 3,625,835	\$ 3,513,867	\$ 3,342,976
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	803.0 %	942.4 %	837.1 %

Village of Franklin Park, Illinois

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

	2017	2016	2015
Actuarially determined contribution	\$ 1,999,894	\$ 1,976,128	\$ 1,781,597
Contributions in relation to the actuarially determined contribution	1,979,592	1,814,047	1,862,970
Contribution Deficiency (Excess)	\$ 20,302	\$ 162,081	\$ (81,373)
Covered Employee Payroll	\$ 3,625,835	\$ 3,513,867	\$ 3,342,976
Contributions as a Percentage of Covered Employee Payroll	54.6 %	51.6 %	55.7 %

Notes to Schedule of Village Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date	Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry age normal
Amortization method	Level percent pay (closed)
Remaining amortization period	100 percent funded by 2040
Asset valuation method	5-year smoothed market
Inflation	3.00 percent
Salary increases	4.75 percent - 12.75 percent
Investment rate of return	7.00 percent
Retirement age	See notes to the financial statements
Mortality	Mortality rates are based on rates developed in the independent actuary 2012 Mortality Table for Illinois Firefighters.
Other information	None

Village of Franklin Park, Illinois

Required Supplemental Information OPEB System Schedule Year Ended April 30, 2017

The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (Percent) (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll
5/1/09	\$ -	\$ 18,816,415	\$ 18,816,415	-	\$ 9,153,019	205.6
5/1/10	-	22,505,725	22,505,725	-	9,153,019	245.9
5/1/12	-	26,907,472	26,907,472	-	9,242,824	291.1
5/1/15	-	24,710,141	24,710,141	-	10,171,789	242.9
5/1/16	-	21,241,314	21,241,314	-	11,212,783	189.4

The schedule of employer contributions is as follows:

Fiscal Year Ended	Actuarial Valuation Date	Annual Required Contribution	Percentage Contributed
4/30/12	5/1/10	\$ 2,181,584	17.5
4/30/13	5/1/12	2,693,069	19.2
4/30/14	5/1/12	2,693,069	20.4
4/30/15	5/1/15	2,588,781	17.8
4/30/16	5/1/15	2,588,781	19.1
4/30/17	5/1/16	2,418,183	19.5

Other Supplemental Information

Village of Franklin Park, Illinois

	Special Revenue Funds					
	Foreign Fire	911				Mannheim/
	Insurance Premium Fund	Police Department 1505 Fund	Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	Belmont/River TIF Fund	Grand TIF Fund
Assets						
Cash and investments	\$ 67,899	\$ 278,874	\$ 38,657	\$ -	\$ 290,003	\$ -
Receivables:						
Property taxes receivable	-	-	-	-	-	-
Due from other governmental units	-	-	-	-	-	-
Other taxes receivable	-	-	-	40,140	-	-
Due from other funds	-	-	-	-	25,000	-
Advances to other funds	-	-	-	-	-	1,121,383
Restricted assets	-	-	-	-	-	-
Total assets	\$ 67,899	\$ 278,874	\$ 38,657	\$ 40,140	\$ 315,003	\$ 1,121,383
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 71	\$ 226,406
Bank overdraft	-	-	-	491,035	-	2,285,698
Due to other funds	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Accrued salary and wages	-	-	57	-	-	-
Total liabilities	-	-	57	491,035	71	2,512,104
Deferred Inflows of Resources -						
Unavailable revenue	-	-	-	-	-	-
Fund Balances (Deficit)						
Restricted:						
Public safety	67,899	278,874	38,600	-	-	-
TIF development	-	-	-	-	314,932	-
Debt service	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Unassigned	-	-	-	(450,895)	-	(1,390,721)
Total fund balances (deficit)	67,899	278,874	38,600	(450,895)	314,932	(1,390,721)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 67,899	\$ 278,874	\$ 38,657	\$ 40,140	\$ 315,003	\$ 1,121,383

**Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds
April 30, 2017**

Special Revenue Funds						Debt Service Funds		
Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour	Centrella-Seymour TIF	Seymour Waveland TIF	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/Mannheim TIF Fund	O'Hare East Industrial TIF Fund
\$ 80,166	\$ -	\$ 81,700	\$ -	\$ -	\$ 837,299	\$ 2,473,210	\$ 402,342	\$ 86,600
2,560	624	-	-	-	3,184	302	-	4
-	-	-	-	-	-	-	-	-
-	-	-	-	-	40,140	-	-	-
-	-	2,720	1,062	-	28,782	150,000	-	-
-	-	-	-	-	1,121,383	-	-	-
-	-	-	-	-	-	-	-	-
\$ 82,726	\$ 624	\$ 84,420	\$ 1,062	\$ -	\$ 2,030,788	\$ 2,623,512	\$ 402,342	\$ 86,604
\$ 71	\$ 71	\$ 28	\$ 71	\$ 2,451	\$ 229,169	\$ 99	\$ 933,778	\$ 71
-	71,369	-	25,069	-	2,873,171	-	-	-
-	-	100,000	-	3,782	103,782	-	-	-
-	2,596,943	-	-	-	2,596,943	-	-	-
-	-	-	-	-	57	-	-	-
71	2,668,383	100,028	25,140	6,233	5,803,122	99	933,778	71
-	-	-	-	-	-	-	-	-
-	-	-	-	-	385,373	-	-	-
82,655	-	-	-	-	397,587	-	-	-
-	-	-	-	-	-	2,623,413	-	86,533
-	-	-	-	-	-	-	-	-
-	(2,667,759)	(15,608)	(24,078)	(6,233)	(4,555,294)	-	(531,436)	-
82,655	(2,667,759)	(15,608)	(24,078)	(6,233)	(3,772,334)	2,623,413	(531,436)	86,533
\$ 82,726	\$ 624	\$ 84,420	\$ 1,062	\$ -	\$ 2,030,788	\$ 2,623,512	\$ 402,342	\$ 86,604

Village of Franklin Park, Illinois

Other Supplemental Information Combining Balance Sheet (Continued) Nonmajor Governmental Funds April 30, 2017

	Debt Service Funds		Capital Projects Funds				Total Nonmajor Governmental Funds
	Resurrection TIF Fund	Total	Police Station Fund	Tollway Fund	Cullerton Ave	Total	
Assets							
Cash and investments	\$ -	\$ 2,962,152	\$ -	\$ 37,994	\$ -	\$ 37,994	\$ 3,837,445
Receivables:							
Property taxes receivable	-	306	-	-	-	-	3,490
Due from other governmental units	-	-	-	-	266,136	266,136	266,136
Other taxes receivable	-	-	-	-	-	-	40,140
Due from other funds	-	150,000	-	-	-	-	178,782
Advances to other funds	-	-	-	-	-	-	1,121,383
Restricted assets	-	-	-	-	300,000	300,000	300,000
Total assets	\$ -	\$ 3,112,458	\$ -	\$ 37,994	\$ 566,136	\$ 604,130	\$ 5,747,376
Liabilities							
Accounts payable	\$ 43	\$ 933,991	\$ -	\$ 34,328	\$ 101,471	\$ 135,799	\$ 1,298,959
Bank overdraft	100,393	100,393	-	-	547,749	547,749	3,521,313
Due to other funds	75,000	75,000	-	-	4,985	4,985	183,767
Advances from other funds	1,315,514	1,315,514	-	-	-	-	3,912,457
Accrued salary and wages	-	-	-	-	-	-	57
Total liabilities	1,490,950	2,424,898	-	34,328	654,205	688,533	8,916,553
Deferred Inflows of Resources -							
Unavailable revenue	-	-	-	-	266,136	266,136	266,136
Fund Balances (Deficit)							
Restricted:							
Public safety	-	-	-	-	-	-	385,373
TIF development	-	-	-	-	-	-	397,587
Debt service	-	2,709,946	-	-	-	-	2,709,946
Highways and streets	-	-	-	3,666	-	3,666	3,666
Unassigned	(1,490,950)	(2,022,386)	-	-	(354,205)	(354,205)	(6,931,885)
Total fund balances (deficit)	(1,490,950)	687,560	-	3,666	(354,205)	(350,539)	(3,435,313)
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ -	\$ 3,112,458	\$ -	\$ 37,994	\$ 566,136	\$ 604,130	\$ 5,747,376

Village of Franklin Park, Illinois

	Special Revenue Funds					
	Foreign Fire		911			
	Insurance Premium Fund	Police Department 1505 Fund	Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund
Revenue						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,228
Intergovernmental revenue - Other taxes	-	-	-	464,677	-	-
Charges for services	-	-	293,697	-	-	-
Fines and forfeitures	-	65,648	-	-	-	-
Investment income	87	37	85	3,016	360	32
Other revenue	55,184	-	-	-	-	21,500
Total revenue	55,271	65,685	293,782	467,693	360	134,760
Expenditures						
Current:						
General government	-	-	-	-	-	-
Public safety	39,850	61,754	319,365	-	-	-
Public works	-	-	-	43,466	-	-
Community and economic development	-	-	-	-	411	21,111
Capital outlay	16,240	44,356	-	-	-	-
Debt service	-	-	-	-	-	-
Total expenditures	56,090	106,110	319,365	43,466	411	21,111
Excess of Revenue (Under) Over Expenditures	(819)	(40,425)	(25,583)	424,227	(51)	113,649
Other Financing Sources (Uses)						
Transfers in	-	-	-	98,598	-	-
Transfers out	-	-	-	-	-	(828,103)
Total other financing sources (uses)	-	-	-	98,598	-	(828,103)
Net Change in Fund Balances (Deficit)	(819)	(40,425)	(25,583)	522,825	(51)	(714,454)
Fund Balances (Deficit) - Beginning of year	68,718	319,299	64,183	(973,720)	314,983	(676,267)
Fund Balances (Deficit) - End of year	\$ 67,899	\$ 278,874	\$ 38,600	\$ (450,895)	\$ 314,932	\$ (1,390,721)

Other Supplemental Information
Combining Statement of Revenue, Expenditures, and
Changes in Fund Balances (Deficit)
Nonmajor Governmental Funds
Year Ended April 30, 2017

Special Revenue Funds						Debt Service Funds		
Milwaukee Avenue TIF Fund	Downtown Franklin Avenue TIF Fund	DHL Seymour	Centrella-Seymour TIF	Seymour Waveland TIF	Total	Life/Fitness Reebie Storage TIF Fund	Waveland/Mannheim TIF Fund	O'Hare East Industrial TIF Fund
\$ 9,556	\$ 147,001	\$ -	\$ -	\$ -	\$ 269,785	\$ 752,476	\$ -	\$ 317,405
-	-	-	-	-	464,677	-	-	-
-	-	-	-	-	293,697	-	-	-
-	-	-	-	-	65,648	-	-	-
108	-	132	-	-	3,857	2,891	-	-
-	-	-	-	-	76,684	-	-	-
<u>9,664</u>	<u>147,001</u>	<u>132</u>	<u>-</u>	<u>-</u>	<u>1,174,348</u>	<u>755,367</u>	<u>-</u>	<u>317,405</u>
-	-	127	-	-	127	187	-	-
-	-	-	-	-	420,969	-	-	-
-	-	-	-	-	43,466	-	-	-
879	496	28	412	6,233	29,570	384	-	271,176
-	-	-	-	-	60,596	-	-	-
-	-	-	-	-	-	-	-	-
<u>879</u>	<u>496</u>	<u>155</u>	<u>412</u>	<u>6,233</u>	<u>554,728</u>	<u>571</u>	<u>-</u>	<u>271,176</u>
8,785	146,505	(23)	(412)	(6,233)	619,620	754,796	-	46,229
-	-	-	-	-	98,598	90,573	-	-
-	(50,350)	-	-	-	(878,453)	-	-	-
<u>-</u>	<u>(50,350)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(779,855)</u>	<u>90,573</u>	<u>-</u>	<u>-</u>
8,785	96,155	(23)	(412)	(6,233)	(160,235)	845,369	-	46,229
<u>73,870</u>	<u>(2,763,914)</u>	<u>(15,585)</u>	<u>(23,666)</u>	<u>-</u>	<u>(3,612,099)</u>	<u>1,778,044</u>	<u>(531,436)</u>	<u>40,304</u>
<u>\$ 82,655</u>	<u>\$ (2,667,759)</u>	<u>\$ (15,608)</u>	<u>\$ (24,078)</u>	<u>\$ (6,233)</u>	<u>\$ (3,772,334)</u>	<u>\$ 2,623,413</u>	<u>\$ (531,436)</u>	<u>\$ 86,533</u>

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) (Continued) Nonmajor Governmental Funds Year Ended April 30, 2017

	Debt Service Funds		Capital Projects Fund				Total Nonmajor Governmental Funds
	Resurrection TIF Fund	Total	Police Station Fund	Tollway Fund	Cullerton Ave	Total	
Revenue							
Property taxes	\$ -	\$1,069,881	\$ -	\$ -	\$ 330,735	\$ 330,735	\$ 1,670,401
Intergovernmental revenue -							
Other taxes	-	-	-	-	-	-	464,677
Charges for services	-	-	-	-	-	-	293,697
Fines and forfeitures	-	-	-	-	-	-	65,648
Investment income	76	2,967	-	-	-	-	6,824
Other revenue	-	-	-	-	-	-	76,684
Total revenue	76	1,072,848	-	-	330,735	330,735	2,577,931
Expenditures							
Current:							
General government	650	837	-	-	-	-	964
Public safety	-	-	-	-	-	-	420,969
Public works	-	-	-	231,158	26,726	257,884	301,350
Community and economic development	1,318	272,878	-	-	-	-	302,448
Capital outlay	-	-	-	-	536,673	536,673	597,269
Debt service	-	-	-	-	30,735	30,735	30,735
Total expenditures	1,968	273,715	-	231,158	594,134	825,292	1,653,735
Excess of Revenue (Under) Over Expenditures	(1,892)	799,133	-	(231,158)	(263,399)	(494,557)	924,196
Other Financing Sources (Uses)							
Transfers in	-	90,573	911,246	-	-	911,246	1,100,417
Transfers out	(90,573)	(90,573)	-	-	(91,187)	(91,187)	(1,060,213)
Total other financing sources (uses)	(90,573)	-	911,246	-	(91,187)	820,059	40,204
Net Change in Fund Balances (Deficit)	(92,465)	799,133	911,246	(231,158)	(354,586)	325,502	964,400
Fund Balances (Deficit) - Beginning of year	(1,398,485)	(111,573)	(911,246)	234,824	381	(676,041)	(4,399,713)
Fund Balances (Deficit) - End of year	<u>\$(1,490,950)</u>	<u>\$ 687,560</u>	<u>\$ -</u>	<u>\$ 3,666</u>	<u>\$(354,205)</u>	<u>\$(350,539)</u>	<u>\$(3,435,313)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Motor Fuel Tax Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Investment income	\$ -	\$ 3,016	\$ 3,016
Intergovernmental revenue - Other taxes	450,000	464,677	14,677
Total revenue	450,000	467,693	17,693
Expenditures - Current - Public works	781,400	43,466	737,934
Excess of Revenue (Under) Over Expenditures	(331,400)	424,227	755,627
Other Financing Sources - Transfers in	-	98,598	98,598
Net Change in Fund Balance (Deficit)	(331,400)	522,825	854,225
Fund Balance (Deficit) - Beginning of year	(973,720)	(973,720)	-
Fund Balance (Deficit) - End of year	\$ (1,305,120)	\$ (450,895)	\$ 854,225

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Belmont/River TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 20,000	\$ -	\$ (20,000)
Investment income	-	360	360
Total revenue	20,000	360	(19,640)
Expenditures - Current			
General government	17,500	-	17,500
Community and economic development	2,500	411	2,089
Total expenditures	20,000	411	19,589
Net Change in Fund Balance	-	(51)	(51)
Fund Balance - Beginning of year	314,983	314,983	-
Fund Balance - End of year	\$ 314,983	\$ 314,932	\$ (51)

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Mannheim/Grand TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 100,000	\$ 113,228	\$ 13,228
Investment income	-	32	32
Other revenue	-	21,500	21,500
Total revenue	100,000	134,760	34,760
Expenditures - Current -			
Community and economic development	7,500	21,111	(13,611)
Other Financing Uses - Transfers out	-	(828,103)	(828,103)
Net Change in Fund Balance (Deficit)	92,500	(714,454)	(806,954)
Fund Balance (Deficit) - Beginning of year	(676,267)	(676,267)	-
Fund Balance (Deficit) - End of year	\$ (583,767)	\$ (1,390,721)	\$ (806,954)

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Milwaukee Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 35,000	\$ 9,556	\$ (25,444)
Investment income	-	108	108
Total revenue	35,000	9,664	(25,336)
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	2,500	879	1,621
Total expenditures	5,000	879	4,121
Net Change in Fund Balance	30,000	8,785	(21,215)
Fund Balance - Beginning of year	73,870	73,870	-
Fund Balance - End of year	<u>\$ 103,870</u>	<u>\$ 82,655</u>	<u>\$ (21,215)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Downtown Franklin Avenue TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue - Property taxes	\$ 150,000	\$ 147,001	\$ (2,999)
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	8,000	496	7,504
Total expenditures	10,500	496	10,004
Other Financing Uses - Transfers out	(360,000)	(50,350)	309,650
Net Change in Fund Balance (Deficit)	(220,500)	96,155	316,655
Fund Balance (Deficit) - Beginning of year	(2,763,914)	(2,763,914)	-
Fund Balance (Deficit) - End of year	\$ (2,984,414)	\$ (2,667,759)	\$ 316,655

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Life/Fitness Reebie Storage TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 500,000	\$ 752,476	\$ 252,476
Investment income	-	2,891	2,891
Total revenue	500,000	755,367	255,367
Expenditures - Current			
General government	5,000	187	4,813
Community and economic development	302,500	384	302,116
Total expenditures	307,500	571	306,929
Excess of Revenue Over Expenditures	192,500	754,796	562,296
Other Financing Sources -			
Transfers in	-	90,573	90,573
Net Change in Fund Balance	192,500	845,369	652,869
Fund Balance - Beginning of year	1,778,044	1,778,044	-
Fund Balance - End of year	\$ 1,970,544	\$ 2,623,413	\$ 652,869

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - O'Hare East Industrial TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue - Property taxes	\$ 260,000	\$ 317,405	\$ 57,405
Expenditures - Current			
General government	2,500	-	2,500
Community and economic development	241,500	271,176	(29,676)
Total expenditures	244,000	271,176	(27,176)
Net Change in Fund Balance	16,000	46,229	30,229
Fund Balance - Beginning of year	40,304	40,304	-
Fund Balance - End of year	<u>\$ 56,304</u>	<u>\$ 86,533</u>	<u>\$ 30,229</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Resurrection TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue - Investment income	\$ -	\$ 76	\$ 76
Expenditures - Current			
General government	2,500	650	1,850
Community and economic development	2,500	1,318	1,182
Total expenditures	5,000	1,968	3,032
Transfers Out	-	(90,573)	(90,573)
Net Change in Fund Balance (Deficit)	(5,000)	(92,465)	(87,465)
Fund Balance (Deficit) - Beginning of year	(1,398,485)	(1,398,485)	-
Fund Balance (Deficit) - End of year	<u>\$ (1,403,485)</u>	<u>\$ (1,490,950)</u>	<u>\$ (87,465)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - Centrella-Seymour TIF Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Expenditures - Current			
General government	\$ 2,500	\$ -	\$ 2,500
Community and economic development	15,000	412	14,588
Total expenditures	<u>17,500</u>	<u>412</u>	<u>17,088</u>
Net Change in Fund Balance (Deficit)	(17,500)	(412)	17,088
Fund Balance (Deficit) - Beginning of year	<u>(23,666)</u>	<u>(23,666)</u>	<u>-</u>
Fund Balance (Deficit) - End of year	<u><u>\$ (41,166)</u></u>	<u><u>\$ (24,078)</u></u>	<u><u>\$ 17,088</u></u>

Village of Franklin Park, Illinois

Other Supplemental Information Nonmajor Governmental Fund - DHL Seymour Budgetary Comparison Year Ended April 30, 2017

	Original and Amended Budget	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 2,000	\$ -	\$ (2,000)
Investment income	-	132	132
Total revenue	2,000	132	(1,868)
Expenditures - Current			
General government	2,000	127	1,873
Community and economic development	-	28	(28)
Total expenditures	2,000	155	1,845
Net Change in Fund Balance (Deficit)	-	(23)	(23)
Fund Balance (Deficit) - Beginning of year	(15,585)	(15,585)	-
Fund Balance (Deficit) - End of year	<u>\$ (15,585)</u>	<u>\$ (15,608)</u>	<u>\$ (23)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Major Debt Service Fund - Corporate Bond and Interest Fund Budgetary Comparison Year Ended April 30, 2017

	Original and Final Budget Unaudited	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 2,893,588	\$ 2,741,240	\$ (152,348)
Investment income	-	239	239
Total revenue	2,893,588	2,741,479	(152,109)
Expenditures			
Current - General government - Other	-	11,323	(11,323)
Debt service:			
Principal	4,482,954	1,365,000	3,117,954
Interest on long-term debt	568,131	1,863,585	(1,295,454)
Total expenditures	5,051,085	3,239,908	1,811,177
Excess of Expenditures Over Revenue	(2,157,497)	(498,429)	1,659,068
Other Financing Sources (Uses)			
Face value of debt issue	-	8,800,000	8,800,000
Debt premium	-	881,021	881,021
Transfers in	1,191,828	878,453	(313,375)
Payment to bond refunding escrow agent	-	(9,302,736)	(9,302,736)
Total other financing sources	1,191,828	1,256,738	64,910
Net Change in Fund Balance	(965,669)	758,309	1,723,978
Fund Balance - Beginning of year	4,071,065	4,071,065	-
Fund Balance - End of year	\$ 3,105,396	\$ 4,829,374	\$ 1,723,978

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Assets and Liabilities Fiduciary Funds April 30, 2017

	Pension Trust Funds			Agency Funds
	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds	Village Escrow Funds
Assets				
Cash and cash equivalents	\$ 710,683	\$ 850,781	\$ 1,561,464	\$ 19,961
Investments:				
Certificates of deposit	242,696	1,317,949	1,560,645	-
U.S. government and agency obligations	2,755,998	5,187,652	7,943,650	-
Equity securities	-	2,585,050	2,585,050	-
Corporate bonds	6,983,048	3,732,142	10,715,190	-
Insurance contracts	3,439,907	2,260,369	5,700,276	-
Equity mutual funds	10,783,707	11,367,319	22,151,026	-
Receivables - Accrued interest receivable	74,840	60,746	135,586	-
Due from the Village	113,073	157,747	270,820	-
Prepaid expenses	5,684	2,009	7,693	-
Total assets	<u>25,109,636</u>	<u>27,521,764</u>	<u>52,631,400</u>	<u>\$ 19,961</u>
Liabilities				
Accounts payable	800	5,555	6,355	\$ -
Deposits payable	-	-	-	19,961
Total liabilities	<u>800</u>	<u>5,555</u>	<u>6,355</u>	<u>\$ 19,961</u>
Net Position Held in Trust for Pension and Other Employee Benefits	<u>\$ 25,108,836</u>	<u>\$ 27,516,209</u>	<u>\$ 52,625,045</u>	

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Changes in Fiduciary Net Position Fiduciary Funds Year Ended April 30, 2017

	Pension Police Fund	Firefighters' Pension Fund	Total
Additions			
Investment income (expense):			
Interest and dividends	\$ 597,191	\$ 553,718	\$ 1,150,909
Net decrease in fair value of investments	1,425,544	1,650,186	3,075,730
Investment-related expenses	(24,784)	(83,808)	(108,592)
Net investment income (expense)	1,997,951	2,120,096	4,118,047
Contributions:			
Employer	1,981,999	1,979,592	3,961,591
Employee	401,553	342,425	743,978
Net contributions	2,383,552	2,322,017	4,705,569
Total additions	4,381,503	4,442,113	8,823,616
Deductions			
Benefit payments	2,666,038	2,641,451	5,307,489
Administrative expenses	51,967	46,563	98,530
Total deductions	2,718,005	2,688,014	5,406,019
Net Increase in Net Position Held in Trust	1,663,498	1,754,099	3,417,597
Net Position Held in Trust for Pension and Other Employee Benefits - Beginning of year	23,445,338	25,762,110	49,207,448
Net Position Held in Trust for Pension and Other Employee Benefits - End of year	\$ 25,108,836	\$ 27,516,209	\$ 52,625,045

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds Year Ended April 30, 2017

	Balance at May 1, 2016	Additions	Reductions	Balance at April 30, 2017
<u>Village Escrow Funds</u>				
Assets - Cash and investments	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,961</u>
Liabilities - Refundable deposits, bonds, etc.	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,961</u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Net investment in capital assets	\$ 61,325,754	\$ 19,588,142	\$ 15,082,839	\$ 12,991,451	\$ 11,757,677	\$ 17,508,955	\$ 14,868,344	\$ 13,388,031	\$ 18,662,293	\$ 5,666,521
Restricted	11,321,795	7,684,461	7,834,608	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490	15,171,188
Unrestricted	<u>(27,106,796)</u>	<u>(6,101,927)</u>	<u>(8,443,822)</u>	<u>(4,667,352)</u>	<u>(6,909,672)</u>	<u>(13,619,431)</u>	<u>(15,782,479)</u>	<u>(19,038,997)</u>	<u>(83,050,292)</u>	<u>(79,823,060)</u>
TOTAL GOVERNMENTAL ACTIVITIES NET POSITION	<u>45,540,753</u>	<u>21,170,676</u>	<u>14,473,625</u>	<u>19,215,270</u>	<u>8,647,432</u>	<u>10,723,778</u>	<u>8,409,703</u>	<u>2,343,562</u>	<u>(52,349,509)</u>	<u>(58,985,351)</u>
BUSINESS-TYPE ACTIVITIES										
Net investment in capital assets	11,046,893	12,389,459	15,183,634	16,153,802	17,398,876	19,658,946	20,235,039	21,548,646	20,032,993	22,196,229
Unrestricted	<u>5,801,193</u>	<u>1,120,905</u>	<u>(3,081,806)</u>	<u>(7,066,157)</u>	<u>1,305,343</u>	<u>(2,322,891)</u>	<u>(4,519,411)</u>	<u>(3,959,270)</u>	<u>(2,943,234)</u>	<u>(4,914,578)</u>
TOTAL BUSINESS-TYPE ACTIVITIES NET POSITION	<u>16,848,086</u>	<u>13,510,364</u>	<u>12,101,828</u>	<u>9,087,645</u>	<u>18,704,219</u>	<u>17,336,055</u>	<u>15,715,628</u>	<u>17,589,376</u>	<u>17,089,759</u>	<u>17,281,651</u>
PRIMARY GOVERNMENT										
Invested in capital assets, net of related debt	72,372,647	31,977,601	30,266,473	29,145,253	29,156,553	37,167,901	35,103,383	34,936,677	38,695,286	27,862,750
Restricted	11,321,795	7,684,461	7,834,608	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490	15,171,188
Unrestricted	<u>(21,305,603)</u>	<u>(4,981,022)</u>	<u>(11,525,628)</u>	<u>(11,733,509)</u>	<u>(5,604,329)</u>	<u>(15,942,322)</u>	<u>(20,301,890)</u>	<u>(22,998,267)</u>	<u>(85,993,526)</u>	<u>(84,737,638)</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 62,388,839</u>	<u>\$ 34,681,040</u>	<u>\$ 26,575,453</u>	<u>\$ 28,302,915</u>	<u>\$ 27,351,651</u>	<u>\$ 28,059,833</u>	<u>\$ 24,125,331</u>	<u>\$ 19,932,938</u>	<u>\$ (35,259,750)</u>	<u>\$ (41,703,700)</u>

Source: Village records

Village of Franklin Park, Illinois

Changes in Net Position Last Ten Fiscal Years

	2008	2009 ⁽¹⁾	2010	2011	2012	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES										
Program revenue:										
Charges for services:										
General government	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167	\$ 1,090,292
Public safety	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121	2,095,634
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	810	514,558	-	-	-	-	-	-	-
Community development	-	25,550	22,828	12,530	21,520	48,000	41,966	43,646	68,876	151,426
Building department	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971	1,926,846
Operating grants	-	172,272	216,352	457,595	643,744	660,914	177,986	273,191	523,197	125,230
Capital grants	454,417	3,418,615	209,896	1,082,446	399,659	608,470	848,722	402,383	2,341,212	3,425
General revenue:										
Property taxes	12,071,971	12,809,050	14,859,858	18,752,446	16,423,457	16,407,482	16,534,573	15,775,584	16,789,148	16,525,969
Gain on sale of fixed assets	-	109	-	-	81,129	-	-	-	-	711,294
Sales	3,097,488	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606	3,545,638
Income	2,024,807	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279	1,736,125
Utility	3,585,827	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785	3,626,361
Replacement	863,428	756,927	628,491	775,309	683,801	723,740	758,485	391,709	561,371	515,324
Hotel/Motel	102,819	127,202	38,784	7,807	9,118	19,403	13,125	29,492	20,500	21,600
Motor fuel	588,765	507,159	491,004	591,569	456,903	436,647	452,602	449,295	468,938	464,677
Other taxes	514,649	1,879,467	1,299,815	279,561	318,338	201,847	423,312	503,250	503,250	496,499
Investment	237,097	85,658	8,996	6,931	11,550	10,640	13,060	4,026	10,236	11,934
Miscellaneous	4,179,633	1,145,311	607,818	1,023,630	749,602	787,443	660,651	1,149,835	1,245,586	1,268,014
Transfers	(1,623,850)	-	-	1,024,992	(10,687,072)	-	-	(1,797,200)	337,499	1,219,471
Total revenue	26,568,582	31,588,871	28,712,032	34,331,396	19,499,974	30,528,697	31,208,074	29,586,296	36,044,742	35,535,759
Expenses:										
General government	10,763,153	6,509,784	6,860,507	6,438,478	5,750,635	5,347,045	6,948,033	7,413,324	6,781,421	6,669,245
Public safety	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330	20,150,692
Highway and street	8,305,525	17,334,095	7,812,070	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078	7,264,894
Public health	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396	261,028	305,170	308,466
Community development	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574	751,113
Building department	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800	637,096	706,794	754,907
Interest on long-term debt	2,877,136	707,371	1,518,439	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077	1,981,317
Total expenses	(33,876,045)	(43,881,431)	(36,126,070)	(31,183,566)	(30,067,812)	(28,452,351)	(32,496,003)	(34,077,437)	(36,312,444)	(37,880,634)
(DECREASE) INCREASE IN NET POSITION	\$ (7,307,463)	\$ (12,292,560)	\$ (7,414,038)	\$ 3,147,830	\$ (10,567,838)	\$ 2,076,346	\$ (1,287,929)	\$ (4,491,141)	\$ (267,702)	\$ (2,344,875)

(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 (Continued) Last Ten Fiscal Years

	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014	2015	2016	2017
BUSINESS-TYPE ACTIVITIES										
Program revenue:										
Charges for services	\$ 7,153,652	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating grants	-	-	-	-	78,399	13,500	-	-	-	-
Capital grants	565,305	-	-	-	-	-	275,000	-	1,216,820	1,305,911
Water ⁽²⁾	-	4,448,697	4,028,559	4,425,761	4,332,873	7,466,510	8,494,967	11,123,390	11,572,648	11,401,925
Sewer ⁽²⁾	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-	-	-	-
Garbage collection	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229	1,247,583
Commuter parking lot	-	31,386	53,717	63,255	62,131	68,342	64,735	68,817	73,091	71,227
General revenue:										
Property taxes	-	-	-	-	-	-	162,455	128,174	-	-
Gain on sale of fixed assets	-	3,922	-	-	-	-	-	-	-	-
Unrestricted investment earnings	241,440	29,339	8,255	2,498	4,292	1,083	887	813	594	998
Transfers	1,623,850	-	-	(1,024,992)	10,687,072	-	-	1,797,200	(337,499)	(1,219,471)
Other	-	6,322	8,289	13,123	2,815	234,182	-	-	105,538	-
Total revenue	9,584,247	7,544,756	6,270,419	7,292,476	18,741,684	8,950,348	10,161,577	14,193,285	13,794,421	12,808,173
Expenses:										
Water ⁽²⁾	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949	11,001,938
Sewer ⁽²⁾	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-	-	-	-
Garbage collection	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440	1,595,849
Commuter parking lot	-	8,778	8,986	13,805	17,958	29,463	56,028	133,401	53,407	18,494
Enterprise	6,657,868	-	-	-	-	-	-	-	-	-
Total expenses	(6,657,868)	(8,744,113)	(7,678,955)	(8,742,962)	(9,125,110)	(10,318,512)	(11,658,905)	(13,894,537)	(14,342,796)	(12,616,281)
INCREASE (DECREASE) IN NET POSITION	\$ 2,926,379	\$ (1,199,357)	\$ (1,408,536)	\$ (1,450,486)	\$ 9,616,574	\$ (1,368,164)	\$ (1,497,328)	\$ 298,748	\$ (548,375)	\$ 191,892

(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 (Continued) Last Ten Fiscal Years

	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014	2015	2016	2017
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
Program revenue:										
Charges for services:										
General government	\$ -	\$ 1,218,505	\$ 897,771	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167	\$ 1,090,292
Public safety	471,531	1,514,648	2,276,909	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121	2,095,634
Highway and street	-	-	-	-	-	-	-	-	-	-
Public health	-	810	514,558	-	-	-	-	-	-	-
Community development	-	25,550	22,828	12,530	21,520	48,000	41,966	43,646	68,876	151,426
Building department	-	1,284,125	686,919	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971	1,926,846
Water ⁽²⁾	-	4,448,697	4,028,559	4,425,761	4,332,873	-	-	-	-	-
Sewer ⁽²⁾	-	3,025,090	2,171,599	2,358,732	2,264,922	-	-	-	-	-
Garbage collection	-	-	-	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229	1,247,583
Commuter parking lot	-	31,386	53,717	63,255	62,131	68,342	64,735	68,817	73,091	71,227
Charges for services/water, sewer ⁽²⁾	7,153,652	-	-	-	-	7,466,510	8,494,967	11,123,390	11,572,648	11,401,925
Operating grants	-	172,272	216,352	457,595	722,143	674,414	177,986	273,191	523,197	125,230
Capital grants	1,019,722	3,418,615	209,896	1,082,446	399,659	608,470	1,123,722	402,383	3,558,032	1,309,336
General revenue:										
Property taxes	12,071,971	12,809,050	14,859,858	18,752,446	16,423,457	16,407,482	16,697,028	15,903,758	16,789,148	16,525,969
Gain on sale of fixed assets	-	4,031	-	-	81,129	-	-	-	-	711,294
Sales	3,097,488	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606	3,545,638
Income	2,024,807	1,679,644	1,474,908	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279	1,736,125
Utility	3,585,827	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785	3,626,361
Replacement	863,428	756,927	628,491	775,309	683,801	723,740	758,485	391,709	561,371	515,324
Hotel/Motel	102,819	127,202	38,784	7,807	9,118	19,403	13,125	29,492	20,500	21,600
Motor fuel	588,765	507,159	491,004	591,569	456,903	436,647	452,602	449,295	468,938	464,677
Other taxes	514,649	1,879,467	1,299,815	279,561	749,602	201,847	423,312	503,250	503,250	496,499
Investment	478,537	114,997	17,251	9,429	15,842	11,723	13,947	4,839	10,830	12,932
Miscellaneous	4,179,633	1,151,633	616,107	1,036,753	321,153	1,021,625	660,651	1,149,835	1,351,124	1,268,014
Transfers	-	-	-	-	-	-	-	-	-	-
Total revenue	\$ 36,152,829	\$ 39,133,627	\$ 34,982,451	\$ 41,623,872	\$ 38,241,658	\$ 39,479,045	\$ 41,369,651	\$ 43,779,581	\$ 49,839,163	\$ 48,343,932

(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 (Continued) Last Ten Fiscal Years

	2008	2009 ⁽¹⁾	2010	2011	2012	2013 ⁽²⁾	2014	2015	2016	2017
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
General expenses:										
General government	\$ 10,763,153	\$ 6,509,784	\$ 6,860,507	\$ 6,438,478	\$ 5,750,635	\$ 5,347,045	\$ 6,948,033	\$ 7,413,324	\$ 6,781,421	\$ 6,669,245
Public safety	11,930,231	14,826,648	14,836,168	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330	20,150,692
Highway and street	8,305,525	17,334,095	7,812,070	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078	7,264,894
Public health	-	1,733,755	1,827,272	281,856	296,695	315,110	311,396	261,028	305,170	308,466
Community development	-	1,777,725	2,272,932	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574	751,113
Building department	-	992,053	998,682	1,020,662	1,324,691	955,867	743,800	637,096	706,794	754,907
Interest on long-term debt	2,877,136	707,371	1,518,439	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077	1,981,317
Water ⁽²⁾	-	5,516,858	5,294,989	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949	11,001,938
Sewer ⁽²⁾	-	3,218,477	2,374,980	2,296,739	2,495,388	-	-	-	-	-
Garbage collection	-	-	-	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440	1,595,849
Commuter parking lot	-	8,778	8,986	13,805	17,958	29,463	56,028	133,401	53,407	18,494
Enterprise	6,657,868	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
Total expenses	<u>40,533,913</u>	<u>52,625,544</u>	<u>43,805,025</u>	<u>39,926,528</u>	<u>39,192,922</u>	<u>38,770,863</u>	<u>44,154,908</u>	<u>47,971,974</u>	<u>50,655,240</u>	<u>50,496,915</u>
(DECREASE) INCREASE IN NET POSITION	<u>(4,381,084)</u>	<u>(13,491,917)</u>	<u>(8,822,574)</u>	<u>1,697,344</u>	<u>(951,264)</u>	<u>708,182</u>	<u>(2,785,257)</u>	<u>(4,192,393)</u>	<u>(816,077)</u>	<u>(2,152,983)</u>
NET (EXPENSE) REVENUE										
Governmental activities	(7,307,463)	(12,292,560)	(7,414,038)	3,147,830	(10,567,838)	2,076,346	(1,287,929)	(4,491,141)	(267,702)	(2,344,875)
Business-type activities	<u>2,926,379</u>	<u>(1,199,357)</u>	<u>(1,408,536)</u>	<u>(1,450,486)</u>	<u>9,616,574</u>	<u>(1,368,164)</u>	<u>(1,497,328)</u>	<u>298,748</u>	<u>(548,375)</u>	<u>191,892</u>
TOTAL NET (EXPENSE) REVENUE	<u>\$ (4,381,084)</u>	<u>\$ (13,491,917)</u>	<u>\$ (8,822,574)</u>	<u>\$ 1,697,344</u>	<u>\$ (951,264)</u>	<u>\$ 708,182</u>	<u>\$ (2,785,257)</u>	<u>\$ (4,192,393)</u>	<u>\$ (816,077)</u>	<u>\$ (2,152,983)</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

	2008	2009	2010	2011	2012 ⁽¹⁾	2013	2014	2015	2016 ⁽²⁾	2017
GENERAL FUND										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ 496,818	\$ -	\$ 4,502,513	\$ 3,284,583	\$ 3,230,574	\$ 2,978,902
Restricted	-	-	-	-	-	-	-	942,117	1,139,897	1,788,115
Assigned	-	-	-	-	-	-	-	-	699,631	1,820,445
Reserved	-	568,500	680,205	1,365,205	-	-	-	-	-	-
Unreserved/Unassigned	<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>	<u>1,527,609</u>	<u>1,829,251</u>	<u>603,069</u>
SUBTOTAL, GENERAL FUND	\$ (3,968,008)	\$ (5,393,376)	\$ (4,760,469)	\$ 3,010,707	\$ 4,732,810	\$ 4,637,538	\$ 5,546,276	\$ 5,754,309	\$ 6,899,353	\$ 7,190,531
Percentage change from prior year	15.0%	-35.9%	11.7%	-163.2%	57.2%	-2.0%	19.6%	3.8%	19.9%	4.2%
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,253,776	\$ 2,700,723	\$ -	\$ -
Restricted	-	-	-	-	10,512,997	6,834,254	7,742,113	6,404,466	10,507,979	13,271,232
Assigned	-	-	-	-	157,179	-	-	-	-	-
Reserved	736,094	9,155,459	10,697,361	13,820,910	-	-	-	-	-	-
Unreserved, reported in:										
Working Cash Fund	-	3,827,869	3,909,350	-	-	-	-	-	-	-
GARRA Bonds Series 2004A	10,272,112	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	6,967,832	(3,969,602)	(5,864,787)	(4,006,035)	-	-	-	-	-	-
Unassigned	-	-	-	-	(3,494,223)	(6,387,511)	(6,370,840)	(7,900,854)	(7,294,319)	(6,931,885)
SUBTOTAL, ALL OTHER										
GOVERNMENTAL FUNDS	\$ 17,976,038	\$ 9,013,726	\$ 8,741,924	\$ 9,814,875	\$ 7,175,953	\$ 446,743	\$ 3,625,049	\$ 1,204,335	\$ 3,213,660	\$ 6,339,347
Percentage change from prior year	4.2%	-49.9%	-3.0%	12.3%	-26.9%	-93.8%	711.4%	-66.8%	166.8%	97.3%
TOTAL GOVERNMENTAL FUNDS	\$ 14,008,030	\$ 3,620,350	\$ 3,981,455	\$ 12,825,582	\$ 11,908,763	\$ 5,084,281	\$ 9,171,325	\$ 6,958,644	\$ 10,113,013	\$ 13,529,878
Percentage change from prior year	11.4%	-74.2%	10.0%	222.1%	-7.1%	-57.3%	80.4%	-24.1%	45.3%	33.8%

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

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

Source: Village records

Village of Franklin Park, Illinois

Changes in Fund Balances Governmental Funds Last Ten Fiscal Years

	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014	2015	2016	2017
REVENUE										
Property taxes	\$ 12,071,971	\$ 12,809,050	\$ 14,859,858	\$ 18,752,446	\$ 16,423,457	\$ 16,407,482	\$ 16,534,573	\$ 15,775,584	\$ 16,789,148	\$ 16,525,969
Sales taxes	-	2,645,880	2,403,228	2,023,821	1,822,068	1,812,946	1,775,018	3,395,131	3,520,123	3,555,471
Income taxes	-	1,679,644	1,474,908	1,510,967	1,564,958	1,747,711	1,747,711	1,880,238	1,858,279	1,736,125
Utility taxes	-	2,317,939	2,073,897	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,324,013	3,626,361
Other taxes	4,246,953	2,809,000	2,488,715	1,709,620	1,474,570	1,540,321	1,639,556	1,388,434	1,581,849	1,510,137
Licenses, permits, and fees	1,268,940	1,905,453	1,255,180	1,295,823	1,520,581	2,146,680	2,541,873	1,731,576	2,555,694	2,806,391
Grant revenue	-	3,590,887	426,248	1,826,606	1,043,403	1,269,384	911,323	632,482	2,250,020	63,007
Other revenue	-	1,145,311	607,818	893,377	879,855	787,443	660,651	1,149,835	1,245,586	1,268,014
Fines and forfeitures	682,778	614,158	1,398,471	734,603	710,478	642,096	702,856	602,130	1,021,446	1,062,621
Investment income	237,097	85,658	8,996	6,931	11,550	10,640	13,060	4,026	10,236	11,934
Charges for services	471,531	1,524,027	1,745,334	1,359,902	1,465,499	1,344,286	1,434,269	1,447,437	1,293,248	1,460,834
Intergovernmental	6,906,299	-	-	-	-	-	-	-	-	-
Fees, reimbursements, grants, and misc	2,503,047	-	-	-	-	-	-	-	-	-
TOTAL REVENUE	28,388,616	31,127,007	28,742,653	33,231,525	30,242,580	30,715,312	31,110,468	31,260,207	35,449,642	33,626,864
EXPENDITURES										
General government	10,677,279	5,777,737	6,289,821	6,121,843	7,354,957	5,842,913	6,271,192	6,701,850	6,341,680	6,116,993
Public safety	11,878,536	12,559,651	12,466,444	12,334,899	12,572,830	12,339,169	13,052,482	13,749,138	14,415,882	15,023,159
Highway and street	2,932,432	10,820,932	2,175,441	2,501,434	1,833,201	3,619,559	3,391,986	4,011,473	5,255,893	4,688,270
Public health	-	1,713,128	1,805,671	255,172	270,011	284,092	438,747	387,475	416,657	349,016
Community development	-	1,757,058	2,946,157	800,946	1,134,631	750,628	1,054,030	952,549	1,199,849	747,289
Building department	-	869,230	858,240	785,341	717,285	639,927	733,376	631,437	699,738	744,303
Other	-	-	-	-	-	-	-	-	-	-
Debt service:										
Principal	698,807	170,000	470,000	520,000	580,000	680,000	862,847	1,115,194	1,345,820	1,411,114
Interest and other charges	1,536,317	1,311,237	1,501,710	1,368,737	1,473,778	1,733,573	1,926,850	2,236,761	1,752,387	1,991,278
Capital outlay	-	4,913,958	1,093,348	2,462,715	5,028,591	11,622,002	4,214,102	798,659	5,499,308	1,658,396
TOTAL EXPENDITURES	(27,723,371)	(39,892,931)	(29,606,832)	(27,151,087)	(30,965,284)	(37,511,863)	(31,945,612)	(30,584,536)	(36,927,214)	(32,729,818)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ 665,245	\$ (8,765,924)	\$ (864,179)	\$ 6,080,438	\$ (722,704)	\$ (6,796,551)	\$ (835,144)	\$ 675,671	\$ (1,477,572)	\$ 897,046

(1) Property tax revenue was presented as such from FY 2004 through FY 2008, with the balance of other tax revenue 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 2010 fund balance and beginning FY 2011 fund balance is due to the reclassification of the Garbage Fund, with a negative fund balance, from governmental to proprietary.

(4) The discrepancy between ending FY 2014 fund balance and beginning FY 2015 fund balance is due to a prior period adjustment.

Source: Village records

Village of Franklin Park, Illinois

Changes in Fund Balances (Continued) Governmental Funds Last Ten Fiscal Years

	2008 ⁽¹⁾	2009 ⁽²⁾	2010 ⁽²⁾	2011 ⁽³⁾	2012	2013	2014	2015 ⁽⁴⁾	2016	2017
OTHER FINANCING SOURCES (USES)										
Bond proceeds	\$ 8,155,000	\$ -	\$ -	\$ -	\$ 9,975,000	\$ -	\$ -	\$ 9,475,000	\$ 4,294,442	\$ 9,010,769
Bond premium	54,690	-	-	-	504,324	-	162,188	507,323	-	881,021
Bond issuance costs	(285,158)	-	-	-	(482,352)	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	-	-	-	(9,580,000)	-	(9,302,736)
Proceeds from capital lease	-	267,271	92,889	175,000	414,856	-	-	81,525	-	-
Proceeds from debt issue	-	-	-	-	-	-	4,760,000	-	-	-
Proceeds from sale of fixed assets	-	109	415,408	-	81,129	-	-	-	-	711,294
Transfers in	-	-	1,659,872	6,620,322	4,820,372	2,209,053	2,390,609	1,108,376	1,529,327	2,496,695
Transfers out	(7,160,865)	-	(1,659,872)	(5,595,330)	(15,507,444)	(2,209,053)	(2,390,609)	(2,905,576)	(1,191,828)	(1,277,224)
Transfers of assets held for resale	-	(837,320)	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>763,667</u>	<u>(569,940)</u>	<u>508,297</u>	<u>1,199,992</u>	<u>(194,115)</u>	<u>-</u>	<u>4,922,188</u>	<u>(1,313,352)</u>	<u>4,631,941</u>	<u>2,519,819</u>
NET CHANGES IN FUND BALANCES	1,428,912	(9,335,864)	(355,882)	7,280,430	(916,819)	(6,796,551)	4,087,044	(637,681)	3,154,369	3,416,865
FUND BALANCES, BEGINNING OF YEAR	<u>12,579,118</u>	<u>12,956,214</u>	<u>4,337,337</u>	<u>5,545,152</u>	<u>12,825,582</u>	<u>11,908,763</u>	<u>5,112,212</u>	<u>7,596,325</u>	<u>6,958,644</u>	<u>10,113,013</u>
FUND BALANCES, END OF YEAR	<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>\$ 5,112,212</u>	<u>\$ 9,199,256</u>	<u>\$ 6,958,644</u>	<u>\$ 10,113,013</u>	<u>\$ 13,529,878</u>
CAPITAL EXPENDITURES	\$ -	\$ (4,231,846)	\$ (2,248,169)	\$ (1,542,724)	\$ (4,506,046)	\$ (13,175,693)	\$ (3,854,841)	\$ (471,693)	\$ (6,324,409)	\$ 1,732,180
RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES										
	8.06%	4.15%	7.21%	7.38%	7.76%	9.92%	9.93%	11.13%	10.12%	9.87%

(1) Property tax revenue was presented as such from FY 2004 through FY 2008, with the balance of other tax revenue 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 2010 fund balance and beginning FY 2011 fund balance is due to the reclassification of the Garbage Fund, with a negative fund balance, from governmental to proprietary.

(4) The discrepancy between ending FY 2014 fund balance and beginning FY 2015 fund balance is due to a prior period adjustment.

Source: Village records

Revenue Capacity

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

Village of Franklin Park, Illinois

Assessed Value and Actual Value of Taxable Property Last Ten Calendar (Tax) Years

Tax Year	Residential Property	Commercial Property	Industrial Property	Railroad Property	Total Taxable AV	Tax Rate	Estimated Actual Value	Annual Pct Change
2007	\$ 273,660,151	\$ 95,408,821	\$ 567,756,101	\$ 6,089,446	\$ 942,914,519	1.103%	\$ 2,828,743,557	14.9%
2008	305,501,332	96,198,068	587,404,217	7,306,346	996,409,963	1.095%	2,989,229,889	5.7%
2009	314,852,432	78,973,050	514,736,708	8,327,269	916,889,459	1.582%	2,750,668,377	-8.0%
2010	237,545,123	82,906,086	516,164,672	6,298,942	842,914,823	1.702%	2,528,744,469	-8.1%
2011	277,073,007	69,949,873	392,761,273	12,156,276	751,940,429	1.929%	2,255,821,287	-10.8%
2012	252,904,351	63,586,726	364,046,541	11,619,958	692,157,576	2.134%	2,076,472,728	-8.0%
2013	203,744,556	57,678,100	338,349,141	11,367,184	611,138,981	2.392%	1,833,416,943	-11.7%
2014	207,907,076	70,309,015	329,610,860	12,524,400	620,351,351	2.457%	1,861,054,053	1.5%
2015	201,761,915	66,412,589	309,925,712	15,655,405	593,755,621	2.483%	1,781,266,863	-4.3%
2016	240,028,064	73,805,744	335,457,335	16,191,132	665,482,275	2.235%	1,996,446,825	12.1%

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

Representative Property Tax Rates All Direct and Overlapping Governments Last Ten Calendar (Tax) Years

Tax Levy Year	2007	2008	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012	2013	2014	2015	2016
Village direct rate:										
Corporate	0.2859	0.2922	0.3827	0.3619	0.4375	0.4196	0.4375	0.3997	0.4146	0.3536
Bond and interest	0.0093	0.0091	0.3945	0.3909	0.4358	0.5222	0.5568	0.5387	0.5117	0.4553
Garbage	0.1089	0.1219	-	-	-	-	-	-	-	-
Police pension	0.0905	0.0880	0.1268	0.1431	0.1788	0.2094	0.2821	0.2786	0.3223	0.2910
Fire pension	0.0921	0.0893	0.1286	0.1469	0.1687	0.2008	0.2749	0.2786	0.2931	0.2647
Fire pension ⁽³⁾	-	-	-	-	-	-	-	-	0.0260	0.0234
IMRF	0.0199	0.0176	-	-	-	-	0.0276	-	-	-
Street and bridge	0.0653	0.0667	0.0960	0.1000	0.1000	0.0967	0.1000	0.0819	0.0850	0.0767
Fire protection	0.1118	0.1133	0.1631	0.2132	0.3176	0.3424	0.2700	0.3997	0.4147	0.3849
Police protection	0.1118	0.1133	0.1631	0.2147	0.2902	0.3424	0.3489	0.3997	0.4147	0.3849
Civil defense	0.0005	0.0005	-	-	-	-	-	-	-	-
Social Security	0.0201	0.0183	-	-	-	-	-	-	-	-
Auditing	0.0053	0.0056	-	-	-	-	0.0064	-	-	-
Liability insurance	0.1008	0.0880	0.1266	0.1307	-	-	0.0257	-	-	-
Street lighting	0.0308	0.0351	-	-	-	-	0.0119	-	-	-
Crossing guards	0.0057	0.0063	-	-	-	-	-	-	-	-
Water and sewage	-	-	-	-	-	-	0.0500	-	-	-
Working cash	0.0325	0.0156	-	-	-	-	-	-	-	-
CBOE Medicare	0.0118	0.0137	-	-	-	-	-	-	-	-
Total direct rate	1.1030	1.0945	1.5814	1.7014	1.9286	2.1335	2.3918	2.3769	2.4821	2.2345

Village of Franklin Park, Illinois

Representative Property Tax Rates (Continued) All Direct and Overlapping Governments Last Ten Calendar (Tax) Years

Tax Levy Year	2007	2008	2009 ⁽¹⁾	2010	2011 ⁽²⁾	2012	2013	2014	2015	2016
Overlapping rates:										
Consolidated elections	0.0120	-	0.0210	-	0.0250	-	0.0310	-	0.0340	-
Cook County Forest Preserve District	0.0530	0.0510	0.0490	0.0510	0.0580	0.0630	0.0690	0.0690	0.0690	0.0630
County of Cook	0.4460	0.4150	0.3940	0.4230	0.4620	0.5310	0.5600	0.5680	0.5520	0.5330
Suburban Cook County TB Sanitarium District	-	-	-	-	-	-	-	-	-	-
Leyden Township road and bridge	0.0980	0.0970	0.1020	0.1150	0.1300	0.1470	0.1720	0.1750	0.1830	0.1630
Leyden Township general assistance	0.0030	0.0030	0.0030	0.0040	0.0040	0.0050	0.0060	0.0060	0.0070	0.0070
Leyden Township	0.0680	0.0670	0.0710	0.0810	0.0930	0.1050	0.1240	0.1270	0.1330	0.1190
Triton Community College District 504	0.2240	0.2120	0.2140	0.2250	0.2670	0.2690	0.3250	0.3360	0.3520	0.3300
Community High School District 212	1.8680	1.8690	1.9890	2.2230	2.5090	2.8300	3.2640	3.3190	3.4710	3.1150
School District 84	3.3890	3.3740	3.3830	3.9320	4.3430	4.5860	4.9610	5.6270	5.9490	5.3180
Metropolitan Water Reclamation District	0.2630	0.2520	0.2610	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060
Franklin Park Public Library	0.1520	0.1520	0.1670	0.1870	0.2130	0.2380	0.2750	0.2760	0.2920	0.2640
Franklin Park Park District	0.3770	0.3730	0.4030	0.4380	0.4990	0.5620	0.6410	0.6400	0.6820	0.6330
Total overlapping rate	6.9530	6.8650	7.0570	7.9530	8.9230	9.7060	10.8450	11.5730	12.1500	10.9510
Total direct and overlapping tax rates	8.0560	7.9595	8.6384	9.6544	10.8516	11.8395	13.2368	13.9499	14.6321	13.1855

(1) Cook County changed the way it allocates property tax revenue 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.

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

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

Principal Taxpayers Calendar (Tax) Years 2016 and 2006

Tax Year 2006

Taxpayer	Business/Service	Equalized Assessed Valuation	% of EAV
Centerpoint Properties*	Real Estate Investments	\$ 36,073,863	4.40%
Albertsons*	Grocery Store and Distribution Center	24,456,001	2.98%
Central Grocery Coop Inc.	Grocery Retailer Supplier	17,831,264	2.17%
United States Tobacco*	Smokless Tobacco Product Manufacturer	11,718,829	1.43%
Franklin Partners	Commercial Real Estate	10,276,084	1.25%
Hamilton Partners*	Real Estate Investments	8,928,300	1.09%
A.M. Castle & Co.	Cold Finishing and Metal Shops	8,868,781	1.08%
Nestle USA	Candy Manufacturer	8,816,165	1.07%
Sloan Valve Co.*	Flush Valve Manufacturer	8,045,855	0.98%
The Werner Co.	Ladder Manufacturing	7,138,568	0.87%
		<u>\$ 142,153,710</u>	<u>17.33%</u>

Tax Year 2016

Taxpayer	Business/Service	Equalized Assessed Valuation	% of EAV
New Albertsons LLC*	Grocery Store and Distribution Center	\$ 20,198,244	2.95%
Hamilton Partners Inc.*	Real Estate Investments	14,734,067	2.15%
Centerpoint Properties*	Real Estate Investments	10,538,166	1.54%
Cargo Pacific Logistics, Inc.	Freight Warehousing and Logistics	9,380,886	1.37%
Digital Grand Ave LLC	Data Storage	9,341,056	1.37%
Prologis, Inc.	Industrial Real Estate Development and Logistics	8,825,886	1.29%
United States Tobacco*	Tobacco Products	8,600,972	1.26%
JCG Industries Inc.	Industrial Metals	6,602,459	0.97%
Nestle Purina Petcare Company, Inc.	Pet Care Products	6,061,920	0.89%
Sloan Valve Co.*	Flush Valve Manufacturer	5,427,606	0.79%
		<u>\$ 99,711,262</u>	<u>14.58%</u>

*Denotes those taxpayers appearing on both the 2006 and 2016 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>
2008	2006-2007	\$ 10,400,347	\$ 10,140,492	97.50%
2009	2007-2008	10,910,689	10,200,891	93.49%
2010	2008-2009	14,476,701	11,611,899	80.21%
2011	2009-2010	14,346,410	15,664,822	109.19%
2012	2010-2011	14,679,093	14,599,691	99.46%
2013	2011-2012	14,766,598	14,255,328	96.54%
2014	2012-2013	14,617,714	13,603,525	93.06%
2015	2013-2014	14,745,097	13,568,137	92.02%
2016	2014-2015	14,742,952	14,179,161	96.18%
2017	2015-2016	14,873,529	14,288,254	96.06%

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

Village of Franklin Park, Illinois

Sales Tax Receipt Analysis by Sector Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014 ⁽¹⁾	2015 ⁽¹⁾	2016
Municipal Sales Tax:										
General merchandise	\$ 118,978	\$ 111,315	\$ 107,120	\$ 101,460	\$ 38,661	\$ 24,617	\$ 49,077	\$ 69,819	\$ 89,545	\$ 86,948
Food	347,827	342,977	305,796	293,895	270,598	260,534	237,992	309,935	459,615	434,410
Drinking and eating places	144,526	155,839	137,481	158,940	164,454	165,456	172,241	276,663	416,578	449,516
Apparel	11,614	10,119	10,152	10,725	7,168	7,094	4,561	52,097	79,876	73,629
Furniture and H.H. and radio	57,535	30,963	200,074	392,483	286,661	249,462	53,412	193,141	12,432	23,253
Lumber, building, and hardware	141,909	121,062	107,586	140,035	119,609	133,967	641,694	513,618	(868,949)	527,227
Automotive and filling stations	882,801	660,003	367,812	298,049	286,720	141,359	341,974	495,760	689,154	548,430
Drugs and misc. retail	250,925	374,365	354,649	239,827	63,067	317,291	(55,817)	522,029	1,897,745	522,542
Agriculture and all others	766,316	905,352	604,012	414,891	426,697	325,327	264,421	350,094	505,280	523,217
Manufacturers	<u>172,860</u>	<u>144,638</u>	<u>175,207</u>	<u>193,310</u>	<u>164,793</u>	<u>199,581</u>	<u>(50,627)</u>	<u>270,764</u>	<u>332,234</u>	<u>307,303</u>
Total	\$ 2,895,291	\$ 2,856,633	\$ 2,369,889	\$ 2,243,615	\$ 1,828,428	\$ 1,824,688	\$ 1,658,928	\$ 3,053,920	\$ 3,613,510	\$ 3,496,475

1. The significantly higher levels of sales tax revenue are principally due to the Village's imposition of a 1 percent nonhome rule sales tax during FY 2015, which generated \$1.2 million during FY 2015.

Source: Illinois Department of Revenue

Village of Franklin Park, Illinois

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Direct -										
Village of Franklin Park, Illinois	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
Overlapping:										
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Cook County Home Rule	0.75%	1.75%	1.75%	1.25%	1.00%	1.00%	0.75%	1.75%	1.75%	1.75%
Regional Transportation Authority	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.00%</u>
Total	8.00%	9.00%	9.00%	8.50%	8.25%	8.25%	8.00%	10.25%	10.25%	10.00%

Source: Cook County Treasurer and Regional Transportation Authority

Debt Capacity

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

Village of Franklin Park, Illinois

Ratio of Total Debt to Equalized Assessed Valuation and Personal Income and Total Debt Per Capita Last Ten Fiscal Years

Fiscal Year	Estimated Population	Equalized Assessed Valuation (EAV)	Governmental and Business-type General Obligation Bonded Debt ⁽¹⁾⁽²⁾⁽³⁾	Ratio of Total Bonded Debt to EAV	Business-type Illinois EPA Loans	Capital Financing Loans	Governmental Leases Payable	Ratio of Total Debt to EAV	Total Personal Income	Ratio of Bonded Debt to Personal Income	Ratio of Total Debt to Personal Income	Total Debt Per Capita
2008	18,626	\$ 942,914,519	\$ 46,385,000	4.9%	\$ 8,055,631	\$ -	\$ 502,871	5.8%	\$ 381,730,182	12.2%	14.4%	\$ 2,949.83
2009	18,480	996,409,963	45,440,000	4.6%	7,280,921	-	649,490	5.4%	386,135,606	11.8%	13.8%	2,888.01
2010	18,333	916,889,459	44,160,000	4.8%	6,483,112	-	1,102,840	5.6%	390,463,920	11.3%	13.3%	2,822.56
2011	18,333	842,914,824	42,800,000	5.1%	5,661,510	-	975,834	5.9%	387,357,957	11.0%	12.8%	2,696.63
2012	18,333	751,940,429	51,165,000	6.8%	4,815,398	-	1,230,217	7.6%	376,468,155	13.6%	15.2%	3,120.64
2013	18,333	692,157,576	49,400,000	7.1%	3,944,037	-	697,699	7.8%	376,468,155	13.1%	14.4%	2,947.78
2014	18,333	611,138,981	61,105,000	10.0%	3,046,670	-	493,635	10.6%	429,774,286	14.2%	15.0%	3,526.17
2015	18,333	620,351,351	60,591,895	9.8%	2,218,098	-	359,966	10.2%	440,554,952	13.8%	14.3%	3,445.70
2016	18,333	593,755,621	64,823,523	10.9%	1,462,350	4,768,442	242,776	12.0%	441,018,648	14.7%	16.2%	3,889.00
2017	18,333	665,482,275	65,021,275	9.8%	841,290	5,152,047	160,668	10.7%	455,410,053	14.3%	15.6%	3,882.36

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

(2) For 2017, governmental total was \$37,482,758 and business-type total was \$27,538,517.

Source: Village records

(3) Excludes restricted net position of debt fund due to amounts available for interest due on debt

Village of Franklin Park, Illinois

Schedule of Bonded Debt Retirement April 30, 2017

Fiscal Year	Amortization	Percent Retired	
		Annually	Cumulatively
2018	\$ 2,980,000	4.81%	4.81%
2019	3,325,000	5.37%	10.18%
2020	3,495,000	5.64%	15.82%
2021	3,775,000	6.09%	21.91%
2022	4,160,000	6.72%	28.63%
2023	4,310,000	6.96%	35.59%
2024	3,320,000	5.36%	40.94%
2025	3,210,000	5.18%	46.13%
2026	3,075,000	4.96%	51.09%
2027	3,175,000	5.13%	56.21%
2028	3,260,000	5.26%	61.48%
2029	3,365,000	5.43%	66.91%
2030	3,470,000	5.60%	72.51%
2031	3,575,000	5.77%	78.28%
2032	2,840,000	4.58%	82.87%
2033	3,005,000	4.85%	87.72%
2034	3,015,000	4.87%	92.58%
2025	3,075,000	4.96%	97.55%
2036	<u>1,520,000</u>	<u>2.45%</u>	100.00%
	61,950,000	100.00%	

Source: Village records

Village of Franklin Park, Illinois

Schedule of Direct and Overlapping Debt October 1, 2017

Government	General Obligation Bonded Debt	Percentage Applicable to the Village of Franklin Park, Illinois	Village of Franklin Park, Illinois Share of Debt
Direct debt -			
Village of Franklin Park, Illinois	\$ 71,175,280	100.00%	\$ 71,175,280
Total direct debt	71,175,280	100.00%	71,175,280
Overlapping debt ⁽²⁾ :			
Leyden Township Fire Protection District	274,725	7.218%	19,829
Northlake Public Library District	4,905,000	1.669%	81,874
Bensenville Park District	950,000	3.035%	28,835
School District 84 1/2	3,545,000	6.736%	238,781
Cook County Forest Preserve District	106,265,000	0.454%	482,114
Franklin Park Park District	980,000	99.681%	976,873
Veterans Park District	3,815,000	15.094%	575,839
School District 81	28,386,333	9.376%	2,661,612
High School District 212	29,935,000	7.984%	2,390,125
School District 84	8,388,915	93.421%	7,837,011
Metropolitan Water Reclamation District	2,484,843,000	0.462%	11,491,215
Community College District 504	45,205,000	8.065%	3,645,672
School District 83	41,565,000	45.690%	18,990,983
Cook County	3,213,141,750	0.454%	14,577,705
Total overlapping debt	5,972,199,723		63,998,468
Total Direct and Overlapping Debt			\$ 135,173,748

(1) Overlapping debt numbers were not available for April 30, 2017.

(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 April 30, 2017

Tax Year 2016 Equalized Assessed Valuation (including TIF districts)	\$ 683,860,769
Debt limit percentage	<u>8.625%</u>
Current debt limit	58,982,991
Outstanding debt:	
G.O. Alternate Revenue Bonds of 2007	\$ 4,795,000
G.O. Alternate Revenue Bonds of 2011	8,705,000
G.O. Alternate Revenue Bonds of 2014A	7,820,000
G.O. Alternate Revenue Bonds of 2014B	2,790,000
G.O. Alternate Revenue Bonds of 2015A	6,140,000
G.O. Limited Tax Debt Certificates, Series 2013	13,500,000
G.O. Limited Tax Debt Certificates, Series 2015	6,855,000
G.O. Limited Tax Debt Certificates, Series 2016	2,545,000
G.O. Alternate Revenue Bonds, Series 2016A	<u>8,800,000</u>
Total direct debt	61,950,000
Less debt not subject to debt limit*	<u>(16,385,000)</u>
Debt subject to debt limit	45,565,000
Debt Margin	<u>\$ 13,417,991</u>

*Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2007, 2014B, and 2016A 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

Calendar Year	Estimated Population ⁽¹⁾	Estimated Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Annual Average Unemployment Rate ⁽⁴⁾	Estimated Median Household Income ⁽²⁾	Estimated Median Age ⁽²⁾	Estimated College Graduate % ⁽²⁾
2007	18,773	\$ 20,334	3,311	6.9%	\$ 55,265	35.3	13.1%
2008	18,626	20,731	3,291	8.6%	56,490	35.5	13.3%
2009	18,480	21,129	3,259	13.8%	57,715	35.7	13.6%
2010	18,333	21,129	3,243	14.1%	57,715	35.7	13.6%
2011	18,333	20,535	3,173	13.7%	54,437	35.6	12.8%
2012	18,333	22,983	3,246	12.1%	56,098	35.6	14.6%
2013	18,333	22,983	3,556	10.2%	56,098	36.8	12.0%
2014	18,333	23,938	3,251	7.3%	54,063	38.1	12.2%
2015	18,333	24,056	3,390	5.1%	56,985	38.2	15.9%
2016	18,333	24,841	3,362	5.0%	55,926	35.6	13.8%

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

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

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

(4) Source: Illinois Department of Employment Security

Village of Franklin Park, Illinois

Major Employers Located Within Village Limits Calendar Years 2006 and 2016

2006

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

2016

Company	Business	Employment
The Hill Group	Plumbing, Piping, and Refrigeration Contractors	900
Canadian Pacific	Railroad Yard and Repair	800
Nestle USA Confections & Snacks Div.*	Candy and Confectionary	750
Sloan Valve Co.*	Flush Valves, Faucets, Shower Heads, and Hand Dryers	723
Bretford, Inc*	International Freight Consolidation/Air Freight Transportation	500
Life Fitness*	Office Furniture	450
Hill Mechanical Operations	Facility Management for Large Buildings	300
United Parcel Service*	International Freight Forwarding	300
US Smokeless Tobacco*	Smokeless Tobacco	240
DHL International Ltd.	Package Air Freight Transportation Services	200

*Denotes those employers appearing on both the 2016 and 2006 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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FIRE PROTECTION										
Fire responses	203	156	130	116	115	109	74	96	92	89
Rescue/emergency responses	1,742	1,744	1,591	1,523	1,630	1,620	1,271	1,647	1,859	1,624
Other incidents	1,698	1,539	1,013	1,377	1,422	1,350	1,119	1,456	1,255	1,533
Injuries/fatalities	12	58	5	8	9	1	-	1	2	4
Mutual aid given	374	397	330	289	180	274	235	306	277	306
Mutual aid received	239	330	221	327	309	189	71	101	88	87
POLICE PROTECTION										
Parking violations	7,193	5,695	8,499	9,914	6,440	5,541	3,371	8,541	6,282	7,504
Traffic citations	3,668	4,027	4,528	3,422	2,287	1,679	4,677	3,839	1,575	3,236
Arrests ⁽¹⁾	NA	1,274	1,147	741	696	939	1,195	703	674	689
MUNICIPAL WATER AND SEWER SYSTEM										
Water/Sewer customers, residential	4,709	4,709	4,709	4,709	4,709	4,709	4,630	4,709	4,646	4,664
Water/Sewer customers, commercial/industrial	1,112	1,112	1,112	1,112	1,112	1,112	1,216	1,220	1,214	1,233
Metered fire line customers	184	184	184	184	184	184	171	184	186	186
Annual water main breaks	76	101	86	46	52	47	90	60	31	59
Potable water pumped, millions of gallons	1,614.0	1,535.1	1,243.9	1,176.6	946.0	931.6	1,134.1	1,154.7	1,008.7	959.9

(1) Arrest data prior to 2008 not available

Source: Village records

Village of Franklin Park, Illinois

Capital Assets Statistics Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire fighting vehicles	6	6	6	5	5	5	5	4	4	4
Ambulances	3	3	3	1	2	2	3	3	3	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Vehicles	24	24	24	24	24	19	17	19	21	22
PUBLIC WORKS										
Streets, miles	74.2	74.2	74.8	75.0	75.0	75.0	75.0	75.0	75.0	75.0
Alleys, miles	18.9	18.9	18.9	18.9	18.9	18.9	19.2	19.2	19.2	19.2
Vehicles	26	24	25	27	28	27	35	41	105	23
MUNICIPAL WATER SYSTEM										
Sanitary sewer pipe, miles	35.5	35.5	35.5	35.5	35.5	35.5	34.0	35.0	35.0	35.0
CSO/storm sewer pipe, miles	65.5	65.5	65.5	65.5	65.5	65.5	66.0	66.0	66.0	66.0
Water mains, miles	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Pump stations	3	3	3	3	3	3	3	3	3	3
Water storage tanks	7	7	7	7	7	7	7	7	7	7
Water storage capacity, millions of gallons	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Sanitary/storm lift stations	9	9	9	9	9	9	6	6	6	6
Number of fire hydrants	876	876	876	876	876	881	872	872	891	891
Vehicles	9	9	9	9	10	10	12	16	18	16
Other major equipment	16	16	18	18	17	18	18	10	12	8

Source: Village records

Village of Franklin Park, Illinois

Full-time Equivalent Employees Last Ten Calendar Years

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
FIRE PROTECTION										
Sworn personnel	46	46	44	42	38	40	39	42	43	43
Civilian personnel	1.0	1.0	1.0	0.5	0.5	-	-	-	-	-
POLICE PROTECTION										
Sworn personnel	51	51	49	49	43	46	39	45	47	46
Civilian personnel	27.0	26.0	25.0	25.0	22.0	27.0	27.0	26.0	24.0	24.0
PUBLIC WORKS										
Supervisory personnel	3	3	3	3	3	3	4	4	4	4
Nonsupervisory personnel	15.0	13.0	11.5	10.5	9.0	8.0	8.0	8.0	12.5	11.0
MUNICIPAL WATER SYSTEM										
Supervisory personnel	3	3	3	3	3	3	2	2	2	2
Nonsupervisory personnel	9.0	10.0	9.0	8.0	6.0	5.0	7.0	7.0	13.5	12.0

Source: Village records