

**VILLAGE OF FOREST PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

Year Ended April 30, 2013

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

CONTENTS

Independent Auditor's Report .....	1
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Management's Discussion and Analysis.....	3
<b>BASIC FINANCIAL STATEMENTS:</b>	
Government-wide Financial Statements:	
Statement of Net Position .....	16
Statement of Activities.....	17
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	18
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	20
Reconciliation of Statements of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to Statement of Activities.....	21
Statement of Net Position – Proprietary Funds .....	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds...	23
Statement of Cash Flows – Proprietary Funds .....	24
Statement of Fiduciary Net Position – Pension Trust Funds .....	25
Statement of Changes in Fiduciary Net Position – Pension Trust Funds.....	26
Notes to the Financial Statements .....	27
<b>REQUIRED SUPPLEMENTARY INFORMATION:</b>	
Schedule of Funding Progress – Illinois Municipal Retirement Fund.....	68
Schedule of Funding Progress – Pension Funds.....	69
Schedule of Employer Contributions – Pension Funds.....	70
Schedule of Funding Progress – Other Postemployment Benefits .....	71
Budgetary Comparison Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balances Budget (GAAP Basis) and Actual – General Fund and Major Special Revenue Funds .....	72
Notes to the Budgetary Comparison Information.....	74
<b>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES:</b>	
Major Governmental Funds	
General Fund:	
Schedule of Revenues – Budget (GAAP Basis) and Actual.....	75
Schedule of Expenditures – Budget (GAAP Basis) and Actual .....	78
Brown Street Station TIF Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	79
Harlem / Harrison TIF Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	80

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

CONTENTS

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES: (Continued)

Roosevelt / Hannah TIF Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	81
2002 Bond Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	82
Special Tax Allocation Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	83
Incremental Sales Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	84
VIP Program Fund:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (GAAP Basis) and Actual.....	85
Nonmajor Governmental Funds	
Combining Balance Sheet .....	86
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances .....	88
Special Revenue Funds:	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (GAAP Basis) and Actual:	
Emergency 911 Fund .....	90
Narcotics Fund.....	91
U.S. Customs Fund .....	92
Illinois Municipal Retirement Fund.....	93
Social Security Fund.....	94
Motor Fuel Tax Fund .....	95
Major Proprietary Funds	
Water Fund:	
Schedule of Revenues, Expenses, and Changes in Net Position – Budget (GAAP Basis) and Actual.....	96
Fiduciary Fund Types	
Pension Trust Funds:	
Combining Statement of Fiduciary Net Position .....	97
Combining Statement of Changes in Fiduciary Net Position .....	98
Schedule of Expenditures for Tort Immunity Purposes.....	99

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

CONTENTS

SUPPLEMENTAL DATA (UNAUDITED)	
Schedule of Assessed Valuations, Tax Rates, and Comparative Tax Statistics .....	100
Long-Term Debt Requirements:	
General Obligation Tax Increment Financing Refunding Bonds Series 2002 .....	101
General Obligation Debt Certificates Series 2011 .....	102
General Obligation Alternative Revenue Bonds Series 2012A.....	103

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor  
And Board of Commissioners  
Village of Forest Park, Illinois

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park (the "Village"), as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Forest Park Public Library (the "Library"), the Village's discretely presented component unit. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Library, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Library were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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

***Opinions***

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

As discussed in Note 15 to the financial statements, in June 2011, the GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Statement 63 is effective for the Village's fiscal year ending April 30, 2013. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual

amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 15 to the financial statements, in March 2012, the GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. The Village has implemented this Statement retroactively as of May 1, 2012 resulting in restated net position. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

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

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's financial statements. The combining and individual fund financial statements and schedules and supplemental data as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The supplemental data has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Report on Other Legal and Regulatory Requirements**

In accordance with *Government Auditing Standards*, we have also issued our report dated October 28, 2013 on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

  
Crowe Horwath LLP

Oak Brook, Illinois  
October 28, 2013

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

The management of the Village of Forest Park presents the financial statements with narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2013. The Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes in net position and currently known facts. It should be read in conjunction with the auditor's opinion on beginning on page 1 and the Village's financial statements beginning on page 16.

**Financial Highlights**

Net position in the Village's governmental funds (Statement 1) increased by \$625,964, or 2.3% in fiscal year 2013. The Village's governmental fund balances (Statement 5) increased by \$92,811. The General fund balance decreased by (\$369,287). Major funds (TIFs, 2002 Bond funds, and VIP fund), gained by \$223,666, as did the collective reporting for Non-major governmental funds by \$238,431.

Collected General fund revenues (excluding operating transfers, and other financing sources) in FY2013 were \$315,578, or 2.0%, more than FY2012. Revenues fell short of budget expectation by (-\$582,735) or (-3.4%). Significant increases in general fund revenues over FY2012 include:

- Real estate tax collection increased \$121,296 or 2.9%
- Local share sales tax increased \$180,394 or 7.0%, and income tax up \$140,132 or 11.7%
- Fees for Services increased \$150,247 or 6.7%
- RedSpeed enforcement violations up \$160,265 (146.1%) over FY2012 as all cameras were in operation during FY2013.

These revenue increases were partially offset by the following decreases from budget expectation:

- Utility taxes short (-\$172,335) or (-9.6%)
- While local share sales taxes improved over FY2012, collected revenues fell short and allocations increased, resulting in a combined deficit of (-\$407,657), or (-12.9%)
- Fines, excluding RedSpeed enforcement violations, short (-\$175,916) or (-12.8%)

General fund expenditures increased by 7.2%, \$1,287,255, over FY2012, and were 4.9% or \$891,432 above budget. This increase in expenditure is the recognition of the LED street light capital project totaling \$1,443,110 in FY2013. This financed expenditure is offset by loan proceeds (Other financing sources), as well as the Illinois Energy Now rebate program through Illinois Department of Commerce and Economic Opportunity. Excluding this capital project, the expenditures in General fund would be under budget by (\$551,678) or (-3.0%), and showed a slight reduction from prior year, (-\$155,855). Savings in FY2013 budgeted expenditures include:

- Liability insurance under budget by (-\$68,181)
- Grants did not meet budgeted expenditures, under by (-\$70,306)
- Refuse services expenditures under by (-\$55,449)
- Expenses associated with street light maintenance were (-\$33,803) under budget
- Fuel expenses came in under budget by (\$-33,470)

Significant changes in expenditures from last year include:

- Wages increased 2.0%; benefits were up by 3.9%; retirement contributions reflected a 9.0% increase. Total increase in wages and benefits of \$352,347 or 2.9%
- Collection fees associated with RedSpeed enforcement increased \$87,701, or 113.3%, over prior fiscal year as all cameras were in operation during FY2013.
- Storm related expenses reflect a notable decrease of (\$49,144) or (-89.6%)
- Expenses associated with street light maintenance showed a reduction by (\$88,080), or (-41.1%).

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

Other financing sources in the General fund include the annual transfer in from the Water fund to cover the approximate cost to the Village of unallocated expenses; excess incremental sales tax not required to meet the 2002 Bond fund debt obligation; and funds from Motor Fuel Tax (MFT) non-major fund for allowable expenses. The transfer from the MFT fund was omitted in fiscal year 2013 in order to review transfer restrictions and reconcile accounting practices. Prior year transfers from MFT averaged \$400,000; if in place for FY2013, **this transfer would have resulted in a net gain for the General fund balance.**

Property tax revenues in the TIF Major funds fell short of budget expectations by (\$412,977), with the exception being the Mall TIF (2002 Bond Fund Special Tax Allocation Fund). In Cook County, the taxable value of property for levy year 2011 was lower than the 2010 EAV due to the equalization factor issued by the Illinois Department of Revenue being reduced by 9.98%. In the TIF funds, incremental tax valuations were reduced by (-8.4% to -26.3%), and all rates decreased except the Mall TIF.

In the VIP Major fund, the Series 2005 General Obligation Bond (Alternate Revenue Source) was refunded, reducing interest rates that originally ranged from 3.75 – 4.35% to 2.0 - 3.0% for the duration of the debt ending 2025. This reduces the debt service payments over the remaining schedule by \$257,404. Non-Home Rule Municipal Sales Taxes, at ½ of 1.0%, are pledged revenues to fulfill the annual debt service obligation which funds public infrastructure expenditures.

Collective expenditures for the Major funds were under budget by a (-42.5%). This reduction is due to construction related grant expenditures in the VIP fund coming in under expectations. The overall net gain of \$223,666 improved fund balances by 2.8% collectively. Debt for the Roosevelt / Hannah TIF fund retired in FY2013.

In the Non-major governmental funds, both revenues and expenditures remained under budget. Revenues did exceed expenditures as the MFT funds were not allocated to General fund for allowable expenditures. The result is collective Non-major fund balances increased by 25.9%.

In the proprietary fund, the Water fund operating revenues increased \$764,601 or 16.2% over FY2012, however were (-4.0%) short of budget expectation. Revenues vary both by rates and consumption. Rates increased 15.0% on January 1, 2013 per the City of Chicago, and consumption increased 12.6%. FY2013 expenses reflect a correction on prior years' recorded depreciation. Overall operation expenses increased by 15.3%, with the cost of purchased water an additional \$534,459 over prior fiscal year. The recognition of \$750,245 in capital contribution from the I.K.E Flood Recovery Assistance grant, the depreciation correction, and net revenues over expenses improved the proprietary fund balance by \$1,661,959.

### **Overview of the Financial Statements**

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

### **Government-Wide Financial Statements**

The government-wide financial statements, Statements 1 and 2, are designed to provide readers with a broad overview of Village finances, in a manner similar to a private-sector business. The statement of net position presents information on all of the assets/deferred outflows and liabilities/deferred inflows, with the difference

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

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 declining.

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

The Governmental Activities reflect the Village's basic services, which include administration, public safety, streets and alleys, and community outreach. Property taxes, shared state taxes and local utility taxes finance the majority of these services. The Business-Type Activities (also called Proprietary Funds) reflect private sector-type operations, where the fees for services typically cover all or most of the costs of operations, including depreciation. The component unit, which is shown only in the Government-wide financials, is the Forest Park Public Library. Though a separate legal entity, the Library is included because by statute the Village is financially accountable for it.

### **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 governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Village's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Village maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for eight major governmental funds: General fund, Brown Street Station TIF, Harlem/Harrison TIF, Roosevelt/Hannah TIF, the 2002 Bond Fund (including the Special Tax Allocation and Incremental Sales Tax Funds), and the VIP fund; and seven other special revenue funds, which are considered to be non-major funds. Individual fund information for these non-major governmental funds is provided in Exhibits 9 and 10.

The Village maintains one type of proprietary fund to account for its water and sewer operations, the Water fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund financial statement provides separate information for the Water fund, which is considered to be a major operating fund of the Village. In prior fiscal years, the Parking fund was separated as a proprietary fund, but in FY2012 all parking lot operations were re-allocated to the General fund.

Fiduciary funds are used to account for resources held for the benefit of others, in this case, Fire and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements because the

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

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 are an integral part of the basic financial statements. They provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements.

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following chart reflects the condensed Statement of Net Position (in thousands):

	Governmental Activities		Business-type Activities		Total Primary	
	2013	2012*	2013	2012	2013	2012
<b>Assets</b>						
Current assets	\$ 17,626.7	\$ 16,800.2	\$ 1,862.8	\$ 1,343.2	\$ 19,489.5	\$ 18,143.4
Capital assets	29,551.1	28,642.0	8,798.4	7,888.9	38,349.5	36,530.9
<b>Total assets</b>	47,177.8	45,442.1	10,661.2	9,232.1	57,839.0	54,674.2
<b>Liabilities</b>						
Current liabilities	3,809.6	5,747.5	889.8	788.3	4,699.5	6,535.8
Long-term liabilities	12,339.8	12,745.6	3,407.2	3,744.5	15,747.0	16,490.1
<b>Total liabilities</b>	16,149.4	18,493.1	4,297.0	4,532.8	20,446.5	23,025.9
<b>Deferred Inflows of Resources</b>						
Unearned property tax revenue	3,196.0	-	-	-	3,196.0	-
Deferred gain on refunding	257.4	-	-	-	257.4	-
<b>Total deferred inflows of resources</b>	3,453.4	-	-	-	3,453.4	-
<b>Net Position</b>						
Invested in capital assets, net	16,472.3	15,627.9	5,057.1	3,817.1	21,529.4	19,445.0
Restricted	4,195.3	4,222.5	-	-	4,195.3	4,222.5
Unrestricted	6,907.4	7,098.6	1,307.1	882.2	8,214.5	7,980.8
<b>Total Net Position</b>	\$ 27,574.9	\$ 26,949.0	\$ 6,364.2	\$ 4,699.3	\$ 33,939.1	\$ 31,648.3

Source: Statement 1

*\*reflects reduction of net position per retroactive implementation of GASB Statement 65*

Total current assets of \$19,489,521 are 4.1 times current liabilities of \$4,699,451, compared to 2.8 times prior fiscal year. This ratio shows that the Village's ability to pay current bills in a timely fashion has maintained. Cash and cash equivalents have increased by 10.8% this fiscal year to. Prior year capital assets included deferred charges of \$229,020 from costs related to issuance of long term debt. This has been restated to implement reporting requirements under GASB Statement 65, thereby reducing the net position from FY2012. Unavailable revenue (property taxes receivable) has also been removed from current liabilities effective with FY2013, and is now reported as deferred inflows of resources. TIF Funds are included in Governmental Activities; however TIF revenues are restricted to TIF expenditures and cannot be used for general operating expenses. Net position is

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

represented by capital assets such as buildings and other structures, parking lots, and infrastructure net of any outstanding debt, and funds that are restricted for debt service and construction projects. Unrestricted assets can be used to finance day-to-day operations without constraints established by legal requirements.

The following chart reflects the condensed Statement of Activities (in thousands) compared to last year:

	Governmental Activities		Business-type Activities		Total Primary Government	
	2013	2012	2013	2012	2013	2012
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 4,814.0	\$ 4,925.4	\$ 5,476.0	\$ 4,711.4	\$ 10,290.0	\$ 9,636.8
Oper. grants/contr.	1,011.1	862.9	-	-	1,011.1	862.9
Capital grants/contr.	2,113.3	1,355.1	750.2	-	2,863.6	1,355.1
General Revenues:						
Property taxes	6,452.3	6,731.5	-	-	6,452.3	6,731.5
Other taxes	7,717.6	7,249.2	-	-	7,717.6	7,249.2
Other revenues	65.2	180.9	3.0	2.5	68.1	183.4
<b>Total Revenues</b>	22,173.5	21,305.0	6,229.2	4,713.9	28,402.7	26,018.9
<b>Expenses</b>						
General government	7,520.9	6,829.3	-	-	7,520.9	6,829.3
Police protection	5,118.5	5,050.0	-	-	5,118.5	5,050.0
Fire protection	3,106.0	2,994.0	-	-	3,106.0	2,994.0
Health and safety	306.3	319.6	-	-	306.3	319.6
Community outreach	646.4	685.0	-	-	646.4	685.0
Public works	5,095.9	6,409.8	-	-	5,095.9	6,409.8
Interest on debt	553.5	511.3	-	136.0	553.5	647.3
Water and sewer	-	-	3,764.3	3,129.6	3,764.3	3,129.6
<b>Total Expenses</b>	22,347.5	22,799.0	3,764.3	3,265.6	26,111.8	26,064.6
Transfers Out / (In)	800.0	6,043.5	(800.0)	(6,043.5)	-	-
<b>Change in Net Position</b>	\$ 626.0	\$ 4,549.6	\$ 1,665.0	\$ (4,595.1)	\$ 2,290.9	\$ (45.7)

Source: Statement 2

Governmental Activities revenue increased by \$868,390 in fiscal year 2013. The principle sources of revenue for the Governmental Activities are fees for services (21.7%), property taxes (29.1%) and state taxes (34.8%). State tax revenues increased \$468,407, or 6.5% from last year. **Total expenses in governmental activities decreased by (\$451,497 or -2.0%).**

Business-type Activities (Water fund) revenues from charges for services increased \$764,602 or 16.2%, and expenses increased \$498,735 or 15.3%. In FY2012, Parking fund business-type activities transferred to governmental activities; this accounts for the discrepancy for business type transfers out and governmental transfers in between the two fiscal years

Together, police and fire protection represent 31.5% of the total cost of operating the Village; Public works and the water account for 33.9%, and other governmental expenses, including debt service, are 34.6% of total primary government expenses.

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

**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

**Governmental Funds**

Basic services of the Village are reported in the General fund, which is the primary major fund in the governmental group. Governmental funds focus on how money flows into and out of the funds and the balances left at year-end are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Village's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance programs.

The changes in the various governmental funds balances are shown (in thousands) on the following page:

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

**Changes in Governmental Fund Balances**

	<u>Major Funds</u>						<u>Non-major Funds</u>		<u>Total Governmental Funds</u>	<u>As of 4/30/12 Total Governmental Funds</u>
	<u>General Fund</u>	<u>Brown Street Station TIF</u>	<u>Harlem/Harrison TIF</u>	<u>Roosevelt/Hannah TIF</u>	<u>2002 Bond Fund*</u>	<u>VIP Fund</u>	<u>Special Revenue Funds</u>			
Revenues	\$ 16,337.28	\$ 287.46	\$ -	\$ 695.43	\$ 1,007.13	\$ 1,710.65	\$ 1,419.43	\$ 21,457.37	\$ 21,025.20	
Expenditures	\$ 19,266.90	\$ 147.47	\$ 2.85	\$ 502.80	\$ 548.22	\$ 2,093.16	\$ 1,181.00	\$ 23,742.41	\$ 23,604.50	
Excess (deficiency) of revenues over expenditures	\$ (2,929.63)	\$ 139.99	\$ (2.85)	\$ 192.63	\$ 458.91	\$ (382.51)	\$ 238.43	\$ (2,285.03)	\$ (2,579.30)	
Transfer in (out)	\$ 1,117.23	\$ -	\$ -	\$ -	\$ (317.23)	\$ -	\$ -	\$ 800.00	\$ 5,021.70	
Refunded bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134.73	\$ -	\$ 134.73	\$ 54.32	
Loan Proceeds	\$ 1,443.11	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,443.11	\$ 278.60	
Net change in fund balances	\$ (369.29)	\$ 139.99	\$ (2.85)	\$ 192.63	\$ 141.68	\$ (247.78)	\$ 238.43	\$ 92.81	\$ 2,775.30	
Beginning fund balance	<u>\$ 3,840.41</u>	<u>\$ 2,640.34</u>	<u>\$ (44.25)</u>	<u>\$ 850.28</u>	<u>\$ 3,104.04</u>	<u>\$ 1,318.72</u>	<u>\$ 917.82</u>	<u>\$ 12,627.35</u>	<u>\$ 9,852.00</u>	
End of year fund balances	<u>\$ 3,471.12</u>	<u>\$ 2,780.33</u>	<u>\$ (47.10)</u>	<u>\$ 1,042.91</u>	<u>\$ 3,245.72</u>	<u>\$ 1,070.94</u>	<u>\$ 1,156.25</u>	<u>\$ 12,720.16</u>	<u>\$ 12,627.30</u>	

Source: Statement 5 & Exhibit 10

\*2002 Bond Fund includes the Special Tax Allocation and Incremental Sales Tax Funds

Transfers in for FY2012 included the Business type activity (Parking fund) transferred to Governmental activity (General Fund).

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

**Proprietary Funds**

Proprietary funds are business-type activities where customers pay for the services provided. The proprietary fund is the Water Fund, and is considered a major operating fund.

The change in the net position of the proprietary fund is shown below (in thousands):

**Changes in Proprietary Fund Balances**

	2013		2012
	Water Fund	Total Proprietary Funds	Total Proprietary Funds
Total revenues	\$ 5,479.0	\$ 5,479.0	\$ 4,713.9
Total expenses	3,764.3	3,764.3	3,265.5
Excess (deficiency) of revenues over expenditures	1,714.7	1,714.7	1,448.4
Transfers in (out)	(800.0)	(800.0)	(5,021.7)
Contribution revenue	750.2	750.2	-
Special items	-	-	(1,021.8)
Net change in Fund Balances	1,665.0	1,665.0	(4,595.1)
Net position at beginning of year	4,699.2	4,699.2	9,294.4
Net position at end of year	\$ 6,364.2	\$ 6,364.2	\$ 4,699.3

Source: Statement 8

Transfers from the Water fund to the General fund annually of \$800,000 cover the approximate cost to the Village of unallocated expenses, such as liability insurance, pension, Social Security taxes and other employment costs, and intangible property rights.

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

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The following chart reflects the condensed Budgetary Comparison Schedule (in thousands):

	2013			2012		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 10,902.2	\$ 10,398.6	\$ (503.6)	\$ 10,264.1	\$ 9,955.0	\$ (309.1)
Licenses and permits	1,042.0	982.3	(59.6)	1,014.0	1,174.2	160.2
Fees for services	2,425.4	2,381.3	(44.1)	2,443.7	2,231.1	(212.6)
Grant revenue	420.6	528.8	108.2	731.1	522.6	(208.5)
Parking revenue	520.1	498.7	(21.4)	523.0	517.4	
Fines	1,552.0	1,466.1	(85.9)	1,678.5	1,374.0	(304.5)
Interest on investment	1.7	2.0	0.3	5.0	1.5	(3.5)
Other	56.0	79.4	23.4	29.2	246.0	216.8
<b>Total Revenues</b>	<b>16,920.0</b>	<b>16,337.3</b>	<b>(582.7)</b>	<b>16,688.6</b>	<b>16,021.8</b>	<b>(666.8)</b>
<b>Expenditures:</b>						
Office of the Mayor	6,316.1	6,089.1	226.9	6,091.6	5,869.7	221.9
Office of Accounts & Finance	8,155.9	7,936.4	219.5	8,277.3	7,973.207	304.1
Office of Public Property	1,791.4	3,031.3	(1,240.0)	1,772.5	1,875.5	(103.0)
Office of Streets & Public Improvement	1,473.2	1,325.1	148.1	1,484.7	1,509.6	(24.9)
Office of Health & Safety	346.7	295.1	51.7	342.9	348.9	(6.0)
Debt Service Payments	292.2	589.8	(297.6)	319.5	402.7	(83.2)
<b>Total Expenditures</b>	<b>18,375.5</b>	<b>19,266.9</b>	<b>(891.4)</b>	<b>18,288.5</b>	<b>17,979.7</b>	<b>308.8</b>
Excess (deficiency) of revenues over expenditures:	(1,455.5)	(2,929.6)	(1,474.2)	(1,599.9)	(1,957.9)	(358.0)
<b>Other financing sources:</b>						
Operating Transfers In	1,485.0	1,117.2	(367.8)	1,550.0	5,017.6	3,467.6
Refunded debt	-	-	-	-	54.3	54.3
Loan Proceeds	-	1,443.1	-	-	278.6	278.6
<b>Total other financing sources</b>	<b>1,485.0</b>	<b>2,560.3</b>	<b>1,075.3</b>	<b>1,550.0</b>	<b>5,350.5</b>	<b>3,800.5</b>
<b>Net Change to Fund Balance</b>	<b>29.5</b>	<b>(369.3)</b>	<b>(398.8)</b>	<b>(49.9)</b>	<b>3,392.7</b>	<b>3,442.6</b>

Source: RSI-5

General fund revenues were \$315,578 higher than last year (2.0%), and (-\$582,735) less than budget (-3.4%). The variation resulted from lower than expected property tax revenues (-\$112,085), sales taxes (\$-407,657), and utility taxes (-\$172,335). Expenditures increased significantly due to the recognition of the LED street light capital project totaling \$1,443,110 in FY2013. Outside of this capital expenditure, **all departments remained under budget by (\$551,678) or (-3.0%), and showed a slight reduction from prior year, a savings of \$155,855.** By omitting the annual transfer from the MFT fund to the General fund as other financing sources, a deficit of (-\$369,287) resulted in a reduction to the fund balance. Due to consecutive years of shortfalls in revenues, all departments continue to reduce expenditures in order to spend less than the amounts appropriated.

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

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Governmental Activities Change in Capital Assets (in thousands)

	<b>Balance as of April 30, 2012</b>	<b>Net Additions/ (Deletions)</b>	<b>Balance as of April 30, 2013</b>
<b>Non-Depreciable Assets</b>			
Land	\$ 5,365.4	-	\$ 5,365.4
Construction in Progress	436.7	\$ 1,068.6	1,505.3
<b>Non-Depreciable Assets Total</b>	<u>5,802.1</u>	<u>1,068.6</u>	<u>6,870.7</u>
<b>Other Capital Assets</b>			
Infrastructure	38,177.4	370.1	38,547.5
Buildings and improvements	4,446.4	(40.0)	4,406.4
Vehicles/Equipment	4,949.9	(80.8)	4,869.1
Accum. Depreciation	<u>(24,733.9)</u>	<u>(408.7)</u>	<u>(25,142.6)</u>
<b>Net Capital Assets</b>	<u>\$ 28,641.9</u>	<u>\$ 909.1</u>	<u>\$ 29,551.0</u>

Source: Note 4

Infrastructure construction in progress at the end of the fiscal year includes the LED street lights project, and the CDBG 2012 alley. Construction completed includes Harrison Street, Circle Avenue, CDBG 2011 alley, the Brown Street Station TIF alley, and the I.K.E Flood Recovery program. Funding resources included grants, VIP, TIF, and General fund revenues/reserves. Replacement equipment purchased this year was a Ford Explorer in the Fire Department. The financing means for the equipment was proceeds from sales of assets and was budgeted in general fund expenditures.

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

	<b>Balance as of April 30, 2012</b>	<b>Net Additions/ (Deletions)</b>	<b>Balance as of April 30, 2013</b>
<b>Non-Depreciable Assets</b>			
Construction in Progress	\$ -	\$ 78.3	\$ 78.3
<b>Other Capital Assets</b>			
Infrastructure	9,445.7	935.9	10,381.6
Buildings and improvements	681.9	-	681.9
Vehicles/Equipment	198.6	-	198.6
Accum. Depreciation	<u>(2,437.3)</u>	<u>(104.7)</u>	<u>(2,542.0)</u>
<b>Net Capital Assets</b>	<u>\$ 7,888.9</u>	<u>\$ 909.5</u>	<u>\$ 8,798.4</u>

Source: Note 4

Infrastructure construction in progress at the end of the fiscal year includes the Des Plaines Avenue Water main replacement project. While a water truck was a recorded expense, possession of the equipment did not occur during fiscal year 2013.

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

Debt Administration

At April 30, 2013, the Village had outstanding debt as follows:

	<u>Principle due</u>	<u>Principal &amp; Interest due within one year</u>
<b>Governmental Activities</b>		
GO TIF Refunding Bonds, 2002	\$ 1,890,000	\$ 445,000
GO TIF Alternative Revenue, 2003A	-	-
GO Alternative Revenue Refunding, 2012	6,745,000	20,000
Premiums on Bonds	<u>301,920</u>	<u>-</u>
<b>Total Bonds</b>	<b>\$ 8,936,920</b>	<b>\$ 465,000</b>
General Obligation Debt Certificate Series 2011	2,329,016	235,424
Bank Loans Payable	1,555,450	1,390,618
Net Pension Obligations	1,282,498	
Other Post Employment Benefits	274,547	
Compensated Absences	<u>468,095</u>	<u>415,653</u>
<b>Total Governmental Long-term Debt</b>	<b>\$ 14,846,526</b>	<b>\$ 2,506,695</b>
<b>Business-type Activities</b>		
General Obligation Debt Certificate Series 2011	\$ 440,984	\$ 44,576
Loan Payable (IEPA)	3,300,341	292,823
Compensated Absences	<u>14,869</u>	<u>11,609</u>
<b>Total Business-type Long-term Debt</b>	<b>\$ 3,756,194</b>	<b>\$ 349,008</b>

The governmental GO bond payments of \$465,000 due in fiscal year 2014 are payable from the Debt Service funds, financed through TIF property tax deposits and the VIP Fund, which is financed through one-half percent Non Home Rule sales tax. Interest rates on the bonds range from 2.0 to 4.85%. The General Obligation Debt Certificate was refinanced in FY2012, and interest rates now range from 2.0 to 3.0 percent. The General fund and Water fund share the principle and interest payments for the general obligation debt certificate. Bank loans payable include the principle on the LED street light financing. This capital project carries over into fiscal year 2014, and upon completion, will be an amortized loan.

The actuarial value of net pension obligations and other post employment benefits are required under the Governmental Accounting Standards Board (GASB) to be reported, but not to be funded. These amounts will vary as actuarial experience in the various retirement funds fluctuate from year to year.

Under Illinois law, the Village's outstanding debt is limited to 8.625% of the assessed valuations in our jurisdiction. The Village's debt limit under this law is \$28.2 million compared to legal debt outstanding at April 30, 2013, of \$11.4 million (excludes premium on bonds).

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

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The General fund and Water fund comprise the Village's major operating funds. Operating revenues for FY2014 are projected to increase from FY2013 actual by 2.0% in the General, and 7.5% in the Water fund. This is an overall increase of \$854,620, or 3.5% from FY2013 actual operating fund revenues.

Property taxes and state-shared revenues each represent approximately 25.0% of General fund revenues. For FY2014, property taxes have been budgeted at a 9.7% increase over FY2013 actual. Through September 30, 2013, 45.7% of budgeted property tax revenue in the General fund has been received. State-shared revenues continue to show improvement, and are budgeted at a 6.7% increase for FY2014. For the first five months of FY2014, municipal sales taxes have increased 6.3%, or \$48,276, over this period in FY2013, a positive indicator the local economy is recovering.

State taxes that are disbursed per capita include local share of state income taxes, use tax, and motor fuel tax. Per the 2010 census results, the Village population is 14,167. Income tax and local use tax have increased per capita for the past three fiscal years, however the motor fuel tax has steadily declined. Fiscal year 2014 estimates per the Illinois Municipal League indicate per capita for local share income tax at \$95.40, or \$1,351,532 estimated revenue, and use tax at \$16.70, or \$236,589 estimated revenue. To date in this current fiscal year, these revenues are on track to meet estimates. The State remains in arrears with disbursement of municipal share of state income taxes, currently two months, amounting to \$203,919 outstanding to the Village. While these revenues are recognized when allocated from the State, the shortage in cash flow makes a significant difference in daily operations.

Another factor indicating economic improvement has been the increase in revenues associated with transfers of real estate. FY2013 revenues reflected a 46.3% increase, or \$31,700, over FY2012. These revenues are up 29.1%, \$11,900, over this period in FY2013, as well as building permit revenues, up \$32,879, or 62.4%.

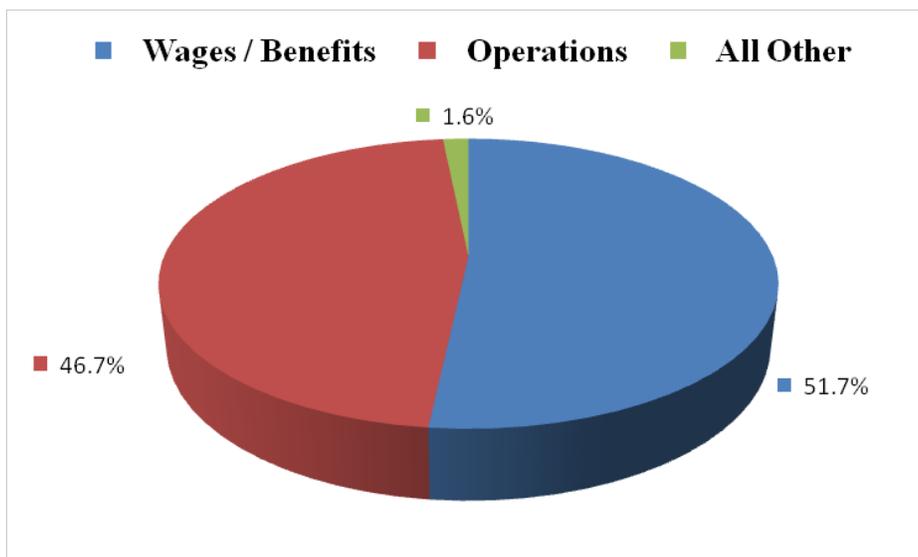
Water rates are scheduled to increase annually 15.0% through December 2015, per the City of Chicago charges. Budgeted revenues for FY2014 show an increase of \$445,584, 7.5% over collected revenues in the FY2013. Per the gain in fund balance in FY2013, and projected revenues for FY2014, additional funds have been allocated to water fund infrastructure expenses such as sewer and water main repairs and improvements, as well as flood mitigation studies.

There is reason for optimism in Forest Park as well as the United States. Unemployment numbers nationwide continue to decrease and the sales tax revenue to date is showing the increases we have anticipated. The Village is in the process of expanding the TIF areas along Roosevelt Road between Harlem/Desplaines in an effort to spur development and we have had some very preliminary discussions with interested parties in some of the vacant parcels along Roosevelt Road. We have applied for state and federally funded grants to assist with infrastructure projects throughout Forest Park and have been awarded a 1.4 Million dollar grant to add improvements to Madison Street west of Desplaines. This project is a joint venture with River Forest and we are confident that the improvement will add to the sales tax base from the area. We have refinanced some existing debt to take advantage of the low interest rates available today, as we did with the 2001 general obligation debt, and with the savings we will perform some needed infrastructure work. We have completed our existing street lighting system to a new LED system. This new system is already proving that the Village will be able to decrease our annual budget for lighting and maintenance and will pay substantial dividends when the 10 year loan is paid off. It will also decrease the energy demands of our Village lighting system by 70.0%. The Village is participating in an electrical aggregation plan which will also save our residents \$1.6 million annually. The Village is actively pursuing State and Federal Grants to assist with infrastructure costs and we remain optimistic that after review the Village will be awarded additional dollars for important projects.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT’S DISCUSSION AND ANALYSIS  
April 30, 2013**

Overall operating expenditures for FY2014 are budgeted at a 3.3% increase over FY2013 actual expenditures. Wages and benefits continue to be the major portion of the Village budget. The Village has been working hard with our labor unions on holding the line on wages and has been successful in gaining some concessions. In two of our labor unions we were able to negotiate increased employee contributions for health insurance, and the non-union personnel have also started with larger contributions. This action along with a change in our healthcare provider has resulted in a more favorable health insurance expense.

The chart below represents the operating budget expenditures broken down by wages / benefits, day to day operations, and all other expenses. Fifty-two percent of total expenditures from the major operating funds represent employment costs, including taxes, pensions, and health and life insurance. This percentage has remained fairly level over the last five years. The budgeted increase in overall wages and benefits in FY2014 is 3.2%, or \$394,406, compared to FY2013 budget.



In the midst of economic recovery, the Village is reluctant to increase fees paid by residents, however we are cognizant of the need to continue to provide quality services that our residents expect. We are aggressively seeking to lower costs and have already renegotiated several contracts to lower expenses for the future.

**CONTACTING THE VILLAGE’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Village’s finances. Questions concerning this report or requests for additional financial information should be directed to the Village Clerk, Village of Forest Park, and 517 Desplaines Avenue, Forest Park, Illinois, 60130.

## STATEMENT OF NET POSITION

April 30, 2013

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 12,312,715	\$ 1,038,894	\$ 13,351,609	\$ 2,274,687
Receivables:				
Property tax receivable	2,433,911	-	2,433,911	1,046,639
Due from other governments	1,944,737	-	1,944,737	-
Accounts receivable	544,155	818,622	1,362,777	14,528
Prepaid items	391,164	5,323	396,487	6,099
Total current assets	<u>17,626,682</u>	<u>1,862,839</u>	<u>19,489,521</u>	<u>3,341,953</u>
Noncurrent assets:				
Capital assets not being depreciated	6,870,721	78,286	6,949,007	134
Capital assets being depreciated, net	<u>22,680,373</u>	<u>8,720,097</u>	<u>31,400,470</u>	<u>1,268,695</u>
Total noncurrent assets	<u>29,551,094</u>	<u>8,798,383</u>	<u>38,349,477</u>	<u>1,268,829</u>
Total assets	<u>47,177,776</u>	<u>10,661,222</u>	<u>57,838,998</u>	<u>4,610,782</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	1,024,270	504,058	1,528,328	30,600
Accrued payroll	69,668	216	69,884	28,433
Other liabilities	87,597	9,110	96,707	-
Interest payable	121,372	27,457	148,829	-
Long-term obligations, due within one year:				
Compensated absences	415,653	11,609	427,262	-
Bonds payable	465,000	-	465,000	-
Debt certificates payable	235,424	44,576	280,000	-
Loans payable	<u>1,390,618</u>	<u>292,823</u>	<u>1,683,441</u>	<u>-</u>
Total current liabilities	<u>3,809,602</u>	<u>889,849</u>	<u>4,699,451</u>	<u>59,033</u>
Noncurrent liabilities:				
Long-term obligations, due in more than one year:				
Compensated absences	52,442	3,260	55,702	-
Bonds payable	8,471,920	-	8,471,920	-
Debt certificates payable	2,093,592	396,408	2,490,000	-
Loans payable	164,832	3,007,518	3,172,350	-
Net pension obligation	1,230,840	-	1,230,840	-
IMRF net pension obligation	51,658	-	51,658	-
Other post employment benefit obligation	<u>274,547</u>	<u>-</u>	<u>274,547</u>	<u>-</u>
Total noncurrent liabilities	<u>12,339,831</u>	<u>3,407,186</u>	<u>15,747,017</u>	<u>-</u>
Total liabilities	<u>16,149,433</u>	<u>4,297,035</u>	<u>20,446,468</u>	<u>59,033</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable property tax revenue	3,195,992	-	3,195,992	1,046,639
Deferred gain on refunding	<u>257,404</u>	<u>-</u>	<u>257,404</u>	<u>-</u>
Total deferred inflows of resources	<u>3,453,396</u>	<u>-</u>	<u>3,453,396</u>	<u>1,046,639</u>
<b>NET POSITION</b>				
Invested in capital assets	16,472,304	5,057,058	21,529,362	1,268,829
Restricted for:				
Debt service	3,124,345	-	3,124,345	-
Capital projects	1,070,943	-	1,070,943	-
Other purposes	-	-	-	125,414
Unrestricted	<u>6,907,355</u>	<u>1,307,129</u>	<u>8,214,484</u>	<u>2,110,867</u>
Total net position	<u>\$ 27,574,947</u>	<u>\$ 6,364,187</u>	<u>\$ 33,939,134</u>	<u>\$ 3,505,110</u>

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT 2

STATEMENT OF ACTIVITIES  
Year ended April 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Fees, Fines & Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 7,520,924	\$ 3,716,146	\$ -	\$ -	\$ (3,804,778)		\$ (3,804,778)	
Police protection	5,118,468	207,813	479,573	-	(4,431,082)		(4,431,082)	
Fire protection	3,106,021	27,003	49,206	707,181	(2,322,631)		(2,322,631)	
Health and safety	306,302	-	-	-	(306,302)		(306,302)	
Community outreach	646,420	5,030	-	-	(641,390)		(641,390)	
Public works	5,095,913	858,019	482,339	1,406,128	(2,349,427)		(2,349,427)	
Interest on debt	553,486	-	-	-	(553,486)		(553,486)	
Total governmental activities	<u>22,347,534</u>	<u>4,814,011</u>	<u>1,011,118</u>	<u>2,113,309</u>	<u>(14,409,096)</u>		<u>(14,409,096)</u>	
Business-type activities:								
Water operations	3,698,559	5,476,014	-	750,245	-	\$ 2,527,700	2,527,700	
Sewer operations	<u>65,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(65,707)</u>	<u>(65,707)</u>	
Total business-type activities:	<u>3,764,266</u>	<u>5,476,014</u>	<u>-</u>	<u>750,245</u>	<u>-</u>	<u>2,461,993</u>	<u>2,461,993</u>	
<b>Total primary government</b>	<u>\$ 26,111,800</u>	<u>\$ 10,290,025</u>	<u>\$ 1,011,118</u>	<u>\$ 2,863,554</u>	<u>(14,409,096)</u>	<u>2,461,993</u>	<u>(11,947,103)</u>	
<b>Component unit</b>								
Public library	<u>\$ 1,530,287</u>	<u>\$ 32,298</u>	<u>\$ 16,788</u>	<u>\$ -</u>				<u>\$ (1,481,201)</u>
General revenues:								
Taxes:								
Property taxes					6,452,264	-	6,452,264	1,588,864
Replacement tax					165,191	-	165,191	34,170
Income tax					1,340,445	-	1,340,445	-
Sales tax					4,352,833	-	4,352,833	-
Telecommunication tax					566,981	-	566,981	-
Utility tax					781,154	-	781,154	-
Other taxes					511,021	-	511,021	-
Investment earnings					36,694	2,966	39,660	2,436
Other general revenues					28,477	-	28,477	13,243
Transfers					800,000	(800,000)	-	-
Total general revenues and transfers					<u>15,035,060</u>	<u>(797,034)</u>	<u>14,238,026</u>	<u>1,638,713</u>
Change in net position					625,964	1,664,959	2,290,923	157,512
Net position, beginning of year (as restated)					<u>26,948,983</u>	<u>4,699,228</u>	<u>31,648,211</u>	<u>3,347,598</u>
Net position, end of year					<u>\$ 27,574,947</u>	<u>\$ 6,364,187</u>	<u>\$ 33,939,134</u>	<u>\$ 3,505,110</u>

## VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS  
BALANCE SHEET  
April 30, 2013

	Major Funds								Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Tax Fund	VIP Fund		
<b>ASSETS</b>										
Cash and cash equivalents	\$ 2,559,912	\$ 2,781,464	\$ 10,447	\$ 1,074,304	\$ 2,687,302	\$ 338,043	\$ 162,638	\$ 1,224,433	\$ 1,474,172	\$ 12,312,715
Receivables:										
Property tax receivable	2,150,429	-	-	-	-	-	-	-	283,482	2,433,911
Due from other governments	1,538,209	-	-	-	-	-	-	346,139	60,389	1,944,737
Accounts receivable	509,660	-	-	-	-	-	34,495	-	-	544,155
Interfund receivable	475,375	-	-	-	25,174	56,610	37,499	-	-	594,658
Prepaid items	391,164	-	-	-	-	-	-	-	-	391,164
Total assets	<u>\$ 7,624,749</u>	<u>\$ 2,781,464</u>	<u>\$ 10,447</u>	<u>\$ 1,074,304</u>	<u>\$ 2,712,476</u>	<u>\$ 394,653</u>	<u>\$ 234,632</u>	<u>\$ 1,570,572</u>	<u>\$ 1,818,043</u>	<u>\$ 18,221,340</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE AND FUND BALANCE</b>										
Liabilities										
Accounts payable	\$ 629,734	\$ 1,131	\$ 1,678	\$ 31,397	\$ 1,131	\$ -	\$ -	\$ 359,113	\$ 86	\$ 1,024,270
Accrued payroll	69,668	-	-	-	-	-	-	-	-	69,668
Other liabilities	87,597	-	-	-	-	-	-	-	-	87,597
Interfund payable	65,644	-	55,872	-	58,219	35,890	804	-	378,229	594,658
Total liabilities	<u>852,643</u>	<u>1,131</u>	<u>57,550</u>	<u>31,397</u>	<u>59,350</u>	<u>35,890</u>	<u>804</u>	<u>359,113</u>	<u>378,315</u>	<u>1,776,193</u>
Deferred inflow of resources										
Unavailable revenue	3,300,986	-	-	-	-	-	-	140,516	283,482	3,724,984
Fund balance										
Nonspendable										
Prepaid items	391,164	-	-	-	-	-	-	-	-	391,164
Restricted										
Economic development	-	2,780,333	-	1,042,907	-	-	-	-	-	3,823,240
Public safety	-	-	-	-	-	-	-	-	1,041,563	1,041,563
Streets & highways	-	-	-	-	-	-	-	1,070,943	490,032	1,560,975
Debt service	-	-	-	-	2,653,126	358,763	233,828	-	-	3,245,717
Playground/Recreation	730,640	-	-	-	-	-	-	-	-	730,640
Unassigned	2,349,316	-	(47,103)	-	-	-	-	-	(375,349)	1,926,864
Total fund balance	<u>3,471,120</u>	<u>2,780,333</u>	<u>(47,103)</u>	<u>1,042,907</u>	<u>2,653,126</u>	<u>358,763</u>	<u>233,828</u>	<u>1,070,943</u>	<u>1,156,246</u>	<u>12,720,163</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 7,624,749</u>	<u>\$ 2,781,464</u>	<u>\$ 10,447</u>	<u>\$ 1,074,304</u>	<u>\$ 2,712,476</u>	<u>\$ 394,653</u>	<u>\$ 234,632</u>	<u>\$ 1,570,572</u>	<u>\$ 1,818,043</u>	<u>\$ 18,221,340</u>

VILLAGE OF FOREST PARK, ILLINOIS  
 RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
 TO STATEMENT OF NET POSITION  
 April 30, 2013

Total fund balances - governmental funds		\$ 12,720,163
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Capital assets	\$ 54,693,664	
Accumulated depreciation	<u>(25,142,570)</u>	
Net capital assets		29,551,094
<p>Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:</p>		
Sales taxes receivable	256,023	
Other taxes receivable	152,463	
Grant receivable	<u>120,506</u>	
Total unavailable revenue		528,992
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(121,372)
<p>Some liabilities reported in the statement of activities do not require the use of current financial resources and therefore are not reported as liabilities in governmental funds. These liabilities consist of :</p>		
Bonds payable	(8,936,920)	
Debt certificates payable	(2,329,016)	
Deferred inflow - gain on refunding	(257,404)	
Loans payable	(1,555,450)	
Compensated absences	(468,095)	
Net pension obligation	(1,230,840)	
IMRF net pension obligation	(51,658)	
Other post employment benefit obligation	<u>(274,547)</u>	
Total long-term liabilities		<u>(15,103,930)</u>
Net position of governmental activities		<u>\$ 27,574,947</u>

See accompanying notes to the financial statements.

## VILLAGE OF FOREST PARK, ILLINOIS

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

	Major Funds								Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Special Tax Allocation Fund	Incremental Sales Tax Fund	VIP Fund		
<b>Revenues</b>										
Property tax revenue	\$ 4,278,915	\$ 262,048	\$ (372)	\$ 691,285	\$ -	\$ 639,063	\$ -	\$ -	\$ 581,325	\$ 6,452,264
Personal property replacement tax	146,849	-	-	-	-	-	-	-	18,342	165,191
Sales tax	2,742,343	-	-	-	-	-	367,871	996,941	-	4,107,155
Intergovernmental revenues	252,935	-	-	-	-	-	-	-	617,500	870,435
Auto rental tax	18,484	-	-	-	-	-	-	-	-	18,484
Income tax	1,340,445	-	-	-	-	-	-	-	-	1,340,445
Utility taxes	1,618,665	-	-	-	-	-	-	-	-	1,618,665
Licenses and permits	982,333	-	-	-	-	-	-	-	-	982,333
Fees for services	2,381,322	-	-	-	-	-	-	-	-	2,381,322
Grant revenue	528,779	-	-	-	-	-	-	710,722	-	1,239,501
Parking revenue	498,698	-	-	-	-	-	-	-	-	498,698
Fines	1,466,066	-	-	-	-	-	-	-	180,543	1,646,609
Interest on investments	2,042	25,410	33	4,145	157	22	12	2,988	1,921	36,730
Other revenue	79,402	-	-	-	-	-	-	-	19,800	99,202
<b>Total revenues</b>	<b>16,337,278</b>	<b>287,458</b>	<b>(339)</b>	<b>695,430</b>	<b>157</b>	<b>639,085</b>	<b>367,883</b>	<b>1,710,651</b>	<b>1,419,431</b>	<b>21,457,034</b>
<b>Expenditures</b>										
Current:										
Office of the mayor	6,089,149	-	-	-	-	-	-	-	364,352	6,453,501
Office of accounts and finance	7,936,416	-	-	-	14,112	-	-	-	816,648	8,767,176
Office of public property	3,031,345	-	-	-	-	-	-	-	-	3,031,345
Office of streets and public improvement	1,325,129	147,466	2,513	321,415	-	-	-	1,252,952	-	3,049,475
Office of health and safety	295,078	-	-	-	-	-	-	-	-	295,078
Debt service:										
Principal retired	502,791	-	-	175,000	425,000	-	-	405,000	-	1,507,791
Interest and charges	86,996	-	-	6,388	109,108	-	-	435,208	-	637,700
<b>Total expenditures</b>	<b>19,266,904</b>	<b>147,466</b>	<b>2,513</b>	<b>502,803</b>	<b>548,220</b>	<b>-</b>	<b>-</b>	<b>2,093,160</b>	<b>1,181,000</b>	<b>23,742,066</b>
Excess (deficiency) of revenues over expenditures	(2,929,626)	139,992	(2,852)	192,627	(548,063)	639,085	367,883	(382,509)	238,431	(2,285,032)
<b>Other financing sources (uses)</b>										
Transfers in	1,117,229	-	-	-	533,891	-	-	-	-	1,651,120
Transfers out	-	-	-	-	-	(533,891)	(317,229)	-	-	(851,120)
Refunding bonds issued	-	-	-	-	-	-	-	6,745,000	-	6,745,000
Premium on refunding bonds issued	-	-	-	-	-	-	-	301,920	-	301,920
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(6,912,187)	-	(6,912,187)
Loan proceeds	1,443,110	-	-	-	-	-	-	-	-	1,443,110
<b>Total other financing sources (uses)</b>	<b>2,560,339</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>533,891</b>	<b>(533,891)</b>	<b>(317,229)</b>	<b>134,733</b>	<b>-</b>	<b>2,377,843</b>
<b>Net change in fund balances</b>	<b>(369,287)</b>	<b>139,992</b>	<b>(2,852)</b>	<b>192,627</b>	<b>(14,172)</b>	<b>105,194</b>	<b>50,654</b>	<b>(247,776)</b>	<b>238,431</b>	<b>92,811</b>
<b>Fund balances at beginning of year</b>	<b>3,840,407</b>	<b>2,640,341</b>	<b>(44,251)</b>	<b>850,280</b>	<b>2,667,298</b>	<b>253,569</b>	<b>183,174</b>	<b>1,318,719</b>	<b>917,815</b>	<b>12,627,352</b>
<b>Fund balances at end of year</b>	<b>\$ 3,471,120</b>	<b>\$ 2,780,333</b>	<b>\$ (47,103)</b>	<b>\$ 1,042,907</b>	<b>\$ 2,653,126</b>	<b>\$ 358,763</b>	<b>\$ 233,828</b>	<b>\$ 1,070,943</b>	<b>\$ 1,156,246</b>	<b>\$ 12,720,163</b>

See accompanying notes to the financial statements.

## VILLAGE OF FOREST PARK, ILLINOIS

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

Net change in total fund balances		\$ 92,811
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds. The change from fiscal year 2012 to 2013 consists of:		
	Sales taxes received from the state of Illinois	\$ 19,027
	Other taxes received	2,031
	Grant revenue	<u>87,533</u>
	Total change in unavailable revenues	108,591
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.		
	Increase in net pension liability	(453,707)
	Increase in other postemployment benefit liability	(53,454)
	Increase in IMRF net pension liability	(1,082)
	Decrease in compensated absences	9,538
	Decrease in accrued interest on debt	78,889
	Amortization of bond premium	<u>5,325</u>
	Total expenses of non-current resources	(414,491)
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.		
	Capital expenditures	2,096,173
	Depreciation	<u>(1,330,541)</u>
	Capital expenditures in excess of depreciation	765,632
The original cost of assets disposed of had a net value greater than the disposal proceeds. The difference has been recorded in the statement of activities.		
		(464,400)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		
	Donated asset	607,873
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.		
	General obligation bonds	1,005,000
	Debt certificates payable	239,628
	Loans payable	263,163
	Redemption of refunded debt	<u>6,912,187</u>
	Total retirement of debt	8,419,978
In governmental funds, long-term debt is considered an other financing source (use), but in the statement of net position, debt is reported as a liability. In the current period, proceeds were received from:		
	Loans	(1,443,110)
	Premium on refunding bonds issued	(301,920)
	Debt certificates	<u>(6,745,000)</u>
	Total issuances of debt	<u>(8,490,030)</u>
Change in net position of governmental activities		<u>\$ 625,964</u>

See accompanying notes to the financial statements.

## VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
April 30, 2013

	<u>Major Funds</u>	
	<u>Water Fund</u>	<u>Total Proprietary Funds</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,038,894	\$ 1,038,894
Receivables:		
Accounts receivable	818,622	818,622
Prepays:	<u>5,323</u>	<u>5,323</u>
Total current assets	<u>1,862,839</u>	<u>1,862,839</u>
Noncurrent assets:		
Capital assets being depreciated, net	<u>8,720,097</u>	<u>8,720,097</u>
Total noncurrent assets	<u>8,798,383</u>	<u>8,798,383</u>
Total assets	<u>\$ 10,661,222</u>	<u>\$ 10,661,222</u>
<b>LIABILITIES AND NET POSITION</b>		
Liabilities		
Current liabilities:		
Accounts payable	\$ 504,058	\$ 504,058
Accrued payroll	216	216
Other liabilities	9,110	9,110
Compensated absences	11,609	11,609
Debt certificates	44,576	44,576
Loans payable	292,823	292,823
Interest payable	<u>27,457</u>	<u>27,457</u>
Total current liabilities	<u>889,849</u>	<u>889,849</u>
Noncurrent liabilities:		
Compensated absences	3,260	3,260
Debt certificates	396,408	396,408
Loans payable	<u>3,007,518</u>	<u>3,007,518</u>
Total noncurrent liabilities	<u>3,403,926</u>	<u>3,403,926</u>
Total liabilities	<u>4,297,035</u>	<u>4,297,035</u>
Net position		
Net Invested in capital assets	5,057,058	5,057,058
Unrestricted	<u>1,307,129</u>	<u>1,307,129</u>
Total net position	<u>6,364,187</u>	<u>6,364,187</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 10,661,222</u>	<u>\$ 10,661,222</u>

VILLAGE OF FOREST PARK, ILLINOIS  
 PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 Year Ended April 30, 2013

---

	Major Fund	Total Proprietary Funds
	Water Fund	
Operating revenues		
Charges for services	\$ 5,476,014	\$ 5,476,014
Total operating revenues	5,476,014	5,476,014
Operating expenses		
Operations	3,551,918	3,551,918
Depreciation	104,713	104,713
Total operating expenses	3,656,631	3,656,631
Operating income (loss)	1,819,383	1,819,383
Nonoperating revenues and (expenses)		
Interest revenue	2,966	2,966
Interest expense	(107,635)	(107,635)
Total nonoperating revenues and (expenses)	(104,669)	(104,669)
Capital Contributions		
Contribution revenue	750,245	750,245
Income (loss) before transfers	2,464,959	2,464,959
Transfers out	(800,000)	(800,000)
Change in net position	1,664,959	1,664,959
Net position at beginning of year	4,699,228	4,699,228
Net position at end of year	\$ 6,364,187	\$ 6,364,187

---

See accompanying notes to the financial statements.

## VILLAGE OF FOREST PARK, ILLINOIS

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

	Major Funds	
	Water Fund	Total Proprietary Funds
Cash flows from operating activities:		
Cash received from customers	\$ 5,436,355	\$ 5,436,355
Cash payments for goods and services	(3,193,172)	(3,193,172)
Cash payments to employees for services	(268,589)	(268,589)
Net cash provided by operating activities:	<u>1,974,594</u>	<u>1,974,594</u>
Cash flows from noncapital financing activities:		
Transfers out	(800,000)	(800,000)
Interfund borrowing	(285,441)	(285,441)
Net cash used for noncapital financing activities:	<u>(1,085,441)</u>	<u>(1,085,441)</u>
Cash flows from capital and related financing activities:		
Purchase of capital assets	(1,014,195)	(1,014,195)
Proceeds from capital contributions	750,245	750,245
Principal paid on debt	(330,516)	(330,516)
Interest paid on debt	(108,391)	(108,391)
Net cash used for capital and related financing activities:	<u>(702,857)</u>	<u>(702,857)</u>
Cash flows from investing activities:		
Interest received	<u>2,967</u>	<u>2,967</u>
Net cash provided by investing activities:	<u>2,967</u>	<u>2,967</u>
Net increase (decrease) in cash and cash equivalents	189,263	189,263
Cash and cash equivalents, beginning of year	<u>849,631</u>	<u>849,631</u>
Cash and cash equivalents, end of year	<u>\$ 1,038,894</u>	<u>\$ 1,038,894</u>
Reconciliation of operating income to		
Net cash provided by operating activities:		
Operating income (loss)	<u>\$ 1,819,383</u>	<u>\$ 1,819,383</u>
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:		
Depreciation	104,713	104,713
Decrease (increase) in accounts receivable	(39,659)	(39,659)
Decrease (increase) in prepaids	(5,323)	(5,323)
Increase (decrease) in accounts payable	94,009	94,009
Increase (decrease) in accrued payroll	216	216
Increase (decrease) in compensated absences	<u>1,255</u>	<u>1,255</u>
Total adjustments	<u>155,211</u>	<u>155,211</u>
Net cash provided by (used for) operating activities:	<u>\$ 1,974,594</u>	<u>\$ 1,974,594</u>

See accompanying notes to the financial statements.

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
April 30, 2013

---

ASSETS	
Cash and cash equivalents	\$ 1,454,734
Investments	
Certificates of deposits	4,685,708
Government securities	13,015,429
Mutual funds	7,297,227
Insurance contracts	<u>8,034,704</u>
Total investments	33,033,068
Interest receivable	39,465
Prepaid items	<u>2,847</u>
Total assets	<u>34,530,114</u>
LIABILITIES	
Accounts payable	<u>8,770</u>
Total liabilities	<u>8,770</u>
NET POSITION	
Plan net position held in trust for employees' pension benefits	<u>\$ 34,521,344</u>

---

See accompanying notes the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS  
 STATEMENT OF CHANGES IN FIDUCIARY  
 NET POSITION  
 PENSION TRUST FUNDS  
 Year ended April 30, 2013

---

ADDITIONS	
Contributions	
Employer	\$ 1,205,635
Plan members	<u>498,966</u>
Total contributions	<u>1,704,601</u>
Net investment income	<u>1,739,944</u>
 Total additions	 <u>3,444,545</u>
DEDUCTIONS	
Benefits and refunds	2,901,944
Administrative expenses	<u>58,523</u>
 Total deductions	 <u>2,960,467</u>
 Increase in plan net position	 484,078
 Plan net position at beginning of year	 <u>34,037,266</u>
 Plan net position at end of year	 <u>\$ 34,521,344</u>

---

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Forest Park (Village) was incorporated in 1856 under the provisions of the Illinois Revised Statutes, as amended. The Village operates under a Mayor-Commissioner form of government. Education and social services are provided by separate governing bodies that are beyond the direct or indirect control of the Village's government. The accounting policies of the Village of Forest Park 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.

Financial Reporting Entity: The Village has adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 61, under which these basic financial statements include all organizations, activities, functions and component units for which the Village is financially accountable, or that are fiscally dependent upon the Village or that would cause these financial statements to be misleading to exclude. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and either (1) the Village's ability to impose its will over the component unit, or (2) the possibility that the component unit will provide a financial benefit to or impose a financial burden with the Village.

In conformity with GAAP, the Village's Police and Firefighters' Pension Funds have been included as fiduciary component units in the Village's basic financial statements. Although they are separate legal entities, these funds exist to provide pension benefits for the Village's police officers and firefighters. Thus, their financial information has been included within the Village's basic financial statements as fiduciary funds.

The Forest Park Public Library is included in the reporting entity because of its operational and financial relationship with the Village of Forest Park. The Forest Park Public Library meets the criteria for discrete presentation and is shown in the component unit column in the Government-wide financial statements. The Forest Park Public Library is reported in a separate column to emphasize that it is legally separate from the Village of Forest Park. The Forest Park Public Library has issued separate financial statements for the year ended April 30, 2013. Separate financial statements can be obtained by contacting its office at 7555 Jackson Boulevard, Forest Park, Illinois 60130.

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

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

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Fund Financial Statements – The financial transactions of the Village are recorded in individual funds. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Separate statements for each fund category—governmental, proprietary, and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and presented as nonmajor funds.

Measurement Focus and Basis of Accounting:

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

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

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

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

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary funds separate all activity into two categories: operating revenues and expenses and non-operating revenues and expenses. Operating revenues and expenses result from providing services and producing and delivering goods. Non-operating revenues and expenses entail all other activity not included in operating revenues and expenses. Non-operating revenues and expenses include capital and noncapital financing activities and investing activities. When an expenditure/expense is incurred for purposes for which both restricted and unrestricted resources are available, it is the Village's policy to apply restricted resources first, then unrestricted resources as needed.

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

The Village reports the following major governmental funds:

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

Brown Street Station TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from the area in far north Forest Park. This is a mixed of commercial and residential area TIF and funds will be used to improve streetscapes and for future development.

Harlem / Harrison TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from its specific area in Forest Park. This is a commercial area TIF and funds will be used to improve streetscapes and for future development.

Roosevelt / Hannah TIF Fund – This TIF fund is a special revenue fund used to accumulate incremental property tax revenues from its specific area in Forest Park. This is a commercial area TIF and funds will be used to improve streetscapes and for future development.

2002 Bond Fund; Special Tax Allocation Fund; Incremental Sales Tax Fund – The 2002 Bond Fund, also known as the Forest Park Mall TIF, is a debt service fund used to pay principal and interest on \$5,765,000 general obligation bond. The original TIF was divided in 2001 and currently comprises the Wal-Mart property, including the parking lot. The bond debt service is totally funded by incremental property taxes paid by Wal-Mart.

Special Tax Allocation Fund - The Special Tax Allocation Fund (a debt service fund) receives the deposits of the incremental property taxes attributable to the Mall TIF. Funds are transferred at least annually to pay the debt service on the 2002 Bond.

Incremental Sales Tax Fund - The Incremental Sales Tax Fund (a debt service fund) receives one-half of the municipal sales tax (0.5%) of monthly Wal-Mart sales as reported to the Village by Wal-Mart. These funds are transferred to the 2002 Bond Fund if incremental property taxes are inadequate to fully satisfy the debt service. Any excess funds not needed for debt service are returned to the Village.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

VIP Fund – This a debt service fund with pledged revenues from the Non-Home Rule Municipal Sales Taxes, at ½ of 1.0%. These revenues are committed to public infrastructure improvements and debt service on the \$6,745,000 General Obligation Refunding Bonds, Series 2012 current principal from the refunded the \$9,600,000 General Obligation Bonds (Alternate Revenue Source) Series 2005.

Proprietary Funds: Proprietary funds are used to account for those Village activities that are similar to those often found in the private sector. The measurement focus is upon determination of net income, financial position, and changes in financial position.

The Village reports the following major proprietary funds:

Water Fund – This fund accounts for the revenues and expenses related to the operation of the Village's water and sewer. Revenues are generated through charges to users based upon water and sewer consumption.

Governmental Funds: In addition to the general fund type mentioned above, the Village uses the following governmental fund types:

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources requiring separate accounting because of legal or regulatory provisions or administrative action.

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

Fiduciary Funds: Fiduciary Funds are used to account for assets held by the Village in a trustee capacity or as an agent for individuals, other governments, or other funds. These include the pension trust funds.

Cash, Cash Equivalents, and Investments

Description of Village Policy

Separate checking accounts are maintained to satisfy legal restrictions or as authorized by the Village Board. The Village maintains a cash checking account pool that is available for use by all funds except the pension trust funds. Each fund type's portion of this pool is included on the combined balance sheet as "cash and cash equivalents." The deposits and investments of the pension trust funds are held separately from those of other funds.

All investments are reported at fair value, which generally represents quoted market price as of the last business day of the year. Gains or losses on the sale or maturity of investments are recorded as current investment income at the date of sale or maturity. Cash equivalents are stated at cost.

The Village maintains an investment pool that is available for use by all funds except the pension trust funds. Village investments are in either certificates of deposit with local financial institutions or deposits with the Illinois Funds Money Market Fund.

The value of the Illinois Funds Money Market Fund and Illinois Metropolitan Investment Fund equates to the number of shares owned as of April 30, 2013. These deposits are regulated by the Comptroller of the State of Illinois.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Cash Flows: For purposes of the statement of cash flows for the Proprietary Funds, the Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

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

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

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

Public domain infrastructure capital assets including roads, curbs and gutters, drainage systems, and lighting systems are also capitalized. Depreciation of the assets listed below is computed using the straight-line method over the following estimated useful lives:

Buildings	100 Years
Equipment	3-20 Years
Infrastructure - roads	30-40 Years
Infrastructure - water	100 Years
Building improvement	100 Years

Accrued Vacation: Per the Village's policy, full-time permanent employees of the Village other than firefighters in the Fire Department, police officers in the Police Department, and members of the Local 705 Teamsters Union shall be entitled to paid vacations based on the following years of service:

Less than 1 year	Nothing
After 1 year	10 working days
After 8 years	15 working days
After 15 years	20 working days

For each year of service over 15 years, one additional vacation day up to a maximum of 25 working days.

Vacation time must be taken within one year in which the time is earned.

Members of the firefighters and police officers unions and Local 705 Teamsters union are entitled to and receive vacation benefits as stated in the current contracts.

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

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

*Fund Balance* - In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds has been modified from prior years. Previously, the fund balance section focused on whether these resources were available for spending. It also distinguished the unreserved fund balance from the reserved fund balance. In order to show compliance with GASB Statement No. 54, however, the components of the new fund balance include the following line items:

- a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.
- b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the Village's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.
- c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific source by passing of a Board Resolution by the Village Council. Amendments or modifications of the committed fund balance must be also by approved by passing of a Board Resolution by the Village Council.
- d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Village Council designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.
- e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

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

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance, and then restricted fund balance.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Proprietary fund equity is classified the same as in the government-wide statements.

Fiduciary net position is classified as held in trust for employee's pension benefits on the statement of fiduciary net position. Various donor restrictions apply, including authorizing and spending trust income, and the Village believes it is in compliance with all significant restrictions.

Post-Employment Health Care Benefits: The Village provides health insurance to its retired employees, with over 20 years of service, at their own expense.

Federal Grants: The Village participated in the Community Development Block Grant Program (CDBG). The CDBG Program funded a public construction project. Revenue from this grant is recorded as earned in an amount equal to expenditures incurred.

Interfund Receivables and Payables: Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" for the current portion of interfund loans or "advances to/from other funds" for the non-current portion of interfund loans. All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the Government-wide financial statements as "internal balances." All receivables are shown net of an allowance for uncollectibles.

Long-Term Debt: In the Government-wide financial statements and in the proprietary funds in the fund financial statements, 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 amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs are reported as expenditures.

Use of Estimates: The preparation of the basic financial statements in conformity with GAAP requires Village's 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 basic financial statements and/or the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates, but the Village believes that the differences will be insignificant.

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS**

Village

At year end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were \$13,349,046. In addition, the Village maintained four petty cash accounts with a carrying value of \$2,563. The balances in the bank were \$13,352,366.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2013

---

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Village does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Village’s policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of “investment grade” quality (that is, at the time of purchases, rated no lower than “Baa” by Moody’s and no lower than “BBB” by Standard & Poor’s).

The Village Council, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate.

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The Village’s investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor’s, Moody’s, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. As of April 30, 2013 the Village bank balances were fully collateralized.

*Concentration of Credit Risk* – The Village places no limit on the amount it may invest in any one issuer.

The following is a reconciliation between Note 2 and the basic financial statements of the primary government:

<u>Note 2</u>		<u>Financial Statements</u>	
Carrying value of cash and cash equivalents	\$ 13,349,046	Statement 1 (Primary Government)	
Petty cash	2,563	Cash and cash equivalents	\$ 13,351,609
Total notes	<u>\$ 13,351,609</u>	Total financial statements	<u>\$ 13,351,609</u>

**Police Pension Fund**

At year end, the Police Pension Fund’s carrying amount of cash was \$598,862 while the bank balances were \$599,207. As of April 30, 2013, \$599,207 of the bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund’s name by a financial institution acting as the fund’s agent.

The Police Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

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

	Investment Maturities				
	<u>Fair Value</u>	<u>Less Than One Year</u>	<u>One to Five Years</u>	<u>Six to Ten Years</u>	<u>Greater Than Ten Years</u>
GNMA	\$ 4,975,524	\$ -	\$ 222	\$ 1,884	\$ 4,973,418
FHLMC	5,026,325	-	-	-	5,026,325
FNMA	3,013,580	-	-	-	3,013,580
Mutual funds	1,865,519	1,865,519	-	-	-
Insurance contracts	<u>5,249,506</u>	<u>5,249,506</u>	-	-	-
Total investments	<u>\$ 20,130,454</u>	<u>\$ 7,115,025</u>	<u>\$ 222</u>	<u>\$ 1,884</u>	<u>\$ 13,013,323</u>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Police Pension Fund's policy requires all fixed income investments to be of investment grade quality or higher at purchase. Also, according to the provisions of the Illinois Compiled Statutes, fixed income purchases shall be limited to obligations issued or guaranteed as to principal and interest by the U.S. government or any agency or instrumentality thereof, or to corporate and municipal issues. All securities shall be of "investment grade" quality (that is, at the time of purchases, rated no lower than "Baa" by Moody's and no lower than "BBB" by Standard & Poor's). The Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment objectives dictate. One of the U.S. Treasury Department's objectives for conservatorships is to protect bondholders. As such, declines in fair value below cost for investments in Freddie Mac and Fannie Mae bonds (that is, debt securities) may be treated as temporary. At year end the Pension Fund's intent is to hold the bonds until they recover.

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2013 (excluding investments in U.S. Treasuries, which are not considered to have credit risk) were as follows:

Disclosure Ratings for Debt Securities (S&P / Moody's)  
(As a percentage of total fair value for debt securities)

<u>Investment Type</u>	<u>AAA/Aaa</u>
Government National Mortgage Association	100%
Federal Home Loan Mortgage Corporation	100%
Federal National Mortgage Association	100%
Mutual Funds	100%
Insurance Contract	n/a

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Custodial Credit Risk* – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Pension Fund's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund was fully collateralized as of April 30, 2013.

*Concentration of Credit Risk* – The Village places no limit on the amount the Police Pension Fund may invest in any one issuer. More than 5% of the Police Pension Fund's investments are invested in FHLMC, 24.97%, FNMA, 14.97%, Jackson National Life Insurance Contracts, 5.93%, Lincoln Benefit Life Insurance Contracts, 5.85%, and AIG Insurance Co. Insurance Contracts, 7.92%.

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits and certificates of deposit was \$855,872 and \$4,685,708, respectively, while the bank balances were \$855,872 and \$4,685,708, respectively. As of April 30, 2013, \$855,872 and \$4,685,708 of the bank balances were collateralized, although the Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund's deposits with financial institutions.

The Firefighters' Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

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

	<u>Fair Value</u>	<u>Investment Maturities</u>		
		<u>Less than One Year</u>	<u>One to Five Years</u>	<u>Greater than Five Years</u>
Certificates of Deposit	\$ 4,685,708	\$ 445,504	\$ 2,037,988	\$ 2,202,216
Insurance Contracts	2,785,198	2,785,198	-	-
Equity Mutual Funds	5,431,708	5,431,708	-	-
<b>Total investments</b>	<b>\$ 12,902,614</b>	<b>\$ 8,662,410</b>	<b>\$ 2,037,988</b>	<b>\$ 2,202,216</b>

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with the Firefighters' Pension Fund's investment policy, the fund limits its exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities; additionally the fixed income portfolio is structured allowing for duration between three and eight years.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)**

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Firefighters’ Pension Fund’s investment policy establishes criteria for allowable investments; those criteria follow the requirements the Illinois Pension Code. The Firefighters’ Pension Fund’s investment policy also prescribes “that investments be made in a prudent manner. That is, with the same care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person would use considering the primary objective of preserving one’s capital.”

*Custodial Credit Risk* – In the case of deposits, this is the risk that in the event of a bank failure, the Firefighters’ Pension Fund’s deposits may not be returned to it. At year end, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters’ Pension Fund’s investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the fund’s deposits with financial institutions.

*Concentration of Credit Risk* – This is the risk of loss attributed to the magnitude of the Firefighters’ Pension Fund’s investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. At April 30, 2013, the Firefighters’ Fund has over 5% of plan net position invested in Sun Life Insurance Contracts, 14.50%, Artisan International Value Mutual Fund 7.85%, Thornburg International Value Mutual Fund 6.87%, and Alliance Ovation Insurance Contracts 5.74%.

The Fund’s investment policy has a stated target that 55 to 75 percent of its portfolio be in fixed income securities, 35 to 45 percent target in equities with the remaining 2 to 10 percent cash and equivalents.

The following is a reconciliation between the Note 2 and the basic financial statements of the fiduciary funds:

<u>Note 2</u>	<u>Financial Statements</u>
Carrying value of cash and cash equivalents (police \$598,862 fire \$855,872)	Statement 10 Cash and cash equivalents
\$ 1,454,734	\$ 1,454,734
Carrying value of investments (police \$20,130,454, fire \$12,902,614)	Investments
<u>33,033,068</u>	<u>33,033,068</u>
Total notes	Total financial statements
<u>\$ 34,487,802</u>	<u>\$ 34,487,802</u>

**NOTE 3 - PROPERTY TAX REVENUE RECOGNITION**

Property taxes for 2012 are attached as an enforceable lien on January 1, 2012 on property values assessed as of the same date. Taxes are levied by December of the subsequent year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments on or about March 1 and September 1. The County collects such taxes and remits them to the Village periodically. The Village receives the majority of its real estate taxes in March and October. The property tax revenue in the financial statements represents approximately one-half of the 2011 and one-half of the 2012 property tax levies.

Property taxes for the current 2012 tax levy are received in two installments in March 2013 and October 2013.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 3 - PROPERTY TAX REVENUE RECOGNITION** (Continued)

Property taxes receivable, constituting primarily the second installment due in October 2013, is recorded as unavailable revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2014.

In the final tax extension, the County Clerk provides for an allowance for loss and cost of 3% for all tax levying funds except debt service, which has a 5% factor. All uncollected taxes over six years old are written off. An allowance for uncollectible taxes is established for all uncollected taxes over two years old. The receivable for uncollected taxes from the current levy is offset by a liability for unavailable revenue property taxes.

The Public Library (Library) receives its own distribution of real estate taxes directly from the Cook County Collector to the Library's own money market account.

**NOTE 4 - CAPITAL ASSETS**

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

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Deletions</u>	Balance at End of <u>Year</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,365,407	\$ -	\$ -	\$ 5,365,407
Construction in Progress	<u>436,722</u>	<u>2,347,840</u>	<u>1,279,248</u>	<u>1,505,314</u>
Total capital assets not being depreciated, net	<u>5,802,129</u>	<u>2,347,840</u>	<u>1,279,248</u>	<u>6,870,721</u>
Capital assets being depreciated:				
Infrastructure	38,177,396	1,610,896	1,240,830	38,547,462
Building and improvements	4,446,423	-	40,000	4,406,423
Fixtures and equipment	<u>4,949,892</u>	<u>24,558</u>	<u>105,392</u>	<u>4,869,058</u>
Subtotal	<u>47,573,711</u>	<u>1,635,454</u>	<u>1,386,222</u>	<u>47,822,943</u>
Accumulated depreciation				
Infrastructure	(19,618,719)	(1,002,324)	(815,230)	(19,805,813)
Building and improvements	(1,957,881)	(66,887)	(1,200)	(2,023,568)
Fixtures and equipment	<u>(3,157,251)</u>	<u>(261,330)</u>	<u>(105,392)</u>	<u>(3,313,189)</u>
Total accumulated depreciation	<u>(24,733,851)</u>	<u>(1,330,541)</u>	<u>(921,822)</u>	<u>(25,142,570)</u>
Total capital assets being depreciated, net	<u>22,839,860</u>	<u>304,913</u>	<u>464,400</u>	<u>22,680,373</u>
Governmental activities, net	<u>\$ 28,641,989</u>	<u>\$ 2,652,753</u>	<u>\$ 1,743,648</u>	<u>\$ 29,551,094</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 4 - CAPITAL ASSETS**

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

	Balance at Beginning of <u>Year</u>	<u>Additions</u>	<u>Deletions</u>	Balance at End of <u>Year</u>
Business-type activities:				
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 78,286	\$ -	\$ 78,286
Capital assets being depreciated:				
Building and improvements	681,887	-	-	681,887
Fixtures and equipment	198,637	-	-	198,637
Infrastructure	9,445,715	935,908	-	10,381,623
Subtotal	<u>10,326,239</u>	<u>935,908</u>	<u>-</u>	<u>11,262,147</u>
Accumulated depreciation				
Building and improvements	(255,075)	(7,790)	-	(262,865)
Fixtures and equipment	(159,044)	(5,203)	-	(164,247)
Infrastructure	(2,023,218)	(91,720)	-	(2,114,938)
Total accumulated depreciation	<u>(2,437,337)</u>	<u>(104,713)</u>	<u>-</u>	<u>(2,542,050)</u>
Total capital assets being depreciated, net	<u>7,888,902</u>	<u>831,195</u>	<u>-</u>	<u>8,720,097</u>
Business-type activities, net	<u>\$ 7,888,902</u>	<u>\$ 909,481</u>	<u>\$ -</u>	<u>\$ 8,798,383</u>

Depreciation expense of \$1,330,541 and \$104,713 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

<u>Governmental Activities</u>	<u>Amount</u>	<u>Business-Type Activities</u>	<u>Amount</u>
General government	\$ 91,391	Water	\$ 104,713
Health and public safety	11,633	Total depreciation expense	<u>\$ 104,713</u>
Public works	1,081,903		
Police protection	49,609		
Fire protection	96,005		
Total depreciation expense	<u>\$ 1,330,541</u>		

**NOTE 5 - LONG-TERM DEBT**

General Long-Term Debt

The following is a summary of changes in long-term obligation transactions of the Village for the year ended April 30, 2013:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 5 - LONG-TERM DEBT (Continued)**

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Principal Due Within One Year
<b>GOVERNMENTAL ACTIVITIES</b>					
Bonds:					
G.O. TIF Refunding Bonds, 2002	\$ 2,315,000	\$ -	\$ 425,000	\$ 1,890,000	\$ 445,000
G.O. TIF Alternative Revenue, 2003A	175,000	-	175,000	-	-
G.O. Alternative Revenue Series 2005	7,475,000	-	7,475,000	-	-
G.O. Alternative Revenue Refunding, 20	-	6,745,000	-	6,745,000	20,000
Premium on Bonds	104,916	301,920	104,916	301,920	-
<b>Total Bonds</b>	<b>10,069,916</b>	<b>7,046,920</b>	<b>8,179,916</b>	<b>8,936,920</b>	<b>465,000</b>
G.O. Debt Certificates Series 2011	2,568,644	-	239,628	2,329,016	235,424
Loans Payable	375,503	1,443,110	263,163	1,555,450	1,390,618
Net Pension Obligation - Police Pension	388,322	208,761	-	597,083	-
Net Pension Obligation - Fire Pension	388,811	244,946	-	633,757	-
Net Pension Obligation - IMRF	50,576	1,082	-	51,658	-
Other Post Employment Benefits	221,093	53,454	-	274,547	-
Compensated Absences	477,633	417,349	426,887	468,095	415,653
<b>Total Governmental Long-Term Debt</b>	<b>\$ 14,540,498</b>	<b>\$ 9,415,622</b>	<b>\$ 9,109,594</b>	<b>\$ 14,846,526</b>	<b>\$ 2,506,695</b>
<b>BUSINESS-TYPE ACTIVITIES</b>					
G.O. Debt Certificates Series 2011	486,356	-	45,372	440,984	44,576
Loan Payable	3,585,485	-	285,144	3,300,341	292,823
Compensated Absences	13,614	11,677	10,422	14,869	11,609
<b>Total Business-type Long-Term Debt</b>	<b>\$ 4,085,455</b>	<b>\$ 11,677</b>	<b>\$ 340,938</b>	<b>\$ 3,756,194</b>	<b>\$ 349,008</b>

Components of Long-Term Obligations: Long-term obligations of the governmental long-term debt at April 30, 2013 consist of the following individual issues:

General Obligation Tax Increment Refunding Bonds \$5,765,000 Series 2002 issue dated May 1, 2002, interest payable each June 1 and December 1, matures serially starting December 1, 2002 through December 1, 2016, with interest ranging from 3.00% to 4.85%. The principal and interest are payable from the 2002 Bond Fund.

General Obligation Tax Increment Alternative Revenue Bonds \$1,115,000 Series 2003A issue dated October 1, 2003, interest payable each June 1 and December 1, matures serially starting December 1, 2002 through December 1, 2012, with interest ranging from 3.00% to 4.85%. The principal and interest are payable from the Roosevelt/Hannah TIF Fund.

The Village has pledged a portion of future sales tax revenues to repay these bonds issued in October 2003 to finance certain eligible costs within the Roosevelt/Hannah Tax Increment Financing (TIF) District. The bonds are payable solely from the incremental property taxes generated by the refurbished district. Total principal and interest remaining on the 2003A bonds is \$181,387, payable through 2013. For the current year, principal and interest paid and total incremental property tax revenues were \$182,422 and \$830,912, respectively.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 5 - LONG-TERM DEBT** (Continued)

General Obligation Debt Certificates \$3,055,000 Series 2011 principal to current refund the General Obligation Debt Certificates series 2001, due in annual installments, interest payable each May 1 and November 1, matures serially through November 1, 2021, with interest ranging from 2% to 3%. The principal is payable from the General Fund and Water Fund (Enterprise Fund). As a result of the refunding, the Village reduced its total debt service payments over the next 10 years by \$276,060 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$243,803.

General Obligation Debt Certificates \$6,745,000 Series 2012 principal to current refund the General Obligation Debt Certificates series 2005, due in annual installments, interest payable each June 1 and December 1, matures serially through December 1, 2025, with interest ranging from 2% to 3%. The principal is payable from the VIP Program Fund. As a result of the refunding, the Village reduced its total debt service payments over the next 14 years by \$257,404 and obtained an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$119,749. At April 30, 2013, \$7,340,000 of defeased bonds remain outstanding on the 2005 issuance.

Loan Payable \$195,000 principal is for the purchase of a fire truck, due in installments of \$3,641, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on May 20, 2013. The principal is payable from the General Fund.

Loan Payable \$141,526 principal is for the purchase of a street sweeper, due in installments of \$2,642, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on June 1, 2014. The principal is payable from the General Fund.

Loan Payable \$28,398 principal is for the purchase of a Chevy Tahoe truck, due in installments of \$529, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on September 15, 2016. The principal is payable from the General Fund.

Loan Payable \$26,906 principal is for the purchase of a Ford pickup truck, due in installments of \$501, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on March 1, 2017. The principal is payable from the General Fund.

Loan Payable \$28,500 principal is for the purchase of a Chevy truck, due in installments of \$531, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on October 15, 2016. The principal is payable from the General Fund.

Loan Payable \$41,446 principal is for the purchase of two Ford Escape vehicles, due in installments of \$773, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on January 25, 2017. The principal is payable from the General Fund.

Loan Payable \$153,346 principal is for the purchase of an International truck, due in installments of \$2,857, principal and interest payable monthly, with an interest rate of 4.50%. Final maturity is on March 25, 2017. The principal is payable from the General Fund.

Loan Payable \$1,303,292 principal is for the purchase of street lights, due in full immediately upon Lender's demand and if no demand is made the payment is due May 15, 2013. In addition, interest payments are payable monthly, with an interest rate of 3.250%

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 5 - LONG-TERM DEBT (Continued)**

Debt Service Requirements to Maturity

A schedule of all future principal and interest obligations for the Village's general obligation bonds and debt certificates is as follows:

Year Ending April 30,	GO TIF Refunding Bonds 2002	
	Principal	Interest
2014	\$ 445,000	\$ 88,920
2015	465,000	68,672
2016	480,000	47,050
2017	500,000	24,250
Totals	<u>\$ 1,890,000</u>	<u>\$ 228,892</u>

Year Ending April 30,	Debt Certificates 2011*		Debt Certificates 2012	
	Principal	Interest	Principal	Interest
2014	\$ 280,000	\$ 66,876	\$ 20,000	\$ 134,900
2015	285,000	61,276	75,000	134,500
2016	295,000	55,576	535,000	133,000
2017	300,000	49,674	550,000	122,300
2018	305,000	43,675	555,000	111,300
2019-2023	1,305,000	97,575	2,995,000	526,950
2024-2026	-	-	2,015,000	122,100
Totals	<u>\$ 2,770,000</u>	<u>\$ 374,652</u>	<u>\$ 6,745,000</u>	<u>\$ 1,285,050</u>

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 5 - LONG-TERM DEBT** (Continued)

A schedule of future principal and interest for equipment loans of the Village is as follows:

Year Ending	2009 Fire Truck		2010 Street Sweeper		2010 Chevy Tahoe	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2014	\$ 3,254	\$ 12	\$ 30,690	\$ 1,011	\$ 5,583	\$ 770
2015	-	-	5,645	22	5,840	513
2016	-	-	-	-	6,108	245
2017	-	-	-	-	2,097	20
Totals	<u>\$ 3,254</u>	<u>\$ 12</u>	<u>\$ 36,335</u>	<u>\$ 1,033</u>	<u>\$ 19,628</u>	<u>\$ 1,548</u>

Year Ending	Ford Pickup Truck		2011 Chevy Truck		Two Ford Escapes	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2014	\$ 5,192	\$ 825	\$ 5,604	\$ 770	\$ 8,001	\$ 1,270
2015	5,430	587	5,861	513	8,368	903
2016	5,678	339	6,129	245	8,750	521
2017	4,423	83	2,097	20	6,816	137
Totals	<u>\$ 20,723</u>	<u>\$ 1,834</u>	<u>\$ 19,691</u>	<u>\$ 1,548</u>	<u>\$ 31,935</u>	<u>\$ 2,831</u>

Year Ending	2012 International Truck		LED Lights		Total Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2014	\$ 29,472	\$ 4,812	\$ 1,303,292	\$ 39,099	1,391,088	48,569
2015	30,822	3,462	-	-	61,966	6,000
2016	32,230	2,054	-	-	58,895	3,404
2017	28,068	584	-	-	43,501	844
Totals	<u>\$ 120,592</u>	<u>\$ 10,912</u>	<u>\$ 1,303,292</u>	<u>\$ 39,099</u>	<u>\$ 1,555,450</u>	<u>\$ 58,817</u>

Legal Debt Margin: Villages under Illinois law are subject to a debt limit since they are not home-rule units. Currently, the total outstanding debt of non-referendum bonding of Illinois villages is 8.625% of their assessed valuations. The Village at April 30, 2013 satisfies this requirement as follows:

Assessed valuation for 2012	\$ 327,397,042
At maximum outstanding debt rate	<u>8.625%</u>
Maximum debt	28,237,995
Legal debt outstanding at April 30, 2013	
Series 2002	\$ 1,890,000
Series 2011	2,770,000
Series 2012	<u>6,745,000</u>
Legal debt outstanding at April 30, 2013	<u>11,405,000</u>
Remaining Legal Debt Margin	<u>\$ 16,832,995</u>

**Defeasance of Debt.** In the current year the Village defeased general obligation public improvement bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government's financial statements. At June 30, 2022, \$12,230,000 of defeased bonds remain outstanding.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 5 - LONG-TERM DEBT** (Continued)

Business-Type Long-Term Debt: I.E.P.A. Loans issued June 13, 2002, and February 1, 2005 principal and interest payable each October 29 and April 29, matures serially starting October 29, 2003 through April 29, 2023, with an interest rate of 2.675%. The Village has been approved to borrow a total of \$8,076,363. The principal and interest are payable from the Water Fund. A schedule of all future debt obligations follows:

EPA Loan Schedule		
Year Ending	<u>Principal</u>	<u>Interest</u>
<u>April 30,</u>		
2014	\$ 292,823	\$ 86,592
2015	300,708	78,706
2016	308,806	70,609
2017	317,022	62,393
2018	315,662	63,753
2019-2023	<u>1,765,331</u>	<u>132,400</u>
Totals	<u>\$ 3,300,352</u>	<u>\$ 494,453</u>

Defeasance of Debt: In May of 2002, the Village issued \$5,765,000 of General Obligation Tax Increment Financing Refunding Bonds Series 2002 payable in installments as described above. The bonds were issued to advance refund \$5,545,000 of 1994 G.O. TIF Bonds. The proceeds from the 2002 Bonds have been placed in an irrevocable trust with an escrow agent who purchased U.S. government securities to provide for all future debt service payments due in the years 2003-2014 on the 1994 G.O. Bonds. As of April 30, 2013, \$1,110,000 of the bonds remains outstanding; however, these bonds are considered to be defeased and the liability for these bonds has been removed from the financial statements.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2013

---

**NOTE 6 - INTERFUND ACTIVITY**

The following interfund balances existed as of April 30, 2013:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Fund - General Fund	\$ 475,375	\$ 65,644
Major Governmental Fund - Harlem / Harrison TIF Fund	-	55,872
Major Governmental Fund - 2002 Bond Fund	25,174	58,219
Major Governmental Fund - Special Tax Allocation TIF Fund	56,610	35,890
Major Governmental Fund - Incremental Sales TIF Fund	37,499	804
Nonmajor Governmental Funds	-	378,229
Total Interfunds	<u>\$ 594,658</u>	<u>\$ 594,658</u>

All interfund balances are temporary balances resulting mainly from funds being loaned by the General Fund for expenditures.

The following transfers occurred during fiscal year 2013:

	<u>Transfer In</u>	<u>Transfer Out</u>
Major Governmental Fund - General Fund	\$ 1,117,229	\$ -
Major Governmental Fund - 2002 Bond Fund	533,891	-
Major Governmental Fund - Special Tax Allocation TIF Fund	-	533,891
Major Governmental Fund - Incremental Sales TIF Fund	-	317,229
Major Enterprise Fund - Water Fund	-	800,000
Total Interfunds	<u>\$ 1,651,120</u>	<u>\$ 1,651,120</u>

The transfers represent both routine and non-routine items. Generally, routine transfers occur to meet the operating purposes of another fund, such as the transfers by the Water of \$800,000, to the General Fund for unallocated operating and overhead expenses. Other routine transfers occur to reimburse the General Fund for road repair and maintenance expenditures covered by the Motor Fuel Tax and expenditures on behalf of TIF districts and debt service funds. Transfers to/from other funds offset one another and are therefore not reported in the Government-wide statement of activities.

**NOTE 7 - DEFINED BENEFIT PENSION PLANS**

**ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF) AND SHERIFF'S LAW ENFORCEMENT PERSONNEL (SLEP) DEFINED BENEFIT PENSION PLANS**

Plan Description: The Village's defined benefit pension plan for Regular employees (IMRF) and Sheriff's Law enforcement employees (SLEP) provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The Village's plan is affiliated with the Illinois Municipal Retirement Fund and the Sheriff's Law Enforcement Personnel, an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. The IMRF issues publicly available financial reports that include financial statements and required supplementary information. Those reports may be obtained on-line at [www.imrf.org](http://www.imrf.org).

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Funding Policy: As set by statute, The Village's Regular plan members are required to contribute 4.50% (7.50% for SLEP) 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 contribution rates for calendar years 2012 and 2013 were 13.51% (13.01% for SLEP) and 14.38% (12.59% for SLEP) of annual covered payroll, respectively. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost: For the fiscal year April 30, 2013, the Village's actual contributions to the Regular plan were \$1,082 less than the annual pension cost of \$433,171.

**Trend Information for the Plans**

IMRF Regular:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
4/30/13	\$ 433,171	100%	\$ 51,658
4/30/12	362,867	98%	50,576
4/30/11	332,615	91%	42,030

For calendar year 2012, the Village's annual pension cost of \$14,030 for the SLEP plan was equal to the employer's required and actual contributions.

SLEP:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/12	\$ 14,030	100%	\$ -
12/31/11	14,900	100%	-
12/31/10	15,953	100%	-

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.50% investment rate of return (net of administrative and direct investment expenses); (b) projected salary increases of 4.0% a year, attributable to inflation; (c) additional projected salary increases ranging from 0.4% to 10.0% per year depending on age and service, attributable to seniority/merit; and (d) post-retirement benefit increases of 3% annually.

The actuarial value of the employer plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The Village Regular plan's unfunded (overfunded for SLEP) actuarial accrued liability is being amortized as a level percentage of projected payroll on an open 30 year basis.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Funded Status and Funding Progress: As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 88.00% (114.53% for SLEP) funded. The actuarial accrued liability for benefits was \$11,818,891 (\$217,586 for SLEP) and the actuarial value of assets was \$10,401,072 (\$249,202 for SLEP), resulting in an underfunded (overfunded for SLEP) actuarial accrued liability (UAAL) of \$1,417,819 (\$31,616 for SLEP).

The covered payroll (annual payroll of active employees covered by the plan) was \$3,652,956 (\$114,531 for SLEP) and the ratio of the UAAL to the covered payroll was 39% (no ratio for SLEP since the plan is overfunded).

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

Due to the results of the 2008 actuarial valuation and estimated investment losses, the IMRF Board adopted a phase-in plan for employer contribution rates. Employers may contribute the full actuarial required contribution (ARC) rate, the phase-in rate, or some rate between the two. The ARC rates for the calendar year 2012 and 2013 for the Village are 13.51% and 14.38%, respectively. The application of the phase-in rate resulted in the recognition of a net pension obligation for the year end April 30, 2013 of \$51,658 for the Regular plan.

Annual Required Contribution	\$ 432,089
Interest on NPO	3,793
Adjustment to annual required contribution	<u>(2,711)</u>
Annual Pension Cost	433,171
Actual Contribution	<u>432,089</u>
Increase in net pension obligation	1,082
Net pension obligation at May 1, 2012	<u>50,576</u>
 Net pension obligation at April 30, 2013	 <u>\$ 51,658</u>

**POLICE PENSION**

Plan Description: Police sworn personnel are covered by the Police Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits and employee and employer contributions levels are governed by Illinois Compiled Statutes (40 ILCS 5/3) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate, audited GAAP-basis Police Pension Plan report available.

At April 30, 2012 (the most recent actuarial valuation date), the Police Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	31
Current employees	
Vested	26
Nonvested	<u>11</u>
 Total	 <u><u>68</u></u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

The following is a summary of the Police Pension Fund plan as provided for in Illinois Compiled Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service, or for one year prior to the last day, whichever is greater. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least eight years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit of 2.5% of final salary for each year of service.

The monthly pension of a police officer who retires with 20 or more years of service after January 1, 1977, shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3% of the original pension and 3% simple interest annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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 officers' salary for pension purposes shall not exceed \$106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st 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 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Summary of Significant Accounting Policies and Plan Asset Matters

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

Method Used to Value Investments

Fixed-income securities are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee-contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for fiscal year 2013 were \$674,566. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Change in net pension obligation (NPO) for the past three fiscal years:

	April 30, <u>2013</u>	April 30, <u>2012</u>	April 30, <u>2011</u>
Annual required contribution	\$ 870,729	\$ 870,729	\$ 810,717
Interest on net pension obligation	22,192	22,192	8,638
Adjustment to annual required contribution	<u>(9,594)</u>	<u>(9,594)</u>	<u>(5,828)</u>
Annual pension cost (APC)	883,327	883,327	812,749
Contributions made	<u>674,566</u>	<u>692,137</u>	<u>730,836</u>
Increase (decrease) in net pension obligation	208,761	181,190	81,958
Net pension obligation (asset) beg of year	<u>388,322</u>	<u>197,132</u>	<u>115,174</u>
Net pension obligation (asset) end of year	<u>\$ 597,083</u>	<u>\$ 388,322</u>	<u>\$ 197,132</u>
Percentage of APC Contributed	76.4%	78.4%	89.9%

The net pension obligation has been reported in the Village's government-wide financial statements.

**Concentrations of Investments:** The Police Pension Fund has the following investments, other than those issued or guaranteed by the U.S. government, which represent 5% or more of net position:

Jackson National Life	\$ 1,194,043
Lincoln Benefit Life	1,177,205
AIG Insurance Co.	1,594,467
FHLMC	5,026,325
FNMA	3,013,580

**Funded Status and Funding Progress:**

The funded status for the Police Pension Fund as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2012	\$ 20,514,415	\$ 31,181,339	65.8%	\$ 10,666,924	\$ 2,968,822	359.3%
4/30/2011	19,733,088	29,899,827	66.0%	10,166,739	2,824,862	359.9%
4/30/2010	19,010,870	28,564,354	66.6%	9,553,484	2,698,737	354.0%

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

The April 30, 2012 actuarial assumptions for the Police Pension Fund are as follows:

Actuarial valuation date	April 30, 2011
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	29 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

Police pension financial statements for the fiscal year ended April 30, 2013 are as follows:

Statement of Net Position	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 598,862
Investments	
Government securities	13,238,610
Mutual funds	1,865,519
Insurance contracts	5,026,325
Total Investments	20,130,454
Receivables:	
Interest receivable	17,373
Prepaid items	1,330
Total assets	20,748,019
<b>LIABILITIES</b>	
Accounts payable	2,786
Total liabilities	2,786
<b>NET POSITION</b>	
Plan net position held in trust for employees' pension benefits	\$ 20,745,233
Statement of Changes in Plan Net Position	
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 674,566
Plan members	308,271
Total contributions	982,837
Net investment income	779,425
Total additions	1,762,262
<b>DEDUCTIONS</b>	
Benefits and refunds	1,494,467
Administrative expenses	35,978
Total deductions	1,530,445
Increase (decrease) in net position	231,817
Plan net position at beginning of year	20,514,416
Plan net position at end of year	\$ 20,746,233

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

FIRE PENSION

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund. There is no separate, audited GAAP-basis Firefighters' Pension Plan report available. At April 30, 2012 (the most recent actuarial valuation date), the Firefighters' Pension Fund plan membership consisted of:

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	30
Current employees	
Vested	10
Nonvested	<u>13</u>
Total	<u><u>53</u></u>

The following is a summary of the Firefighters' Pension Fund plan as provided for in Illinois State Statutes.

Tier 1 employees (those hired prior to January 1, 2011) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit equal to one-half of the salary attached to the rank held on the last day of service. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75% of such salary. Employees with at least ten 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 covered employee 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 3.0% of the original pension and 3.0% compounded annually thereafter.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten 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. Firefighters' salary for pension purposes is capped at \$106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1<sup>st</sup> 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 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Summary of Significant Accounting Policies and Plan Asset Matters

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

Method Used to Value Investments: Fixed-income securities are reported at fair value. Short-term investments are reported at cost which approximates fair value. Investment income is recognized when earned. Gains and losses on sales and exchanges of fixed-income securities are recognized on the transaction date.

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2013 were \$531,069. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. Schedules of funding progress and employer contributions are presented in RSI-2 and RSI-3.

Change in net pension obligation for the past three fiscal years:

	April 30, <u>2013</u>	April 30, <u>2012</u>	April 30, <u>2011</u>
Annual required contribution	\$ 770,226	\$ 770,226	\$ 744,133
Interest on net pension obligation	13,216	13,216	(2,415)
Adjustment to annual required contribution	<u>(7,427)</u>	<u>(7,427)</u>	<u>1,834</u>
Annual pension cost (APC)	776,015	776,015	743,552
Contributions made	<u>531,069</u>	<u>543,770</u>	<u>554,789</u>
Increase (decrease) in net pension obligation	244,946	232,245	188,763
Net pension obligation (asset) beg of year	<u>388,811</u>	<u>156,566</u>	<u>(32,197)</u>
Net pension obligation (asset) end of year	<u>\$ 633,757</u>	<u>\$ 388,811</u>	<u>\$ 156,566</u>
Percentage of APC Contributed	68.4%	70.1%	74.6%

The net pension obligation has been reported in the Village's government-wide financial statements.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2013

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Concentrations of Investments: The Firefighters' Pension Fund has the following investments, other than those issued or guaranteed by the U.S. government, which represent 5% or more of net position:

SunLife Insurance Contract	\$ 1,994,824
Alliance Ovation Insurance Contract	790,374

Funded Status and Funding Progress:

The funded status for the Firefighters' Pension Fund as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Funded Ratio (a/b)	Unfunded AAL (UAAL) (b-a)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2012	\$ 13,522,900	\$ 23,196,029	58.3%	\$ 9,673,129	\$ 1,952,345	495.5%
4/30/2011	14,177,990	22,305,470	63.6%	8,127,480	1,846,667	440.1%
4/30/2010	13,564,251	21,672,072	62.6%	8,107,821	1,745,299	464.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

The April 30, 2012 actuarial assumptions for the Firefighters' Pension Fund are as follows:

Actuarial valuation date	April 30, 2012
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	29 years
Actuarial valuation method	Market value
Significant actuarial assumptions:	
Rate of return on investments of present and future assets	7.50%
Projected salary increases -	5.00%
attributed to inflation	3.00%

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)**

Firefighters' pension financial statements for the fiscal year ended April 30, 2013 are as follows:

Statement of Net Position	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 855,872
Investments	
Certificate of Deposits	4,685,708
Mutual funds	2,785,198
Insurance contracts	5,431,708
Total Investments	12,902,614
Receivables:	
Interest receivable	22,092
Prepaid items	517
Total assets	13,781,095
<b>LIABILITIES</b>	
Accounts payable	5,984
Total liabilities	5,984
<b>NET POSITION</b>	
Plan net position held in trust for employees' pension benefits	\$ 13,775,111

Statement of Changes in Plan Net Position	
<b>ADDITIONS</b>	
Contributions	
Employer	\$ 531,069
Plan members	190,695
Total contributions	721,764
Net investment income	960,519
Total additions	1,682,283
<b>DEDUCTIONS</b>	
Benefits and refunds	1,407,477
Administrative expenses	22,545
Total deductions	1,430,022
Increase (decrease) in net position	252,261
Plan net position at beginning of year	13,522,850
Plan net position at end of year	\$ 13,775,111

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS**

*Plan Description.* The Village provides the continuation of health care benefits and life insurance to Police, Fire, and Municipal employees who retire from the Village in accordance with Illinois Compiled Statutes. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the Village and is the basis for the OPEB obligation is accounted for under GASB Statement 45. The Village Board of Commissioners has the authority of establishing and amending benefits offered by this plan. The OPEB plan is a single-employer plan. There is no separate, audited GAAP-basis postemployment benefit plan report available. At April 30, 2013 (the most recent actuarial valuation date), the OPEB plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	11
Terminated plan members entitled to but not yet receiving benefits	-
Active vested plan members	58
Active nonvested plan members	<u>39</u>
 Total	 <u><u>108</u></u>

*Funding Policy.* Funding is provided by the Village on a pay-as-you-go basis. Retirees and their dependants may continue coverage under The Village of Forest Park's group health program by contributing a monthly premium. They may participate in any of the plans available to active employees. The Village pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost. The Village's contribution on behalf of the employees to the insurance provider was \$73,917 for 2013.

*Annual OPEB Cost and Net OPEB Obligation.* The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for fiscal year 2013, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2013
Annual required contribution	\$ 125,897
Interest on net OPEB obligation	8,844
Adjustment to annual required contribution	<u>(7,370)</u>
Annual OPEB cost	127,371
Contributions made	<u>73,917</u>
Increase (decrease) in net OPEB obligation	53,454
Net OPEB obligation beginning of year	<u>221,093</u>
Net OPEB obligation end of year	<u><u>\$ 274,547</u></u>

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

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

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2011	\$ 127,160	43.3%	\$ 147,831
4/30/2012	128,361	42.9%	221,093
4/30/2013	127,371	58.0%	274,547

*Funded Status and Funding Progress.* As of April 30, 2013 (the most recent actuarial valuation date), the plan was unfunded. The actuarial accrued liability for benefits was approximately \$2 million.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2013	\$ -	\$ 2,791,372	\$ 2,791,372	0.0%	\$ 8,770,768	31.8%
4/30/2012	-	2,035,510	2,035,510	0.0%	8,046,576	25.3%
4/30/2011	-	2,035,510	2,035,510	0.0%	8,046,576	25.3%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

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

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

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)**

In the April 30, 2013 actuarial valuation, the entry age actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 8.0 percent initially, reduced by decrements to an ultimate rate of 6.0 percent. Both rates included a 3.0 percent inflation assumption. The actuarial value of assets was marked to the market value of the retiree healthcare account as of April 30, 2013. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013, was thirty years.

**NOTE 9 - RISK MANAGEMENT**

The Village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; illnesses of employees; and natural disasters. Medical and liability risks are covered by commercial insurance purchased from independent third parties. There has been no significant change in coverage. Settled claims from these risks have not exceeded commercial insurance coverage for the past three fiscal years.

**NOTE 10 - FUND BALANCES**

Restricted for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of five separate tax levies. The Village considers these five tax levies as departments of the General Fund since none of these "funds" are self-sufficient. The changes in the fund balances of these tax levies for the fiscal year ended April 30, 2013 are as follows:

	Restricted Fund Balance 4/30/12	Revenue		Expenditures	Restricted Fund Balance 4/30/13
		Specified	Subsidized		
Fire Protection	\$ -	\$ 624,018	\$ 2,159,475	\$ 2,783,493	\$ -
Trees and Forestry	-	118,190	55,779	173,969	-
Insurance	-	469,814	499,262	969,076	-
Playground/Recreation	745,372	-	-	14,732	730,640
Police Protection	-	624,018	3,854,475	4,478,493	-
<b>Totals</b>	<u>\$ 745,372</u>	<u>\$ 1,836,040</u>	<u>\$ 6,568,991</u>	<u>\$ 8,419,763</u>	<u>\$ 730,640</u>

Subsidized revenue, per above, is the subsidy needed from the Village to fund the total expenditures of the five separate tax levies.

Deficit Fund Equity: The following funds had deficit fund balances/net position as of April 30, 2013. These balances are expected to be reduced through future revenues or transfers:

Harlem/Harrison TIF Fund	\$ 47,103
Illinois Municipal Retirement Fund	218,789
Social Security Fund	156,560

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 11 - FRANCHISE FEES**

The Village has granted two franchises, one to AT&T (formerly SBC/Ameritech) for telephone service and one to AT&T Comcast (formerly Media One of Northern Illinois, Inc., a division of AT&T).

The AT&T franchise agreement dated November 19, 1984 provides that the Village will share in the aggregate franchise payment AT&T pays to all Illinois municipalities (except Chicago). The aggregate franchise fee is negotiated between the State and AT&T. The franchise fee is allocated to the Village based on the number of access lines into the community. Franchise fees are paid monthly to the Village. The franchise can be terminated by either party with 60-day written notice.

The Media One of Northern Illinois, Inc., a division of AT&T, franchise agreement dated June 12, 2000, is a 15-year agreement for the operation of cable television in the Village. The contract is continued under the successor company, Comcast Corp. As of 2002, the franchise fee is 5% of gross revenues and is paid to the Village quarterly for sales in the preceding quarter.

**NOTE 12 - TAX INCREMENT FINANCING**

Forest Park Mall TIF

The Village issued \$6,200,000 of General Obligation Tax Increment Bonds Series 1994 to fund certain eligible costs within its Forest Park Mall Tax Increment Financing (TIF) District. The original Series 1994 was refunded in fiscal year 2003 with General Obligation Refunding Tax Increment Bonds Series 2002. The principal economic activity stimulated was the construction and subsequent opening of a Wal-Mart Store.

The redevelopment agreement and the bond ordinance for the 1994 bonds allocate the proceeds of the bond issue as follows:

\$4,500,000	(Plus one-half of the total amount of interest having accrued in the escrow) To Wal-Mart Stores, Inc., payable no later than 30 days after the store opens and conducts sales activity.
\$600,000	To Teachers Retirement System or the State of Illinois, the developer, payable once Wal-Mart Stores, Inc. acquires title to the property.
\$935,500	For capitalized interest payment made semiannually starting June 1, 1994 through December 1, 1996.
\$164,500	For bond issuance costs.

All construction activity and payouts under the tax increment financing were completed in 1995 and that Capital Projects Fund was closed. Debt service is still required annually and is paid from tax increment revenues.

Covenants: The bond ordinance required the Village to establish and fund separate accounts held by U.S. Bank as trustee for the principal and interest payments on the bond issue. Three separate accounts have been established.

The Village has deposited into the first account the capitalized interest payments as well as the bond premium and accrued interest received at sale. In February 1994, deposits were made into this account to satisfy interest payment requirements through December 1997.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 12 - TAX INCREMENT FINANCING (Continued)**

The second account is for the deposit of the TIF real estate taxes received on all parcels within the redevelopment area. TIF real estate taxes represent additional real estate taxes assessed because of the increase in the Equalized Assessed Valuation prior to the effective date of the TIF establishment. That is, all taxing entities (i.e., County, Village, Schools, etc.) continue to receive their share of taxes attributable to the 1993 Equalized Assessed Valuation in effect at the TIF establishment. The Village receives the entire portion of incremental real estate taxes, if any, because of the increase in the Equalized Assessed Valuation in 1993 and subsequent years, solely for deposit into a Special Tax Allocation Fund. All TIF real estate taxes are to be used first for the retirement of principal and interest. If TIF real estate tax collections exceed principal and interest requirements plus other redevelopment costs, under state law the Village is required to declare a "surplus" and send to Cook County, any such monies for the purpose of distribution to all relevant taxing entities (County, Schools, Park District, etc.).

Amalgamated Bank of Chicago, the successor to U.S. Bank, as the bond trustee, is to make an accounting each November of the available funds in the various trustee accounts. The bond ordinance requires a sufficient fund balance first from the incremental property taxes account and then from the sales tax account to meet the next three semi-annual principal and interest payments. If the accounting determines that excess funds are available beyond the next three payments, then the trustee can transfer any excess sales taxes to the Village for its unrestricted use. Also, the bond issue does provide for early retirement under certain conditions. If a proper accounting determines that insufficient funds are available to meet the next three payments then the trustee informs the Village of the deficiency amount, which should then be deposited into the third account. The elected Village officials decide whether to fund the deficiency from other available resources or by not fully abating property taxes secured by the bonds.

Roosevelt-Hannah TIF

The Village entered into a redevelopment agreement with the Living Word Christian Center (LWCC) to redevelop what was then known as the Forest Park Mall. The area comprising the shopping plaza was a part of the original Forest Park Mall TIF which at the time was used to make debt service payments on the original debt (see above). The shopping plaza acquired by LWCC was separated from the Forest Park Mall TIF area in 2002 and the area east of the Wal-Mart to Hannah Avenue was named the Roosevelt-Hannah TIF.

Upon satisfaction of the conditions contained in the agreement, the Village agrees to reimburse eligible costs from TIF funds to LWCC annually as follows: 50% of tax increment; and 50% of municipal sales taxes (MST) generated by new businesses opening in the shopping plaza. The agreement expires January 1, 2015 or upon payment of a total of \$4,900,000.

In addition, the TIF funds are used to make debt service payments on the Series 2003A Bond, which financed initial eligible costs.

In an additional business development agreement with SVT, LLC, doing business as Ultra Foods, the Village agreed to pay to SVT \$78,000 per year for two years, and 50% of MST generated in years 10 through 20 of the lease with LWCC, not to exceed \$1,260,000.

Brown Street Station TIF

In 2000, the Village formed the Brown Street Station TIF for the far northeast area of town to Harlem Avenue and south along Harlem to Dixon. Property tax increment has been accumulating and at the beginning of fiscal year 2013 totaled \$2.6 million. There is currently an agreement between the Village and Nunley LLC Elite Tire.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 12 - TAX INCREMENT FINANCING (Continued)**

During fiscal year 2013, the Brown Street Station area was enhanced at the cost of \$17,986 for redevelopment improvements. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

**NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT**

As of April 30, 2013, after completion of thirteen years, the Village made payments totaling \$55,438 to Molly Malone's.

Bed Bath and Beyond, Inc.: In February, 2004, the Village entered into an agreement with NWC Harlem Washington LLC to facilitate the redevelopment, remodeling and upgrading of the property to be leased by Bed Bath and Beyond at the corner of Washington and Harlem in Forest Park. The property was subsequently sold to Bed Bath and Beyond of Forest Park, LLC and the agreement was assigned. Under the terms, the Village agrees to rebate 50% of municipal sales taxes generated for 13 years up to a maximum of \$400,000.

As of April 30, 2013, the Village has paid \$231,566 to Bed Bath and Beyond of Forest Park, LLC.

Currie Motors Chevrolet: On May 1, 2010, the Village entered into an agreement with Currie Motors Chevrolet to reimburse Currie for costs associated with opening a new expanded facility on Roosevelt Road. Under the terms, the Village agrees to rebate 50% of municipal sales taxes generated above \$50,000 per year for 15 years up to maximum of \$1,250,000.

As of April 30, 2013, the Village has paid \$234,314 to Currie Motors Chevrolet.

Hawk Chrysler Dodge Jeep: On March 12, 2012, the Village entered into an agreement with Hawk Chrysler Dodge Jeep to reimburse the company for costs associated with expanding their current facility on Roosevelt Road. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above a base sales tax revenue amount of \$195,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of \$700,000.

As of April 30, 2013, the Village has paid \$71,606 to Hawk Chrysler Dodge Jeep.

Grand Appliance, Inc.: On March 27, 2012, the Village entered into an agreement with 7436-40 Madison Street, LLC to facilitate the redevelopment, remodeling and upgrading of the property to be leased by Grand Appliance, Inc. located at 7436-7440 Madison Street in Forest Park. Under the terms, the Village agrees to rebate 60% of municipal sales taxes generated (above an annual base sales tax revenue amount of \$500,000) for years 1 through 7, and 35% of municipal sales taxes generated for years 8 through 10, up to a maximum of \$300,000.

As of April 30, 2013, the Village has accrued \$2,574 to Grand Appliance, Inc.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 14 - FOREST PARK PUBLIC LIBRARY**

Cash and Investments

Permitted Deposits and Investments – Statutes authorize the Library 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 Funds.

Illinois Funds is an investment pool managed by the Illinois Public Treasurer's Office, which allows governments within the state to pool their funds for investment purposes. Although not registered with the SEC, Illinois Funds does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at the share price, the price for which the investment could be sold.

Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk

*Deposits* – At year end, the carrying amount of the Library's deposits totaled \$13,592 and the bank balances totaled \$13,392. Additionally, at year end the Library has \$2,261,095 invested in the Illinois Funds.

*Interest Rate Risk* – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Library's investment policy states that investments will be made only in securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. The policy further states that the fund should maintain sufficient liquidity to meet current obligations and those reasonably to be anticipated. Specifically, investments should be managed to meet liquidity needs for the current month plus one month (based on forecasted needs) and any reasonably anticipated special needs. The Library's investment in the Illinois Funds has a maturity of less than one year.

*Credit Risk* – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in instruments authorized under state statute, the Library's investment policy states that investments are to be limited to securities guaranteed by the U.S. government, or in FDIC insured institutions including SAIF of the FDIC. At year end, the Library's investment in the Illinois Funds is rated AAAM by Standard & Poor's.

*Custodial Credit Risk* – In the case of deposits, this is the risk that in the event of a bank failure, the Library's deposits may not be returned to it. The Library's investment policy states deposit accounts in banks or savings and loan institutions will not exceed the amount insured by FDIC coverage unless adequately collateralized pursuant to regulations of the Federal Reserve regarding custody and safekeeping of collateral. At year end, the entire amount of the bank balance of deposits was covered by federal depository or equivalent insurance. For an investment, this is the risk that in the event of the failure of the counterparty, the Library will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Library's investment policy does not specifically address custodial credit risk for investments. At year end, the Library's investment in the Illinois Funds is not subject to custodial credit risk.

*Concentration of Credit Risk* – This is the risk of loss attributed to the magnitude of the Library's investment in a single issuer. The Library's investment policy states funds should be diversified appropriately to the nature and amount of the funds. At year end, the Library's investment in the Illinois Funds represents more than 5% of the total cash and investments portfolio.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)**

Property Taxes

The Library submits its tax levy to the Village Council of the Village of Forest Park, Illinois for approval. Once approved, the Village submits the Library's tax levy to the Cook County Clerk's office. The Library's property taxes are levied each calendar year on all taxable real property located within the Library District and accrued as unavailable revenue in the fiscal year of levy. Property taxes due within the current fiscal year and collected within 60 days subsequent to year-end are recorded as revenue. The Cook County Assessor is responsible for assessment of all taxable real property within Cook County.

The Cook County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the Cook County Collector as the basis for issuing tax bills to Cook County taxpayers. The Cook County Collector collects all property taxes and submits them to the County Treasurer, who remits them to the Library. Taxes must be levied by the last Tuesday in December and are payable in two installments, on March 1 and August 1 of the following year. Property taxes attach as an enforceable lien on property as of January 1 of the levy year.

Capital Assets

	<u>Balance at April 30, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at April 30, 2013</u>
Capital assets not being depreciated:				
Land	\$ 134	\$ -	\$ -	\$ 134
Capital assets being depreciated:				
Buildings	1,300,469	23,900	-	1,324,369
Furniture and equipment	201,789	-	-	201,789
Computer equipment	174,048	6,597	9,900	170,745
Collections	1,070,525	221,421	149,523	1,142,423
Subtotal	<u>2,746,831</u>	<u>251,918</u>	<u>159,423</u>	<u>2,839,326</u>
Accumulated depreciation				
Buildings	(651,096)	(48,740)	-	(699,836)
Furniture and equipment	(133,403)	(17,284)	-	(150,687)
Computer equipment	(149,984)	(10,792)	(9,900)	(150,876)
Collections	(497,460)	(221,295)	(149,523)	(569,232)
Subtotal	<u>(1,431,943)</u>	<u>(298,111)</u>	<u>(159,423)</u>	<u>(1,570,631)</u>
Total capital assets being depreciated, net	<u>1,314,888</u>	<u>(46,193)</u>	<u>-</u>	<u>1,268,695</u>
Capital assets, net	<u>\$ 1,315,022</u>	<u>\$ (46,193)</u>	<u>\$ -</u>	<u>\$ 1,268,829</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)**

Operating Lease

The Library rents telecommunication and copier equipment under an operating lease. Lease expense under these leases for the year was \$10,974. Future minimum lease payments are as follows:

Year Ended April 30	Amount
2014	\$ 2,550
2015	2,550
2016	<u>1,912</u>
	<u>\$ 7,012</u>

Net Asset Restrictions

The following is a summary of the changes in restricted net position during the year:

	Beginning Balances	Increases	Decreases	Ending Balances
General Fund				
Unemployment Insurance	\$ 2,556	\$ 683	\$ -	\$ 3,239
Workers Compensation	40,788	-	459	40,329
Special Revenue Funds				
Audit	3,541	-	397	3,144
Insurance	28,571	-	9,566	19,005
Social Security	<u>60,288</u>	<u>-</u>	<u>591</u>	<u>59,697</u>
Total	<u>\$ 135,744</u>	<u>\$ 683</u>	<u>\$ 11,013</u>	<u>\$ 125,414</u>

Risk Management

The Library is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Library carries commercial insurance for all risks of loss including worker's compensation and employee health insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past fiscal year.

Employee Retirement System – Defined Benefit Pension Plan

Illinois Municipal Retirement System

The Library contributes to the Illinois Municipal Retirement Fund (IMRF), a defined benefit agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for 2,640 local governments and school districts in Illinois. IMRF does issue a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole, but not by individual employer. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)**

All employees hired in positions that meet or exceed the prescribed annual hourly standard of 1,000 hours worked per year must be enrolled in IMRF as participating members. Participating members hired before January 1, 2011 who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of their final rate (average of the highest 48 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. For participating members hired on or after January 1, 2011 who retire at or after age 67 with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% of their final rate (average of the highest 96 consecutive months' earnings during the last 10 years) of earnings, for each year of credited service, with a maximum salary cap of \$106,800 at January 1, 2011. The maximum salary cap increases each year thereafter.

The monthly pension of a member hired on or after January 1, 2011, shall be increased annually, following the later of the first anniversary date of retirement or the month following the attainment of age 62, by the lesser of 3% or ½ of the consumer price index. Employees with at least 10 years of credited service may retire at or after age 62 and receive a reduced benefit. IMRF also provides death and disability benefits. These benefits provisions and all other requirements are established by state statute.

Employees participating in the plan are required to contribute 4.50 percent of their annual covered salary to IMRF. The employees' contribution rate is established by state statute. The Village is required to contribute the remaining amount necessary to fund the IMRF plan as specified by statute. The employer contribution and annual required contribution rate for calendar year 2012 was 10.19 percent.

The employees of the Library are pooled with the employees of the Village of Forest Park for purposes of actuarial valuation. Therefore, the amount of accumulated retirement liability and normal costs related specifically to Library personnel is not available.

The Library remits amounts withheld from employees for IMRF as well as the employer's share of IMRF to the Village of Forest Park. For the year ending April 30, 2013, the employer's share of IMRF is \$70,611.

**NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS**

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The Statement improves financial reporting by addressing issues related to service concession arrangements, which are arrangements between a transferor (government) and an operator (governmental or non-governmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for the Village's fiscal year ended April 30, 2013, with no material impact.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus*. The Statement improves financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues. This Statement is effective for the Village's fiscal year ended April 30, 2014, with earlier application encouraged. The Village implemented this standard in the current year with no material impact.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)**

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The Statement incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: (1) Financial Accounting Standards Board (FASB) Statements and Interpretations; (2) Accounting Principles Board Opinions; and (3) Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This Statement is effective for the Village's fiscal year ended April 30, 2013, with no material impact.

In June 2011, the GASB issued GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This Statement provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, *Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments*, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. This Statement is effective for the Village's fiscal year ended April 30, 2013, with no material impact.

In March 2012, the GASB issued GASB Statement 65, *Items Previously Reported as Assets and Liabilities*. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations. The Village implemented this statement retroactively as of May 1, 2012, resulting in a reduction of net position of \$229,020 for the Village.

Governmental Activities

Beginning Net Position as Previously Reported	\$ 27,178,003
Change in Accounting Principle for Deferred Bond Costs	<u>(229,020)</u>
Beginning Net Position as Restated	<u>\$ 26,948,983</u>

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)**

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

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

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

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2013

---

**NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)**

In January 2013, the GASB issued Statement 69, Government Combinations and Disposals of Government Operations. The objective of this Statement is to improve accounting and financial reporting for U.S. state and local governments' combinations and disposals of government operations. Government combinations include mergers, acquisitions, and transfers of operations. A disposal of government operations can occur through a transfer to another government or a sale. The new standard provides guidance for:

- Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations;
- Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations;
- Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based upon their acquisition values in a government acquisition; and
- Reporting the disposal of government operations that have been transferred or sold.

This Statement is effective for the Village's financial periods beginning May 1, 2014. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

In April 2013, the GASB issued Statement 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This liability should be reported until legally released as an obligor. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. When released as an obligor, the government should recognize revenue as a result of being relieved of the obligation. This Statement also provides additional guidance for intra-entity nonexchange financial guarantees involving blended component units by specifying the information required to be disclosed by governments that extend nonexchange financial guarantee as well as new information to be disclosed by governments that receive nonexchange financial guarantees. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. Management has not determined what impact, if any, this GASB statement might have on its financial statements.

---

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 April 30, 2013

Regular

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 10,401,072	\$ 11,818,891	\$ 1,417,819	88.0%	\$ 3,652,956	38.8%
12/31/11	9,252,236	10,910,394	1,658,158	84.8%	3,564,667	46.5%
12/31/10	8,596,861	10,031,601	1,434,740	85.7%	3,634,262	39.5%

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$10,740,446. On a market basis, the funded ratio would be 90.88%

SLEP

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/12	\$ 249,202	\$ 217,586	\$ (31,616)	114.5%	\$ 114,531	0.0%
12/31/11	232,605	198,023	(34,582)	117.5%	114,531	0.0%
12/31/10	206,844	181,366	(25,478)	114.0%	127,016	0.0%

On a market value basis, the actuarial value of assets as of December 31, 2012 was \$254,269. On a market basis, the funded ratio would be 116.86%

## VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS

April 30, 2013

---

<u>POLICE PENSION FUND</u>						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/12	\$ 20,514,415	\$ 31,181,339	65.8%	\$ 10,666,924	\$ 2,968,822	359.3%
4/30/11	19,733,088	29,899,827	66.0%	10,166,739	2,824,862	359.9%
4/30/10	19,010,870	28,564,354	66.6%	9,553,484	2,698,737	354.0%
4/30/09	18,137,483	27,071,653	67.0%	8,934,170	2,687,010	332.5%
4/30/08	18,080,808	25,539,296	70.8%	7,458,488	2,342,675	318.4%
4/30/07	17,914,643	23,472,490	76.3%	5,557,847	2,385,947	232.9%

<u>FIREFIGHTERS' PENSION FUND</u>						
Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/12	\$ 13,522,900	\$ 23,196,029	58.3%	\$ 9,673,129	\$ 1,952,345	495.5%
4/30/11	14,177,990	22,305,470	63.6%	8,127,480	1,846,667	440.1%
4/30/10	13,564,251	21,672,072	62.6%	8,107,821	1,745,299	464.6%
4/30/09	12,299,585	20,441,328	60.2%	8,141,743	1,768,587	460.4%
4/30/08	14,479,167	19,163,979	75.6%	4,684,812	1,691,221	277.0%
4/30/07	14,308,807	18,175,470	78.7%	3,866,663	1,607,852	240.5%

Analysis of the dollar amounts of actuarial value of assets, actuarial accrued liability, and the unfunded actuarial accrued liability in isolation can be misleading. Expressing the actuarial value of assets as a percentage of the unfunded actuarial accrued liability provides one indication of funding status on a going-concern basis. Analysis of this percentage over time indicates whether the system is becoming financially stronger or weaker. Generally, the greater this percentage, the stronger the Public Employee Retirement System (PERS). Trends in unfunded actuarial accrued liability and covered payroll are both affected by inflation. Expressing the unfunded actuarial accrued liability as a percentage of covered payroll approximately adjusts for the effect of inflation and aids analysis of progress made in accumulating sufficient assets to pay benefits when due. Generally, the smaller this percentage, the stronger the PERS.

---

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION FUNDS  
 April 30, 2013

Fiscal Year Ended	POLICE PENSION			FIRE PENSION		
	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)	Annual Required Contribution (ARC)	Percentage Contributed	Net Pension Asset (Obligation)
4/30/12	\$ 870,729	79.5%	\$ (388,322)	\$ 770,226	70.6%	\$ (388,811)
4/30/11	810,717	90.1%	(197,132)	744,133	74.6%	(156,566)
4/30/10	651,656	100.4%	(115,174)	517,235	94.4%	32,197
4/30/09	561,697	88.5%	(105,626)	455,200	116.5%	59,778
4/30/08	468,488	89.9%	(39,962)	47,764	96.4%	(14,868)
4/30/07	431,845	101.6%	6,980	435,481	100.5%	2,287

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. The actual contribution is made from the Village general fund and is based on the property tax levy apportioned to the pension funds. Additional information as of the latest actuarial valuations follows.

	<u>Police Pension</u>	<u>Fire Pension</u>
Actuarial valuation date	April 30, 2012	April 30, 2012
Actuarial cost method	Entry age normal cost	Entry age normal cost
Amortization method	Level % payroll, closed	Level % payroll, closed
Remaining amortization period	30 years	30 years
Actuarial valuation method	Fair Value	Fair Value
Significant actuarial assumptions:		
a) Rate of return on investments of present and future assets	7.50%	7.50%
b) Projected salary increases-attributable to inflation	5.00% inc. inflation at 3.00%	5.00% inc. inflation at 3.00%

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS  
 April 30, 2013

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/13	\$ -	\$ 2,791,372	0.0%	\$ 2,791,372	\$ 8,365,431	33.4%
4/30/12	-	2,035,510	0.0%	2,035,510	8,046,576	25.3%
4/30/11	-	2,035,510	0.0%	2,035,510	8,046,576	25.3%

Actuarial valuation date	April 30, 2013
Actuarial cost method	Entry Age
Amortization method	Level % payroll, open
Remaining amortization period	30 years
Actuarial valuation method	Market Value
Significant actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	8.00% initial 6.00% ultimate
Percentage of Active Employees Assumed to Elect Benefit	50.00%
Employer Provided Benefit	40% of premium to age 65; Current Health Insurance Premium for Life for Disabled Public Safety Employees (\$574 - 1,134/month)
*Includes inflation at	3.00%

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
 Year Ended April 30, 2013

	GENERAL FUND			SPECIAL REVENUE FUNDS BROWN STREET STATION TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
<b>Revenues</b>						
Property tax revenue	\$ 4,391,000	\$ 4,278,915	\$ (112,085)	\$ 650,000	\$ 262,048	\$ (387,952)
Personal property replacement tax	150,485	146,849	(3,636)	-	-	-
Sales tax	3,150,000	2,742,343	(407,657)	-	-	-
Intergovernmental revenues	261,550	252,935	(8,615)	-	-	-
Auto rental tax	22,000	18,484	(3,516)	-	-	-
Income tax	1,136,200	1,340,445	204,245	-	-	-
Utility taxes	1,791,000	1,618,665	(172,335)	-	-	-
Licenses and permits	1,041,950	982,333	(59,617)	-	-	-
Fees for services	2,425,434	2,381,322	(44,112)	-	-	-
Grant revenue	420,606	528,779	108,173	-	-	-
Parking revenue	520,100	498,698	(21,402)	-	-	-
Fines	1,552,000	1,466,066	(85,934)	-	-	-
Interest on investments	1,718	2,042	324	25,000	25,410	410
Other revenue	55,970	79,402	23,432	-	-	-
<b>Total revenues</b>	<b>16,920,013</b>	<b>16,337,278</b>	<b>(582,735)</b>	<b>675,000</b>	<b>287,458</b>	<b>(387,542)</b>
<b>Expenditures</b>						
Current:						
Office of the mayor	6,316,082	6,089,149	226,933	-	-	-
Office of accounts and finance	8,155,867	7,936,416	219,451	-	-	-
Office of public property	1,791,374	3,031,345	(1,239,971)	-	-	-
Office of streets and public improvement	1,473,239	1,325,129	148,110	115,000	147,466	(32,466)
Office of health and safety	346,736	295,078	51,658	-	-	-
Debt service:						
Principal retired	239,628	502,791	(263,163)	-	-	-
Interest and charges	52,546	86,996	(34,450)	-	-	-
<b>Total expenditures</b>	<b>18,375,472</b>	<b>19,266,904</b>	<b>(891,432)</b>	<b>115,000</b>	<b>147,466</b>	<b>(32,466)</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,455,459)</b>	<b>(2,929,626)</b>	<b>(1,474,167)</b>	<b>560,000</b>	<b>139,992</b>	<b>(420,008)</b>
<b>Other financing sources (uses)</b>						
Transfers in	1,485,000	1,117,229	(367,771)	-	-	-
Redemption of refunded debt	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Loan proceeds	-	1,443,110	1,443,110	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,485,000</b>	<b>2,560,339</b>	<b>1,075,339</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 29,541</b>	<b>(369,287)</b>	<b>\$ (398,828)</b>	<b>\$ 560,000</b>	<b>139,992</b>	<b>\$ (420,008)</b>
<b>Fund balances at beginning of year</b>		<b>3,840,407</b>			<b>2,640,341</b>	
<b>Fund balances at end of year</b>		<b>\$ 3,471,120</b>			<b>\$ 2,780,333</b>	

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 BUDGET (GAAP BASIS) AND ACTUAL  
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS  
 Year Ended April 30, 2013

	SPECIAL REVENUE FUNDS					
	HARLEM / HARRISON TIF FUND			ROOSEVELT / HANNAH TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues						
Property tax revenue	\$ 5,000	\$ (372)	\$ (5,372)	\$ 850,000	\$ 691,285	\$ (158,715)
Personal property replacement tax	-	-	-	-	-	-
Sales tax	-	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-	-
Auto rental tax	-	-	-	-	-	-
Income tax	-	-	-	-	-	-
Utility taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-
Parking revenue	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Interest on investments	10	33	23	19,020	4,145	(14,875)
Other revenue	-	-	-	-	-	-
Total revenues	<u>5,010</u>	<u>(339)</u>	<u>(5,349)</u>	<u>869,020</u>	<u>695,430</u>	<u>(173,590)</u>
Expenditures						
Current:						
Office of the mayor	-	-	-	-	-	-
Office of accounts and finance	-	-	-	-	-	-
Office of public property	-	-	-	-	-	-
Office of streets and public improvement	1,200	2,513	(1,313)	617,700	321,415	296,285
Office of health and safety	-	-	-	-	-	-
Debt service:						
Principal retired	-	-	-	175,000	175,000	-
Interest and charges	-	-	-	6,388	6,388	-
Total expenditures	<u>1,200</u>	<u>2,513</u>	<u>(1,313)</u>	<u>799,088</u>	<u>502,803</u>	<u>296,285</u>
Excess (deficiency) of revenues over expenditures	<u>3,810</u>	<u>(2,852)</u>	<u>(6,662)</u>	<u>69,932</u>	<u>192,627</u>	<u>122,695</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Redemption of refunded debt	-	-	-	-	-	-
Bond proceeds	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,810</u>	<u>(2,852)</u>	<u>\$ (6,662)</u>	<u>\$ 69,932</u>	<u>192,627</u>	<u>\$ 122,695</u>
Fund balances at beginning of year		<u>(44,251)</u>			<u>850,280</u>	
Fund balances at end of year		<u>\$ (47,103)</u>			<u>\$ 1,042,907</u>	

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED APRIL 30, 2013

---

Budgetary Data:

1. The Village Budget Officer submits to the Village Council, in early May, a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.
2. The budget document is available for public inspection for at least 30 days prior to the Village Council's passage of the Annual Appropriations Ordinance.
3. The Village Council must hold at least one public hearing on the budget prior to its passage.
4. The budget is legally enacted through the passage of the Annual Appropriations Ordinance.
5. The Village Council by a two-thirds vote is authorized to transfer budgeted amounts among departments within any fund. The Village Council must approve any revisions, which alter the total expenditures of any fund. The budget information stated in the financial statements includes adjustments made during the year.
6. The level of control where expenditures may not exceed the budget is the department level of activity. Unspent budgetary amounts lapse at year end and, therefore, are not carried over to succeeding years.
7. The Village prepares budgets for the following funds in accordance with accounting principles generally accepted in the United States of America (GAAP):

General Fund	Emergency 911 Fund
IMRF Fund	Social Security Fund
Motor Fuel Tax Fund	2002 Bond Fund
VIP Program Fund	Special Tax Allocation Fund
Incremental Sales Tax Fund	Harlem / Harrison TIF Fund
Brown Street Station TIF Fund	Water Fund
Roosevelt / Hannah TIF Fund	U.S. Customs Fund
Narcotics Fund	

8. The following funds had expenditures/expenses in excess of budget:

Fund	Excess over Budget
General Fund	\$ 891,432
Brown Street TIF Fund	32,466
Harlem/Harrison TIF Fund	1,313
2002 Bond Fund	4,412
Narcotics Fund	54,303
US Customs Fund	40,545
IMRF	107,002

## VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND  
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

	Final Budget	Actual	Variance from Budget Positive (Negative)
<b>Revenues</b>			
Property tax revenue	\$ 4,391,000	\$ 4,278,915	\$ (112,085)
Personal property replacement tax	150,485	146,849	(3,636)
Sales tax	3,150,000	2,742,343	(407,657)
<b>Intergovernmental revenues</b>			
Use tax	230,500	224,620	(5,880)
Foreign fire insurance tax	27,800	27,003	(797)
Pull tabs/jar games	2,500	1,005	(1,495)
Charitable games	750	307	(443)
Total intergovernmental revenues	<u>261,550</u>	<u>252,935</u>	<u>(8,615)</u>
Auto rental tax	22,000	18,484	(3,516)
Local share-income tax	1,136,200	1,340,445	204,245
<b>Utility taxes</b>			
Telephone utility tax	660,000	566,981	(93,019)
Electric utility tax	630,000	590,432	(39,568)
Franchise tax - cable	266,000	270,530	4,530
Gas utility tax	235,000	190,722	(44,278)
Total utility taxes	<u>1,791,000</u>	<u>1,618,665</u>	<u>(172,335)</u>
<b>Licenses and permits</b>			
Liquor license	90,000	84,088	(5,912)
Liquor license application fee	2,000	3,223	1,223
Business license	51,000	43,672	(7,328)
Sidewalk use permit	4,000	675	(3,325)
Solicitor's license	300	650	350
Amusement devises	25,000	20,550	(4,450)
Amusement tax video rental	15,000	15,641	641
Vending machines	3,300	3,198	(102)
Tobacco license	4,400	4,200	(200)
Gasoline stations' license	12,450	14,350	1,900
Taxicabs' license	7,500	8,980	1,480
Scavenger services' license	17,500	17,500	-
Contractors' license	25,000	10,450	(14,550)
Vehicle license	245,000	233,150	(11,850)
Animal license	2,800	2,911	111
Building permits	140,000	94,662	(45,338)
Electric permits	15,000	12,417	(2,583)
Plumbing permits	20,000	16,783	(3,217)
HVAC permits	2,000	1,375	(625)
Water permit fees	1,000	-	(1,000)
Sign permits	37,000	29,274	(7,726)
Dumpster permits	4,200	2,825	(1,375)
Parking permits	214,000	220,822	6,822
Garage sale permits	1,200	860	(340)

(Continued)

## VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND  
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

	Final Budget	Actual	Variance from Budget Positive (Negative)
Plan review fees	\$ 10,000	\$ 3,501	\$ (6,499)
Elevator inspection fees	13,800	14,595	795
Food service inspection fees	14,000	17,525	3,525
Certificate of compliance fees	60,000	100,370	40,370
Zoning application fees	1,000	900	(100)
Dog park permits	3,500	3,186	(314)
Total licenses and permits	<u>1,041,950</u>	<u>982,333</u>	<u>(59,617)</u>
Fees for services			
Ambulance charges	300,000	305,469	5,469
Emergency fire suppression services	421,004	401,712	(19,292)
Sidewalk replacement	6,000	-	(6,000)
Highway maintenance - IDOT	71,000	70,898	(102)
Police/fire testing fees	5,000	-	(5,000)
Refuse collection charges	695,250	704,611	9,361
Recycling fees	87,550	97,608	10,058
Yard waste fees	67,980	55,800	(12,180)
Police processing fee	-	3,120	3,120
Accident reports	4,000	4,174	174
SORA registration fees	50	20	(30)
Water towers	187,300	185,997	(1,303)
Real estate	30,000	30,000	-
Picnic grove rental/fees	-	-	-
Groovin' in the grove	2,000	2,328	328
Community center	4,000	5,030	1,030
Day care-after school program	150,000	179,540	29,540
Day care-summer program	60,000	70,113	10,113
Youth activities	1,600	1,477	(123)
Classes	1,700	1,557	(143)
Trips - tours - excursions	200,000	146,023	(53,977)
Taxi - cab fares/fees	5,000	2,936	(2,064)
Donation	-	-	-
Farmer's market	2,000	1,544	(456)
Administration fees	-	-	-
Community Events	45,000	45,289	289
RTA - administration subsidy	65,200	53,595	(11,605)
RTA - PACE advertisement	7,000	6,435	(565)
RTA - dial-a-ride	6,300	6,046	(254)
RTA - PACE passes/fares	500	-	(500)
Total fees for services	<u>2,425,434</u>	<u>2,381,322</u>	<u>(44,112)</u>
Grant revenue			
CDBG 2011 grant	90,000	107,000	17,000
HUD Sustainable Community	-	18,131	18,131
Federal Assistance to FF	72,250	-	(72,250)
JAC Non-stimulus grant	19,003	19,186	183

(Continued)

## VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND  
 SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

	Final Budget	Actual	Variance from Budget Positive (Negative)
DOJ Grant	\$ 35,620	\$ 32,162	\$ (3,458)
DOJ bullet proof vests	4,370	3,656	(714)
Tobacco/Liquor grant	2,420	2,670	250
Model Community grant	14,307	4,507	(9,800)
DCEO IL Energy Now	-	292,261	292,261
DCEO Parking grant	125,000	-	(125,000)
IDOT Traffic Safety grant	33,024	22,107	(10,917)
IPRF Safety & Education grant	24,612	27,099	2,487
Total grant revenue	<u>420,606</u>	<u>528,779</u>	<u>108,173</u>
Parking revenue			
Parking meters	91,500	79,396	(12,104)
Affinity Card sales	2,000	4,505	2,505
Van Buren lot	335,000	328,707	(6,293)
Ferdinand lot	1,000	357	(643)
Thomas/Madison lot	72,500	64,740	(7,760)
Beloit/Madison lot	3,500	2,704	(796)
Hannah/Madison lot	12,600	13,288	688
Circle/Madison lot	2,000	5,001	3,001
Total parking revenue	<u>520,100</u>	<u>498,698</u>	<u>(21,402)</u>
Fines			
Traffic and parking fines	1,200,000	1,055,648	(144,352)
Towing revenue	120,000	109,335	(10,665)
Compliance tickets	180,000	269,980	89,980
Code violation fines	45,000	25,083	(19,917)
Other fines and penalties	7,000	6,020	(980)
Total fines	<u>1,552,000</u>	<u>1,466,066</u>	<u>(85,934)</u>
Interest on investments	<u>1,718</u>	<u>2,042</u>	<u>324</u>
Other revenue			
Miscellaneous revenue	30,550	8,479	(22,071)
NSF - agency collections	100	240	140
Centennial sales	-	-	-
AMEX Corporate points earned	-	28,072	28,072
Workmen's comp reimbursements	10,000	23,255	13,255
Health care reimbursements	-	-	-
Equipment sales	-	-	-
FOIA	320	277	(43)
Claims and damages	15,000	19,079	4,079
Total other revenue	<u>55,970</u>	<u>79,402</u>	<u>23,432</u>
Total revenues	<u>\$ 16,920,013</u>	<u>\$ 16,337,278</u>	<u>\$ (582,735)</u>

(Continued)

## VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP) BASIS AND ACTUAL  
 Year Ended April 30, 2013

	<u>Final Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
<b>Expenditures</b>			
Office of the mayor			
General public affairs	\$ 1,027,087	\$ 965,299	\$ 61,788
Police	4,571,326	4,478,493	92,833
Parking	5,000	2,402	2,598
Community services	712,669	642,955	69,714
Total office of the mayor	<u>6,316,082</u>	<u>6,089,149</u>	<u>226,933</u>
Office of accounts and finance			
Village clerk	4,839,288	4,821,746	17,542
Grant expenditures	443,990	373,685	70,305
Fire	926,516	837,814	88,702
Fire protection	1,946,073	1,903,171	42,902
Total office of accounts and finance	<u>8,155,867</u>	<u>7,936,416</u>	<u>219,451</u>
Office of public property			
Public property	1,118,231	1,023,148	95,083
Public property/street lights	270,000	1,682,160	(1,412,160)
Forestry	193,949	173,969	19,980
Playground and recreation	43,200	14,732	28,468
Property maintenance	165,994	137,336	28,658
Total office of public property	<u>1,791,374</u>	<u>3,031,345</u>	<u>(1,239,971)</u>
Office of streets and public improvement			
Streets and public improvement	536,239	443,577	92,662
Garbage	937,000	881,552	55,448
Total office of streets and public improvement	<u>1,473,239</u>	<u>1,325,129</u>	<u>148,110</u>
Office of health and safety			
Public health and safety	346,736	295,078	51,658
Total office of health and safety	<u>346,736</u>	<u>295,078</u>	<u>51,658</u>
Debt Service			
Principal retired	239,628	502,791	(263,163)
Interest and charges	52,546	86,996	(34,450)
Total office of public property	<u>292,174</u>	<u>589,787</u>	<u>(297,613)</u>
Total expenditures	<u>\$ 18,375,472</u>	<u>\$ 19,266,904</u>	<u>\$ (891,432)</u>

BROWN STREET STATION TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 650,000	\$ 262,048	\$ (387,952)
Interest on investments	<u>25,000</u>	<u>25,410</u>	<u>410</u>
Total revenues	<u>675,000</u>	<u>287,458</u>	<u>(387,542)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>115,000</u>	<u>147,466</u>	<u>(32,466)</u>
Total expenditures	<u>115,000</u>	<u>147,466</u>	<u>(32,466)</u>
Net change in fund balance	<u>\$ 560,000</u>	139,992	<u>\$ (420,008)</u>
Fund balance at beginning of year		<u>2,640,341</u>	
Fund balance at end of year		<u>\$ 2,780,333</u>	

---

HARLEM / HARRISON TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 5,000	\$ (372)	\$ (5,372)
Interest on investments	10	33	23
Total revenues	<u>5,010</u>	<u>(339)</u>	<u>(5,349)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	1,200	2,513	(1,313)
Total expenditures	<u>1,200</u>	<u>2,513</u>	<u>(1,313)</u>
Net change in fund balance	<u>\$ 3,810</u>	(2,852)	<u>\$ (6,662)</u>
Fund balance at beginning of year		<u>(44,251)</u>	
Fund balance at end of year		<u>\$ (47,103)</u>	

---

ROOSEVELT / HANNAH TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 850,000	\$ 691,285	\$ (158,715)
Interest on investments	<u>19,020</u>	<u>4,145</u>	<u>(14,875)</u>
Total revenues	<u>869,020</u>	<u>695,430</u>	<u>(173,590)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	617,700	321,415	296,285
Debt service			
Principal retired	175,000	175,000	-
Interest and charges	<u>6,388</u>	<u>6,388</u>	<u>-</u>
Total expenditures	<u>799,088</u>	<u>502,803</u>	<u>296,285</u>
Net change in fund balance	<u>\$ 69,932</u>	192,627	<u>\$ 122,695</u>
Fund balance at beginning of year		<u>850,280</u>	
Fund balance at end of year		<u>\$ 1,042,907</u>	

---

2002 BOND FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	\$ 180	\$ 157	\$ (23)
Total revenues	<u>180</u>	<u>157</u>	<u>(23)</u>
Expenditures			
Office of accounts and finance			
Bank fees	2,700	2,700	-
Other expenditures	7,000	11,412	(4,412)
Debt service			
Principal retired	425,000	425,000	-
Interest and charges	<u>109,108</u>	<u>109,108</u>	<u>-</u>
Total expenditures	<u>543,808</u>	<u>548,220</u>	<u>(4,412)</u>
Excess (deficiency) of revenues over expenditures	<u>(543,628)</u>	<u>(548,063)</u>	<u>(4,435)</u>
Other financing sources (uses)			
Transfers in	-	533,891	533,891
Total other financing sources (uses)	<u>-</u>	<u>533,891</u>	<u>533,891</u>
Net change in fund balance	<u>\$ (543,628)</u>	(14,172)	<u>\$ 529,456</u>
Fund balance at beginning of year		<u>2,667,298</u>	
Fund balance at end of year		<u>\$ 2,653,126</u>	

---

SPECIAL TAX ALLOCATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax revenue	\$ 500,000	\$ 639,063	\$ 139,063
Interest on investments	15	22	7
Total revenues	<u>500,015</u>	<u>639,085</u>	<u>139,070</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>500,015</u>	<u>639,085</u>	<u>139,070</u>
Other financing sources (uses)			
Transfers out	<u>-</u>	<u>(533,891)</u>	<u>(533,891)</u>
Total other financing sources (uses)	<u>-</u>	<u>(533,891)</u>	<u>(533,891)</u>
Net change in fund balance	<u>\$ 500,015</u>	105,194	<u>\$ (394,821)</u>
Fund balance at beginning of year		<u>253,569</u>	
Fund balance at end of year		<u>\$ 358,763</u>	

---

INCREMENTAL SALES FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax	\$ 350,000	\$ 367,871	\$ 17,871
Interest on investments	<u>15</u>	<u>12</u>	<u>(3)</u>
Total revenues	<u>350,015</u>	<u>367,883</u>	<u>17,868</u>
 Expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Excess (deficiency) of revenues over expenditures	 <u>350,015</u>	 <u>367,883</u>	 <u>17,868</u>
 Other financing sources (uses)			
Transfers out	<u>(350,000)</u>	<u>(317,229)</u>	<u>32,771</u>
Total other financing sources (uses)	<u>(350,000)</u>	<u>(317,229)</u>	<u>32,771</u>
 Net change in fund balance	 <u>\$ 15</u>	 50,654	 <u>\$ 50,639</u>
 Fund balance at beginning of year		 <u>183,174</u>	
 Fund balance at end of year		 <u>\$ 233,828</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 VIP PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Revenues			
Sales tax revenues	\$ 1,100,000	\$ 996,941	\$ (103,059)
Grant revenue	4,823,435	710,722	(4,112,713)
Interest on investments	800	2,988	2,188
Total revenues	<u>5,924,235</u>	<u>1,710,651</u>	<u>(4,213,584)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	3,207,459	1,252,952	1,954,507
Debt service			
Principal retired	405,000	405,000	-
Interest and charges	308,413	435,208	(126,795)
Total expenditures	<u>3,920,872</u>	<u>2,093,160</u>	<u>1,827,712</u>
Other financing sources (uses)			
Refunding bonds issued	-	6,745,000	6,745,000
Premium on refunding bonds issued	-	301,920	301,920
Payment to refunded bond escrow agent	-	(6,912,187)	(6,912,187)
Transfers in	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>134,733</u>	<u>134,733</u>
Net change in fund balance	<u>\$ 2,003,363</u>	(247,776)	<u>\$ (2,251,139)</u>
Fund balance at beginning of year		<u>1,318,719</u>	
Fund balance at end of year		<u>\$ 1,070,943</u>	

## VILLAGE OF FOREST PARK, ILLINOIS

## NONMAJOR GOVERNMENTAL FUNDS

## COMBINING BALANCE SHEET

April 30, 2013

	<u>Special Revenue Funds</u>			
	<u>Emergency 911 Fund</u>	<u>Narcotics Fund</u>	<u>U.S. Customs Fund</u>	<u>Foreign Fire Insurance Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 319,906	\$ 114,873	\$ 571,546	\$ 38,204
Receivables:				
Property tax receivable	-	-	-	-
Due from other governments	-	-	-	-
Accounts receivable	-	-	-	-
Interfund receivable	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 319,906</u>	<u>\$ 114,873</u>	<u>\$ 571,546</u>	<u>\$ 38,204</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 86	\$ -	\$ -
Interfund payable	2,880	-	-	-
<b>Total liabilities</b>	<u>2,880</u>	<u>86</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Unavailable revenue	-	-	-	-
<b>FUND BALANCE</b>				
Restricted				
Public Safety	317,026	114,787	571,546	38,204
Streets & Highways	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balance</b>	<u>317,026</u>	<u>114,787</u>	<u>571,546</u>	<u>38,204</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>	<u>\$ 319,906</u>	<u>\$ 114,873</u>	<u>\$ 571,546</u>	<u>\$ 38,204</u>

---

**Special Revenue Funds**

Illinois Municipal Retirement Fund	Social Security Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ 429,643	\$ 1,474,172
120,120	163,362	-	283,482
-	-	60,389	60,389
-	-	-	-
-	-	-	-
<u>\$ 120,120</u>	<u>\$ 163,362</u>	<u>\$ 490,032</u>	<u>\$ 1,818,043</u>
\$ -	\$ -	\$ -	\$ 86
218,789	156,560	-	378,229
<u>218,789</u>	<u>156,560</u>	<u>-</u>	<u>378,315</u>
<u>120,120</u>	<u>163,362</u>	<u>-</u>	<u>283,482</u>
-	-	-	1,041,563
-	-	490,032	490,032
(218,789)	(156,560)	-	(375,349)
<u>(218,789)</u>	<u>(156,560)</u>	<u>490,032</u>	<u>1,156,246</u>
<u>\$ 120,120</u>	<u>\$ 163,362</u>	<u>\$ 490,032</u>	<u>\$ 1,534,561</u>

## VILLAGE OF FOREST PARK, ILLINOIS

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

	Special Revenue Funds			
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund
Revenues				
Property tax revenue	\$ -	\$ -	\$ -	\$ -
Personal property replacement tax	-	-	-	-
Sales tax	-	-	-	-
Intergovernmental revenues	179,056	-	-	27,003
Grant revenue	-	-	-	-
Fines	-	89,942	90,601	-
Interest on investments	306	393	603	119
Other revenue	-	19,800	-	-
Total revenues	<u>179,362</u>	<u>110,135</u>	<u>91,204</u>	<u>27,122</u>
Expenditures				
Current:				
Office of the mayor	129,973	80,575	153,804	-
Office of accounts and finance	-	-	-	21,384
Office of streets and public improvement	-	-	-	-
Debt service:				
Principal retired	-	-	-	-
Interest and charges	-	-	-	-
Total expenditures	<u>129,973</u>	<u>80,575</u>	<u>153,804</u>	<u>21,384</u>
Excess (deficiency) of revenues over expenditures	<u>49,389</u>	<u>29,560</u>	<u>(62,600)</u>	<u>5,738</u>
Net change in fund balances	<u>49,389</u>	<u>29,560</u>	<u>(62,600)</u>	<u>5,738</u>
Fund balances at beginning of year	<u>267,637</u>	<u>85,227</u>	<u>634,146</u>	<u>32,466</u>
Fund balances at end of year	<u>\$ 317,026</u>	<u>\$ 114,787</u>	<u>\$ 571,546</u>	<u>\$ 38,204</u>

---

Special Revenue Funds

Illinois Municipal Retirement Fund	Social Security Fund	Motor Fuel Tax Fund	Total Nonmajor Governmental Funds
\$ 246,324	\$ 335,001	\$ -	\$ 581,325
9,646	8,696	-	18,342
-	-	-	-
-	-	411,441	617,500
-	-	-	-
-	-	-	180,543
-	-	500	1,921
-	-	-	19,800
<u>255,970</u>	<u>343,697</u>	<u>411,941</u>	<u>1,419,431</u>
-	-	-	364,352
457,002	338,262	-	816,648
-	-	-	-
-	-	-	-
-	-	-	-
<u>457,002</u>	<u>338,262</u>	<u>-</u>	<u>1,181,000</u>
<u>(201,032)</u>	<u>5,435</u>	<u>411,941</u>	<u>238,431</u>
<u>(201,032)</u>	<u>5,435</u>	<u>411,941</u>	<u>238,431</u>
<u>(17,757)</u>	<u>(161,995)</u>	<u>78,091</u>	<u>917,815</u>
<u>\$ (218,789)</u>	<u>\$ (156,560)</u>	<u>\$ 490,032</u>	<u>\$ 1,156,246</u>

---

VILLAGE OF FOREST PARK, ILLINOIS  
 EMERGENCY 911 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Revenues			
Intergovernmental			
911 emergency surcharge	\$ 190,000	\$ 179,056	\$ (10,944)
Interest on investments	<u>250</u>	<u>306</u>	<u>56</u>
Total revenues	<u>190,250</u>	<u>179,362</u>	<u>(10,888)</u>
Expenditures			
Office of the mayor			
Bank service fees	220	223	(3)
Regular	37,626	37,199	427
E-911 - expenditures/costs	<u>100,000</u>	<u>92,551</u>	<u>7,449</u>
Total expenditures	<u>137,846</u>	<u>129,973</u>	<u>7,873</u>
Net change in fund balance	<u>\$ 52,404</u>	49,389	<u>\$ (3,015)</u>
Fund balance at beginning of year		<u>267,637</u>	
Fund balance at end of year		<u>\$ 317,026</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 NARCOTICS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
Seizure fees	\$ 50,000	\$ 89,942	\$ 39,942
Sales of seized vehicles	10,000	19,800	9,800
Interest on investments	<u>340</u>	<u>393</u>	<u>53</u>
Total revenues	<u>60,340</u>	<u>110,135</u>	<u>49,795</u>
Expenditures			
Office of the mayor			
Bank service fees	72	19	53
Seizure expenditures	<u>26,200</u>	<u>80,556</u>	<u>(54,356)</u>
Total expenditures	<u>26,272</u>	<u>80,575</u>	<u>(54,303)</u>
Net change in fund balance	<u>\$ 34,068</u>	29,560	<u>\$ (4,508)</u>
Fund balance at beginning of year		<u>85,227</u>	
Fund balance at end of year		<u>\$ 114,787</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 U.S. CUSTOMS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Fines			
U.S. Customs deposits	\$ 250,000	\$ 90,601	\$ (159,399)
Grant revenue	-	-	-
Interest on investments	<u>600</u>	<u>603</u>	<u>3</u>
Total revenues	<u>250,600</u>	<u>91,204</u>	<u>(159,396)</u>
Expenditures			
Office of the mayor			
Bank service fees	250	259	(9)
Overtime	13,000	13,000	-
U.S. Customs expenditures	<u>100,000</u>	<u>140,545</u>	<u>(40,545)</u>
Total expenditures	<u>113,250</u>	<u>153,804</u>	<u>(40,554)</u>
Net change in fund balance	<u>\$ 137,350</u>	(62,600)	<u>\$ (199,950)</u>
Fund balance at beginning of year		<u>634,146</u>	
Fund balance at end of year		<u>\$ 571,546</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Revenues			
Intergovernmental			
Property tax revenue	\$ 350,000	\$ 246,324	\$ (103,676)
Personal property replacement tax	<u>9,885</u>	<u>9,646</u>	<u>(239)</u>
Total revenues	<u>359,885</u>	<u>255,970</u>	<u>(103,915)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>350,000</u>	<u>457,002</u>	<u>(107,002)</u>
Total expenditures	<u>350,000</u>	<u>457,002</u>	<u>(107,002)</u>
Net change in fund balance	<u>\$ 9,885</u>	(201,032)	<u>\$ (210,917)</u>
Fund balance at beginning of year		<u>(17,757)</u>	
Fund balance at end of year		<u>\$ (218,789)</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 SOCIAL SECURITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Property tax revenue	\$ 390,000	\$ 335,001	\$ (54,999)
Personal property replacement tax	8,911	8,696	(215)
Total revenues	<u>398,911</u>	<u>343,697</u>	<u>(55,214)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>345,000</u>	<u>338,262</u>	<u>6,738</u>
Total expenditures	<u>345,000</u>	<u>338,262</u>	<u>6,738</u>
Net change in fund balance	<u>\$ 53,911</u>	5,435	<u>\$ (48,476)</u>
Fund balance at beginning of year		<u>(161,995)</u>	
Fund balance at end of year		<u>\$ (156,560)</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 MOTOR FUEL TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Motor fuel tax allotment	\$ 350,000	\$ 411,441	\$ 61,441
Interest on investments	200	500	300
Total revenues	<u>350,200</u>	<u>411,941</u>	<u>61,741</u>
Expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>350,200</u>	<u>411,941</u>	<u>61,741</u>
Other financing (uses)			
Transfer out	<u>(350,000)</u>	-	<u>350,000</u>
Total other financing (uses)	<u>(350,000)</u>	-	<u>350,000</u>
Net change in fund balance	<u>\$ 200</u>	411,941	<u>\$ 411,741</u>
Fund balance at beginning of year		<u>78,091</u>	
Fund balance at end of year		<u>\$ 490,032</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 WATER FUND  
 SCHEDULE OF REVENUES, EXPENSES  
 AND CHANGES IN NET ASSETS  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2013

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 5,707,100	\$ 5,476,014	\$ (231,086)
Operating expenses			
Operations	3,769,525	3,551,917	217,608
Depreciation	<u>178,000</u>	<u>104,714</u>	<u>73,286</u>
Total operating expenses	<u>3,947,525</u>	<u>3,656,631</u>	<u>290,894</u>
Operating income (loss)	<u>1,759,575</u>	<u>1,819,383</u>	<u>59,808</u>
Nonoperating revenues and (expenses)			
Interest revenue	1,000	2,966	1,966
Interest expense	<u>(111,697)</u>	<u>(107,635)</u>	<u>4,062</u>
Total nonoperating revenues and (expenses)	<u>(110,697)</u>	<u>(104,669)</u>	<u>6,028</u>
Income (loss) before capital contributions and tran	<u>1,648,878</u>	<u>1,714,714</u>	<u>65,836</u>
Capital contributions	-	750,245	750,245
Transfers out	<u>(800,000)</u>	<u>(800,000)</u>	<u>-</u>
Change in net assets	<u>\$ 848,878</u>	1,664,959	<u>\$ 816,081</u>
Net assets at beginning of year		<u>4,699,228</u>	
Net assets at end of year		<u>\$ 6,364,187</u>	

---

VILLAGE OF FOREST PARK, ILLINOIS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 PENSION TRUST FUNDS  
 April 30, 2013

---

	<u>Police Pension Trust Fund</u>	<u>Firefighters' Pension Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 598,862	\$ 855,872	\$ 1,454,734
Investments			
Certificates of deposit	-	4,685,708	4,685,708
Government securities	13,015,429	-	13,015,429
Mutual Funds	1,865,519	5,431,708	7,297,227
Insurance contracts	<u>5,249,506</u>	<u>2,785,198</u>	<u>8,034,704</u>
Total investments	20,130,454	12,902,614	33,033,068
Interest receivable	17,373	22,092	39,465
Prepaid items	<u>2,330</u>	<u>517</u>	<u>2,847</u>
Total assets	<u>20,749,019</u>	<u>13,781,095</u>	<u>34,530,114</u>
<b>LIABILITIES</b>			
Accounts payable	<u>2,786</u>	<u>5,984</u>	<u>8,770</u>
Total liabilities	<u>2,786</u>	<u>5,984</u>	<u>8,770</u>
<b>NET ASSETS</b>			
Plan net assets held in trust for employees' pension benefits	<u>\$ 20,746,233</u>	<u>\$ 13,775,111</u>	<u>\$ 34,521,344</u>

---

## VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
PENSION TRUST FUNDS  
Year Ended April 30, 2013

---

	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 674,566	\$ 531,069	\$ 1,205,635
Plan members	<u>308,271</u>	<u>190,695</u>	<u>498,966</u>
Total contributions	<u>982,837</u>	<u>721,764</u>	<u>1,704,601</u>
Net investment income	<u>779,425</u>	<u>960,519</u>	<u>1,739,944</u>
 Total additions	 <u>1,762,262</u>	 <u>1,682,283</u>	 <u>3,444,545</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,494,467	1,407,477	2,901,944
Administrative expenses	<u>35,978</u>	<u>22,545</u>	<u>58,523</u>
 Total deductions	 <u>1,530,445</u>	 <u>1,430,022</u>	 <u>2,960,467</u>
 Increase (decrease) in net assets	 231,817	 252,261	 484,078
 Plan net assets at beginning of year	 <u>20,514,416</u>	 <u>13,522,850</u>	 <u>34,037,266</u>
 Plan net assets at end of year	 <u>\$ 20,746,233</u>	 <u>\$ 13,775,111</u>	 <u>\$ 34,521,344</u>

---

VILLAGE OF FOREST PARK  
 SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES  
 Year Ended April 30, 2013

---

Unemployment	\$	27,809
Workman's comp insurance		<u>423,560</u>
Total tort immunity purposes expenditures	\$	<u><u>451,369</u></u>

The Village levies property taxes for tort immunity/liability insurance purposes. As required by Public Act 91-0628 passed by the Illinois General Assembly, the Village is including the above list of tort immunity purposes expenditures in its annual financial report.

The Village's tax extension for liability insurance purposes for tax year 2012 as levied by Cook County was \$469,814. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES  
AND COMPARATIVE TAX STATISTICS  
Year Ended April 30, 2012  
(Unaudited)

Tax levy year:	Assessed	Extended			
	Valuation	Village Tax Rate			
2002	\$ 287,578,558	1.3731			
2003	280,570,295	1.4487			
2004	283,806,070	1.4670			
2005	356,616,601	1.2210			
2006	354,116,468	1.2860			
2007	382,322,592	1.2630			
2008	432,613,550	1.0867			
2009	444,213,981	1.0611			
2010	426,046,739	1.1392			
2011	353,030,571	1.3996			
2012	327,397,042	1.5580			
		2012 Levy		2011 Levy	
	Amount	Rate	Amount	Rate	
General fund:					
Corporate	\$ 1,427,778	0.4361	\$ 1,384,880	0.3923	
Fire protection	624,018	0.1906	607,700	0.1721	
Forestry	118,190	0.0361	114,909	0.0325	
Insurance	469,814	0.1435	404,417	0.1146	
Police protection	624,018	0.1906	607,700	0.1721	
Police pension	689,498	0.2106	681,509	0.1930	
Firefighters' pension	541,514	0.1654	532,752	0.1509	
Total general fund	<u>4,494,830</u>	<u>1.3729</u>	<u>4,333,867</u>	<u>1.2275</u>	
Special revenue funds:					
Illinois municipal retirement fund	256,679	0.0784	257,500	0.0729	
Social security fund	349,332	0.1067	350,200	0.0992	
Total special revenue funds	<u>606,011</u>	<u>0.1851</u>	<u>607,700</u>	<u>0.1721</u>	
Total tax levy:	<u>\$ 5,100,841</u>	<u>1.5580</u>	<u>\$ 4,941,567</u>	<u>1.3996</u>	
Collections as of April 30, 2013	<u>\$ 2,517,003</u>	<u>49.34%</u>	<u>\$ 4,820,926</u>	<u>97.56%</u>	

See independent auditors' report.

VILLAGE OF FOREST PARK, ILLINOIS  
 LONG-TERM DEBT OBLIGATION  
 SCHEDULE OF BONDS OUTSTANDING  
 April 30, 2013  
 (Unaudited)

General Obligation Tax Increment Financing Refunding Bonds:  
 Series 2002  
 Dated: April 8, 2002  
 Interest Payable June 1 and December 1 of each year  
 Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2014	4.55%	\$ 445,000	\$ 88,920	\$ 533,920
2015	4.65%	465,000	68,672	533,672
2016	4.75%	480,000	47,050	527,050
2017	4.85%	500,000	24,250	524,250
Totals		<u>\$ 1,890,000</u>	<u>\$ 228,892</u>	<u>\$ 2,118,892</u>

See independent auditors' report.

## VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT OBLIGATION  
 SCHEDULE OF DEBT CERTIFICATES OUTSTANDING  
 April 30, 2013  
 (Unaudited)

---

General Obligation Debt Certificates:  
 Dated: December 21, 2011  
 Interest Payable May 1 and November 1 of each year  
 Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2014	2.00%	\$ 280,000	\$ 66,875	\$ 346,875
2015	2.00%	285,000	61,275	346,275
2016	2.00%	295,000	55,575	350,575
2017	2.00%	300,000	49,675	349,675
2018	2.00%	305,000	43,675	348,675
2019	2.50%	315,000	37,575	352,575
2020	3.00%	320,000	29,700	349,700
2021	3.00%	330,000	20,100	350,100
2022	3.00%	340,000	10,200	350,200
Totals		<u>\$ 2,770,000</u>	<u>\$ 374,650</u>	<u>\$ 3,144,650</u>

---

See independent auditors' report.

VILLAGE OF FOREST PARK, ILLINOIS  
LONG-TERM DEBT OBLIGATION  
SCHEDULE OF BONDS OUTSTANDING  
April 30, 2012  
(Unaudited)

---

General Obligation Refunding Bonds (Alternative Revenue Source):  
Series 2012A  
Dated: December 3, 2012  
Interest Payable June 1 and December 1 of each year  
Paying Agent - Amalgamated Bank of Chicago

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2014	2.00%	\$ 20,000	\$ 134,900	\$ 154,900
2015	2.00%	75,000	134,500	209,500
2016	2.00%	535,000	133,000	668,000
2017	2.00%	550,000	122,300	672,300
2018	2.00%	555,000	111,300	666,300
2019	2.00%	565,000	100,200	665,200
2020	3.00%	580,000	133,350	713,350
2021	3.00%	600,000	115,950	715,950
2022	3.00%	615,000	97,950	712,950
2023	3.00%	635,000	79,500	714,500
2024	3.00%	650,000	60,450	710,450
2025	3.00%	675,000	40,950	715,950
2026	3.00%	690,000	20,700	710,700
Totals		<u>\$ 6,745,000</u>	<u>\$ 1,285,050</u>	<u>\$ 8,030,050</u>

---

See independent auditors' report.