

**VILLAGE OF FOREST PARK, ILLINOIS**

**ANNUAL FINANCIAL REPORT**

Year Ended April 30, 2015

VILLAGE OF FOREST PARK, ILLINOIS  
ANNUAL FINANCIAL REPORT  
Year Ended April 30, 2015

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## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor  
And Council 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, 2015, 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"), which represents the entire 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 that 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, 2015, 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 7 to the financial statements, in June 2012, the GASB issued Statement 67, Financial Reporting for Pension Plans. The provisions of this Statement are effective for the Village's fiscal year ended April 30, 2015, with earlier application being encouraged. The Village's Police and Fire pension funds have implemented this statement for their fiscal year ended April 30, 2015. 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. 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. 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 management's discussion and analysis, historical pension and retirees' health plan information, and budgetary comparison schedule for the General Fund and major Special Revenue Funds, as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required 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 basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village's basic 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 basic 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic 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 December 18, 2015 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*

Crowe Horwath LLP

Oak Brook, Illinois  
December 18, 2015

**VILLAGE OF FOREST PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended April 30, 2015**

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, 2015. 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 beginning on page 1 and the Village's financial statements beginning on page 17.

**Financial Highlights**

Net position in the Village's primary government (Governmental activities and Business type activities Statement 1) increased by \$2,897,082 or 8.1% in fiscal year 2015. Governmental fund revenues in conjunction with other financing sources exceeded expenditures, resulting in an overall improvement in fund balances by \$928,289 (Statement 5). The General fund balance ended with an income gain of \$130,736, the first gain since fiscal year 2012. The other Major funds reflect a combined gain of \$769,512 as does the collective reporting for Non-major governmental funds by \$28,041.

Collected General fund revenues (excluding operating transfers and other financing sources) in FY2015 were \$224,783 or 1.3% more than FY2014. Significant increases in general fund revenues over FY2014 include:

- Local share of state taxes reflected increases in the following categories: sales tax up \$462,304 or 16.6%; local use tax up \$38,165 or 15.4%; income tax up \$74,340 or 5.5%
- Licenses and permits increased \$97,410 or 8.8% due to construction related revenues

Collected General fund revenues fell short of budget expectation by (\$1,837,388) or (9.7%):

- Property tax collections were less than prior fiscal year by (\$168,100) or (3.8%) and short of current year budget expectation by (\$350,938) or (7.6%)
- Utility taxes were short from budget by (\$277,781) or (15.6%)
- Grants not awarded during FY2015 total a reduction in budgeted revenue of (\$665,817)

General fund expenditures increased by 0.4% or \$74,076 from FY2014. This increase in expenditures compared to prior year recognizes the replacement of Village Hall roof and the purchase of (6) replacement vehicles. Significant changes in expenditures from last year include:

- Public Property capital expense up \$38,560 for FY2015 Village Hall roof replacement at \$171,670 compared to FY2014 LED lighting capital at \$133,110
- (2) replacement vehicles for the Community Center and (4) replacement vehicles for Police Department, an increase of \$147,145 over replacement vehicles purchased prior year
- Wages budgeted at a 3.0% increase ended with a 0.1% increase overall, up \$10,310. FY2015 reflected less overtime pay as well as staff retirements in multiple departments.

General fund expenditures were (9.2%) or (\$1,873,159) under budget. Savings in FY2015 budgeted expenditures include:

- **Computer equipment, office supplies, tools, and training expenses were purchased using American Express Corporate Reward points, reflecting a savings of (\$35,500) from General fund expenditures**
- Deferred purchase of Fire Department vehicles and equipment, reducing expenditures by (\$284,000)
- Grants not awarded during FY2015 total a reduction in budgeted expenditure of (\$735,380)
- **Liability and health insurance premiums below budget expectations by (\$310,150)**

Other financing sources in the General fund include the annual operating transfer 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

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended April 30, 2015**

Bond fund debt obligation; funds from Motor Fuel Tax (MFT) non-major fund for allowable expenses; proceeds from loans for replacement vehicle financing.

Property tax revenues in the TIF Major funds were shy of budget expectations by (\$10,659), with the Roosevelt Hannah TIF as the exception, surpassing budget expectation by \$20,188. Combined revenues reflect a gain of \$8,789 over prior year. Roosevelt/Hannah revenues improved while Brown Street Station and Harlem/Harrison TIFs received less in distribution from the County compared to FY2014.

The Illinois Municipal Retirement Fund (IMRF) has been classified as a Major fund again in FY2015 as the fund liabilities have met the 10% threshold of corresponding totals for all governmental funds. Property taxes are levied to fund IMRF and other pensions, however expenditures in this fund have surpassed revenues since FY2012 year-end due to costs associated with repayment on an early retirement incentive offered in 2006. The balance owed to the General fund from IMRF fund is \$501,855 and should be repaid over the next two to three fiscal years as the Village's IMRF contribution rate has reduced with payment in full effective FY2015 for the retirement incentive.

Collective expenditures for the Major funds were under budget by (80.1%). The Brown Street Station TIF budgeted for infrastructure improvements under the US Department of Transportation's "Transportation Investment Generating Economic Recovery" (TIGER) grant, however the award was not realized for FY2015. Roosevelt Road Improvement had only preliminary fees from the Mall TIF and Roosevelt/Hannah TIF as the project is slated to start in spring 2017. The overall net gain for Major funds excluding General fund is \$769,512.

In the Non-major governmental funds, revenues fell short of budget expectation in all funds except the Motor Fuel Tax fund, the State seizure fund, and Federal Customs fund. The VIP fund benefited from an additional 0.05% Non-Home Rule sales tax referendum effective July 1, 2014, which resulted in an additional \$851,700 in revenue over prior year. Non-major expenditures were under budget expectation by (\$71,410). Budgeted projects in FY2015 consisted of the design and construction of a Police Department garage (Federal Customs fund) and replacement of (5) alleys and extension of Desplaines Avenue sidewalk (VIP fund).

In the proprietary fund (Statement 8), the Water fund operating revenues increased \$391,520 or 6.5% over FY2014 and were (\$100,616) or (1.5%) under budget expectation. Revenues vary both by rates and consumption. Rates increased 15.0% on January 1, 2015 per the City of Chicago while consumption decreased by (16.0%). FY2015 expenses including operating transfers out increased by \$203,375 or 4.0% and were (\$590,820) or (10.0%) under budget expectation. Budgeted infrastructure improvements were deferred however a comprehensive sewer study was completed as a potential sewer separation plan for the future. Revenues exceeded expenses resulting in a net gain of \$1,189,516. This increase in fund balance will secure future projects such as water and sewer infrastructure improvements.

### **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 inflows and liabilities/deferred inflows, with the difference between the two

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended April 30, 2015**

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: administration (which includes wages and benefits), 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 funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for six major governmental funds: General fund, Brown Street Station TIF, Harlem/Harrison TIF, Roosevelt/Hannah TIF, 2002 Bond Fund (Mall TIF), and the IMRF fund. A new TIF, Roosevelt Road Corridor TIF, was developed in FY15 however no financial activity occurred as of year-end and therefore no fund is reported in these financials. Seven special revenue funds and two debt service funds (components to the 2002 Bond fund), are considered to be Non-major funds. Individual fund information for these Non-major governmental funds is provided in Exhibits 8 through 18.

The Village maintains one type of proprietary fund to account for 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 for Fire and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements because the resources of those

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
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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):

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Assets</b>						
Cash and investments	\$ 13,356.1	\$ 11,987.0	\$ 2,669.9	\$ 1,693.7	\$ 16,026.1	\$ 13,680.8
Current assets	5,666.0	5,522.1	1,044.7	947.3	6,710.6	6,469.4
Capital assets	<u>29,370.4</u>	<u>29,148.8</u>	<u>8,682.9</u>	<u>8,776.3</u>	<u>38,053.3</u>	<u>37,925.1</u>
<b>Total assets</b>	<b>48,392.5</b>	<b>46,658.0</b>	<b>12,397.5</b>	<b>11,417.3</b>	<b>60,790.0</b>	<b>58,075.2</b>
<b>Deferred Inflows of Resources</b>						
Deferred loss on refunding	321.4	352.0	-	-	321.4	352.0
<b>Liabilities</b>						
Current liabilities	4,067.8	2,609.3	1,136.9	990.6	5,204.8	3,599.9
Long-term liabilities	<u>12,160.6</u>	<u>12,997.5</u>	<u>2,705.5</u>	<u>3,061.2</u>	<u>14,866.1</u>	<u>16,058.7</u>
<b>Total liabilities</b>	<b>16,228.5</b>	<b>15,606.9</b>	<b>3,842.4</b>	<b>4,051.7</b>	<b>20,070.9</b>	<b>19,658.6</b>
<b>Deferred Inflows of Resources</b>						
Unavailable property tax revenue	2,550.2	3,175.4	-	-	2,550.2	3,175.4
<b>Net Position</b>						
Invested in capital assets, net	18,193.7	16,711.6	5,625.0	5,372.4	23,818.7	22,084.0
Restricted	5,030.5	4,260.6	-	-	5,030.5	4,260.6
Unrestricted	<u>6,711.1</u>	<u>7,255.5</u>	<u>2,930.0</u>	<u>1,993.2</u>	<u>9,641.1</u>	<u>9,248.7</u>
<b>Total Net Position</b>	<b>\$ 29,935.3</b>	<b>\$ 28,227.7</b>	<b>\$ 8,555.1</b>	<b>\$ 7,365.6</b>	<b>\$ 38,490.4</b>	<b>\$ 35,593.3</b>

Source: Statement 1

Total Primary cash and investments at fiscal year-end increased by \$2,345,297 over prior year as well as current assets (receivables and prepaid) by \$241,225. Cash and current assets of \$22,736,698 are 4.4 times current liabilities of \$5,204,752, a ratio similar to prior fiscal year. This ratio shows that the Village's ability to pay current bills in a timely fashion has continued. Deferred loss on refunding is in relation to the 2005 bond fund (VIP) which was refunded in FY2013. 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 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

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MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

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:

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Primary Government</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 5,358.1	\$ 5,312.2	\$ 6,428.3	\$ 6,037.0	\$ 11,786.3	\$ 11,349.2
Oper. grants/contr.	237.1	814.6	-	-	237.1	814.6
Capital grants/contr.	691.0	700.2	-	-	691.0	700.2
General Revenues:						
Property taxes	6,500.8	6,652.0	-	-	6,500.8	6,652.0
Other taxes	9,655.6	7,898.8	-	-	9,655.6	7,898.8
Other revenues	65.6	36.0	2.5	2.2	68.1	38.3
<b>Total Revenues</b>	<b>22,508.2</b>	<b>21,413.9</b>	<b>6,430.8</b>	<b>6,039.2</b>	<b>28,938.9</b>	<b>27,453.1</b>
<b>Expenses</b>						
General government	6,474.3	7,103.3	-	-	6,474.3	7,103.3
Police protection	5,816.6	5,273.9	-	-	5,816.6	5,273.9
Fire protection	3,265.6	3,087.2	-	-	3,265.6	3,087.2
Health and safety	277.8	303.5	-	-	277.8	303.5
Community outreach	680.2	631.3	-	-	680.2	631.3
Public works	4,821.8	4,771.4	-	-	4,821.8	4,771.4
Interest on debt	364.4	390.5	-	-	364.4	390.5
Water and sewer	-	-	4,341.2	4,237.9	4,341.2	4,237.9
<b>Total Expenses</b>	<b>21,700.6</b>	<b>21,561.1</b>	<b>4,341.2</b>	<b>4,237.9</b>	<b>26,041.8</b>	<b>25,799.0</b>
Transfers Out / (In)	900.0	800.0	(900.0)	(800.0)	-	-
<b>Change in Net Position</b>	<b>\$ 1,707.6</b>	<b>\$ 652.8</b>	<b>\$ 1,189.5</b>	<b>\$ 1,001.4</b>	<b>\$ 2,897.1</b>	<b>\$ 1,654.1</b>

Source: Statement 2

Governmental Activities revenue increased by \$1,094,302 in fiscal year 2015 due the increase in General fund sales tax revenue and the additional 0.05% Non-Home Rule sales tax in the VIP fund. The principle sources of revenue for the Governmental Activities are state taxes at 37.5%, property taxes at 28.9%, and fees for services at 23.8%. While property tax collections decreased compared to prior year, state taxes and fees for service collectively increased by \$1,437,876, or 11.6% from last year. Total expenses in governmental activities increased by \$139,507 or 0.6%. The categories of Police protection, Fire protection, and Community outreach reflect increases in expenses ranging from 10.3% to 5.8%. These increases are related to capital assets and pension obligations. Business-type Activities (Water fund) revenues from charges for services increased \$391,250 or 6.5%, and expenses including debt and depreciation increased \$103,375 or 2.4%. Together, police and fire protection (which includes respective wages and pension obligations) represent 35.2% of the total cost of operating the Village; Public works and the Water fund account for 34.9%, and other governmental expenses, including debt service, are 29.9% of total primary government expenses. Change in net position of \$2,897,082 is an 8.1% gain to the total primary government statement.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

**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 that 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) below:

**Changes in Governmental Fund Balances**

	Major Funds						Non-major Funds		As of 4/30/14 Total Governmental Funds
	General Fund	Brown Street Station TIF	Harlem/Harrison TIF	Roosevelt/Hannah TIF	2002 Bond Fund	Illinois Municipal Retirement Fund	Special Revenue Funds	Total Governmental Funds	
Revenues	\$ 17,043.70	\$ 321.64	\$ 0.01	\$ 722.80	\$ 0.18	\$ 262.36	\$ 4,098.24	\$ 22,448.93	\$ 21,500.50
Expenditures	18,450.84	22.45	2.38	198.79	595.57	347.88	2,954.19	22,572.08	21,916.63
Excess (deficiency) of revenues over expenditures	(1,407.13)	299.19	(2.36)	524.01	(595.40)	(85.52)	1,144.06	(123.15)	(416.13)
Transfer in (out)	1,386.43	-	-	-	629.59	-	(1,116.02)	900.00	800.00
Loan Proceeds	151.44	-	-	-	-	-	-	151.44	133.10
Net change in fund balances	130.74	299.19	(2.36)	524.01	34.19	(85.52)	28.04	928.29	516.97
Beginning fund balance	3,236.46	3,095.74	(50.07)	1,246.85	2,786.88	(416.33)	3,337.61	13,237.14	12,720.16
End of year fund balances	<u>\$ 3,367.20</u>	<u>\$ 3,394.93</u>	<u>\$ (52.43)</u>	<u>\$ 1,770.86</u>	<u>\$ 2,821.07</u>	<u>\$ (501.86)</u>	<u>\$ 3,365.65</u>	<u>\$ 14,165.42</u>	<u>\$ 13,237.14</u>

Source: Statement 5

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

**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 Net Position**

	<b>2015</b>	<b>2014</b>	<b>% change</b>
	<b>Water Fund</b>	<b>Water Fund</b>	<b>2015 from 2014</b>
Total revenues	\$ 6,430.8	\$ 6,039.2	6.5%
Total expenses	4,341.2	4,237.9	2.4%
Excess (deficiency) of revenues over expenditures	2,089.5	1,801.4	16.0%
Transfers in (out)	(900.0)	(800.0)	12.5%
Contribution revenue	-	-	-
Special items	-	-	-
Net change in Fund Balances	1,189.5	1,001.4	18.8%
Net position at beginning of year	7,365.6	6,364.2	15.7%
Net position at end of year	<u>\$ 8,555.1</u>	<u>\$ 7,365.6</u>	<u>16.1%</u>

Source: Statement 8

Transfers from the Water fund to the General fund 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. For fiscal year 2015 the transfer out was \$900,000.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

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

	2015			2014		
	Final Budget	Actual	Variance	Final Budget	Actual	Variance
<b>Revenues:</b>						
Taxes	\$ 11,626.3	\$ 10,938.3	\$ (688.0)	\$ 11,221.1	\$ 10,698.6	\$ (522.5)
Licenses and permits	1,192.6	1,198.9	6.4	1,104.3	1,101.5	(2.8)
Fees for services	2,470.8	2,371.1	(99.6)	2,473.4	2,352.2	(121.1)
Grant revenue	828.3	162.5	(665.8)	586.5	275.1	(311.4)
Parking revenue	533.5	513.8	(19.7)	520.0	494.7	(25.3)
Fines	2,147.0	1,790.5	(356.5)	1,662.2	1,809.0	146.8
Interest on investment	0.8	1.4	0.5	2.4	0.4	(2.0)
Other	81.9	67.2	(14.7)	84.9	87.4	2.5
<b>Total Revenues</b>	<b>18,881.1</b>	<b>17,043.7</b>	<b>(1,837.4)</b>	<b>17,654.7</b>	<b>16,818.9</b>	<b>(835.8)</b>
<b>Expenditures:</b>						
Office of the Mayor	6,936.5	6,884.1	52.4	6,572.1	6,380.5	191.6
Office of Accounts & Finance	9,099.5	7,505.3	1,594.2	8,577.7	7,928.5	649.2
Office of Public Property	1,843.9	1,853.7	(9.7)	1,912.3	1,771.3	141.0
Office of Streets & Public Improvement	1,450.4	1,386.0	64.4	1,420.5	1,436.1	(15.6)
Office of Health & Safety	338.5	310.1	28.4	321.6	308.8	12.9
Debt Service Payments	655.1	511.6	143.5	463.2	551.6	(88.4)
<b>Total Expenditures</b>	<b>20,324.0</b>	<b>18,450.8</b>	<b>1,873.2</b>	<b>19,267.5</b>	<b>18,376.8</b>	<b>890.7</b>
Excess (deficiency) of revenues over expenditures:	(1,442.9)	(1,407.1)	35.8	(1,612.8)	(1,557.8)	54.9
<b>Other financing sources:</b>						
Operating Transfers In	1,475.0	1,386.4	(88.6)	1,375.0	1,190.1	(184.9)
Loan Proceeds	-	151.4	151.4	279.9	133.1	(146.8)
<b>Total other financing sources</b>	<b>1,475.0</b>	<b>1,537.9</b>	<b>62.9</b>	<b>1,654.9</b>	<b>1,323.2</b>	<b>(331.7)</b>
<b>Net Change to Fund Balance</b>	<b>32.1</b>	<b>130.7</b>	<b>98.6</b>	<b>42.1</b>	<b>(234.7)</b>	<b>(276.8)</b>

Source: RSI-12

Both revenues and expenditures in the General fund met 90% of budget expectation in FY2015. Revenues were \$224,788 or 1.3% higher than last year and (\$1,837,388) or (9.7%) less than budget. The variation resulted from lower than expected property taxes (\$350,938), utility taxes (\$277,781), fines (\$356,503) and grants (\$665,817). Expenditures increased only by 0.4%. Overall expenditures remained under budget by (\$1,873,159) or (9.2%). The result is a net gain in the General fund of \$130,736. All departments continue to reduce expenditures where possible in order to spend less than the amounts appropriated.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Governmental Activities Change in Capital Assets (in thousands)

	<b>Balance as of April 30, 2014</b>	<b>Net Additions/ (Deletions)</b>	<b>Balance as of April 30, 2015</b>
<b>Non-Depreciable Assets</b>			
Land	\$ 5,365.4	-	\$ 5,365.4
Construction in Progress	-	-	-
<b>Non-Depreciable Assets Total</b>	<u>5,365.4</u>	<u>-</u>	<u>5,365.4</u>
<b>Other Capital Assets</b>			
Infrastructure	40,170.7	609.0	40,779.7
Buildings and improvements	4,451.3	491.7	4,943.0
Fixtures/Equipment	4,991.1	219.7	5,210.8
Accum. Depreciation	<u>(25,829.6)</u>	<u>(1,098.7)</u>	<u>(26,928.4)</u>
<b>Net Capital Assets</b>	<u>\$ 29,148.7</u>	<u>\$ 221.7</u>	<u>\$ 29,370.3</u>

Source: Note 4

Infrastructure additions include five alleys from the 2014 alley improvement program and preliminary work on Madison Street. Preliminary engineer work for the Roosevelt Road improvement project also began in FY2015. Additions to buildings and improvements are the roof replacement at Village Hall and the addition of a Police Department garage. Equipment includes vehicle extrication equipment for the Fire Department, (4) Ford Explorers in Police, and (2) Ford Wagons for the Community Center. Funding resources included grants, VIP, General fund, TIF funds, State Seizure and Federal Customs. Proceeds from sales of depreciated assets partially offset the expense of the replacement vehicles.

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

	<b>Balance as of April 30, 2014</b>	<b>Net Additions/ (Deletions)</b>	<b>Balance as of April 30, 2015</b>
<b>Non-Depreciable Assets</b>			
Construction in Progress	\$ -	\$ -	\$ -
<b>Other Capital Assets</b>			
Infrastructure	10,483.9	55.3	10,539.2
Buildings and improvements	681.9	-	681.9
Fixtures/Equipment	257.3	-	257.3
Accum. Depreciation	<u>(2,646.8)</u>	<u>(148.7)</u>	<u>(2,795.5)</u>
<b>Net Capital Assets</b>	<u>\$ 8,776.3</u>	<u>\$ (93.4)</u>	<u>\$ 8,682.9</u>

Source: Note 4

Infrastructure additions include sewer improvements in conjunction with the 2014 alley improvement project. A comprehensive sewer study was completed during FY2015 to investigate a potential sewer separation plan.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

**Debt Administration**

At April 30, 2015, the Village had outstanding debt as follows:

	<u>Principal due</u>	<u>within one year</u>
<b>Governmental Activities</b>		
GO TIF Refunding Bonds, 2002	\$ 980,000	\$ 480,000
GO Alternative Revenue Refunding, 2012	6,650,000	535,000
Premium on Bonds	258,859	-
Total Bonds	<u>\$ 7,888,859</u>	<u>\$ 1,015,000</u>
General Obligation Debt Certificate Series 2011	1,853,964	248,036
Bank Loans Payable	1,433,949	211,955
Net Pension Obligations	1,955,086	-
Other Post Employment Benefits	455,815	
Compensated Absences	<u>715,755</u>	<u>667,803</u>
<b>Total Governmental Long-term Debt</b>	<b>\$ 14,303,428</b>	<b>\$ 2,142,794</b>
 <b>Business-type Activities</b>		
General Obligation Debt Certificate Series 2011	\$ 351,036	\$ 46,964
Loan Payable (IEPA)	2,706,810	308,806
Compensated Absences	<u>16,079</u>	<u>12,690</u>
<b>Total Business-type Long-term Debt</b>	<b>\$ 3,073,925</b>	<b>\$ 368,460</b>

Source: Note 5

The governmental GO bond principal payments of \$1,015,000 due in fiscal year 2016 are payable from the Mall TIF Debt Service funds financed through TIF property tax deposits, and the VIP fund which is financed through one percent Non-Home Rule sales tax. Interest rates on the bonds range from 2.0 to 4.85 percent. The General Obligation Debt Certificate Series 2011 was refinanced in FY2012, and interest rates now range from 2.0 to 3.0 percent. The General fund and Water fund share the payment for this general obligation debt certificate at 84.1 and 15.9 percent respectively. Bank loans payable include the FY2014 LED loan at a term of ten years at 3.25 percent interest; six vehicles financed in FY2012 at terms of five years at 4.5 percent interest; and five vehicles financed in FY2015 at terms of 3.5 years at 2.9 percent interest.

The actuarial value of net pension obligations and other post-employment benefits are required under the Governmental Accounting Standards Board (GASB) to be reported. 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. Assessed valuation per the 2014 levy is \$297,971,337. The Village's debt limit under this law is \$25.7 million compared to legal debt outstanding at April 30, 2015, of \$9.84 million.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**

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

We believe there is continued reason for optimism in Forest Park as well as in the United States. Unemployment numbers nationwide continue to decrease and are now at all-time lows and the sales tax revenue to date is showing the increases we have anticipated. In March of 2014 the voters approved an additional 0.05% Non-Home Rule sales tax with the revenue to be used for infrastructure (VIP fund). Those funds have actually been more than anticipated and we are achieving our stated goal of using these funds to free up General fund revenues. The Village Council has approved a five year infrastructure plan with projects slated through 2018. We have also started using our MFT reserves to fund some of the larger construction projects where the Village is required to produce matching funds. This is another way in which the Village is using all of its resources to keep our Community moving forward. The Village has expanded 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. The new TIF makes the entire corridor between Harlem and Desplaines a TIF area and the Village is exploring many creative ways along the corridor to assist property owners with improvements to existing properties. The Village has received a 2.4 million dollar grant from the State to be used for enhancements on Roosevelt Road from Harlem to Desplaines and we have held an open house to roll out the improvement project to the citizens of Forest Park. That project is in engineering and is slated for Spring of 2017. We are in the final stages of a large construction project on Madison Street west of Desplaines with our neighbors in River Forest. The project will bring a new look to that section of the business district. When completed it will contain new lighting, landscaping, and many other pedestrian amenities that are certain to boost the trade in that district. Recently the Village received funding that will allow us to grind and resurface Madison Street from Harlem to Desplaines and that work is slated to begin in the Spring of 2016. This work will complete Madison Street from Harlem west to the western limit of town and will mark the first time the entire corridor is completed at the same time. We will also look to improve the landscaping during this new construction.

The Village applied for multiple planning and technical assistance grants from the RTA and has received three of them. In the first, RTA will bring a panel of development experts to assess the development potential of Harlem Avenue between the CTA green line and the I-290. This group will make recommendations on how the Village can best position itself for substantial development through this corridor. In the second and third the RTA has combined the award to include both Harlem Avenue and Roosevelt Road. In this grant RTA will hire a planning firm that will work directly with the Village to develop an updated zoning code that will significantly increase future development. This grant pays for all of the planning work through adoption by the Village Council with no required match from the Village. We have formed a committee to assist with this grant and we have completed the first meeting. It is very evident that the group will make every effort to recommend zoning that will assure that both Harlem Avenue and Roosevelt Road are in the best possible position to spur development.

In 2015 the Village negotiated a new 5 year agreement with a waste hauler who will now be responsible for waste hauling services. This new agreement is not only a lower annual cost but through this process we were able to determine exactly how many households that we serve. This number has been hard to determine but with much effort, we have it now and that will reduce costs as well. Other cost-saving methods recognized by the Village are reductions in insurance premiums, fuel, telephone, and credit card fees. This is a result of negotiations with providers without any reduction of services.

The Village continues to participate in an electrical aggregation plan which will also save our residents in energy costs on an annual basis. We also partner with other communities to get the best possible energy costs for the energy needed to power our street lights and water pumps in our two pumping stations. The Village signed a contract with a firm that will assist in the development of a retail marketing strategy to be used throughout the village. This will include

**VILLAGE OF FOREST PARK, ILLINOIS**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**Year Ended April 30, 2015**

a wide range of activities, all designed to place Forest Park in the best possible position for future responsible development. This group has been very active over the last year and they continue to meet on a monthly basis.

The Village continues to work hard with the various labor unions to hold the line on payroll expenses. In recent talks the Village was able to negotiate small wage increases with a large unit of employees. These wages then become the internal comparable that we use when we bargain with other units. Negotiations for larger employee contributions toward insurance premiums are a continued effort.

The General fund and Water fund comprise the Village's major operating funds. Operating revenues and other financing sources for FY2016 are budgeted to increase from FY2015 actual by 12.6% in the General, and 6.6% in the Water fund. This is an overall increase in the operating funds of \$2,774,970 or 11.1% from FY2015 actual. All revenue categories reflect an increase in FY2016 budget. Local share of state taxes and one time grant revenues comprise over half of the General fund increase. The Water fund is budgeted at a moderate increase; while rates increased January 1, 2015 to reflect the increase from the City of Chicago, action has not been taken as yet to set a future rate schedule and revenues will always fluctuate with consumption.

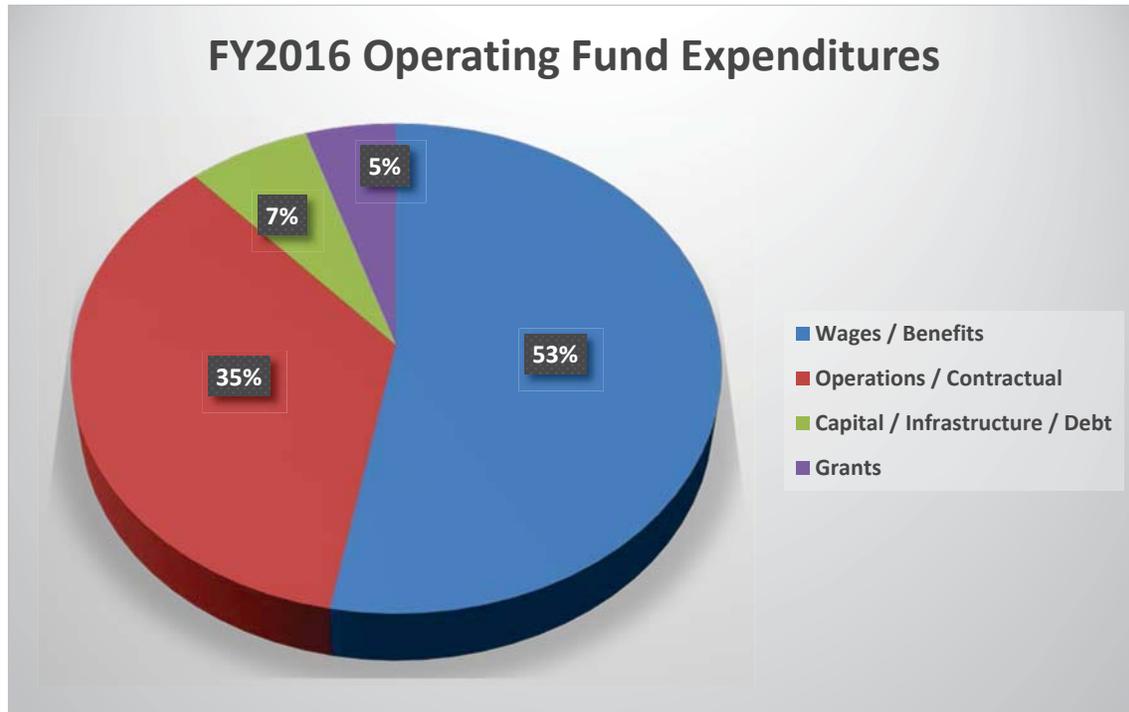
Property taxes and state-shared revenues each represent approximately 25.0% of General fund revenues. For FY2016 property taxes have been budgeted at a 7.6% increase over FY2015 actual. Through September 30, 2015, 55.0% of budgeted property tax revenue in the General fund has been received.

State-shared revenues continue to show improvement and are budgeted at a collective 10.6% increase over FY2015 actual. State taxes that are disbursed per capita include local share of state income taxes, use tax, and motor fuel tax. Pursuant to the 2010 census, 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 continued to decline. Fiscal year 2016 estimates by the Illinois Municipal League indicate per capita for local share income tax at \$99.00, or \$1,402,533 estimated revenue, and use tax at \$19.40 or \$278,840 estimated revenue. To date, in this current fiscal year, these revenues are on track to meet estimates. As the State has not been able to pass the FY2016 budget, disbursements of allocated taxes have been delayed. This has affected municipal share of state income tax and local use tax in the General fund and Motor Fuel tax and 911 surcharge fees in the Non-major funds. While these revenues are recognized when allocated from the State the shortage in cash flow makes a significant difference in daily operations.

Major fund revenues (TIFs and IMRF) for FY2016 project to be similar or slightly improved over FY2015 actual. The incremental tax valuations increased for three of the four TIFs for levy year 2014. The Harlem/Harrison TIF has not produced incremental revenue since FY2012. This TIF is scheduled to be dissolved in FY2016 as the costs associated with establishing the TIF have yet to be recovered. Non-major funds project to be similar to FY2015 actual with the exception being the VIP fund realizing the first full year of the additional 0.05% Non-Home Rule sales tax.

Operating fund expenditures for FY2016 are budgeted at a 19.6% increase or \$4,475,965 over FY2015 actual. The increase is equal among the General and Water funds and is mostly attributed to one time grant expenditures, capital assets, infrastructure improvements, and pension contributions. Wages and benefits continue to be the major portion of the Village budget. The budgeted increase in overall wages and benefits in FY2016 is 3.6%, or \$4,555,368 compared to FY2015 budget. The chart below represents the operating budget expenditures broken down by wages and benefits, operations and contractual, capital, infrastructure and debt, and grants. Over fifty 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.

**VILLAGE OF FOREST PARK, ILLINOIS  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended April 30, 2015**



Major fund expenditures in the TIFs are budgeted in FY2016 with an additional \$2.6 million allocated from reserves for infrastructure improvement projects. The Non-major VIP and MFT funds have an additional \$410,000 budgeted for infrastructure improvements compared to FY2015 actual expenditures.

Under the State's FY2016 budget proposal the Local Government Distributive Fund (income tax) would have been cut by fifty percent. This would equate to a loss of approximately \$700,000 in General fund revenues. While it did not come to fruition for the current budget, it remains a topic of discussion. Pension obligations were 38.4% of the 2014 tax levy. These funds are restricted revenues that cannot be used for day to day operations and the pension obligations increase significantly annually. For these reasons, the budget and funding strategies must be constantly assessed Village-wide. While the largest expense recognized by the Village is personnel, any reduction in personnel would equate to reduction in services. 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 will continue to negotiate contracts to reduce expenses for the future.

**CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our residents, 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, at 517 Desplaines Avenue, Forest Park, Illinois, 60130.

STATEMENT OF NET POSITION  
April 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total Primary Government	
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 13,356,124	\$ 2,669,926	\$ 16,026,050	\$ 2,327,908
Receivables:				
Property tax receivable	2,550,198	-	2,550,198	937,057
Due from other governments	2,132,733	-	2,132,733	-
Accounts receivable	528,771	1,040,229	1,569,000	9,730
Prepaid items	454,293	4,424	458,717	13,901
Total current assets	19,022,119	3,714,579	22,736,698	3,288,596
Noncurrent assets:				
Capital assets not being depreciated	5,365,407	-	5,365,407	134
Capital assets being depreciated, net	24,005,035	8,682,883	32,687,918	1,297,669
Total noncurrent assets	29,370,442	8,682,883	38,053,325	1,297,803
Total assets	48,392,561	12,397,462	60,790,023	4,586,399
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred loss on refunding	321,380	-	321,380	-
Total deferred outflow of resources	321,380	-	321,380	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	794,372	686,695	1,481,067	25,259
Accrued payroll	38,153	-	38,153	-
Other liabilities	140,045	9,850	149,895	-
Unearned revenue	832,333	49,333	881,666	-
Interest payable	120,128	22,589	142,717	-
Long-term obligations, due within one year				
Compensated absences	667,803	12,690	680,493	-
Bonds payable	1,015,000	-	1,015,000	-
Debt certificates payable	248,036	46,964	295,000	-
Loans payable	211,955	308,806	520,761	-
Total current liabilities	4,067,825	1,136,927	5,204,752	25,259
Noncurrent liabilities:				
Long-term obligations, due in more than one year				
Compensated absences	47,952	3,389	51,341	-
Bonds payable	6,873,859	-	6,873,859	-
Debt certificates payable	1,605,928	304,072	1,910,000	-
Loans payable	1,221,994	2,398,004	3,619,998	-
Net pension obligation	1,901,370	-	1,901,370	-
IMRF net pension obligation	53,716	-	53,716	-
Other post employment benefit obligation	455,815	-	455,815	-
Total noncurrent liabilities	12,160,634	2,705,465	14,866,099	-
Total liabilities	16,228,459	3,842,392	20,070,851	25,259
<b>DEFERRED INFLOW OF RESOURCES</b>				
Property tax revenue	2,550,198	-	2,550,198	937,057
Total deferred inflow of resources	2,550,198	-	2,550,198	937,057
<b>NET POSITION</b>				
Net investment in capital assets	18,193,670	5,625,037	23,818,707	1,297,803
Restricted for:				
Debt service	3,240,392	-	3,240,392	-
Capital projects	1,087,344	-	1,087,344	-
Playground/Recreation	702,781	-	702,781	-
Other purposes	-	-	-	99,014
Unrestricted	6,711,097	2,930,033	9,641,130	2,227,266
Total net position	\$ 29,935,284	\$ 8,555,070	\$ 38,490,354	\$ 3,624,083

## VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF ACTIVITIES  
Year Ended April 30, 2015

Functions/Programs <b>Primary government:</b>	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	
General government activities:							
General government	\$ 6,474,252	\$ -	\$ -	(2,266,693)	-	(2,266,693)	
Police protection	5,816,553	120,715	-	(5,418,615)	-	(5,418,615)	
Fire protection	3,265,621	41,749	719,937	(2,503,935)	-	(2,503,935)	
Health and safety	277,784	-	-	(277,784)	-	(277,784)	
Community outreach	680,230	3,240	-	(676,990)	-	(676,990)	
Public works	4,821,774	74,618	(28,967)	(3,906,085)	-	(3,906,085)	
Interest on debt	364,384	-	-	(364,384)	-	(364,384)	
Total governmental activities	21,700,598	237,082	690,970	(15,414,486)	-	(15,414,486)	
Business-type activities:							
Water operations	4,223,586	-	-	-	2,204,688	2,204,688	
Sewer operations	117,656	-	-	-	(117,656)	(117,656)	
Total business-type activities:	4,341,242	-	-	-	2,087,032	2,087,032	
<b>Total primary government</b>	<b>\$ 26,041,840</b>	<b>\$ 237,082</b>	<b>\$ 690,970</b>	<b>(15,414,486)</b>	<b>2,087,032</b>	<b>(13,327,454)</b>	
<b>Component unit</b>							
Public library	\$ 1,702,883	\$ 18,314	\$ -	-	-	-	\$ (1,659,058)
General revenues:							
Property taxes				6,500,822	-	6,500,822	1,635,476
Sales tax				5,541,629	-	5,541,629	-
Income tax				1,427,265	-	1,427,265	-
Utility tax				1,222,126	-	1,222,126	-
Intergovernmental revenue				1,464,565	-	1,464,565	41,807
Investment earnings				30,063	2,484	32,547	445
Other general revenues				35,582	-	35,582	373
Transfers				900,000	(900,000)	-	-
Total general revenues and transfers				17,122,052	(897,516)	16,224,536	1,678,101
Change in net position				1,707,566	1,189,516	2,897,082	19,043
Net position, beginning of year				28,227,718	7,365,554	35,593,272	3,605,040
Net position, end of year				\$ 29,935,284	\$ 8,555,070	\$ 38,490,354	\$ 3,624,083

See accompanying notes to the financial statements.

## VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS  
BALANCE SHEET  
April 30, 2015

	Major Funds							Total Governmental Funds
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Illinois Municipal Retirement Fund	Nonmajor Governmental Funds	
<b>ASSETS</b>								
Cash and investments	\$ 1,864,675	\$ 3,394,929	\$ 10,477	\$ 1,725,355	\$ 2,866,135	\$ -	\$ 3,494,553	\$ 13,356,124
Receivables:								
Property tax receivable	2,254,138	-	-	-	-	128,293	167,767	2,550,198
Due from other governments	1,619,050	-	-	-	-	-	513,683	2,132,733
Accounts receivable	462,456	-	-	-	-	-	66,315	528,771
Interfund receivable	741,838	-	-	56,404	12,144	-	36,695	847,081
Prepaid items	454,293	-	-	-	-	-	-	454,293
Total assets	\$ 7,396,450	\$ 3,394,929	\$ 10,477	\$ 1,781,759	\$ 2,878,279	\$ 128,293	\$ 4,279,013	\$ 19,869,200
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>								
Liabilities								
Accounts payable	\$ 406,525	\$ -	\$ 260	\$ 10,896	\$ -	\$ -	\$ 376,691	\$ 794,372
Accrued payroll	38,153	-	-	-	-	-	-	38,153
Other liabilities	140,045	-	-	-	-	-	-	140,045
Unearned revenue	832,333	-	-	-	-	-	-	832,333
Interfund payable	12,144	-	62,645	-	57,209	501,855	213,228	847,081
Total liabilities	1,429,200	-	62,905	10,896	57,209	501,855	589,919	2,651,984
Deferred inflows of resources								
Property tax	2,254,138	-	-	-	-	128,293	167,767	2,550,198
Unavailable revenue	345,917	-	-	-	-	-	155,677	501,594
Total Deferred inflows of resources	2,600,055	-	-	-	-	128,293	323,444	3,051,792
Fund balance								
Nonspendable	454,293	-	-	-	-	-	-	454,293
Prepaid items	-	-	-	-	-	-	-	-
Restricted								
Economic development	-	3,394,929	-	1,770,863	-	-	-	5,165,792
Public safety	-	-	-	-	-	-	-	645,508
Streets & highways	-	-	-	-	-	-	2,895,810	2,895,810
Debt service	-	-	-	-	2,821,070	-	-	2,821,070
Playground/Recreation	702,781	-	-	-	-	-	-	702,781
Unassigned	2,210,121	-	(52,428)	-	-	(501,855)	(175,668)	1,480,170
Total fund balance	3,367,195	3,394,929	(52,428)	1,770,863	2,821,070	(501,855)	3,365,650	14,165,424
Total liabilities, deferred inflow of resources and fund balance	\$ 7,396,450	\$ 3,394,929	\$ 10,477	\$ 1,781,759	\$ 2,878,279	\$ 128,293	\$ 4,279,013	\$ 19,869,200

See accompanying notes to the financial statements.

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO STATEMENT OF NET POSITION  
April 30, 2015

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Total fund balances - governmental funds		\$ 14,165,424
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:</p>		
Capital assets	\$ 56,298,817	
Accumulated depreciation	<u>(26,928,375)</u>	
Net capital assets		29,370,442
<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	345,917	
Other taxes receivable	<u>155,677</u>	
Total unavailable revenue		501,594
<p>Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.</p>		
		(120,128)
<p>Long term debt activities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities and deferred outflows in governmental funds. These consist of :</p>		
Bonds payable	(7,888,859)	
Debt certificates payable	(1,853,964)	
Deferred outflow - loss on refunding	321,380	
Loans payable	(1,433,949)	
Compensated absences	(715,755)	
Net pension obligation	(1,901,370)	
IMRF net pension obligation	(53,716)	
Other post employment benefit obligation	<u>(455,815)</u>	
Total long-term liabilities and deferred outflows		<u>(13,982,048)</u>
Net position of governmental activities		<u>\$ 29,935,284</u>

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GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
Year Ended April 30, 2015

	Major Funds							Total Governmental Funds
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Illinois Municipal Retirement Fund	Nonmajor Governmental Funds	
<b>Revenues</b>								
Property tax	\$ 4,272,082	\$ 305,163	\$ -	\$ 715,188	\$ -	\$ 250,554	\$ 957,835	\$ 6,500,822
Sales tax	3,245,461	-	-	-	-	-	2,217,323	5,462,784
Income tax	1,427,265	-	-	-	-	-	-	1,427,265
Utility taxes	1,497,219	-	-	-	-	-	-	1,497,219
Intergovernmental	496,284	-	-	-	-	11,802	658,701	1,166,787
Licenses and permits	1,198,902	-	-	-	-	-	-	1,198,902
Fees for services	2,371,122	-	-	-	-	-	-	2,371,122
Grant revenue	162,464	-	-	-	-	-	-	391,895
Parking revenue	513,807	-	-	-	-	-	229,431	513,807
Fines	1,790,497	-	-	-	-	-	-	1,790,497
Interest on investments	1,358	16,476	12	7,614	175	-	4,428	30,063
Other revenue	67,241	-	-	-	-	-	30,525	97,766
<b>Total revenues</b>	<u>17,043,702</u>	<u>321,639</u>	<u>12</u>	<u>722,802</u>	<u>175</u>	<u>262,356</u>	<u>4,098,243</u>	<u>22,448,929</u>
<b>Expenditures</b>								
Current:								
Office of the mayor	6,884,130	-	-	-	-	-	706,585	7,590,715
Office of accounts and finance	7,505,284	-	-	-	61,901	347,877	369,557	8,284,619
Office of public property	1,853,659	-	-	-	-	-	-	1,853,659
Office of streets and public improvement	1,386,017	22,449	2,375	198,788	-	-	1,165,393	2,775,022
Office of health and safety	310,113	-	-	-	-	-	-	310,113
Debt service:								
Principal retired	412,904	-	-	-	465,000	-	515,000	1,392,904
Interest and charges	98,729	-	-	-	68,673	-	197,650	365,052
<b>Total expenditures</b>	<u>18,450,836</u>	<u>22,449</u>	<u>2,375</u>	<u>198,788</u>	<u>595,574</u>	<u>347,877</u>	<u>2,954,185</u>	<u>22,572,084</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(1,407,134)</u>	<u>299,190</u>	<u>(2,363)</u>	<u>524,014</u>	<u>(595,399)</u>	<u>(85,521)</u>	<u>1,144,058</u>	<u>(123,155)</u>
<b>Other financing sources (uses)</b>								
Transfers in	1,386,426	-	-	-	629,591	-	-	2,016,017
Transfers out	-	-	-	-	-	-	(1,116,017)	(1,116,017)
Loan proceeds	151,444	-	-	-	-	-	-	151,444
<b>Total other financing sources (uses)</b>	<u>1,537,870</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>629,591</u>	<u>-</u>	<u>(1,116,017)</u>	<u>1,051,444</u>
<b>Net change in fund balances</b>	<u>130,736</u>	<u>299,190</u>	<u>(2,363)</u>	<u>524,014</u>	<u>34,192</u>	<u>(85,521)</u>	<u>28,041</u>	<u>928,289</u>
<b>Fund balances at beginning of year</b>	<u>3,236,459</u>	<u>3,095,739</u>	<u>(50,065)</u>	<u>1,246,849</u>	<u>2,786,878</u>	<u>(416,334)</u>	<u>3,337,609</u>	<u>13,237,135</u>
<b>Fund balances at end of year</b>	<u>\$ 3,367,195</u>	<u>\$ 3,394,929</u>	<u>\$ (52,428)</u>	<u>\$ 1,770,863</u>	<u>\$ 2,821,070</u>	<u>\$ (501,855)</u>	<u>\$ 3,365,650</u>	<u>\$ 14,165,424</u>

See accompanying notes to the financial statements.

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES  
Year Ended April 30, 2015

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Net change in total fund balances \$ 928,289

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.

Sales taxes received from the state of Illinois	\$ 78,845	
Other taxes received	9,357	
Grant revenue	<u>(28,967)</u>	
Total change in unavailable revenues		59,235

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 obligations	(421,173)	
Increase in other postemployment benefit obligation	(90,935)	
Increase in IMRF net pension obligation	(1,009)	
Increase in compensated absences	(230,634)	
Decrease in accrued interest on debt	12,316	
Amortization of deferred loss on refunding	(30,608)	
Amortization of bond premium	<u>18,960</u>	
Total expenses of non-current resources		(743,083)

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	1,799,507	
Depreciation	<u>(1,425,314)</u>	
Capital expenditures in excess of depreciation		374,193

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.

(152,528)

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	980,000	
Debt certificates payable	239,628	
Loans payable	<u>173,276</u>	
Total retirement of debt		1,392,904

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	<u>(151,444)</u>	
Total issuances of debt		<u>(151,444)</u>

Change in net position of governmental activities \$ 1,707,566

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PROPRIETARY FUNDS  
STATEMENT OF NET POSITION  
April 30, 2015

	<u>Major Fund</u>
	<u>Water Fund</u>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 2,669,926
Receivables:	
Accounts receivable	1,040,229
Prepays	4,424
Total current assets	<u>3,714,579</u>
Noncurrent assets:	
Capital assets being depreciated, net	<u>8,682,883</u>
Total noncurrent assets	<u>8,682,883</u>
Total assets	<u>\$ 12,397,462</u>
<b>LIABILITIES AND NET POSITION</b>	
Liabilities	
Current liabilities:	
Accounts payable	\$ 686,695
Other liabilities	9,850
Unearned revenue	49,333
Compensated absences	12,690
Debt certificates payable	46,964
Loans payable	308,806
Interest payable	22,589
Total current liabilities	<u>1,136,927</u>
Noncurrent liabilities:	
Compensated absences	3,389
Debt certificates payable	304,072
Loans payable	2,398,004
Total noncurrent liabilities	<u>2,702,076</u>
Total liabilities	<u>3,842,392</u>
Net position	
Net Investment in capital assets	5,625,037
Unrestricted	2,930,033
Total net position	<u>8,555,070</u>
Total liabilities and net position	<u>\$ 12,397,462</u>

PROPRIETARY FUNDS  
 STATEMENT OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 Year Ended April 30, 2015

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	Major Fund
	Water Fund
Operating revenues	
Charges for services	\$ 6,414,572
Other revenue	13,702
Total operating revenues	6,428,274
Operating expenses	
Operations	4,106,567
Depreciation	148,679
Total operating expenses	4,255,246
Operating income (loss)	2,173,028
Nonoperating revenues and (expenses)	
Interest revenue	2,484
Interest expense	(85,996)
Total nonoperating revenues and (expenses)	(83,512)
Income (loss) before transfers	2,089,516
Transfers out	(900,000)
Change in net position	1,189,516
Net position at beginning of year	7,365,554
Net position at end of year	\$ 8,555,070

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 Year Ended April 30, 2015

	<u>Major Fund</u>
	<u>Water Fund</u>
Cash flows from operating activities:	
Cash received from customers	\$ 6,379,791
Cash payments for goods and services	(3,739,037)
Cash payments to employees for services	<u>(277,208)</u>
Net cash provided by operating activities:	<u>2,363,546</u>
Cash flows from noncapital financing activities:	
Transfers out	<u>(900,000)</u>
Net cash used for noncapital financing activities:	<u>(900,000)</u>
Cash flows from capital and related financing activities:	
Purchase of capital assets	(55,269)
Principal paid on debt	(346,081)
Interest paid on debt	<u>(88,460)</u>
Net cash used for capital and related financing activities:	<u>(489,810)</u>
Cash flows from investing activities:	
Interest received	<u>2,484</u>
Net cash provided by investing activities:	<u>2,484</u>
Net increase (decrease) in cash and cash equivalents	976,220
Cash and cash equivalents, beginning of year	<u>1,693,706</u>
Cash and cash equivalents, end of year	<u>\$ 2,669,926</u>
Reconciliation of operating income to	
Net cash provided by operating activities:	
Operating income (loss)	<u>\$ 2,173,028</u>
Adjustments to reconcile operating income	
to net cash provided by (used for) operating activities:	
Depreciation	148,679
Decrease (increase) in accounts receivable	(97,816)
Decrease (increase) in prepaids	453
Increase (decrease) in accounts payable	90,009
Increase (decrease) in unearned revenue	49,333
Increase (decrease) in other liabilities	740
Increase (decrease) in compensated absences	<u>(880)</u>
Total adjustments	<u>190,518</u>
Net cash provided by (used for) operating activities:	<u>\$ 2,363,546</u>

STATEMENT OF FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
April 30, 2015

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ASSETS	
Cash and cash equivalents	\$ 2,871,573
Investments	
Certificates of deposits	510,640
Corporate bonds	1,481,071
Government securities	13,493,489
Mutual funds	12,457,655
Insurance contracts	<u>5,534,195</u>
Total investments	33,477,050
Interest receivable	36,452
Prepaid items	<u>3,522</u>
Total assets	<u>36,388,597</u>
LIABILITIES	
Accounts payable	<u>4,741</u>
Total liabilities	<u>4,741</u>
NET POSITION	
Plan net position held in trust for employees' pension benefits	<u>\$ 36,383,856</u>

STATEMENT OF CHANGES IN FIDUCIARY  
NET POSITION  
PENSION TRUST FUNDS  
Year Ended April 30, 2015

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ADDITIONS	
Contributions	
Employer	\$ 1,201,865
Plan members	509,719
Total contributions	<u>1,711,584</u>
Investment earnings	
Net Increase in Fair Value of Investments	1,052,874
Interest	1,164,942
Less investment Expense	<u>(42,651)</u>
Net investment income	<u>2,175,165</u>
Total additions	<u>3,886,749</u>
DEDUCTIONS	
Benefits and refunds	3,178,081
Administrative expenses	<u>79,050</u>
Total deductions	<u>3,257,131</u>
Increase in plan net position	629,618
Plan net position at beginning of year	<u>35,754,238</u>
Plan net position at end of year	<u>\$ 36,383,856</u>

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**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, 2015. 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.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**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, deferred inflows, 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, 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, deferred outflows, deferred inflows 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.

For the year ended April 30, 2015, a portion of the Village's share of the State Income Tax was received past 60 days of year end due to the current fiscal issues facing the State of Illinois. As such, the Village elected to recognize the portion received after 60 days as revenue, \$253,952, in order to properly present 12 months of revenue on the financial statements.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**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 – The 2002 Bond Account is a debt service fund used to pay principal and interest on a \$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.

Illinois Municipal Retirement Fund – This fund collects property taxes levied for the purpose of funding the IMRF obligations of the Village.

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.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 Council. 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." 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, 2015. These deposits are regulated by the Comptroller of the State of Illinois.

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.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 measurable 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.

Net Position and Fund Equity: Net position represents the difference between assets, deferred outflows, deferred inflows and liabilities. Net 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 - The components of 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.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

- 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.

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. If there is an expenditure incurred for purposes for which restricted or unrestricted fund position could be used, then the Village will consider restricted fund position to be spent first, then unrestricted fund position.

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.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 \$16,023,487. In addition, the Village maintained four petty cash accounts with a carrying value of \$2,563. The balances in the bank were \$16,354,947.

*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, 2015 the Village bank balances were fully collateralized.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

*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	\$ 16,023,487	Statement 1 (Primary Government)	
		Cash and investments	\$ 16,026,050
Petty cash	2,563	Total financial statements	\$ 16,026,050
Total notes	<u>\$ 16,026,050</u>		

Police Pension Fund

At year end, the Police Pension Fund's carrying amount of cash was \$2,104,058, while the bank balances were \$2,104,058. As of April 30, 2015, \$2,104,058 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.

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, 2015:

	<u>Investment Maturities</u>				
	<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	\$ 3,484,136	\$ -	\$ 1,054	\$ 3,402	\$ 3,479,680
FHLMC	4,654,982	-	-	-	4,654,982
FNMA	2,820,918	-	-	-	2,820,918
Mutual funds	2,435,431	2,435,431	-	-	-
Insurance contracts	5,534,195	5,534,195	-	-	-
Total investments	<u>\$ 18,929,662</u>	<u>\$ 7,969,626</u>	<u>\$ 1,054</u>	<u>\$ 3,402</u>	<u>\$ 10,955,580</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 Police Pension Board, at their discretion, may impose a higher standard on an individual investment manager basis as circumstances or investment

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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, 2015 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, 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>AA/Aaa</u>
Federal Home Loan Mortgage Corporation	100%
Federal National Mortgage Association	100%
Insurance Contracts	N/R

*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, 2015.

*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, 24.59%, FNMA, 14.90%, GNMA, 18.41%, Jackson National Life Insurance Contracts, 6.69%, Lincoln Benefit Life Insurance Contracts, 5.11%, and AIG Insurance Co. Insurance Contracts, 8.86%.

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits and certificates of deposit was \$767,515 and \$510,640 respectively, while the bank balances were \$767,515, and \$510,640 respectively. As of April 30, 2015, \$767,515 and \$510,640 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, 2015.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

	<u>Fair Value</u>	<u>Investment Maturities</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>
Certificates of Deposit	\$ 510,640	\$ -	\$ 510,640	\$ -	\$ -
Corporate Bonds	1,481,071	-	851,568	629,503	-
Treasury Securities	2,533,453	500,115	1,021,180	1,012,158	-
Equity Mutual Funds	10,022,224	10,022,224	-	-	-
<b>Total investments</b>	<b>\$ 14,547,388</b>	<b>\$ 10,522,339</b>	<b>\$ 2,383,388</b>	<b>\$ 1,641,661</b>	<b>\$ -</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.

*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.”

Credit ratings for the Firefighters’ Pension Fund’s investments in debt securities at April 30, 2015 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, 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>A/A</u>	<u>NR/AAA</u>	<u>BBB/BAA</u>
Corporate Bonds	42%	0%	58%
Treasury Securities	0%	100%	0%

*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, 2015, the Firefighters’ Fund has over 5% of plan net position invested in S&P 500 Index Fund, 27.84%, Artisan International Value Fund, 11.79%, Thornburg International Value Fund, 7.33%, and iShares MSCI Emerging Markets Fund, 6.20%.

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.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 \$2,104,058 fire \$767,515)	\$ 2,871,573	Statement 10 Cash and cash equivalents	\$ 2,871,573
Carrying value of investments (police \$18,929,662, fire \$14,547,388)	<u>33,477,050</u>	Investments	<u>33,477,050</u>
Total notes	<u>\$ 36,348,623</u>	Total financial statements	<u>\$ 36,348,623</u>

**NOTE 3 - PROPERTY TAX REVENUE RECOGNITION**

Property taxes for 2014 are attached as an enforceable lien on January 1, 2014 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 2013 and one-half of the 2014 property tax levies.

Property taxes for the current 2014 tax levy are received in two installments in March 2015 and August 2015.

Property taxes receivable, constituting primarily the second installment due in August 2015, is recorded as unavailable revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2016.

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.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

**NOTE 4 - CAPITAL ASSETS**

A summary of changes in the Village's capital assets for the period from May 1, 2014 through April 30, 2015 follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,365,407	\$ -	\$ -	\$ 5,365,407
Total capital assets not being depreciated, net	<u>5,365,407</u>	<u>-</u>	<u>-</u>	<u>5,365,407</u>
Capital assets being depreciated:				
Infrastructure	40,170,675	1,033,591	424,608	40,779,658
Building and improvements	4,451,273	491,704	-	4,942,977
Fixtures and equipment	4,991,059	274,212	54,497	5,210,774
Subtotal	<u>49,613,007</u>	<u>1,799,507</u>	<u>479,105</u>	<u>50,933,409</u>
Accumulated depreciation				
Infrastructure	(20,296,730)	(1,145,676)	(272,080)	(21,170,326)
Building and improvements	(2,092,569)	(41,533)	-	(2,134,102)
Fixtures and equipment	(3,440,338)	(238,105)	(54,497)	(3,623,946)
Total accumulated depreciation	<u>(25,829,637)</u>	<u>(1,425,314)</u>	<u>(326,577)</u>	<u>(26,928,374)</u>
Total capital assets being depreciated, net	<u>23,783,370</u>	<u>374,193</u>	<u>152,528</u>	<u>24,005,035</u>
Governmental activities, net	<u>\$ 29,148,777</u>	<u>\$ 374,193</u>	<u>\$ 152,528</u>	<u>\$ 29,370,442</u>
Business-type activities:				
Capital assets being depreciated:				
Building and improvements	681,887	-	-	681,887
Fixtures and equipment	257,262	-	-	257,262
Infrastructure	10,483,949	55,269	-	10,539,218
Subtotal	<u>11,423,098</u>	<u>55,269</u>	<u>-</u>	<u>11,478,367</u>
Accumulated depreciation				
Building and improvements	(270,655)	(7,790)	-	(278,445)
Fixtures and equipment	(157,492)	(12,766)	-	(170,258)
Infrastructure	(2,218,658)	(128,123)	-	(2,346,781)
Total accumulated depreciation	<u>(2,646,805)</u>	<u>(148,679)</u>	<u>-</u>	<u>(2,795,484)</u>
Total capital assets being depreciated, net	<u>8,776,293</u>	<u>(93,410)</u>	<u>-</u>	<u>8,682,883</u>
Business-type activities, net	<u>\$ 8,776,293</u>	<u>\$ (93,410)</u>	<u>\$ -</u>	<u>\$ 8,682,883</u>

Depreciation expense of \$1,425,314 and \$148,679 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

**NOTE 4 - CAPITAL ASSETS (Continued)**

Governmental Activities	Amount	Business-Type Activities	Amount
General government	\$ 68,282	Water	\$ 148,679
Health and public safety	15,813	Total depreciation expense	<u>\$ 148,679</u>
Public works	1,224,255		
Police protection	20,927		
Fire protection	<u>96,037</u>		
Total depreciation expense	<u>\$ 1,425,314</u>		

**NOTE 5 - LONG-TERM DEBT**

The following is a summary of changes in long-term obligation transactions of the Village for the year ended April 30, 2015:

	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	\$ 1,445,000	\$ -	\$ 465,000	\$ 980,000	\$ 480,000
G.O. Alternative Revenue Series 2005	440,000	-	440,000	-	-
G.O. Alternative Revenue Refunding, 2012	6,725,000	-	75,000	6,650,000	535,000
Premium on Bonds	<u>277,819</u>	<u>-</u>	<u>18,960</u>	<u>258,859</u>	<u>-</u>
Total Bonds	<u>8,887,819</u>	<u>-</u>	<u>998,960</u>	<u>7,888,859</u>	<u>1,015,000</u>
G.O. Debt Certificates Series 2011	2,093,592		239,628	1,853,964	248,036
Loans Payable	1,455,781	151,444	173,276	1,433,949	211,955
Net Pension Obligation - Police Pension	692,346	178,011	-	870,357	-
Net Pension Obligation - Fire Pension	787,851	243,162	-	1,031,013	-
Net Pension Obligation - IMRF	52,707	1,009	-	53,716	-
Other Post Employment Benefits	364,880	90,935	-	455,815	-
Compensated Absences	<u>485,121</u>	<u>660,523</u>	<u>429,889</u>	<u>715,755</u>	<u>667,803</u>
Total Governmental Long-Term Debt	<u>\$ 14,820,097</u>	<u>\$ 1,325,084</u>	<u>\$ 1,841,753</u>	<u>\$ 14,303,428</u>	<u>\$ 2,142,794</u>
<b>BUSINESS-TYPE ACTIVITIES</b>					
G.O. Debt Certificates Series 2011	\$ 396,409	\$ -	\$ 45,373	\$ 351,036	\$ 46,964
Loan Payable	3,007,518	-	300,708	2,706,810	308,806
Compensated Absences	<u>16,959</u>	<u>12,754</u>	<u>13,634</u>	<u>16,079</u>	<u>12,690</u>
Total Business-type Long-Term Debt	<u>\$ 3,420,886</u>	<u>\$ 12,754</u>	<u>\$ 359,715</u>	<u>\$ 3,073,925</u>	<u>\$ 368,460</u>

Components of Long-Term Obligations: Long-term obligations of the governmental long-term debt at April 30, 2015 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.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

General Obligation Debt Certificates Series 2011 \$3,055,000 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). The amount outstanding of the defeased bonds are \$0.

General Obligation Refunding Bonds Series 2012 \$6,745,000 principal to current refund the General Obligation Bonds 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 amount outstanding of the defeased bonds are \$5,745,000.

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, formerly due May 15, 2013 with an interest rate of 3.25% was refinanced into a \$1,291,407 loan, due in installments of \$76,148, principal and interest payable semiannually, with an interest rate of 3.25%. Final maturity is on March 30, 2024. The principal is payable from the General Fund.

Loan Payable of \$151,444 principal is for the purchase of two 2014 Ford Transit Connect Wagons and four 2015 Ford Explorers, due in installments of \$3,798, principal and interest payable monthly, with an interest rate of 2.92%. Final maturity is on November 10, 2018. The principal is payable from the General Fund.

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	GO TIF Refunding Bonds 2002	
	Principal	Interest
<u>April 30,</u>		
2016	\$ 480,000	\$ 47,050
2017	500,000	24,250
Totals	<u>\$ 980,000</u>	<u>\$ 71,300</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

Year Ending	Debt Certificates 2011		GO Refunding Bonds 2012	
	Principal	Interest	Principal	Interest
April 30,				
2016	\$ 295,000	\$ 55,575	\$ 535,000	\$ 177,450
2017	300,000	49,675	550,000	167,450
2018	305,000	43,675	555,000	155,750
2019	315,000	37,575	565,000	144,650
2020	320,000	29,700	580,000	133,350
2021-2025	670,000	30,300	3,175,000	394,800
2026	-	-	690,000	20,700
Totals	<u>\$ 2,205,000</u>	<u>\$ 246,500</u>	<u>\$ 6,650,000</u>	<u>\$ 1,194,150</u>

\*The repayment schedule for the Debt Certificates is for both governmental and business-type activities.

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

Year Ending	2012 International Truck		2010 Chevy Tahoe		Ford Pickup Truck	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2016	\$ 32,344	\$ 2,054	\$ 6,107	\$ 245	\$ 5,676	\$ 339
2017	27,969	584	2,098	20	4,429	83
Totals	<u>\$ 60,313</u>	<u>\$ 2,638</u>	<u>\$ 8,205</u>	<u>\$ 265</u>	<u>\$ 10,105</u>	<u>\$ 422</u>

Year Ending	2007 Chevy Truck		Two Ford Escapes	
	Principal	Interest	Principal	Interest
April 30,				
2016	\$ 6,127	\$ 245	\$ 8,746	\$ 521
2017	2,103	20	6,827	137
Totals	<u>\$ 8,230</u>	<u>\$ 265</u>	<u>\$ 15,573</u>	<u>\$ 658</u>

Year Ending	Six Ford Vehicles		LED Lights		Total Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
April 30,						
2016	\$ 38,171	\$ 3,606	\$ 114,784	\$ 37,513	\$ 211,955	\$ 44,523
2017	42,842	2,733	118,692	33,605	204,960	37,182
2018	44,104	1,471	122,509	29,788	166,613	31,259
2019	26,327	257	126,523	25,774	152,850	26,031
2020	-	-	130,626	21,671	130,626	21,671
2021-2024	-	-	566,945	42,243	566,945	42,243
Totals	<u>\$ 151,444</u>	<u>\$ 8,067</u>	<u>\$ 1,180,079</u>	<u>\$ 190,594</u>	<u>\$ 1,433,949</u>	<u>\$ 202,909</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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, 2015 satisfies this requirement as follows:

Assessed valuation for 2014		\$	297,971,337
At maximum outstanding debt rate			<u>8.625%</u>
Maximum debt			25,700,028
Legal debt outstanding at April 30, 2015			
Series 2002	\$		980,000
Series 2011			2,205,000
Series 2012			<u>6,650,000</u>
Legal debt outstanding at April 30, 2015			<u>9,835,000</u>
Remaining Legal Debt Margin		\$	<u><u>15,865,028</u></u>

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

April 30.

Principal

Interest

2016	\$	308,806	\$	70,609
2017		317,022		62,393
2018		315,662		63,753
2019		334,431		44,983
2020		343,437		35,978
2021-2023		<u>1,087,452</u>		<u>51,439</u>
Totals	\$	<u><u>2,706,810</u></u>	\$	<u><u>329,155</u></u>

**NOTE 6 - INTERFUND ACTIVITY**

The following interfund balances existed as of April 30, 2015:

	<u>Due From</u>	<u>Due To</u>
Major Governmental Fund - General Fund	\$ 741,838	\$ 12,144
Major Governmental Fund - Harlem / Harrison TIF Fund	-	62,645
Major Governmental Fund - 2002 Bond Fund	12,144	57,209
Major Governmental Fund - Roosevelt/Hannah TIF Fund	56,404	-
Major Governmental Fund - IMRF	-	501,855
Nonmajor Governmental Funds	<u>36,695</u>	<u>213,228</u>
Total Interfunds	<u><u>\$ 847,081</u></u>	<u><u>\$ 847,081</u></u>

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2015

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**NOTE 6 - INTERFUND ACTIVITY (Continued)**

The following transfers occurred during fiscal year 2015:

	Transfer In	Transfer Out
Major Governmental Fund - General Fund	\$ 1,386,426	\$ -
Major Governmental Fund - 2002 Bond Fund	629,591	-
Nonmajor Governmental Funds	-	1,116,017
Major Enterprise Fund - Water Fund	-	900,000
Total Interfunds	\$ 2,016,017	\$ 2,016,017

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 \$900,000, 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).

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 2014 and 2015 were 10.69% (12.75% for SLEP) and 9.70% (12.71% for SLEP), 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, 2015, the Village's required contribution to the Regular plan was \$343,690.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

**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>
4/30/15	\$ 343,690	99.70%	\$ 53,716
4/30/14	416,279	99.74%	52,707
4/30/13	433,171	100%	51,658

For calendar year 2014, the Village's required contributions for the SLEP plan was \$15,876.

SLEP:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of APC <u>Contributed</u>	Net Pension <u>Obligation</u>
12/31/14	\$ 15,876	100%	\$ -
12/31/13	15,317	100%	-
12/31/12	14,030	100%	-

The required contribution for 2014 was determined as part of the December 31, 2012, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2012, 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 29 year basis.

**Funded Status and Funding Progress:** As of December 31, 2014, the most recent actuarial valuation date, the Regular plan was 92.10% (110.81% for SLEP) funded. The actuarial accrued liability for benefits was \$13,766,162 (\$302,003 for SLEP) and the actuarial value of assets was \$12,678,200 (\$334,664 for SLEP), resulting in an underfunded (overfunded for SLEP) actuarial accrued liability (UAAL) of \$1,087,962 (\$32,661 for SLEP). The covered payroll for calendar year 2014 (annual payroll of active employees covered by the plan) was \$3,913,496 (\$124,515 for SLEP) and the ratio of the UAAL to the covered payroll was 28% (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 2014 and 2015 for the Village are 10.69% and 9.70%, respectively. The application of the phase-in rate resulted in the recognition of a net pension obligation for the year end April 30, 2015 of \$53,716 for the Regular plan.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2015

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

Annual Required Contribution	\$ 342,681
Interest on NPO	3,953
Adjustment to annual required contribution	<u>(2,944)</u>
Annual Pension Cost	343,690
Actual Contribution	<u>342,681</u>
Increase in net pension obligation	1,009
Net pension obligation at May 1, 2014	<u>52,707</u>
 Net pension obligation at April 30, 2015	 <u>\$ 53,716</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, 2014 (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	34
Current employees	
Vested	24
Nonvested	<u>12</u>
Total	<u><u>70</u></u>

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

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 when they are due. Benefits and refunds are recorded as deductions when due and payable in accordance with the terms of the plan.

*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 2015 were \$672,901. 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 the RSI.

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

	April 30, <u>2015</u>	April 30, <u>2014</u>	April 30, <u>2013</u>
Annual required contribution	\$ 837,292	\$ 771,013	\$ 870,729
Interest on net pension obligation	39,810	39,810	22,192
Adjustment to annual required contribution	<u>(26,190)</u>	<u>(26,190)</u>	<u>(9,594)</u>
Annual pension cost (APC)	850,912	784,633	883,327
Contributions made	<u>672,901</u>	<u>689,370</u>	<u>674,566</u>
Increase (decrease) in net pension obligation	95,263	95,263	208,761
Net pension obligation (asset) beg of year	<u>692,346</u>	<u>597,083</u>	<u>388,322</u>
Net pension obligation (asset) end of year	<u>\$ 870,357</u>	<u>\$ 692,346</u>	<u>\$ 597,083</u>
Percentage of APC Contributed	79.1%	87.8%	76.4%

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	\$ 2,233,981
Lincoln Benefit Life	1,260,432
AIG Insurance Co.	1,676,520

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2015

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

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)	Actuarial 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)
4/30/2014	\$ 20,612,505	\$ 37,694,780	54.68%	\$ 17,082,275	\$ 3,044,271	561.13%
4/30/2013	20,746,233	33,224,217	62.44%	12,477,984	3,031,936	411.55%
4/30/2012	20,514,415	31,181,339	65.79%	10,666,924	2,968,822	359.30%

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, 2015 actuarial assumptions for the Police Pension Fund are as follows:

Contribution rates:	
Village	22.64%
Plan members	9.91%
Actuarial valuation date	April 30, 2014
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	27 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%

**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 a separate, audited GAAP-basis Firefighters' Pension Plan report available that can be obtained by contacting Village Hall. At April 30, 2014 (the most recent actuarial valuation date), the Firefighters' Pension Fund plan membership consisted of:

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	28
Current employees	
Vested	13
Nonvested	<u>10</u>
 Total	 <u><u>51</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).

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 when they are due. Benefits and refunds are recorded as deductions when due and payable in accordance with the terms of the plan.

*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.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

*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 2015 were \$528,694. 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 the RSI.

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

	April 30, <u>2015</u>	April 30, <u>2014</u>	April 30, <u>2013</u>
Annual required contribution	\$ 757,390	\$ 687,404	\$ 770,226
Interest on net pension obligation	42,283	42,283	13,216
Adjustment to annual required contribution	<u>(27,817)</u>	<u>(27,817)</u>	<u>(7,427)</u>
Annual pension cost (APC)	771,856	701,870	776,015
Contributions made	<u>528,694</u>	<u>547,776</u>	<u>531,069</u>
Increase (decrease) in net pension obligation	243,162	154,094	244,946
Net pension obligation (asset) beg of year	<u>787,851</u>	<u>633,757</u>	<u>388,811</u>
Net pension obligation (asset) end of year	<u>\$1,031,013</u>	<u>\$ 787,851</u>	<u>\$ 633,757</u>
Percentage of APC Contributed	78.0%	78.0%	68.4%

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

*Concentrations of Investments:* The Firefighters' Pension Fund did not have any investments, other than those issued or guaranteed by the U.S. government, which represent 5% or more of net position.

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)
4/30/2014	\$ 15,141,734	\$ 28,894,380	52.40%	\$ 13,752,646	\$ 2,097,819	655.57%
4/30/2013	13,775,111	24,405,944	56.44%	10,630,833	2,038,299	521.55%
4/30/2012	13,522,900	23,196,029	58.30%	9,673,129	1,952,345	495.46%

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, 2015

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

The April 30, 2015 actuarial assumptions for the Firefighters' Pension Fund are as follows:

Contribution rates:	
Village	26.112%
Plan members	9.455%
Actuarial valuation date	April 30, 2014
Actuarial cost method	Entry age normal cost
Amortization method	Level % payroll, closed
Remaining amortization period	27 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%

The Police and Firefighters' Pension plans adopted GASB Statement 67 for the year ended April 30, 2015.

**Net Pension Liability**

The components of the net pension liability of the Village at April 30, 2015, were as follows:

	Police <u>Pension Plan</u>	Firefighters' <u>Pension Plan</u>
Total pension liability	\$ 37,694,780	\$ 28,894,380
Plan fiduciary net position	<u>(21,049,650)</u>	<u>(15,334,206)</u>
Village's net pension liability	<u>\$ 16,645,130</u>	<u>\$ 13,560,174</u>

Plan fiduciary net position as a percentage of the total pension liability	55.84%	53.07%
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*Actuarial assumptions:* The total pension liability was determined by an actuarial valuation as of April 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

	Police <u>Pension</u>	Firefighters' <u>Pension</u>
Actuarial cost method	Entry Age Normal	Entry Age Normal
Asset valuation method	Market Value	Market Value
Projected salary increases	5.00%	5.00%
Inflation	3.00%	3.00%
Investment rate of return	7.50%	7.50%

Mortality rates were based on the RP-2000 Healthy Annuitant Mortality Table. The actuarial assumptions used in the April 30, 2014 valuation were based on the results of an actuarial experience study conducted by the Illinois Department of Insurance dated September 26, 2012.

*Investment policy:* The Firefighters' Pension Board of Trustees has adopted the asset allocation policy shown below for Fund assets. Target percentages have been determined for each asset class along with allocation ranges. Percentage allocations are intended to serve as guidelines, the Board will not be required to remain strictly within the designated ranges. Market conditions or an investment transition may result in a temporary imbalance of the asset mix. No formal benchmarks are outlined in the Police Pension investment policy.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE FINANCIAL STATEMENTS  
 Year Ended April 30, 2015

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

Police Pension Fund

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Estimated Arithmetic Return</u>
Domestic Equity	49.00%	6.30%
International Equity	10.00%	6.10%
Fixed Income	40.00%	3.30%
Cash	1.00%	0.80%

Firefighters' Pension Fund

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Estimated Arithmetic Return</u>
Domestic Equity	33.00%	10.00%
International Equity	24.00%	10.10%
Fixed Income	37.00%	4.60%
Real Estate Investment Trust	3.00%	9.00%
Cash	3.00%	3.00%

Discount rate: The projection of cash flows used to determine the discount rate of 7.5% for both Plans assumed that plan member contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% <u>Decrease</u>	Current <u>Discount Rate</u>	1% <u>Increase</u>
	6.50%	7.50%	8.50%
Police Net Pension Liability	\$ 22,085,883	\$ 16,645,130	\$ 12,938,400
Firefighters Net Pension Liability	17,174,986	13,560,174	10,876,120

Rate of returns: For the year ended April 30, 2015, the annual money-weighted rate of return on Police and Firefighters' pension plan investments, net of pension plan investment expense, were 10.36 percent and 7.15 percent, respectively. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

**Pension Plan Information**

Fiduciary Net Position:

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,104,058	\$ 767,515	\$ 2,871,573
Investments			
Certificates of deposit	-	510,640	510,640
Corporate bonds	-	1,481,071	1,481,071
Government securities	10,960,036	2,533,453	13,493,489
Mutual funds	2,435,431	10,022,224	12,457,655
Insurance contracts	5,534,195	-	5,534,195
Total investments	18,929,662	14,547,388	33,477,050
Interest receivable	14,039	22,413	36,452
Prepaid items	3,082	440	3,522
Total assets	<u>21,050,841</u>	<u>15,337,756</u>	<u>36,388,597</u>
<b>LIABILITIES</b>			
Accounts payable	1,191	3,550	4,741
Total liabilities	<u>1,191</u>	<u>3,550</u>	<u>4,741</u>
<b>NET POSITION</b>			
Plan net position held in trust for employees' pension benefits	<u>\$21,049,650</u>	<u>\$15,334,206</u>	<u>\$36,383,856</u>

Changes in Plan Net Position:

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 672,901	\$ 528,964	\$ 1,201,865
Plan members	311,953	197,766	509,719
Total contributions	<u>984,854</u>	<u>726,730</u>	<u>1,711,584</u>
Investment earnings			
Net Increase in Fair Value of Investments	519,543	533,331	1,052,874
Interest	641,808	523,134	1,164,942
Less investment Expense	(170)	(42,481)	(42,651)
Net investment income	<u>1,161,181</u>	<u>1,013,984</u>	<u>2,175,165</u>
Total additions	<u>2,146,035</u>	<u>1,740,714</u>	<u>3,886,749</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,666,508	1,511,573	3,178,081
Administrative expenses	42,381	36,669	79,050
Total deductions	<u>1,708,889</u>	<u>1,548,242</u>	<u>3,257,131</u>
Increase (decrease) in net position	437,146	192,472	629,618
Plan net position at beginning of year	<u>20,612,504</u>	<u>15,141,734</u>	<u>35,754,238</u>
Plan net position at end of year	<u>\$21,049,650</u>	<u>\$15,334,206</u>	<u>\$36,383,856</u>

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**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 Council 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 2015.

*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 2015, 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, 2015
Annual required contribution	\$ 162,420
Interest on net OPEB obligation	14,595
Adjustment to annual required contribution	<u>(12,163)</u>
Annual OPEB cost	164,852
Contributions made	<u>73,917</u>
Increase (decrease) in net OPEB obligation	90,935
Net OPEB obligation beginning of year	<u>364,880</u>
Net OPEB obligation end of year	<u><u>\$ 455,815</u></u>

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 was as follows:

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2013	\$ 127,371	58.0%	\$ 274,547
4/30/2014	164,250	45.0%	364,880
4/30/2015	164,852	44.8%	455,815

*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 \$2,791,372.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial 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%
4/30/2014*	-	2,791,372	2,791,372	0.0%	8,770,768	31.8%
4/30/2015*	-	2,791,372	2,791,372	0.0%	8,770,768	31.8%

\* Results from prior year

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

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

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

In the April 30, 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.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

**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, 2015 are as follows:

	Restricted	Revenue			Expenditures	Restricted
	Fund			Fund		
	Balance	Specified	Subsidized	Balance		
	5/1/2014				4/30/2015	
Fire Protection	\$ -	\$ 630,000	\$ 2,220,711	\$ 2,850,711	\$ -	
Trees and Forestry	-	80,000	156,695	236,695	-	
Insurance	-	460,775	480,616	941,391	-	
Playground/Recreation	719,054	-	-	16,273	702,781	
Police Protection	-	630,000	4,438,740	5,068,740	-	
<b>Totals</b>	<b>\$ 719,054</b>	<b>\$ 1,800,775</b>	<b>\$ 7,296,762</b>	<b>\$ 9,113,810</b>	<b>\$ 702,781</b>	

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, 2015. These balances are expected to be reduced through future revenues or transfers

Harlem/Harrison TIF Fund	\$ 52,428
Illinois Municipal Retirement Fund	501,855
Social Security Fund	175,668

**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.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**NOTE 11 - FRANCHISE FEES** (Continued)

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.

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

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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 December 31, 2015 or upon payment of a total of \$4,900,000, whichever is earlier.

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 2015 totaled \$2.8 million. There is currently an agreement between the Village and Nunley LLC Elite Tire.

During fiscal year 2015, the Brown Street Station area was enhanced at the cost of \$16,830 for redevelopment improvements. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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**NOTE 13 - BUSINESS DEVELOPMENT AGREEMENT**

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, 2015, the Village has paid \$308,111 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, 2015, the Village has paid \$609,781 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, 2015, the Village has paid \$279,160 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, 2015, the Village has paid \$40,614 to Grand Appliance, Inc.

**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.

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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

*Deposits* – At year end, the carrying amount of the Library's deposits totaled \$12,175 and the bank balances totaled \$12,125. Additionally, at year end the Library has \$2,315,733 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.

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.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

Capital Assets

	Balance at April 30, 2014	Additions	Deletions	Balance at April 30, 2015
Capital assets not being depreciated:				
Land	\$ 134	\$ -	\$ -	\$ 134
Capital assets being depreciated:				
Buildings	1,506,954	-	-	1,506,954
Furniture and equipment	201,789	-	-	201,789
Computer equipment	166,745	-	-	166,745
Collections	1,166,847	240,280	251,427	1,155,700
Subtotal	<u>3,042,335</u>	<u>240,280</u>	<u>251,427</u>	<u>3,031,188</u>
Accumulated depreciation				
Buildings	(757,258)	(55,520)	-	(812,778)
Furniture and equipment	(167,971)	(17,284)	-	(185,255)
Computer equipment	(154,902)	(5,261)	-	(160,163)
Collections	(577,411)	(230,005)	(232,093)	(575,323)
Subtotal	<u>(1,657,542)</u>	<u>(308,070)</u>	<u>(232,093)</u>	<u>(1,733,519)</u>
Total capital assets being depreciated, net	<u>1,384,793</u>	<u>(67,790)</u>	<u>19,334</u>	<u>1,297,669</u>
Capital assets, net	<u>\$ 1,384,927</u>	<u>\$ (67,790)</u>	<u>\$ 19,334</u>	<u>\$ 1,297,803</u>

Depreciation expense of \$308,070 was charged to the public library function.

Operating Lease

The Library rents telecommunication and copier equipment under an operating lease. Lease expense under these leases for the year was \$10,787. Future minimum lease payments are as follows:

Year Ended April 30	Amount
2016	10,787
2017	<u>10,149</u>
	<u>\$ 20,936</u>

Net Position Restrictions

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

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
General Fund				
Unemployment Insurance	\$ 1,975	\$ 124	\$ -	\$ 2,099
Workers Compensation	41,109	528	-	41,637
Special Revenue Funds				
Audit	2,949	-	346	2,603
Insurance	6,374	7,527	-	13,901
Social Security	60,212	-	7,537	52,675
Total	<u>\$ 112,619</u>	<u>\$ 8,179</u>	<u>\$ 7,883</u>	<u>\$ 112,915</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.

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 (Tier 1) who retire at or after age 60 (full benefits) or age 55 (reduced benefits) 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 (Tier 2) who retire at or after age 67 (full benefits) or age 62 (reduced benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life in an amount equal to 1-2/3% 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 up to 15 years, and 2 percent for each year thereafter. IMRF also provide death and disability benefits. These benefit 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 2014 was 10.37 percent.

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

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, 2015, the employer's share of IMRF is \$73,760.

**NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS**

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 determined this GASB statement will have a material impact on its financial statements.

In November 2013, the GASB issued Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of Statement 68 and are effective for the Village's financial year ending April 30, 2016. Management has determined this statement will have a material impact on its financial statements.

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The requirements of this Statement are effective for the Village's financial year ending April 30, 2016. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. The requirements of this Statement are effective for the Village's financial year ending April 30, 2017. Management has not determined what impact this statement will have on its financial statements.

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(Continued)

VILLAGE OF FOREST PARK, ILLINOIS  
NOTES TO THE FINANCIAL STATEMENTS  
Year Ended April 30, 2015

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

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. The requirements of this Statement are effective for the Village's financial year ending April 30, 2018. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for the Village's financial year ending April 30, 2019. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The requirements of this Statement are effective for the Village's financial year ending April 30, 2016, and should be applied retroactively. This statement will not have an impact on the Village's financial statements.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement establishes financial reporting standards for tax abatement agreements entered into by state and local governments. The disclosures required by this Statement encompass tax abatements resulting from both agreements that are entered into by the reporting government and agreements that are entered into by other governments and that reduce the reporting government's tax revenues. The provisions of this Statement should be applied to all state and local governments subject to such tax abatement agreements. The requirements for this Statement are effective for the Village's financial year ending April 30, 2017, with earlier application encouraged. Management has not determined what impact this statement will have on its financial statements.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*. This Statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions. The requirements for this Statement are effective for the Village's financial year ending April 30, 2017, with earlier application encouraged. Management has not determined what impact this statement will have on its financial statements.

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 ILLINOIS MUNICIPAL RETIREMENT FUND  
 Year Ended April 30, 2015

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)
12/31/14	\$ 12,678,200	\$ 13,766,162	\$ 1,087,962	92.10%	\$ 3,913,496	27.80%
12/31/13	12,216,861	13,092,503	875,642	93.31%	3,770,504	23.22%
12/31/12	10,401,072	11,818,891	1,417,819	88.00%	3,652,956	38.81%

On a market value basis, the actuarial value of assets as of December 31, 2014 was \$14,655,332. On a market basis, the funded ratio would be 106.46%

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)
12/31/14	\$ 334,664	\$ 302,003	\$ (32,661)	110.81%	\$ 124,515	0.00%
12/31/13	289,968	255,859	(34,109)	113.33%	121,663	0.00%
12/31/12	249,202	217,586	(31,616)	114.53%	114,531	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2014 was \$367,331. On a market basis, the funded ratio would be 121.63%

## VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - PENSION FUNDS  
 Year Ended April 30, 2015

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<u>POLICE PENSION FUND</u>						
Actuarial Valuation	(1)	(2)	(3)	(4)	(5)	(6)
<u>Date</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	as a Percentage of Covered Payroll (4)/(5)
4/30/14	\$ 20,612,505	\$ 37,694,780	54.68%	\$ 17,082,275	\$ 3,044,271	561.13%
4/30/13	20,746,233	33,224,217	62.44%	12,477,984	3,031,936	411.55%
4/30/12	20,514,415	31,181,339	65.79%	10,666,924	2,968,822	359.30%

<u>FIREFIGHTERS' PENSION FUND</u>						
Actuarial Valuation	(1)	(2)	(3)	(4)	(5)	(6)
<u>Date</u>	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio (1)/(2)	Unfunded AAL (UAAL) (2) - (1)	Covered Payroll	as a Percentage of Covered Payroll (4)/(5)
4/30/14	\$ 15,141,734	\$ 28,894,380	52.40%	\$ 13,752,646	\$ 2,097,819	655.57%
4/30/13	13,775,111	24,405,944	56.44%	10,630,833	2,038,299	521.55%
4/30/12	13,522,900	23,196,029	58.30%	9,673,129	1,952,345	495.46%

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.

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS  
 Year Ended April 30, 2015

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)
4/30/15*	\$ -	\$ 2,791,372	0.0%	\$ 2,791,372	\$ 8,770,768	31.8%
4/30/14*	-	2,791,372	0.0%	2,791,372	8,770,768	31.8%
4/30/13	-	2,791,372	0.0%	2,791,372	8,770,768	31.8%
4/30/12	-	2,035,510	0.0%	2,035,510	8,046,576	25.3%

\*Results from prior year

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%

## VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY  
 Year Ended April 30, 2015

	<u>2015</u>
<b>Total pension liability</b>	
Service cost	\$ 655,597
Interest	2,433,655
Changes of benefit terms	-
Differences between expected and actual experience	538,186
Changes of assumptions	2,394,087
Benefit payments, including refunds of member contributions	<u>(1,550,962)</u>
<b>Net change in total pension liability</b>	<u>4,470,563</u>
<b>Total pension liability - beginning</b>	<u>33,224,217</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 37,694,780</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 672,901
Contributions - employee	311,953
Net investment income	1,161,181
Benefit payments, including refunds of member contributions	(1,666,508)
Administrative expense	(42,381)
Other	-
<b>Net change in plan fiduciary net position</b>	<u>437,146</u>
<b>Plan fiduciary net position - beginning</b>	<u>20,612,504</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 21,049,650</u>
<b>Village's net pension liability (a-b)</b>	<u>\$ 16,645,130</u>

## Notes to Schedule:

GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively.

Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

VILLAGE OF FOREST PARK, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF POLICE PENSION FUND NET PENSION LIABILITY  
Year Ended April 30, 2015

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	<u>2015</u>
Total pension liability	\$ 37,694,780
Plan fiduciary net position	<u>(21,049,650)</u>
Village's net pension liability (asset)	<u>\$ 16,645,130</u>
Plan fiduciary net position as a percentage of the total pension liability	55.84%
Covered-employee payroll	3,044,271
Plan's net pension liability (asset) as a percentage of covered-employee payroll	546.77%

Notes to Schedule:

GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS  
 Year Ended April 30, 2015

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	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 837,292	\$ 771,013	\$ 870,729
Contributions in relation to the actuarially determined contribution	672,901	689,370	674,566
Contribution deficiency (excess)	<u>\$ 164,391</u>	<u>\$ 81,643</u>	<u>\$ 196,163</u>
 Covered-employee payroll	 3,044,271	 3,031,936	 2,968,822
 Contributions as a percentage of covered-employee payroll	 22.10%	 22.74%	 22.72%

## Notes to Schedule:

## Methods and assumption used to determine contribution rates:

Actuarial valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	27 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.50%
Mortality	RP 200 CHBCA

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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 810,717	\$ 661,659	\$ 561,697	\$ 468,488	\$ 431,845	\$ 477,484	\$ 372,623
730,836	654,205	496,890	421,385	438,825	477,484	372,623
<u>\$ 79,881</u>	<u>\$ 7,454</u>	<u>\$ 64,807</u>	<u>\$ 47,103</u>	<u>\$ (6,980)</u>	<u>\$ -</u>	<u>\$ -</u>
2,824,862	2,698,737	2,698,737	2,342,675	2,385,947	2,191,554	2,150,281
25.87%	24.24%	18.41%	17.99%	18.39%	21.79%	17.33%

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VILLAGE OF FOREST PARK, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF POLICE' PENSION FUND INVESTMENT RATE OF RETURNS  
Year Ended April 30, 2015

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	<u>2015</u>
Annual money-weighted rate of return net of investment expense	10.36%

Notes to Schedule:  
GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

## VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY  
 Year Ended April 30, 2015

	<u>2015</u>
<b>Total pension liability</b>	
Service cost	\$ 538,030
Interest	1,775,980
Changes of benefit terms	-
Differences between expected and actual experience	2,100,809
Changes of assumptions	1,526,045
Benefit payments, including refunds of member contributions	<u>(1,452,428)</u>
<b>Net change in total pension liability</b>	<u>4,488,436</u>
<b>Total pension liability - beginning</b>	<u>24,405,944</u>
<b>Total pension liability - ending (a)</b>	<u>\$ 28,894,380</u>
<b>Plan fiduciary net position</b>	
Contributions - employer	\$ 528,964
Contributions - employee	197,766
Net investment income	1,013,984
Benefit payments, including refunds of member contributions	(1,511,573)
Administrative expense	(36,669)
Other	-
<b>Net change in plan fiduciary net position</b>	<u>192,472</u>
<b>Plan fiduciary net position - beginning</b>	<u>15,141,734</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>\$ 15,334,206</u>
<b>Village's net pension liability (a-b)</b>	<u><u>\$ 13,560,174</u></u>

## Notes to Schedule:

GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY  
 Year Ended April 30, 2015

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	<u>2015</u>
Total pension liability	\$ 28,894,380
Plan fiduciary net position	(15,334,206)
Village's net pension liability (asset)	<u>\$ 13,560,174</u>
Plan fiduciary net position as a percentage of the total pension liability	53.07%
Covered-employee payroll	2,097,819
Plan's net pension liability (asset) as a percentage of covered-employee payroll	646.39%

Notes to Schedule:

GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available, Ultimately, 10 years of data will be presented.

VILLAGE OF FOREST PARK, ILLINOIS  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS  
 Year Ended April 30, 2015

	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contribution	\$ 757,390	\$ 687,404	\$ 770,226
Contributions in relation to the actuarially determined contribution	528,694	547,776	531,069
Contribution deficiency (excess)	<u>\$ 228,696</u>	<u>\$ 139,628</u>	<u>\$ 239,157</u>
Covered-employee payroll	2,097,819	2,038,299	1,952,345
Contributions as a percentage of covered-employee payroll	25.20%	26.87%	27.20%

## Notes to Schedule:

## Methods and assumption used to determine contribution rates:

Actuarial valuation date	April 30, 2014
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	27 years
Asset valuation method	Market Value
Inflation	3.00%
Salary increases	5.00%
Investment rate of return	7.50%
Mortality	RP 200 CHBCA

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<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
\$ 744,133	\$ 517,235	\$ 455,200	\$ 477,645	\$ 435,481	\$ 485,999	\$ 443,034
554,789	488,470	530,165	460,437	437,768	485,999	443,034
<u>\$ 189,344</u>	<u>\$ 28,765</u>	<u>\$ (74,965)</u>	<u>\$ 17,208</u>	<u>\$ (2,287)</u>	<u>\$ -</u>	<u>\$ -</u>
1,846,667	1,745,299	1,768,587	1,691,221	1,607,852	1,513,245	1,477,442
30.04%	27.99%	29.98%	27.23%	27.23%	32.12%	29.99%

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VILLAGE OF FOREST PARK, ILLINOIS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RATE OF RETURNS  
Year Ended April 30, 2015

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2015

Annual money-weighted rate of return  
net of investment expense

7.15%

Notes to Schedule:

GASB 67 was implemented in fiscal year 2015. This schedule is being built prospectively. Information prior to the implementation of GASB 67 is not available. Ultimately, 10 years of data will be presented.

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, 2015

	GENERAL FUND			BROWN STREET STATION TIF FUND			SPECIAL REVENUE FUNDS			HARLEM / HARRISON TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	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	\$ 4,623,020	\$ 4,272,082	\$ (350,938)	\$ 335,000	\$ 305,163	\$ (29,837)	\$ 1,000	\$ -	\$ (1,000)			
Personal property replacement tax	172,000	158,288	(13,712)	-	-	-	-	-	-			
Sales tax	3,210,638	3,245,461	34,823	-	-	-	-	-	-			
Intergovernmental	310,075	337,996	27,921	-	-	-	-	-	-			
Income tax	1,535,535	1,427,265	(108,270)	-	-	-	-	-	-			
Utility taxes	1,775,000	1,497,219	(277,781)	-	-	-	-	-	-			
Licenses and permits	1,192,550	1,198,902	6,352	-	-	-	-	-	-			
Fees for services	2,470,771	2,371,122	(99,649)	-	-	-	-	-	-			
Grant revenue	828,281	162,464	(665,817)	-	-	-	-	-	-			
Parking revenue	533,500	513,807	(19,693)	-	-	-	-	-	-			
Fines	2,147,000	1,790,497	(356,503)	-	-	-	-	-	-			
Interest on investments	820	1,358	538	18,000	16,476	(1,524)	25	12	(13)			
Other revenue	81,900	67,241	(14,659)	-	-	-	-	-	-			
<b>Total revenues</b>	<b>18,881,090</b>	<b>17,043,702</b>	<b>(1,837,388)</b>	<b>353,000</b>	<b>321,639</b>	<b>(31,361)</b>	<b>1,025</b>	<b>12</b>	<b>(1,013)</b>			
<b>Expenditures</b>												
Current:												
Office of public affairs	6,936,520	6,884,130	52,390	-	-	-	-	-	-			
Office of accounts and finance	9,099,520	7,505,284	1,594,236	-	-	-	-	-	-			
Office of public property	1,843,910	1,853,659	(9,749)	-	-	-	-	-	-			
Office of streets and public improvement	1,450,375	1,386,017	64,358	1,363,000	22,449	1,340,551	2,500	2,375	125			
Office of health and safety	338,522	310,113	28,409	-	-	-	-	-	-			
Debt service:												
Principal retired	494,957	412,904	82,053	-	-	-	-	-	-			
Interest and charges	160,191	98,729	61,462	-	-	-	-	-	-			
<b>Total expenditures</b>	<b>20,323,995</b>	<b>18,450,836</b>	<b>1,873,159</b>	<b>1,363,000</b>	<b>22,449</b>	<b>1,340,551</b>	<b>2,500</b>	<b>2,375</b>	<b>125</b>			
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(1,442,905)</b>	<b>(1,407,134)</b>	<b>35,771</b>	<b>(1,010,000)</b>	<b>299,190</b>	<b>1,309,190</b>	<b>(1,475)</b>	<b>(2,363)</b>	<b>(888)</b>			
<b>Other financing sources (uses)</b>												
Transfers in	1,475,000	1,386,426	(88,574)	-	-	-	-	-	-			
Loan proceeds	-	151,444	151,444	-	-	-	-	-	-			
<b>Total other financing sources (uses)</b>	<b>1,475,000</b>	<b>1,537,870</b>	<b>62,870</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>			
<b>Net change in fund balances</b>	<b>\$ 32,095</b>	<b>\$ 130,736</b>	<b>\$ 98,641</b>	<b>\$ (1,010,000)</b>	<b>299,190</b>	<b>\$ 1,309,190</b>	<b>\$ (1,475)</b>	<b>(2,363)</b>	<b>\$ (888)</b>			
<b>Fund balances at beginning of year</b>		<b>3,236,459</b>			<b>3,095,739</b>			<b>(50,065)</b>				
<b>Fund balances at end of year</b>		<b>\$ 3,367,195</b>			<b>\$ 3,394,929</b>			<b>\$ (52,428)</b>				

See accompanying notes to the budgetary comparison schedule.

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, 2015

	SPECIAL REVENUE FUNDS				ILLINOIS MUNICIPAL RETIREMENT FUND			
	ROOSEVELT / HANNAH TIF FUND		Variance from Final Budget Positive (Negative)		Original and Final Budget		Variance from Final Budget Positive (Negative)	
	Original and Final Budget	Actual			Original and Final Budget	Actual		
<b>Revenues</b>								
Property tax	\$ 695,000	\$ 715,188	\$ 20,188	\$ 350,000	\$ 250,554	\$ (99,446)		
Personal property replacement tax	-	-	-	11,000	11,802	802		
Sales tax	-	-	-	-	-	-		
Intergovernmental	-	-	-	-	-	-		
Income tax	-	-	-	-	-	-		
Utility taxes	-	-	-	-	-	-		
Licenses and permits	-	-	-	-	-	-		
Fees for services	-	-	-	-	-	-		
Grant revenue	-	-	-	-	-	-		
Parking revenue	-	-	-	-	-	-		
Fines	-	-	-	-	-	-		
Interest on investments	8,000	7,614	(386)	-	-	-		
Other revenue	-	-	-	-	-	-		
<b>Total revenues</b>	<u>703,000</u>	<u>722,802</u>	<u>19,802</u>	<u>361,000</u>	<u>262,356</u>	<u>(98,644)</u>		
<b>Expenditures</b>								
Current:								
Office of the mayor	-	-	-	-	-	-		
Office of accounts and finance	-	-	-	358,000	347,877	10,123		
Office of public property	-	-	-	-	-	-		
Office of streets and public improvement	993,000	198,788	794,212	-	-	-		
Office of health and safety	-	-	-	-	-	-		
Debt service:								
Principal retired	-	-	-	-	-	-		
Interest and charges	-	-	-	-	-	-		
<b>Total expenditures</b>	<u>993,000</u>	<u>198,788</u>	<u>794,212</u>	<u>358,000</u>	<u>347,877</u>	<u>10,123</u>		
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(290,000)</u>	<u>524,014</u>	<u>814,014</u>	<u>3,000</u>	<u>(85,521)</u>	<u>(88,521)</u>		
<b>Other financing sources (uses)</b>								
Transfers in	-	-	-	-	-	-		
Loan proceeds	-	-	-	-	-	-		
<b>Total other financing sources (uses)</b>	-	-	-	-	-	-		
<b>Net change in fund balances</b>	<u>(290,000)</u>	<u>524,014</u>	<u>814,014</u>	<u>\$ 3,000</u>	<u>(85,521)</u>	<u>\$ (88,521)</u>		
<b>Fund balances at beginning of year</b>		<u>1,246,849</u>			<u>(416,334)</u>			
<b>Fund balances at end of year</b>	<u>\$</u>	<u>1,770,863</u>		<u>\$</u>	<u>(501,855)</u>			

See accompanying notes to the budgetary comparison schedule.

VILLAGE OF FOREST PARK, ILLINOIS  
 NOTES TO THE BUDGETARY COMPARISON SCHEDULE  
 YEAR ENDED APRIL 30, 2015

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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	Foreign Fire Insurance Fund

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

<u>Fund</u>	<u>Excess over Budget</u>
Emergency 911 Fund	\$ 55,201
Narcotics Fund	54,064
US Customs Fund	130,465

GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended April 30, 2015

	Final Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 4,623,020	\$ 4,272,082	\$ (350,938)
Personal property replacement tax	172,000	158,288	(13,712)
Sales tax	3,210,638	3,245,461	34,823
Intergovernmental			
Use tax	254,675	286,237	31,562
Foreign fire insurance tax	28,000	27,470	(530)
Pull tabs/jar games	1,000	686	(314)
Charitable games	400	294	(106)
Auto rental tax	26,000	23,309	(2,691)
Total intergovernmental revenues	<u>310,075</u>	<u>337,996</u>	<u>27,921</u>
Local share-income tax	1,535,535	1,427,265	(108,270)
Utility taxes			
Telephone utility tax	615,000	406,603	(208,397)
Electric utility tax	625,000	565,244	(59,756)
Franchise tax - cable	280,000	278,418	(1,582)
Gas utility tax	255,000	246,954	(8,046)
Total utility taxes	<u>1,775,000</u>	<u>1,497,219</u>	<u>(277,781)</u>
Licenses and permits			
Liquor license	100,000	101,008	1,008
Liquor license application fee	3,500	4,637	1,137
Business license	56,000	53,707	(2,293)
Sidewalk use permit	4,000	2,450	(1,550)
Solicitor's license	500	385	(115)
Amusement devises	26,000	21,450	(4,550)
Amusement tax video rental	15,750	13,328	(2,422)
Vending machines	4,500	3,540	(960)
Tobacco license	6,500	5,200	(1,300)
Gasoline stations' license	15,000	11,950	(3,050)
Taxicabs' license	17,000	14,925	(2,075)
Scavenger services' license	17,500	17,500	-
Contractors' license	30,000	19,095	(10,905)
Vehicle license	245,000	236,933	(8,067)
Animal license	3,500	3,576	76
Building permits	150,000	191,115	41,115
Electric permits	18,000	17,080	(920)
Plumbing permits	25,000	19,569	(5,431)
HVAC permits	2,500	18,630	16,130
Water permit fees	1,000	-	(1,000)
Sign permits	37,500	35,581	(1,919)
Dumpster permits	5,000	2,375	(2,625)
Parking permits	240,000	257,100	17,100
Garage sale permits	1,500	960	(540)
Plan review fees	10,000	874	(9,126)
Elevator inspection fees	16,000	16,210	210
Food service inspection fees	18,500	17,625	(875)
Certificate of compliance fees	118,000	108,280	(9,720)
Zoning application fees	1,000	900	(100)
Dog park permits	3,800	2,919	(881)
Total licenses and permits	<u>1,192,550</u>	<u>1,198,902</u>	<u>6,352</u>
Fees for services			
Ambulance charges	325,000	318,225	(6,775)
Emergency fire suppression services	401,712	401,712	-

(Continued)

GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended April 30, 2015

	Final <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Sidewalk replacement	\$ 6,500	\$ 110	\$ (6,390)
Highway maintenance - IDOT	73,000	74,618	1,618
Police/fire testing fees	5,000	-	(5,000)
Refuse collection charges	710,500	716,550	6,050
Recycling fees	97,500	97,996	496
Yard waste fees	55,800	55,382	(418)
Accident reports	4,500	3,612	(888)
SORA registration fees	50	10	(40)
Water towers	202,994	199,789	(3,205)
Real estate	30,000	30,000	-
Groovin' in the grove	2,000	2,773	773
Community center	5,000	3,240	(1,760)
Day care-after school program	175,000	133,887	(41,113)
Day care-summer program	75,000	62,820	(12,180)
Youth activities	1,500	739	(761)
Classes	1,700	1,782	82
Trips - tours - excursions	180,000	154,933	(25,067)
Taxi - cab fares/fees	4,000	765	(3,235)
Community Events	46,000	39,505	(6,495)
RTA - administration subsidy	51,515	56,418	4,903
RTA - PACE advertisement	9,000	8,427	(573)
RTA - dial-a-ride	7,000	7,829	829
RTA - PACE passes/fares	500	-	(500)
Total fees for services	<u>2,470,771</u>	<u>2,371,122</u>	<u>(99,649)</u>
Grant revenue			
CDBG 2014 grant	290,000	-	(290,000)
HUD Sustainable Community	56,859	56,859	-
Federal Assistance to FF	378,409	22,159	(356,250)
JAG grant	50,217	6,545	(43,672)
DOJ bullet proof vests	3,803	317	(3,486)
Tobacco/Liquor grant	2,000	2,750	750
CTA Lot grant	-	32,085	32,085
IDOT Traffic Safety grant	17,312	16,432	(880)
IPRF Safety & Education grant	29,681	25,317	(4,364)
Total grant revenue	<u>828,281</u>	<u>162,464</u>	<u>(665,817)</u>
Parking revenue			
Parking meters	82,000	83,473	1,473
Affinity Card sales	4,500	2,737	(1,763)
Van Buren lot	350,000	328,584	(21,416)
Ferdinand lot	1,200	812	(388)
Thomas/Madison lot	70,000	75,428	5,428
Beloit/Madison lot	3,800	4,348	548
Hannah/Madison lot	15,000	11,597	(3,403)
Circle/Madison lot	7,000	6,828	(172)
Total parking revenue	<u>533,500</u>	<u>513,807</u>	<u>(19,693)</u>
Fines			
Traffic and parking fines	1,350,000	992,451	(357,549)
Illinois Comptroller debt recovery	285,000	319,110	34,110
Towing revenue	145,000	215,900	70,900
K9 unit fees	15,000	27,725	12,725
Compliance tickets	295,000	188,100	(106,900)
Code violation fines	48,500	40,194	(8,306)

(Continued)

GENERAL FUND  
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended April 30, 2015

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	<u>Final</u> <u>Budget</u>	<u>Actual</u>	Variance from Budget Positive <u>(Negative)</u>
Other fines and penalties	\$ 8,500	\$ 7,017	\$ (1,483)
Total fines	<u>2,147,000</u>	<u>1,790,497</u>	<u>(356,503)</u>
Interest on investments	<u>820</u>	<u>1,358</u>	<u>538</u>
Other revenue			
Miscellaneous revenue	25,400	6,212	(19,188)
NSF - agency collections	200	90	(110)
AMEX Corporate points earned	10,000	(9,586)	(19,586)
Workmen's comp reimbursements	20,000	21,971	1,971
FOIA	300	64	(236)
Claims and damages	<u>26,000</u>	<u>48,490</u>	<u>22,490</u>
Total other revenue	<u>81,900</u>	<u>67,241</u>	<u>(14,659)</u>
Total revenues	<u>\$ 18,881,090</u>	<u>\$ 17,043,702</u>	<u>\$ (1,837,388)</u>

GENERAL FUND  
 SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

	<u>Final Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
<b>Expenditures</b>			
Office of public affairs			
General public affairs	\$ 1,255,670	\$ 1,084,858	\$ 170,812
Police	4,953,222	5,068,740	(115,518)
Community services	<u>727,628</u>	<u>730,532</u>	<u>(2,904)</u>
Total office of the mayor	<u>6,936,520</u>	<u>6,884,130</u>	<u>52,390</u>
Office of accounts and finance			
Village clerk	4,956,733	4,548,727	408,006
Grant expenditures	841,228	105,846	735,382
Fire	1,178,812	916,154	262,658
Fire protection	<u>2,122,747</u>	<u>1,934,557</u>	<u>188,190</u>
Total office of accounts and finance	<u>9,099,520</u>	<u>7,505,284</u>	<u>1,594,236</u>
Office of public property			
Public property	1,091,890	1,099,666	(7,776)
Public property/street lights	145,000	202,427	(57,427)
Forestry	215,250	236,695	(21,445)
Playground and recreation	25,500	8,315	17,185
Property maintenance	<u>366,270</u>	<u>306,556</u>	<u>59,714</u>
Total office of public property	<u>1,843,910</u>	<u>1,853,659</u>	<u>(9,749)</u>
Office of streets and public improvement			
Streets and public improvement	528,200	545,900	(17,700)
Garbage	<u>922,175</u>	<u>840,117</u>	<u>82,058</u>
Total office of streets and public improvement	<u>1,450,375</u>	<u>1,386,017</u>	<u>64,358</u>
Office of health and safety			
Public health and safety	<u>338,522</u>	<u>310,113</u>	<u>28,409</u>
Total office of health and safety	<u>338,522</u>	<u>310,113</u>	<u>28,409</u>
Debt service			
Principal retired	494,957	412,904	82,053
Interest and charges	<u>160,191</u>	<u>98,729</u>	<u>61,462</u>
Total office of public property	<u>655,148</u>	<u>511,633</u>	<u>143,515</u>
Total expenditures	<u>\$ 20,323,995</u>	<u>\$ 18,450,836</u>	<u>\$ 1,873,159</u>

BROWN STREET STATION TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 335,000	\$ 305,163	\$ (29,837)
Interest on investments	<u>18,000</u>	<u>16,476</u>	<u>(1,524)</u>
Total revenues	<u>353,000</u>	<u>321,639</u>	<u>(31,361)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>1,363,000</u>	<u>22,449</u>	<u>1,340,551</u>
Total expenditures	<u>1,363,000</u>	<u>22,449</u>	<u>1,340,551</u>
Net change in fund balance	<u>\$ (1,010,000)</u>	299,190	<u>\$ 1,309,190</u>
Fund balance at beginning of year		<u>3,095,739</u>	
Fund balance at end of year		<u>\$ 3,394,929</u>	

HARLEM / HARRISON TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 1,000	\$ -	\$ (1,000)
Interest on investments	25	12	(13)
Total revenues	<u>1,025</u>	<u>12</u>	<u>(1,013)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>2,500</u>	<u>2,375</u>	<u>125</u>
Total expenditures	<u>2,500</u>	<u>2,375</u>	<u>125</u>
Net change in fund balance	<u>\$ (1,475)</u>	(2,363)	<u>\$ (888)</u>
Fund balance at beginning of year		<u>(50,065)</u>	
Fund balance at end of year		<u>\$ (52,428)</u>	

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ROOSEVELT / HANNAH TIF FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

---

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 695,000	\$ 715,188	\$ 20,188
Interest on investments	<u>8,000</u>	<u>7,614</u>	<u>(386)</u>
Total revenues	<u>703,000</u>	<u>722,802</u>	<u>19,802</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	<u>993,000</u>	<u>198,788</u>	<u>794,212</u>
Total expenditures	<u>993,000</u>	<u>198,788</u>	<u>794,212</u>
Net change in fund balance	<u>\$ (290,000)</u>	524,014	<u>\$ 814,014</u>
Fund balance at beginning of year		<u>1,246,849</u>	
Fund balance at end of year		<u>\$ 1,770,863</u>	

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2002 BOND FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	\$ 185	\$ 175	\$ (10)
Total revenues	<u>185</u>	<u>175</u>	<u>(10)</u>
Expenditures			
Office of accounts and finance			
Bank fees	2,700	2,700	-
Street improvement project	1,200,000	56,404	1,143,596
Other expenditures	12,000	2,797	9,203
Debt service			
Principal retired	465,000	465,000	-
Interest and charges	68,673	68,673	-
Total expenditures	<u>1,748,373</u>	<u>595,574</u>	<u>1,152,799</u>
Excess (deficiency) of revenues over expenditures	<u>(1,748,188)</u>	<u>(595,399)</u>	<u>1,152,789</u>
Other financing sources (uses)			
Transfers in	-	629,591	629,591
Total other financing sources (uses)	<u>-</u>	<u>629,591</u>	<u>629,591</u>
Net change in fund balance	<u>\$ (1,748,188)</u>	34,192	<u>\$ 1,782,380</u>
Fund balance at beginning of year		<u>2,786,878</u>	
Fund balance at end of year		<u>\$ 2,821,070</u>	

ILLINOIS MUNICIPAL RETIREMENT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 350,000	\$ 250,554	\$ (99,446)
Intergovernmental			
Personal property replacement tax	<u>11,000</u>	<u>11,802</u>	<u>802</u>
Total revenues	<u>361,000</u>	<u>262,356</u>	<u>(98,644)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>358,000</u>	<u>347,877</u>	<u>10,123</u>
Total expenditures	<u>358,000</u>	<u>347,877</u>	<u>10,123</u>
Net change in fund balance	<u>\$ 3,000</u>	(85,521)	<u>\$ (88,521)</u>
Fund balance at beginning of year		<u>(416,334)</u>	
Fund balance at end of year		<u>\$ (501,855)</u>	

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VILLAGE OF FOREST PARK, ILLINOIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 April 30, 2015

	Special Revenue Funds						
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund	Social Security Fund	Motor Fuel Tax Fund	VIP Fund
<b>ASSETS</b>							
Cash and investments	\$ 257,017	\$ 137,696	\$ 223,664	\$ 28,915	\$ -	\$ 1,205,129	\$ 1,161,126
Receivables:							
Property tax receivable	-	-	-	-	167,767	-	-
Due from other governments	-	-	-	-	-	63,887	449,796
Accounts receivable	-	-	-	-	-	-	8,676
Interfund receivable	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<u>\$ 257,017</u>	<u>\$ 137,696</u>	<u>\$ 223,664</u>	<u>\$ 28,915</u>	<u>\$ 167,767</u>	<u>\$ 1,269,016</u>	<u>\$ 1,619,598</u>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ 114	\$ -	\$ -	\$ -	\$ -	\$ 376,577
Unearned revenue	-	-	-	-	-	-	155,677
Interfund payable	1,670	-	-	-	175,668	-	-
Total liabilities	<u>1,670</u>	<u>114</u>	<u>-</u>	<u>-</u>	<u>175,668</u>	<u>-</u>	<u>532,254</u>
<b>DEFERRED INFLOW OF RESOURCES</b>							
Property taxes	-	-	-	-	167,767	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,767</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>							
Restricted							
Public safety	255,347	137,582	223,664	28,915	-	-	-
Streets & highways	-	-	-	-	-	1,269,016	1,087,344
Unassigned	-	-	-	-	(175,668)	-	-
Total fund balance	<u>255,347</u>	<u>137,582</u>	<u>223,664</u>	<u>28,915</u>	<u>(175,668)</u>	<u>1,269,016</u>	<u>1,087,344</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>	<u>\$ 257,017</u>	<u>\$ 137,696</u>	<u>\$ 223,664</u>	<u>\$ 28,915</u>	<u>\$ 167,767</u>	<u>\$ 1,269,016</u>	<u>\$ 1,619,598</u>

VILLAGE OF FOREST PARK, ILLINOIS  
 NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING BALANCE SHEET  
 April 30, 2015

	Debt Service Funds				Total Nonmajor Governmental Funds
	Total Special Revenue Funds	Special Tax Allocation Fund	Incremental Sales Tax Fund	Total Debt Service Funds	
<b>ASSETS</b>					
Cash and investments	\$ 3,013,547	\$ 333,567	\$ 147,439	\$ 481,006	\$ 3,494,553
Receivables:					
Property tax receivable	167,767	-	-	-	167,767
Due from other governments	513,683	-	-	-	513,683
Accounts receivable	8,676	-	57,639	57,639	66,315
Interfund receivable	-	-	36,695	36,695	36,695
<b>TOTAL ASSETS</b>	<b>\$ 3,703,673</b>	<b>\$ 333,567</b>	<b>\$ 241,773</b>	<b>\$ 575,340</b>	<b>\$ 4,279,013</b>
<b>LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE LIABILITIES</b>					
Accounts payable	\$ 376,691	\$ -	\$ -	\$ -	\$ 376,691
Unearned revenue	155,677	-	-	-	155,677
Interfund payable	177,338	35,890	-	35,890	213,228
Total liabilities	709,706	35,890	-	35,890	745,596
<b>DEFERRED INFLOW OF RESOURCES</b>					
Property taxes	167,767	-	-	-	167,767
Total deferred inflows of resources	167,767	-	-	-	167,767
<b>FUND BALANCE</b>					
Restricted					
Public safety	645,508	-	-	-	645,508
Streets & highways	2,356,360	297,677	241,773	539,450	2,895,810
Unassigned	(175,668)	-	-	-	(175,668)
Total fund balance	2,826,200	297,677	241,773	539,450	3,365,650
<b>TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE</b>	<b>\$ 3,703,673</b>	<b>\$ 333,567</b>	<b>\$ 241,773</b>	<b>\$ 575,340</b>	<b>\$ 4,279,013</b>

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Year Ended April 30, 2015

	Special Revenue Funds							
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund	Social Security Fund	Motor Fuel Tax Fund	VIP Fund	
<b>Revenues</b>								
Property tax	\$ -	\$ -	\$ -	\$ -	\$ 334,031	\$ -	\$ -	
Sales tax	-	-	-	-	-	-	1,870,599	
Intergovernmental	158,425	-	-	27,470	10,640	409,587	52,579	
Grant revenue	-	76,591	152,840	-	-	-	-	
Interest on investments	283	579	427	28	-	1,084	1,991	
Other revenue	-	30,375	-	150	-	-	-	
<b>Total revenues</b>	<b>158,708</b>	<b>107,545</b>	<b>153,267</b>	<b>27,648</b>	<b>344,671</b>	<b>410,671</b>	<b>1,925,169</b>	
<b>Expenditures</b>								
Current:								
Office of public affairs	195,751	80,044	430,790	-	-	-	-	
Office of accounts and finance	-	-	-	14,619	354,938	-	-	
Office of streets and public improvement	-	-	-	-	-	-	1,165,393	
Debt service:								
Principal retired	-	-	-	-	-	-	515,000	
Interest and charges	-	-	-	-	-	-	197,650	
<b>Total expenditures</b>	<b>195,751</b>	<b>80,044</b>	<b>430,790</b>	<b>14,619</b>	<b>354,938</b>	<b>-</b>	<b>1,878,043</b>	
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(37,043)</b>	<b>27,501</b>	<b>(277,523)</b>	<b>13,029</b>	<b>(10,267)</b>	<b>410,671</b>	<b>47,126</b>	
<b>Other financing sources (uses)</b>								
Transfers out	-	-	-	-	-	(118,950)	-	
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(118,950)</b>	<b>-</b>	
<b>Net change in fund balances</b>	<b>(37,043)</b>	<b>27,501</b>	<b>(277,523)</b>	<b>13,029</b>	<b>(10,267)</b>	<b>291,721</b>	<b>47,126</b>	
<b>Fund balances at beginning of year</b>	<b>292,390</b>	<b>110,081</b>	<b>501,187</b>	<b>15,886</b>	<b>(165,401)</b>	<b>977,295</b>	<b>1,040,218</b>	
<b>Fund balances at end of year</b>	<b>\$ 255,347</b>	<b>\$ 137,582</b>	<b>\$ 223,664</b>	<b>\$ 28,915</b>	<b>\$ (175,668)</b>	<b>\$ 1,269,016</b>	<b>\$ 1,087,344</b>	

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 Year Ended April 30, 2014

	Debt Service Funds				Total Nonmajor Governmental Funds
	Total Special Revenue Funds	Special Tax Allocation Fund	Incremental Sales Tax Fund	Total Debt Service Funds	
Revenues					
Property tax	\$ 334,031	\$ 623,804	\$ -	\$ 623,804	\$ 957,835
Sales tax	1,870,599	-	346,724	346,724	2,217,323
Intergovernmental	658,701	-	-	-	658,701
Grant revenue	229,431	-	-	-	229,431
Interest on investments	4,392	23	13	36	4,428
Other revenue	30,525	-	-	-	30,525
Total revenues	<u>3,127,679</u>	<u>623,827</u>	<u>346,737</u>	<u>970,564</u>	<u>4,098,243</u>
Expenditures					
Current:					
Office of the mayor	706,585	-	-	-	706,585
Office of accounts and finance	369,557	-	-	-	369,557
Office of streets and public improvement	1,165,393	-	-	-	1,165,393
Debt service:					
Principal retired	515,000	-	-	-	515,000
Interest and charges	197,650	-	-	-	197,650
Total expenditures	<u>2,954,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,954,185</u>
Excess (deficiency) of revenues over expenditures	<u>173,494</u>	<u>623,827</u>	<u>346,737</u>	<u>970,564</u>	<u>1,144,058</u>
Other financing sources (uses)					
Transfers out	(118,950)	(629,591)	(367,476)	(997,067)	(1,116,017)
Total other financing sources (uses)	<u>(118,950)</u>	<u>(629,591)</u>	<u>(367,476)</u>	<u>(997,067)</u>	<u>(1,116,017)</u>
Net change in fund balances	<u>54,544</u>	<u>(5,764)</u>	<u>(20,739)</u>	<u>(26,503)</u>	<u>28,041</u>
Fund balances at beginning of year	<u>2,771,656</u>	<u>303,441</u>	<u>262,512</u>	<u>565,953</u>	<u>3,337,609</u>
Fund balances at end of year	<u>\$ 2,826,200</u>	<u>\$ 297,677</u>	<u>\$ 241,773</u>	<u>\$ 539,450</u>	<u>\$ 3,365,650</u>

EMERGENCY 911 FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
911 emergency surcharge	\$ 170,100	\$ 158,425	\$ (11,675)
Interest on investments	325	283	(42)
Total revenues	<u>170,425</u>	<u>158,708</u>	<u>(11,717)</u>
Expenditures			
Office of public affairs			
Bank service fees	300	252	48
Regular	40,250	40,114	136
E-911 - expenditures/costs	100,000	155,385	(55,385)
Total expenditures	<u>140,550</u>	<u>195,751</u>	<u>(55,201)</u>
Net change in fund balance	<u>\$ 29,875</u>	(37,043)	<u>\$ (66,918)</u>
Fund balance at beginning of year		<u>292,390</u>	
Fund balance at end of year		<u>\$ 255,347</u>	

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NARCOTICS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Grant revenue			
Seizure fees	\$ 60,000	\$ 76,591	\$ 16,591
Sales of seized vehicles	-	30,375	30,375
Interest on investments	<u>575</u>	<u>579</u>	<u>4</u>
Total revenues	<u>60,575</u>	<u>107,545</u>	<u>46,970</u>
Expenditures			
Office of public affairs			
Bank service fees	30	1	29
Seizure expenditures	<u>25,950</u>	<u>80,043</u>	<u>(54,093)</u>
Total expenditures	<u>25,980</u>	<u>80,044</u>	<u>(54,064)</u>
Net change in fund balance	<u>\$ 34,595</u>	27,501	<u>\$ (7,094)</u>
Fund balance at beginning of year		<u>110,081</u>	
Fund balance at end of year		<u>\$ 137,582</u>	

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U.S. CUSTOMS FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Grant revenue			
U.S. Customs deposits	\$ 150,000	\$ 152,840	\$ 2,840
Interest on investments	<u>500</u>	<u>427</u>	<u>(73)</u>
Total revenues	<u>150,500</u>	<u>153,267</u>	<u>2,767</u>
Expenditures			
Office of public affairs			
Bank service fees	325	175	150
U.S. Customs expenditures	<u>300,000</u>	<u>430,615</u>	<u>(130,615)</u>
Total expenditures	<u>300,325</u>	<u>430,790</u>	<u>(130,465)</u>
Net change in fund balance	<u>\$ (149,825)</u>	(277,523)	<u>\$ (127,698)</u>
Fund balance at beginning of year		<u>501,187</u>	
Fund balance at end of year		<u>\$ 223,664</u>	

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FOREIGN FIRE INSURANCE FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental	\$ 28,000	\$ 27,470	\$ (530)
Interest on investments	40	28	(12)
Other revenue	<u>275</u>	<u>150</u>	<u>(125)</u>
Total revenues	<u>28,315</u>	<u>27,648</u>	<u>(667)</u>
Expenditures			
Office of public affairs			
Bank service fees	35	-	35
Foreign Fire expenditures	<u>28,000</u>	<u>14,619</u>	<u>13,381</u>
Total expenditures	<u>28,035</u>	<u>14,619</u>	<u>13,416</u>
Net change in fund balance	<u>\$ 280</u>	13,029	<u>\$ 12,749</u>
Fund balance at beginning of year		<u>15,886</u>	
Fund balance at end of year		<u>\$ 28,915</u>	

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SOCIAL SECURITY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 350,000	\$ 334,031	\$ (15,969)
Personal property replacement tax	<u>10,000</u>	<u>10,640</u>	<u>640</u>
Total revenues	<u>360,000</u>	<u>344,671</u>	<u>(15,329)</u>
Expenditures			
Office of accounts and finance			
IMRF fund contributions	<u>356,000</u>	<u>354,938</u>	<u>1,062</u>
Total expenditures	<u>356,000</u>	<u>354,938</u>	<u>1,062</u>
Net change in fund balance	<u>\$ 4,000</u>	(10,267)	<u>\$ (14,267)</u>
Fund balance at beginning of year		<u>(165,401)</u>	
Fund balance at end of year		<u>\$ (175,668)</u>	

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MOTOR FUEL TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Motor fuel tax allotment	\$ 409,255	\$ 409,587	\$ 332
Interest on investments	<u>500</u>	<u>1,084</u>	<u>584</u>
Total revenues	<u>409,755</u>	<u>410,671</u>	<u>916</u>
Excess of revenues	<u>409,755</u>	<u>410,671</u>	<u>916</u>
Other financing (uses)			
Transfer out	<u>(380,000)</u>	<u>(118,950)</u>	<u>261,050</u>
Total other financing (uses)	<u>(380,000)</u>	<u>(118,950)</u>	<u>261,050</u>
Net change in fund balance	<u>\$ 29,755</u>	291,721	<u>\$ 261,966</u>
Fund balance at beginning of year		<u>977,295</u>	
Fund balance at end of year		<u>\$ 1,269,016</u>	

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VIP PROGRAM FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax	\$ 1,932,110	\$ 1,870,599	\$ (61,511)
Intergovernmental	-	52,579	52,579
Interest on investments	2,500	1,991	(509)
Total revenues	<u>1,934,610</u>	<u>1,925,169</u>	<u>(9,441)</u>
Expenditures			
Office of streets and public improvement			
Operating expenditures	1,201,000	1,165,393	35,607
Debt service			
Principal retired	515,000	515,000	-
Interest and charges	197,650	197,650	-
Total expenditures	<u>1,913,650</u>	<u>1,878,043</u>	<u>35,607</u>
Net change in fund balance	<u>\$ 20,960</u>	47,126	<u>\$ 26,166</u>
Fund balance at beginning of year		<u>1,040,218</u>	
Fund balance at end of year		<u>\$ 1,087,344</u>	

SPECIAL TAX ALLOCATION FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2014

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Property tax	\$ 625,000	\$ 623,804	\$ (1,196)
Interest on investments	30	23	(7)
Total revenues	<u>625,030</u>	<u>623,827</u>	<u>(1,203)</u>
Excess (deficiency) of revenues over expenditures	<u>625,030</u>	<u>623,827</u>	<u>(1,203)</u>
Other financing sources (uses)			
Transfers out	-	(629,591)	(629,591)
Total other financing sources (uses)	<u>-</u>	<u>(629,591)</u>	<u>(629,591)</u>
Net change in fund balance	<u>\$ 625,030</u>	(5,764)	<u>\$ (630,794)</u>
Fund balance at beginning of year		<u>303,441</u>	
Fund balance at end of year		<u>\$ 297,677</u>	

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INCREMENTAL SALES TAX FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2014

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	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Revenues			
Sales tax	\$ 405,325	\$ 346,724	\$ (58,601)
Interest on investments	20	13	(7)
Total revenues	<u>405,345</u>	<u>346,737</u>	<u>(58,608)</u>
Excess (deficiency) of revenues over expenditures	<u>405,345</u>	<u>346,737</u>	<u>(58,608)</u>
Other financing sources (uses)			
Transfers out	<u>(395,000)</u>	<u>(367,476)</u>	<u>27,524</u>
Total other financing sources (uses)	<u>(395,000)</u>	<u>(367,476)</u>	<u>27,524</u>
Net change in fund balance	<u>\$ 10,345</u>	(20,739)	<u>\$ (31,084)</u>
Fund balance at beginning of year		<u>262,512</u>	
Fund balance at end of year		<u>\$ 241,773</u>	

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WATER FUND  
 SCHEDULE OF REVENUES, EXPENSES  
 AND CHANGES IN NET POSITION  
 BUDGET (GAAP BASIS) AND ACTUAL  
 Year Ended April 30, 2015

	<u>Budget</u>	<u>Actual</u>	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	\$ 6,528,890	\$ 6,414,572	\$ (114,318)
Other revenue	-	13,702	13,702
Total operating revenues	<u>6,528,890</u>	<u>6,428,274</u>	<u>100,616</u>
Operating expenses			
Operations	4,681,601	4,106,567	575,034
Depreciation	162,000	148,679	13,321
Total operating expenses	<u>4,843,601</u>	<u>4,255,246</u>	<u>588,355</u>
Operating income (loss)	<u>1,685,289</u>	<u>2,173,028</u>	<u>688,971</u>
Nonoperating revenues and (expenses)			
Interest revenue	2,500	2,484	(16)
Interest expense	(88,461)	(85,996)	2,465
Total nonoperating revenues and (expenses)	<u>(85,961)</u>	<u>(83,512)</u>	<u>2,449</u>
Income (loss) before transfers	<u>1,599,328</u>	<u>2,089,516</u>	<u>691,420</u>
Transfers out	<u>(900,000)</u>	<u>(900,000)</u>	<u>-</u>
Change in net position	<u>\$ 699,328</u>	1,189,516	<u>\$ 691,420</u>
Net position at beginning of year		<u>7,365,554</u>	
Net position at end of year		<u>\$ 8,555,070</u>	

COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 PENSION TRUST FUNDS  
 April 30, 2015

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	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,104,058	\$ 767,515	\$ 2,871,573
Investments			
Certificates of deposit	-	510,640	510,640
Corporate bonds	-	1,481,071	1,481,071
Government securities	10,960,036	2,533,453	13,493,489
Mutual funds	2,435,431	10,022,224	12,457,655
Insurance contracts	<u>5,534,195</u>	<u>-</u>	<u>5,534,195</u>
Total investments	18,929,662	14,547,388	33,477,050
Interest receivable	14,039	22,413	36,452
Prepaid items	<u>3,082</u>	<u>440</u>	<u>3,522</u>
Total assets	<u>21,050,841</u>	<u>15,337,756</u>	<u>36,388,597</u>
<b>LIABILITIES</b>			
Accounts payable	<u>1,191</u>	<u>3,550</u>	<u>4,741</u>
Total liabilities	<u>1,191</u>	<u>3,550</u>	<u>4,741</u>
<b>NET POSITION</b>			
Plan net position held in trust for employees' pension benefits	<u>\$ 21,049,650</u>	<u>\$ 15,334,206</u>	<u>\$ 36,383,856</u>

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COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION TRUST FUNDS  
Year Ended April 30, 2015

	Police Pension <u>Trust Fund</u>	Firefighters' Pension <u>Trust Fund</u>	<u>Total</u>
<b>ADDITIONS</b>			
Contributions			
Employer	\$ 672,901	\$ 528,964	\$ 1,201,865
Plan members	311,953	197,766	509,719
Total contributions	<u>984,854</u>	<u>726,730</u>	<u>1,711,584</u>
Investment earnings			
Net Increase in Fair Value of Investments	519,543	533,331	1,052,874
Interest	641,808	523,134	1,164,942
Less investment Expense	(170)	(42,481)	(42,651)
Net investment income	<u>1,161,181</u>	<u>1,013,984</u>	<u>2,175,165</u>
Total additions	<u>2,146,035</u>	<u>1,740,714</u>	<u>3,886,749</u>
<b>DEDUCTIONS</b>			
Benefits and refunds	1,666,508	1,511,573	3,178,081
Administrative expenses	42,381	36,669	79,050
Total deductions	<u>1,708,889</u>	<u>1,548,242</u>	<u>3,257,131</u>
Increase (decrease) in net position	437,146	192,472	629,618
Plan net position at beginning of year	<u>20,612,504</u>	<u>15,141,734</u>	<u>35,754,238</u>
Plan net position at end of year	<u>\$ 21,049,650</u>	<u>\$ 15,334,206</u>	<u>\$ 36,383,856</u>

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES  
Year Ended April 30, 2015

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Unemployment	\$	21,721
Liability insurance		515,627
Workman's comp insurance		<u>404,043</u>
Total tort immunity purposes expenditures	\$	<u>941,391</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 2014 as levied by Cook County was \$460,775. 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, 2015  
(Unaudited)

Tax levy year:	Assessed	Extended		
	Valuation	Village	Assessed	Extended
		Tax Rate	Valuation	Tax Rate
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		
2013	306,740,756	1.6596		
2014	297,971,337	1.7384		
			2013 Levy	
	2014 Levy		Amount	Rate
	Amount	Rate	Amount	Rate
General fund:				
Corporate	\$ 1,282,767	\$ 0.4305	\$ 1,341,991	\$ 0.4375
Fire protection	648,900	0.2178	644,925	0.2103
Forestry	82,400	0.0277	121,948	0.0398
Insurance	474,598	0.1593	488,818	0.1594
Police protection	648,900	0.2178	644,925	0.2103
Police pension	797,735	0.2677	691,809	0.2255
Firefighters' pension	626,240	0.2102	543,052	0.1770
Total general fund	4,561,540	1.5310	4,477,468	1.4598
Special revenue funds:				
Illinois municipal retirement fund	267,800	0.0899	262,650	0.0856
Social security fund	350,200	0.1175	350,200	0.1142
Total special revenue funds	618,000	0.2074	612,850	0.1998
Total tax levy:	\$ 5,179,540	\$ 1.7384	\$ 5,090,318	\$ 1.6596
Collections as of April 30, 2015	\$ 2,497,911	48.23%	\$ 4,953,233	97.31%

LONG-TERM DEBT REQUIREMENTS  
 SCHEDULE OF BONDS OUTSTANDING  
 April 30, 2015  
 (Unaudited)

General Obligation Tax Increment Financing Refunding Bonds:  
 Series 2002  
 Dated: May 1, 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
2016	4.75%	\$ 480,000	\$ 47,050	\$ 527,050
2017	4.85%	500,000	24,250	524,250
Totals		\$ 980,000	\$ 71,300	\$ 1,051,300

LONG-TERM DEBT REQUIREMENTS  
 SCHEDULE OF DEBT CERTIFICATES OUTSTANDING  
 April 30, 2015  
 (Unaudited)

General Obligation Debt Certificates:  
 Series 2011  
 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
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>\$ 2,205,000</u>	<u>\$ 246,500</u>	<u>\$ 2,451,500</u>

LONG-TERM DEBT REQUIREMENTS  
 SCHEDULE OF BONDS OUTSTANDING  
 April 30, 2015  
 (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
2016	2.00%	\$ 535,000	\$ 177,450	\$ 712,450
2017	2.00%	550,000	167,450	717,450
2018	2.00%	555,000	155,750	710,750
2019	2.00%	565,000	144,650	709,650
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>\$ 6,650,000</u>	<u>\$ 1,194,150</u>	<u>\$ 7,844,150</u>