

COMPREHENSIVE ANNUAL FINANCIAL REPORT



FISCAL YEAR ENDED APRIL 30, 2020



Village of Franklin Park, Illinois

**Comprehensive Annual Financial Report
with Supplemental Information
April 30, 2020**

**Prepared By:
Administration and Finance Department**

Introductory Section

Letter of Transmittal	i-iv
GFOA Certificate of Achievement	v
Organization Chart	vi
List of Principal Officials	vii

Financial Section

Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-11

Basic Financial Statements

Government-wide Financial Statements:	
Statement of Net Position	12-13
Statement of Activities	14-15

Fund Financial Statements:

Governmental Funds:

Balance Sheet	16
Reconciliation of the Balance Sheet to the Statement of Net Position	17
Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	18
Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) to the Statement of Activities	19

Proprietary Funds:

Statement of Net Position	20-21
Statement of Revenue, Expenses, and Changes in Net Position	22
Statement of Cash Flows	23-24

Fiduciary Funds:

Statement of Fiduciary Net Position	25
Statement of Changes in Fiduciary Net Position	26

Notes to Financial Statements	27-60
-------------------------------	-------

Required Supplemental Information

Budgetary Comparison Schedule - General Corporate Fund	62
Budgetary Comparison Schedule - Major Special Revenue Fund	63
Schedule of Changes in the Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund Regular Plan	64
Schedule of Village Contributions - Illinois Municipal Retirement Fund Regular Plan	65
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)	66
Schedule of Village Contributions - Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan (SLEP)	67
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Police Pension Fund	68
Schedule of Village Contributions - Police Pension Fund	69
Schedule of Changes in the Village Net Pension Liability and Related Ratios - Firefighters' Pension Fund	70
Schedule of Village Contributions - Firefighters' Pension Fund	71
Schedule of Changes in the Total OPEB Liability and Related Ratios - No Trust	72
Schedule of OPEB Contributions	73
Notes to Required Supplemental Information	74-75

Other Supplemental Information	76
Nonmajor Governmental Funds:	
Combining Balance Sheet	77-78
Combining Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)	79-80
Budgetary Comparison Schedules - Nonmajor Governmental Funds	81-92
Nonmajor Enterprise Funds:	
Combining Statement of Net Position	93
Combining Statement of Revenue, Expenses, and Changes in Net Position	94
Combining Statement of Cash Flows	95
Fiduciary Funds:	
Statement of Fiduciary Net Position	96
Statement of Changes in Fiduciary Net Position	97
Agency Fund:	
Statement of Assets and Liabilities	98
Statement of Changes in Assets and Liabilities	99
<u>Statistical Section</u>	100
Description of the Statistical Section	101
Financial Trend Information	
Net Position by Component - Last Ten Fiscal Years	102
Changes in Governmental Net Position - Last Ten Fiscal Years	103
Changes in Business Type Net Position - Last Ten Fiscal Years	104
Changes in Net Position - Last Ten Fiscal Years	105-106
Fund Balances, Governmental Funds - Last Ten Fiscal Years	107
Changes in Fund Balances, Governmental Funds - Last Ten Fiscal Years	108-109
Revenue Capacity Information	
Assessed Value and Actual Value of Taxable Property - Last Ten Calendar (Tax) Years	110
Representative Property Tax Rates - All Direct and Overlapping Governments - Last Ten Calendar (Tax) Years	111-112
Principal Taxpayers - Calendar (Tax) Years 2019 and 2009	113
Property Tax Levies and Collections - Last Ten Fiscal Years	114
Sales Tax Receipt Analysis by Sector - Last Ten Calendar Years	115
Direct and Overlapping Sales Tax Rates - Last Ten Fiscal Years	116
Debt Capacity Information	
Ratios of Total Debt to Equalized Assessed Valuation and Personal Income and Total Debt Per Capita - Last Ten Fiscal Years	117
Schedule of Bonded Debt Retirement	118
Schedule of Direct and Overlapping Debt	119
Debt Limit	120
Demographic and Economic Information	
Demographic Statistics - Last Ten Calendar Years	121
Major Employers Located Within Village Limits - Calendar Years 2009 and 2019	122
Operating Information	
Operating Information and Indicators - Last Ten Calendar Years	123
Capital Asset Statistics - Last Ten Calendar Years	124
Full-Time Equivalent Employees - Last Ten Calendar Years	125

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	126-128
Schedule of Findings and Questioned Costs	129-131

Introductory Section



VILLAGE OF FRANKLIN PARK
DAVID A. GONZALEZ, COMPTROLLER

January 13, 2021

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

The Comprehensive Annual Financial Report of the Village of Franklin Park, Illinois for the year ended April 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the Village annually issue a report on its financial position and activity presented in conformance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with generally accepted auditing standards by an independent firm of certified public accountants.

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

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

The Village of Franklin Park's financial statements have been audited by Plante & Moran PLLC, an independent licensed certified public accounting firm. The goal of the independent audit is to provide reasonable assurance that the financial statements of the Village of Franklin Park for the fiscal year ended April 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon audit, that there was a reasonable basis for rendering an unmodified opinion that the Village's financial statements for the fiscal year ended April 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

VILLAGE GOVERNMENT PROFILE

General Description

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

Form of Government

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

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

Village Services

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

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

Budgeting

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

ECONOMIC AND FINANCIAL NEXUS

Economic Base

Because of its proximity to Chicago – O'Hare International Airport and the presence of one of the nation's largest rail freight yards, the Village has long been an important industrial center; traditionally ranked the third or fourth largest in Illinois. Indeed, over the past ten years, industrial property has accounted for an average 54.0% of the Village's equalized assessed value (EAV): When combined with commercial and railroad property, the three classes have averaged 66.5% of the Village's EAV over the same period.

Economic Condition

As an essentially blue-collar community, the Village is subjected to the more or less natural ups and downs of the national, regional and local economies. The recent Covid-19 pandemic has also caused a lot of uncertainty.

Specifically, the unemployment rate, which was at 7.3% in CY14, receded to 3.7% in CY19, but has risen to 7.9% as of September 2020 due to the pandemic. Building permit revenue fell 50.4% to \$655,000 in revenue.

There are several signs of improvement. The Village experienced an increase in assessed value from the 2018 levy to the 2019 levy of 20.8% as many projects were completed in FY19 and the tri-annual reassessment for property taxes occurred in 2019. Additionally, the Village's one percent non-home rule sales tax (all proceeds of which are dedicated to road repair), again produced \$1.5 million in FY20 as it did in the previous three fiscal years.

Village Finances

In FY20 the Village's general fund balance decreased by \$685,000. Increases in property tax revenue of \$1 million were offset by a decrease in building permit revenue of \$1.6 million. The General fund remains strong and stable at 36% of general fund expenditures. The Enterprise Funds increased in net position by \$1.9 million in FY20.

Despite these positive signs, there remains considerable challenges.

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

- The FY 2020 increase of water and sewer rates had helped the fund's net position and is projected to continue to provide sufficient cash flow to sustain a capital replacement program.
- The FY 2015 referendum-approved one percent non-home rule sales tax has generated an average of \$1.5 million annually during the past four fiscal years and is fully dedicated to fund road renewal and replacement.

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

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

THE FUTURE

With the recent Covid-19 pandemic, the Village's financial health is uncertain. The economic recovery over the past few years has recently made a downturn due to the pandemic, and the future impact is unknown. The Village will monitor their finances due to the expected revenue losses by reducing expenditures.

The Village appears to be at the forefront, at least with respect to its local peers, in rationally addressing its infrastructure needs. Indeed, infrastructure renewal is and will be the major focus of Village management for some time to come.

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

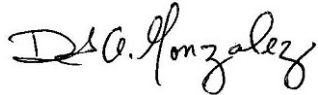
AWARDS & ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Village of Franklin Park for its comprehensive annual financial report (CAFR) for the fiscal year ended April 30, 2019. In order to receive this prestigious award, the Village had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

Our 2020 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another award.

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

Respectfully submitted,

A handwritten signature in black ink that reads "D.A. Gonzalez". The signature is written in a cursive, flowing style.

David A. Gonzalez
Village Comptroller



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Village of Franklin Park
Illinois**

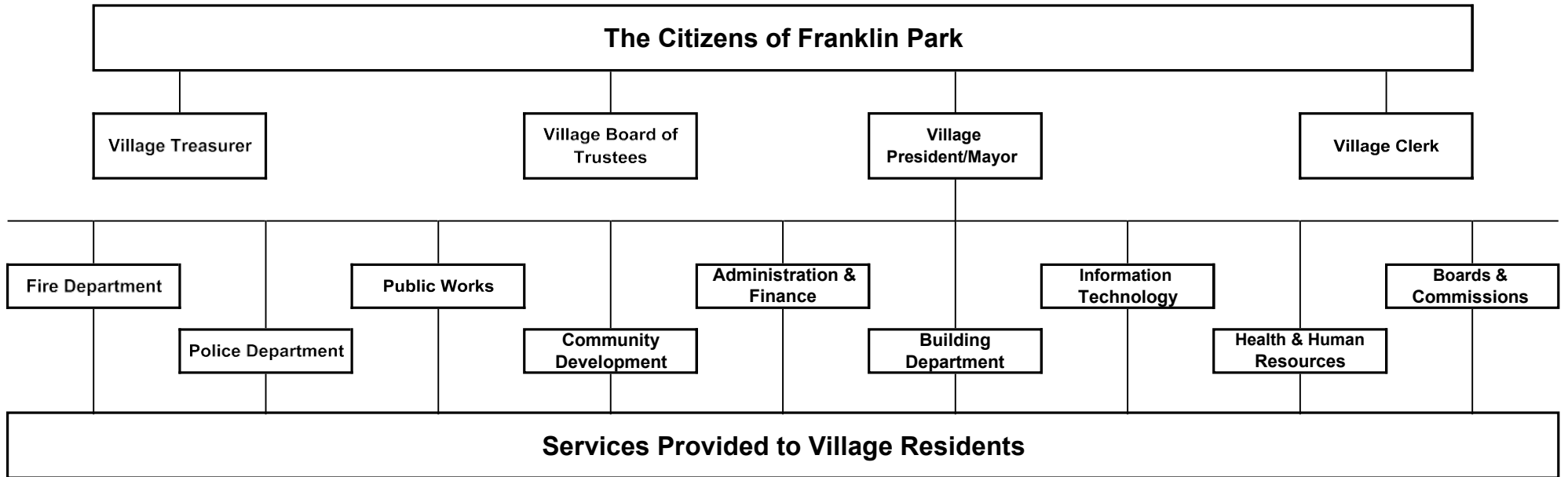
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

April 30, 2019

Christopher P. Morrill

Executive Director/CEO

Village of Franklin Park, Illinois
Organizational Chart



PRINCIPAL OFFICIALS

VILLAGE OF FRANKLIN PARK, ILLINOIS

Fiscal Year Ended April 30, 2020

BOARD OF TRUSTEES

<u>Name</u>	<u>Position</u>	<u>Term Ends</u>
Barrett F. Pedersen	President	2021
Roberta Johnson	Clerk	2021
Irene Avitia	Trustee	2023
John Johnson	Trustee	2021
Gil Hagerstrom	Trustee	2023
Bill Ruhl	Trustee	2023
Karen Special	Trustee	2021
Andy Ybarra	Trustee	2021

VILLAGE DEPARTMENT HEADS

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

OFFICIAL ISSUING REPORT

David Gonzalez	Comptroller
----------------	-------------

DIVISION ISSUING REPORT

Administration and Finance Department

Financial Section

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Franklin Park, Illinois (the "Village") as of and for the year ended April 30, 2020 and the related notes to the financial statements, which collectively comprise the Village of Franklin Park, Illinois' basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Police Pension Fund or the Firefighters' Pension Fund, which represent all of the financial balances and activity of the pension trust funds. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the pension trust funds, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The Police Pension Fund and the Firefighters' Pension Fund were not audited under *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 of Franklin Park, Illinois as of April 30, 2020 and the respective changes in its financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

Other Matters

Required Supplemental Information

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

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2021 on our consideration of the Village of Franklin Park, Illinois' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the 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 of Franklin Park, Illinois' internal control over financial reporting and compliance.



January 13, 2021

As management of the Village of Franklin Park, Illinois (the "Village"), we offer readers this narrative overview and analysis of the financial activities for the year ended April 30, 2020.

Financial Highlights

Among the more noteworthy changes during fiscal year 2020 are the following:

At the entitywide level:

- Assets employed in governmental activities plus deferred outflows related to pensions increased \$11.2 million, while liabilities plus deferred inflows increased \$17.1 million. This resulted in a decrease in net position of \$6.0 million.
- Revenue supporting governmental activities decreased by approximately \$134,000 from fiscal year 2019, while expenses increased by approximately \$4.6 million.
- Assets employed in business-type activities plus deferred outflows related to pensions decreased \$750,000, as liabilities plus deferred inflows decreased approximately \$2.7 million. As a result, business-type activities net position was raised by \$2.0 million.
- Business-type revenue increased approximately \$658,000 from fiscal year 2019, while expenses increased approximately \$221,000.
- The Village's assets plus deferred outflows increased \$10.4 million, and total liabilities plus deferred inflows increased \$14.4 million. As a result, total net position decreased by \$4.0 million.
- Total Village revenue increased approximately \$524,000, and total expenses increased approximately \$4.8 million.

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

- General Corporate Fund assets decreased \$1.1 million, while liabilities plus deferred inflows decreased by \$412,000, resulting in a decrease of approximately \$685,000 in fund balance.
- Governmental funds' assets increased by \$180,000, while liabilities and deferred inflows decreased \$49,000. Accordingly, governmental fund balances increased by \$229,000.
- General Corporate Fund revenue decreased by \$967,000 from fiscal year 2019 levels, while expenditures rose by about \$1.5 million. A net decrease in other financing sources of \$563,000 resulted in a decrease of approximately \$685,000 in fund balance.
- Total governmental fund revenue decreased \$780,000, while expenditures increased by \$2.7 million. There was a net negative swing of \$674,000 in other sources. These changes resulted in a fund balance increase of approximately \$229,000.
- Proprietary fund assets and deferred outflows decreased by \$4.4 million, while liabilities and deferred inflows decreased by \$6.2 million. Accordingly, net position increased \$1.9 million.
- Enterprise fund operating revenue increased \$377,000, while operating expenses increased by \$563,000, resulting in an operating gain of approximately \$784,000. After giving effect to approximately \$835,000 in net nonoperating expenses, a capital contribution of approximately \$278,000, and net transfers in of \$1.6 million, net position increased by \$1.9 million.

Overview of the Financial Statements

The discussion and analysis provided here are intended to serve as an introduction to the Village's basic financial statements. The Village's basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also includes supplemental information intended to furnish additional detail to support the basic financial statements themselves.

Government-wide Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Village's finances in a manner similar to a private-sector business. The statement of net position presents financial information on all of the Village's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating. The statement of activities presents information showing how the Village's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenue and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., the cost of pension and other postemployment benefits).

Both of the government-wide financial statements distinguish functions of the Village that are principally supported by taxes and intergovernmental revenue (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Village include general government, public safety, highways and streets, public health, community development, and the building department. The business-type activities of the Village include providing water and sewage disposal, as well as garbage and commuter parking lot.

The government-wide financial statements include not only the Village itself (known as the primary government) but also the legally separate Franklin Community Fund for which the Village is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

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 Village's funds can be divided into the following three categories:

- **Governmental funds** - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in assessing a government's near-term financing requirements. The Village maintains 20 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenue, expenditures, and changes in fund balances (deficit) for the General Corporate Fund and the Downtown Franklin Avenue TIF Fund. Information from the Village's 18 other governmental funds is combined into a single-column presentation. Individual fund information for these nonmajor governmental funds is provided elsewhere in the report.
- **Proprietary funds** - The Village maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village uses enterprise funds to account for its water and sewage disposal activities, garbage collection, and commuter parking operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Village's various functions. The Village uses internal service funds to account for its fleet of vehicles.

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

- **Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Village's fiduciary funds include both the pension trust funds and agency funds.

Notes and Other Information

The notes provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements. In addition to the basic financial statements and accompanying notes, this report also presents required supplemental information concerning the Village's progress in funding its obligation to provide pension and OPEB benefits to its employees. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplemental information on pensions and OPEB.

The Village's Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Assets						
Current and other assets:						
Cash and investments	\$ 14,579,943	\$ 13,997,593	\$ 1,976,072	\$ 3,852,764	\$ 16,556,015	\$ 17,850,357
Receivables	10,368,893	10,391,092	1,371,118	1,583,232	11,740,011	11,974,324
Other assets	6,268,026	5,131,867	413,800	143,572	6,681,826	5,275,439
Capital assets	51,196,429	51,803,427	52,400,238	50,826,706	103,596,667	102,630,133
Total assets	82,413,291	81,323,979	56,161,228	56,406,274	138,574,519	137,730,253
Deferred Outflows of Resources	28,164,844	18,099,558	251,120	757,994	28,415,964	18,857,552
Liabilities						
Current liabilities	3,567,206	3,820,451	2,226,569	2,494,590	5,793,775	6,315,041
Noncurrent liabilities	166,836,724	148,561,458	29,865,547	32,529,165	196,702,271	181,090,623
Total liabilities	170,403,930	152,381,909	32,092,116	35,023,755	202,496,046	187,405,664
Deferred Inflows of Resources	12,745,089	13,619,207	694,438	506,862	13,439,527	14,126,069
Net Position (Deficit)						
Net investment in capital assets	15,064,868	12,658,461	24,714,909	20,736,857	39,779,777	33,395,318
Restricted	10,742,377	11,774,606	-	-	10,742,377	11,774,606
Unrestricted	(98,378,129)	(91,010,646)	(1,089,115)	896,794	(99,467,244)	(90,113,852)
Total net position (deficit)	\$ (72,570,884)	\$ (66,577,579)	\$ 23,625,794	\$ 21,633,651	\$ (48,945,090)	\$ (44,943,928)

Total village assets plus deferred outflows grew by \$10.4 million (6.6 percent). Total village liabilities plus deferred inflows increased by \$14.4 million (7.1 percent). Accordingly, total net position decreased by \$4.0 million, to negative \$48.9 million.

Governmental assets plus deferred outflows grew \$11.2 million (11.2 percent) due to a \$1.7 million increase in current and other assets, a decrease of approximately \$607,000 in capital assets, and a \$10.1 million increase in deferred outflows due to pension.

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

The \$1.7 million increase in current and other governmental assets was due to large fluctuations in several categories:

- Receivables due from other governments increased \$644,000 (120.1 percent) due to increased receivables from IDOT of \$231,000 from the prior year and a new receivable in fiscal year 2020 of \$401,000 from Cook County, Illinois for the Franklin Avenue project
- Net pension asset increased \$1.1 million (2013.4 percent).
- A \$1.3 million (7.3 percent) decrease in cash attributable to a decrease in the Water and Sewer Fund of \$1.6 million (22.6 percent) due to an increase in capital asset purchases.

Total capital assets decreased by \$997,000 (0.9 percent), the majority of which is due to accumulated depreciation offset by the additions to construction in progress.

Liabilities plus deferred inflows flowing from governmental activities grew \$17.4 million (10.7 percent), as current liabilities fell by approximately \$253,000 (6.6 percent) and noncurrent liabilities plus deferred inflows grew \$17.4 million, or 10.7 percent.

Total current liabilities decreased by approximately \$521,000, largely driven by a \$431,000 decrease in amounts due to pension funds (100.0 percent) and a \$140,000 decrease in amounts due to other governmental units.

Noncurrent liabilities increased \$15.6 million (8.6 percent), which was principally driven by retirement benefits increases (pension liability of \$17.8 million, or 20.1 percent, and OPEB obligation of \$2.2 million, or 9.5 percent). These increases were offset by a \$364,000 (7.6 percent) reduction in loans payable and a \$4.1 million (6.9 percent) reduction in bonds payable.

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

The Village's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenue						
Program revenue:						
Charges for services	\$ 3,977,683	\$ 6,267,723	\$ 14,430,065	\$ 14,052,730	\$ 18,407,748	\$ 20,320,453
Operating grants	199,807	188,945	-	-	199,807	188,945
Capital grants	2,073,810	1,259,515	278,198	-	2,352,008	1,259,515
General revenue:						
Property taxes	19,633,228	18,662,081	-	-	19,633,228	18,662,081
Unrestricted intergovernmental revenue	5,561,356	5,567,964	-	-	5,561,356	5,567,964
Investment earnings	69,915	68,930	20,279	17,833	90,194	86,763
Other revenue:						
Public service and state-shared taxes	6,159,925	5,573,576	-	-	6,159,925	5,573,576
Sale of capital assets	21,360	196,261	-	-	21,360	196,261
Other miscellaneous income	897,247	943,658	-	-	897,247	943,658
Total revenue	38,594,331	38,728,653	14,728,542	14,070,563	53,322,873	52,799,216
Expenses						
General government	6,875,899	6,243,724	-	-	6,875,899	6,243,724
Public safety	25,951,009	22,414,463	-	-	25,951,009	22,414,463
Highway and streets	5,543,742	5,857,118	-	-	5,543,742	5,857,118
Public health	278,573	296,347	-	-	278,573	296,347
Community development	2,129,384	1,297,220	-	-	2,129,384	1,297,220
Building department	846,272	853,913	-	-	846,272	853,913
Interest on long-term debt	1,333,132	1,427,540	-	-	1,333,132	1,427,540
Water and sewer	-	-	12,431,705	12,448,077	12,431,705	12,448,077
Garbage	-	-	1,674,252	1,660,011	1,674,252	1,660,011
Commuter parking lot	-	-	260,067	36,481	260,067	36,481
Total expenses	42,958,011	38,390,325	14,366,024	14,144,569	57,324,035	52,534,894
Transfers	(1,629,625)	(1,983,250)	1,629,625	1,983,250	-	-
Change in Net Position	(5,993,305)	(1,644,922)	1,992,143	1,909,244	(4,001,162)	264,322
Net Position - Beginning of year, as previously reported	(66,577,579)	(61,313,009)	21,633,651	19,924,961	(44,943,928)	(41,388,048)
Cumulative Effect of Change in Accounting	-	(3,619,648)	-	(200,554)	-	(3,820,202)
Net Position (Deficit) - Beginning of year, as restated	(66,577,579)	(64,932,657)	21,633,651	19,724,407	(44,943,928)	(45,208,250)
Net Position (Deficit) - End of year	\$ (72,570,884)	\$ (66,577,579)	\$ 23,625,794	\$ 21,633,651	\$ (48,945,090)	\$ (44,943,928)

Governmental activities revenue before transfers decreased from fiscal year 2019 levels by approximately \$134,000, or 0.3 percent, attributable to several sources:

- Charges for services fell \$2.3 million, most of which is due to a drop in the building permits revenue of \$1.6 million (71.4 percent).

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

This decrease was partially offset by increases in other revenue categories:

- Capital grant receipts grew by approximately \$814,000 due to larger receipts in the Capital Fund from IDOT and Cook County, Illinois for the Franklin Avenue project.
- Property tax revenue increased by approximately \$971,000 (5.2 percent).
- Other intergovernmental revenue increased just over approximately \$586,000 (10.5 percent).

Governmental activities expenses increased by approximately \$4.6 million (11.9 percent).

- General government expenses decreased approximately \$632,000 (10.1 percent) largely due to lower legal fees.
- Highway and streets expenses decreased by \$313,000 (5.4 percent) due to lower vehicle maintenance costs in 2020.
- Building department expenses decreased by approximately \$8,000 (1.0 percent).
- Interest expenses decreased approximately \$94,000 (or 6.6 percent).
- Public safety expenses increased by \$3.5 million (15.8 percent) primarily due to higher pension contribution expenses.
- Community development expenses increased approximately \$832,000 (or 64.2 percent) largely due to the purchase of a property within the LifeFitness TIF for \$302,000 and increased development expenses in the Seymour/Waveland TIF of \$314,000 from 2019.

Financial Analysis of Individual Funds

As noted earlier, the Village uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The focus of the Village's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Village's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of a government's net resources available for discretionary use, as it represents the portion of the fund balance that has not yet been limited to use for a particular purpose by an external party. Uncommitted or unassigned fund balance provides further information about the resources that have not been constrained by either the board of trustees, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the board of trustees.

Governmental Funds

Governmental fund revenue decreased \$780,000 (2 percent) from fiscal year 2019 levels. For funds other than the General Corporate Fund, revenue increased \$187,000. This is attributable to a decrease in charges for services of \$1.9 million, primarily in the General Corporate Fund, offset by an increase in property tax revenue of \$971,000.

General Corporate Fund Revenue

The \$967,000 General Corporate Fund revenue decrease was due to several factors:

- Charges for service decreased by \$1.9 million (50.9 percent). The majority of this is from a \$1.6 million decrease in building permits due to a substantial decrease in construction in the Village.
- Property tax revenue increased by \$1.0 million (8.6 percent) to offset the large charges for services decrease.

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

General Corporate Fund Expenditures

General Corporate Fund expenditures increased by \$1.5 million (5.6 percent), with large fluctuations in several areas from the prior year.

- Public safety increased by \$1.4 million (9.0 percent), which was largely a result of higher police and fire pension contributions of \$506,000 and \$823,000, respectively, in 2020 in order to meet the annual requirement determined by the pension actuaries.
- Capital outlay increased by \$100,000 (10.1 percent). This was largely a result of the purchase of an ambulance for \$158,000 in 2020.

Other Major Governmental Funds

The Village presents one additional major governmental fund other than the General Corporate Fund, the Downtown Franklin Avenue TIF Fund. The Downtown Franklin Avenue TIF Fund fund balance increased by approximately \$59,000 (2.0 percent) in fiscal year 2020. This was a result of increased property tax revenue in fiscal year 2020.

Enterprise Funds

Enterprise fund operating revenue increased \$377,000 (2.7 percent) from fiscal year 2019, while operating expenses increased by \$563,000 (4.3 percent), resulting in operating income of approximately \$784,000 for fiscal year 2020. After giving effect to net nonoperating expenses, a gain on the sale of assets, and transfers, the funds' collective net position increased by \$1.9 million.

Enterprise Fund Revenue

Water and Sewer Fund operating revenue grew by \$412,000 (3.2 percent). This was a result of an increase in water sales of \$224,000 and an increase in sewage disposal charges of \$188,000.

Garbage Fund revenue fell by \$35,000 (3.0 percent). This was a result of an increase in late fees of \$10,000 from the previous year, offset by a \$45,000 decrease in collection fees netted with bad debt.

Commuter Parking Lot Fund revenue stayed fairly consistent, increasing only \$343 (10.4 percent).

Enterprise Fund Expenses

Water and Sewer Fund expenses grew by \$306,000 (2.7 percent). Repairs and maintenance expenses decreased by \$286,000 (11.5 percent) due to fewer expenses for storm sewer improvements and sewer lining as large projects were completed in the prior year. Supplies and services expenses increased \$406,000 (10.9 percent) due to the installation of new pumps in the Village and increased engineering fees for various projects. Billing and administrative costs increased \$283,000 (15.8 percent) due to increases in health insurance expenses from fiscal year 2019 and a higher pension expense in fiscal year 2020.

The Village's Garbage Fund saw an expense increase of \$33,000 (2.0 percent).

Commuter Parking Lot Fund expenses increased by \$234,000 (612.9 percent), \$167,000 of which is the result of the Village starting a construction project to increase the size of the commuter parking lot in fiscal year 2020.

General Corporate Fund Budgetary Highlights

Actual revenue was better than budgeted by approximately \$448,000 (1.5 percent), while actual expenditures came in better than the budget by approximately \$856,000 (2.9 percent). Taken together with other financing sources being approximately \$184,000 lower than the amount budgeted for and other financing uses being approximately \$580,000 over budget, this resulted in an overall negative variance of approximately \$356,000. The sale of capital assets and loan for new debt issued were not budgeted for. Transfers out were also more than budgeted due to a transfer from the General Corporate Fund to the Fleet Maintenance Fund that was not originally budgeted for.

Charges for services came in much lower than anticipated, falling short of the budget by approximately \$744,000 (28.7 percent). This is largely attributable to building permit revenue being under budget by \$655,000 (50.4 percent) due to less construction occurring in the Village than was expected. Utility taxes also fell short of the amount budgeted, coming in approximately \$406,000 short (9.7 percent). Licenses were \$350,000 (21.1 percent under budget) mostly due to plumbing permits (under budget by \$106,000) and 50/50 sidewalk revenue (under budget by \$100,000).

Positive revenue variances that offset the above occurred in the following categories:

- Property taxes - approximately \$384,000 (3.0 percent)
- Revolving development revenue, a new revenue source in fiscal year 2020 that was not budgeted for - \$239,000
- Investment income - approximately \$6,500 (162.7 percent)

Results were less mixed on the expenditure side with many expenditures coming in under budget, resulting in a net positive variance of approximately \$856,000. The most significant negative variance occurred in public safety (approximately \$259,000, 1.5 percent) due to pension expenditures exceeding the budget. The largest positive variance occurred in community development (\$468,000, 53.0 percent), reflecting the postponement of a property purchase and improvements to that property. Also coming in under budget were general government (approximately \$220,000, 3.6 percent), highway and street department (approximately \$324,000), and building department (approximately \$29,000, 3.5 percent).

Capital Assets and Debt Administration

Assets deployed in governmental activities fell by approximately \$607,000. A piece of property with a value of approximately \$302,000 was purchased, thereby increasing the balance of land. Also, there was an increase of approximately \$1.6 million in construction in progress and a net increase of approximately \$69,000 in vehicles and equipment after taking into account current year additions and disposals of equipment. Accumulated depreciation increased by \$2.6 million.

Business-type net capital assets increased by approximately \$1.6 million. Nondepreciable capital assets increased \$3.0 million for construction in progress for the Reuters project. There no other additions or any deletions for the year. Finally, accumulated depreciation increased by \$1.4 million.

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

At April 30, 2020, the Village had \$196,702,271 outstanding in total long-term debt, including \$166,836,724 in governmental activities and \$29,865,553 in business-type activities.

Net governmental debt increased \$18.3 million, \$18.4 million of which is attributable to the increase in the net pension liability and approximately \$2 million of which is attributable to the increase in the OPEB liability for the year. There was \$1.9 million in bond payments during fiscal year 2020. The remaining decrease of \$0.2 million is the reduction in leases and loans payable.

Net business-related debt decreased \$2.7 million. This is due to bond payments of \$2.0 million, lease payments of approximately \$338,000, and a decrease of approximately \$569,000 in the net pension liability. There was an increase of approximately \$188,000 in the net OPEB liability.

Village of Franklin Park, Illinois

Management's Discussion and Analysis (Continued)

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

Economic Factors and Next Year's Budgets and Rates

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

That said, there are several signs of improvement. Sales tax revenue, which, in fiscal year 2015, hit its lowest point in the previous 10 years, has rebounded over the past 5 years. Additionally, the Village's 1 percent non-home rule sales tax (all proceeds of which are dedicated to road repair) produced \$1.5 million in fiscal year 2020, consistent with the prior three fiscal years. The Village saw an increase in the 2019 tax base of 26.2 percent due to the triannual reassessment.

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

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) a pandemic. On March 15, Illinois Governor Pritzker ordered a statewide closing of businesses that were not considered essential due to the pandemic. As a result, the Village expects to experience loss of revenue and jobs. The Village will rely on reserves to continue to provide the same high level of service to its residents during these challenging times. These economic uncertainties may negatively impact changes in fund balance/net position. Other financial impacts could occur though such potential impacts are unknown at this time.

Requests for Further Information

This financial report is intended to provide a general overview of the Village's finances and demonstrate the Village's accountability for the money it receives. If you have questions about this report or need additional information, please contact the Office of the Comptroller, Village of Franklin Park, Illinois at 9500 Belmont Avenue, Franklin Park, IL 60131.

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

Village of Franklin Park, Illinois

Statement of Net Position

April 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Assets				
Cash and investments (Note 2)	\$ 14,579,943	\$ 1,976,072	\$ 16,556,015	\$ 33,791
Receivables:				
Property taxes receivable	8,250,332	-	8,250,332	-
Customer receivables	-	2,418,060	2,418,060	-
Other receivables	97,256	-	97,256	-
Due from other governments	1,181,070	-	1,181,070	-
Other taxes receivable	1,465,751	-	1,465,751	-
Allowance for doubtful accounts	(542,541)	(1,129,917)	(1,672,458)	-
Internal balances	(82,975)	82,975	-	-
Prepaid expenses and other assets	550,860	124,406	675,266	19,200
IPBC reserve	681,276	-	681,276	-
Restricted assets	789,855	-	789,855	-
Investment in joint venture (Note 14)	408,069	-	408,069	-
Land held for resale	2,953,938	-	2,953,938	-
Net pension asset (Note 9)	884,028	289,394	1,173,422	-
Capital assets: (Note 4)				
Assets not subject to depreciation	15,473,574	5,511,813	20,985,387	-
Assets subject to depreciation - Net	35,722,855	46,888,425	82,611,280	-
Total assets	82,413,291	56,161,228	138,574,519	52,991
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	26,782,337	120,232	26,902,569	-
Deferred OPEB costs (Note 15)	1,382,507	130,888	1,513,395	-
Total deferred outflows of resources	28,164,844	251,120	28,415,964	-
Liabilities				
Accounts payable	1,147,633	2,033,703	3,181,336	-
Due to other governmental units	1,158,838	-	1,158,838	-
Refundable deposits, bonds, etc.	14,954	-	14,954	-
Accrued liabilities and other:				
Accrued salaries and wages	561,726	45,146	606,872	-
Accrued interest payable	417,082	147,720	564,802	-
Unearned revenue	266,973	-	266,973	-
Noncurrent liabilities:				
Due within one year: (Note 5)				
Compensated absences	230,009	129,064	359,073	-
Leases payable	13,412	-	13,412	-
Current portion of loans payable	360,575	101,328	461,903	-
Current portion of bonds payable	1,835,250	1,864,750	3,700,000	-
Due in more than one year:				
Compensated absences (Note 5)	920,037	-	920,037	-
Leases payable (Note 5)	702,794	-	702,794	-
Loans payable (Note 5)	3,439,415	286,496	3,725,911	-
Net pension liability (Note 9)	106,414,114	-	106,414,114	-
Net OPEB liability (Note 15)	22,826,401	2,161,080	24,987,481	-
Bonds payable - Net of current portion (Note 5)	30,094,717	25,322,829	55,417,546	-
Total liabilities	170,403,930	32,092,116	202,496,046	-

Village of Franklin Park, Illinois

Statement of Net Position (Continued)

April 30, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
Deferred Inflows of Resources				
Deferred benefit on bond refunding	\$ 475,253	\$ 109,926	\$ 585,179	\$ -
Property taxes levied for the following year	7,645,768	-	7,645,768	-
Deferred pension cost reductions (Note 9)	3,169,507	446,802	3,616,309	-
Deferred OPEB cost reductions (Note 15)	1,454,561	137,710	1,592,271	-
Total deferred inflows of resources	12,745,089	694,438	13,439,527	-
Net Position (Deficit)				
Net investment in capital assets	15,064,868	24,714,909	39,779,777	-
Restricted:				
Public safety	396,827	-	396,827	-
TIF development	4,097,195	-	4,097,195	-
Debt service	4,036,842	-	4,036,842	-
Highways and streets	2,211,513	-	2,211,513	-
Unrestricted	(98,378,129)	(1,089,115)	(99,467,244)	52,991
Total net position (deficit)	\$ (72,570,884)	\$ 23,625,794	\$ (48,945,090)	\$ 52,991

Village of Franklin Park, Illinois

Functions/Programs	Expenses	Program Revenue		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 6,875,899	\$ 1,117,496	\$ -	\$ -
Public safety	25,951,009	1,482,039	180,020	-
Highway and streets	5,543,742	-	-	2,073,810
Public health	278,573	-	19,787	-
Community development	2,129,384	42,600	-	-
Building department	846,272	1,335,548	-	-
Interest on long-term debt	1,333,132	-	-	-
Total governmental activities	42,958,011	3,977,683	199,807	2,073,810
Business-type activities:				
Water and sewer	12,431,705	13,211,679	-	278,198
Garbage	1,674,252	1,140,862	-	-
Commuter parking lot	260,067	77,524	-	-
Total business-type activities	14,366,024	14,430,065	-	278,198
Total primary government	\$ 57,324,035	\$ 18,407,748	\$ 199,807	\$ 2,352,008
Component units	\$ 128,257	\$ -	\$ 139,820	\$ -
General revenue:				
Property taxes				
Unrestricted intergovernmental revenue - Sales tax and income tax				
Intergovernmental revenue - Public service taxes and state-shared taxes - Utility tax and other taxes				
Unrestricted investment income				
Gain on sale of capital assets				
Other miscellaneous income				
Total general revenue				
Transfers				
Change in Net Position				
Net Position (Deficit) - Beginning of year				
Net Position (Deficit) - End of year				

Statement of Activities

Year Ended April 30, 2020

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business-type Activities	Total	Component Unit
\$ (5,758,403)	\$ -	\$ (5,758,403)	\$ -
(24,288,950)	-	(24,288,950)	-
(3,469,932)	-	(3,469,932)	-
(258,786)	-	(258,786)	-
(2,086,784)	-	(2,086,784)	-
489,276	-	489,276	-
(1,333,132)	-	(1,333,132)	-
(36,706,711)	-	(36,706,711)	-
-	1,058,172	1,058,172	-
-	(533,390)	(533,390)	-
-	(182,543)	(182,543)	-
-	342,239	342,239	-
(36,706,711)	342,239	(36,364,472)	-
-	-	-	11,563
19,633,228	-	19,633,228	-
5,561,356	-	5,561,356	-
6,159,925	-	6,159,925	-
69,915	20,279	90,194	-
21,360	-	21,360	-
897,247	-	897,247	-
32,343,031	20,279	32,363,310	-
(1,629,625)	1,629,625	-	-
(5,993,305)	1,992,143	(4,001,162)	11,563
(66,577,579)	21,633,651	(44,943,928)	41,428
\$ (72,570,884)	\$ 23,625,794	\$ (48,945,090)	\$ 52,991

Village of Franklin Park, Illinois

Governmental Funds Balance Sheet

April 30, 2020

	General Corporate Fund	Downtown Franklin Avenue TIF Fund	Nonmajor Funds	Total Governmental Funds
Assets				
Cash and investments (Note 2)	\$ 5,239,227	\$ -	\$ 9,749,232	\$ 14,988,459
Receivables:				
Property taxes receivable	6,827,849	-	1,422,483	8,250,332
Other receivables	44,987	-	52,269	97,256
Due from other governments	11,974	-	1,169,096	1,181,070
Other taxes receivable	1,411,378	-	54,373	1,465,751
Allowance for doubtful accounts	(401,741)	-	(140,800)	(542,541)
Advances to other funds (Note 8)	3,119,173	-	719,316	3,838,489
Prepaid expenses and other assets	550,860	-	-	550,860
IPBC reserve	681,276	-	-	681,276
Restricted assets	-	-	789,855	789,855
	<u>\$ 17,484,983</u>	<u>\$ -</u>	<u>\$ 13,815,824</u>	<u>\$ 31,300,807</u>
Total assets				
Liabilities				
Accounts payable	\$ 717,427	\$ 7,998	\$ 406,757	\$ 1,132,182
Bank overdraft	-	-	408,516	408,516
Due to other governmental units	-	-	1,158,838	1,158,838
Advances from other funds (Note 8)	-	2,865,927	568,814	3,434,741
Refundable deposits, bonds, etc.	11,000	-	3,954	14,954
Accrued liabilities and other	554,942	-	57	554,999
Unearned revenue	266,973	-	-	266,973
	<u>1,550,342</u>	<u>2,873,925</u>	<u>2,546,936</u>	<u>6,971,203</u>
Total liabilities				
Deferred Inflows of Resources				
Unavailable revenue	-	-	934,404	934,404
Property taxes levied for the following year	6,377,590	-	1,268,178	7,645,768
	<u>6,377,590</u>	<u>-</u>	<u>2,202,582</u>	<u>8,580,172</u>
Total deferred inflows of resources				
Total liabilities and deferred inflows of resources	7,927,932	2,873,925	4,749,518	15,551,375
Fund Balances (Deficit)				
Nonspendable	4,351,309	-	-	4,351,309
Restricted:				
Public safety	-	-	465,345	465,345
TIF development	-	-	4,670,683	4,670,683
Debt service	-	-	4,036,842	4,036,842
Highways and streets	1,970,613	-	803,088	2,773,701
Assigned - Subsequent year's budget	2,679,737	-	-	2,679,737
Unassigned	555,392	(2,873,925)	(909,652)	(3,228,185)
	<u>9,557,051</u>	<u>(2,873,925)</u>	<u>9,066,306</u>	<u>15,749,432</u>
Total fund balances (deficit)				
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 17,484,983</u>	<u>\$ -</u>	<u>\$ 13,815,824</u>	<u>\$ 31,300,807</u>

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Balance Sheet to the Statement of Net Position

April 30, 2020

Fund Balances Reported in Governmental Funds	\$ 15,749,432
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and are not reported in the funds	51,196,429
Receivables that are not collected soon after year end are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds	934,404
Land held for resale does not represent financial resources and is not reported in the funds	2,953,938
Investments in joint ventures are not financial resources and are not reported in the funds	408,069
Bonds payable, loans payable, and capital lease obligations are not due and payable in the current period and are not reported in the funds	(35,195,946)
Unamortized bond premiums and discounts associated with long-term debt payable are not reported in the funds	(1,250,217)
Deferred charges on bond refunding associated with long-term debt payable are not reported in the funds	(475,253)
Accrued interest is not due and payable in the current period and is not reported in the funds	(417,082)
Some employee fringe benefits are payable over a long period of years and do not represent a claim on current financial resources; therefore, they are not reported as fund liabilities:	
Employee compensated absences	(1,150,046)
Pension benefits and related deferred inflows and outflows	(81,909,808)
Retiree health care benefits	(22,356,480)
Internal service funds are included as part of governmental activities	<u>(1,058,324)</u>
Net Position (Deficit) of Governmental Activities	<u><u>\$ (72,570,884)</u></u>

Village of Franklin Park, Illinois

Governmental Funds

Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit)

Year Ended April 30, 2020

	General Corporate Fund	Downtown Franklin Avenue TIF Fund	Nonmajor Funds	Total Governmental Funds
Revenue				
Taxes:				
Property taxes	\$ 13,169,286	\$ 243,648	\$ 6,220,294	\$ 19,633,228
Income taxes	1,803,208	-	-	1,803,208
State-shared revenue and grants	3,758,148	-	-	3,758,148
Intergovernmental:				
Grant revenue	78,822	-	1,655,338	1,734,160
Utility tax	3,788,939	-	-	3,788,939
Other taxes	1,699,343	-	676,518	2,375,861
Charges for services	1,848,360	-	64,258	1,912,618
Fines and forfeitures	755,109	-	116,110	871,219
Licenses and permits	1,309,956	-	-	1,309,956
Investment income	10,508	278	59,129	69,915
Other revenue	848,182	-	61,925	910,107
Total revenue	29,069,861	243,926	8,853,572	38,167,359
Expenditures				
Current services:				
General government	5,893,914	-	9,000	5,902,914
Public safety	17,019,103	-	87,464	17,106,567
Highway and streets	2,703,112	-	264,210	2,967,322
Public health	277,922	-	-	277,922
Community development	413,990	11,519	1,676,041	2,101,550
Building department	785,454	-	-	785,454
Capital outlay	1,106,312	-	1,717,330	2,823,642
Debt service	416,995	-	3,343,137	3,760,132
Total expenditures	28,616,802	11,519	7,097,182	35,725,503
Excess of Revenue Over Expenditures	453,059	232,407	1,756,390	2,441,856
Other Financing Sources (Uses)				
Transfers in (Note 8)	-	255,000	1,630,864	1,885,864
Transfers out (Note 8)	(1,305,000)	(428,550)	(2,531,939)	(4,265,489)
New debt issued	157,991	-	-	157,991
Sale of capital assets	8,500	-	-	8,500
Total other financing uses	(1,138,509)	(173,550)	(901,075)	(2,213,134)
Net Change in Fund Balances	(685,450)	58,857	855,315	228,722
Fund Balances (Deficit) - Beginning of year	10,242,501	(2,932,782)	8,210,991	15,520,710
Fund Balances (Deficit) - End of year	\$ 9,557,051	\$ (2,873,925)	\$ 9,066,306	\$ 15,749,432

Village of Franklin Park, Illinois

Governmental Funds Reconciliation of the Statement of Revenue, Expenditures, and Changes in Fund Balances (Deficit) to the Statement of Activities

Year Ended April 30, 2020

Net Change in Fund Balances Reported in Governmental Funds	\$ 228,722
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation:	
Capital outlay	2,189,333
Depreciation expense	(2,796,331)
Revenue in the statement of activities that does not provide current financial resources is not reported as revenue in the funds until it is available	418,472
Change in deferred charges on refunding	59,045
Issuing debt provides current financial resources to governmental funds but increases long-term liabilities in the statement of net position	(157,991)
Repayment of bond principal is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	2,052,827
Interest expense is recognized in the government-wide statements as it accrues	45,458
Repayment of principal on capital leases is an expenditure in the governmental funds but not in the statement of activities (where it reduces long-term debt)	131,381
Some employee costs (pension, OPEB, and compensated absences) do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(8,847,439)
Change in unamortized bond premiums and discounts	138,289
Change in investment in joint venture	4,208
Internal service funds are included as part of governmental activities - All other items	540,721
Change in Net Position of Governmental Activities	<u>\$ (5,993,305)</u>

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position

April 30, 2020

	Enterprise Funds			Internal Service Fund
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Fleet Maintenance Fund
Assets				
Current assets:				
Cash and investments (Note 2)	\$ 1,908,347	\$ 67,725	\$ 1,976,072	\$ -
Receivables:				
Customer receivables	2,047,810	370,250	2,418,060	-
Allowance for doubtful accounts	(956,904)	(173,013)	(1,129,917)	-
Prepaid expenses and other assets	124,406	-	124,406	-
Total current assets	3,123,659	264,962	3,388,621	-
Noncurrent assets:				
Advances to other funds (Note 8)	400,000	-	400,000	-
Net pension asset (Note 9)	289,394	-	289,394	57,953
Capital assets: (Note 4)				
Assets not subject to depreciation	5,511,813	-	5,511,813	-
Assets subject to depreciation - Net	46,881,894	6,531	46,888,425	-
Total noncurrent assets	53,083,101	6,531	53,089,632	57,953
Total assets	56,206,760	271,493	56,478,253	57,953
Deferred Outflows of Resources				
Deferred pension costs (Note 9)	120,232	-	120,232	24,078
Deferred OPEB costs (Note 15)	130,888	-	130,888	32,722
Total deferred outflows of resources	251,120	-	251,120	56,800
Liabilities				
Current liabilities:				
Accounts payable	1,876,656	157,047	2,033,703	15,451
Accrued liabilities and other:				
Accrued salaries and wages	43,893	1,253	45,146	6,727
Accrued interest payable	147,720	-	147,720	-
Compensated absences (Note 5)	129,064	-	129,064	-
Current portion of loans payable (Note 5)	101,328	-	101,328	-
Current portion of bonds payable (Note 5)	1,864,750	-	1,864,750	-
Total current liabilities	4,163,411	158,300	4,321,711	22,178
Noncurrent liabilities:				
Advances from other funds (Note 8)	-	-	-	803,748
Loans payable (Note 5)	286,496	-	286,496	-
Net OPEB liability (Note 15)	2,161,080	-	2,161,080	540,269
Bonds payable - Net of current portion (Note 5)	25,322,829	-	25,322,829	-
Total noncurrent liabilities	27,770,405	-	27,770,405	1,344,017
Total liabilities	31,933,816	158,300	32,092,116	1,366,195

Village of Franklin Park, Illinois

Proprietary Funds Statement of Net Position (Continued)

April 30, 2020

	Enterprise Funds			Internal Service Fund
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Fleet Maintenance Fund
Deferred Inflows of Resources				
Deferred benefit on bond refunding	\$ 109,926	\$ -	\$ 109,926	\$ -
Deferred pension cost reductions (Note 9)	446,802	-	446,802	89,479
Deferred OPEB cost reductions (Note 15)	137,710	-	137,710	34,428
Total deferred inflows of resources	694,438	-	694,438	123,907
Net Position (Deficit)				
Net investment in capital assets	24,708,378	6,531	24,714,909	-
Unrestricted	(878,752)	106,662	(772,090)	(1,375,349)
Total net position (deficit)	\$ 23,829,626	\$ 113,193	23,942,819	\$ (1,375,349)
Amounts reported for business-type activities in the statement of net position are different because a portion of the internal service fund is included as business-type activities			(317,025)	
Total Net Position			\$ 23,625,794	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Revenue, Expenses, and Changes in Net Position

Year Ended April 30, 2020

	Enterprise Funds			Internal Service Fund
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Fleet Maintenance Fund
Operating Revenue				
Sale of water	\$ 8,194,762	\$ -	\$ 8,194,762	\$ -
Sewage disposal charges	5,008,585	-	5,008,585	-
Other sales to customers	-	1,218,386	1,218,386	-
Other revenue	8,332	-	8,332	-
Charges to other funds	-	-	-	340,000
Total operating revenue	13,211,679	1,218,386	14,430,065	340,000
Operating Expenses				
Cost of water	3,526,613	-	3,526,613	-
Repairs and maintenance	2,203,263	274,401	2,477,664	-
Billing and administrative costs	2,077,722	4,587	2,082,309	281,841
Supplies and services	2,457,145	1,667,720	4,124,865	132,260
Depreciation	1,432,294	2,278	1,434,572	-
Total operating expenses	11,697,037	1,948,986	13,646,023	414,101
Operating Income (Loss)	1,514,642	(730,600)	784,042	(74,101)
Nonoperating Revenue (Expense)				
Investment interest and FMV changes	20,040	239	20,279	-
Interest expense	(855,179)	-	(855,179)	-
Total nonoperating (expense) revenue	(835,139)	239	(834,900)	-
Income (Loss) - Before capital contributions and transfers	679,503	(730,361)	(50,858)	(74,101)
Capital Contributions - Capital grants	278,198	-	278,198	-
Transfers In (Note 8)	1,629,625	3,959,736	5,589,361	750,000
Transfers Out (Note 8)	(3,959,736)	-	(3,959,736)	-
Change in Net Position	(1,372,410)	3,229,375	1,856,965	675,899
Net Position (Deficit) - Beginning of year	25,202,036	(3,116,182)	22,085,854	(2,051,248)
Net Position (Deficit) - End of year	<u>\$ 23,829,626</u>	<u>\$ 113,193</u>	<u>\$ 23,942,819</u>	<u>\$ (1,375,349)</u>
Net Change in Net Position - Total enterprise funds			\$ 1,856,965	
Amounts reported for business-type activities in the statement of activities are different because a portion of the internal service fund is included as business-type activities			135,178	
Change in Net Position of Business-type Activities			<u>\$ 1,992,143</u>	

Village of Franklin Park, Illinois

Proprietary Funds Statement of Cash Flows

Year Ended April 30, 2020

	Enterprise Funds			Internal Service Fund
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Fleet Maintenance Fund
Cash Flows from Operating Activities				
Receipts from customers	\$ 13,521,820	\$ 1,255,537	\$ 14,777,357	\$ -
Receipts from interfund services and reimbursements	-	-	-	340,000
Payments to suppliers	(8,503,564)	(1,935,382)	(10,438,946)	(126,779)
Payments to employees and fringes	(1,848,152)	-	(1,848,152)	(254,478)
Net cash and cash equivalents provided by (used in) operating activities	3,170,104	(679,845)	2,490,259	(41,257)
Cash Flows from Noncapital Financing Activities				
Transfers from other funds	1,629,625	3,959,736	5,589,361	-
Repayment of implied bank financing	-	(3,448,512)	(3,448,512)	-
Transfers to other funds	(3,959,736)	-	(3,959,736)	-
Receipts from loans to other funds	-	-	-	41,257
Net cash and cash equivalents (used in) provided by noncapital financing activities	(2,330,111)	511,224	(1,818,887)	41,257
Cash Flows from Capital and Related Financing Activities				
Receipt of capital grants	278,198	-	278,198	-
Purchase of capital assets	(3,008,103)	-	(3,008,103)	-
Principal and interest paid on capital debt	(3,286,950)	-	(3,286,950)	-
Net cash and cash equivalents used in capital and related financing activities	(6,016,855)	-	(6,016,855)	-
Cash Flows Provided by Investing Activities -				
Interest received on investments	20,040	239	20,279	-
Net Decrease in Cash and Cash Equivalents	(5,156,822)	(168,382)	(5,325,204)	-
Cash and Cash Equivalents - Beginning of year	7,065,169	236,107	7,301,276	-
Cash and Cash Equivalents - End of year	<u>\$ 1,908,347</u>	<u>\$ 67,725</u>	<u>\$ 1,976,072</u>	<u>\$ -</u>
Classification of Cash and Cash Equivalents -				
Cash and investments	<u>\$ 1,908,347</u>	<u>\$ 67,725</u>	<u>\$ 1,976,072</u>	<u>\$ -</u>

Village of Franklin Park, Illinois

**Proprietary Funds
Statement of Cash Flows (Continued)**

Year Ended April 30, 2020

	Enterprise Funds			Internal Service Fund
	Water and Sewer Fund	Nonmajor Enterprise Funds	Total	Fleet Maintenance Fund
Reconciliation of Operating Income (Loss) to Net Cash from Operating Activities				
Operating income (loss)	\$ 1,514,642	\$ (730,600)	\$ 784,042	\$ (74,101)
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation	1,432,294	2,278	1,434,572	-
Changes in assets and liabilities:				
Receivables	310,141	37,151	347,292	-
Prepaid and other assets	19,166	-	19,166	-
Net pension asset	(989,056)	-	(989,056)	346,544
Accounts payable	(239,998)	11,326	(228,672)	5,481
Net pension and OPEB liabilities	188,110	-	188,110	(493,242)
Deferrals related to pension and OPEB	935,266	-	935,266	178,567
Accrued and other liabilities	(461)	-	(461)	(4,506)
Total adjustments	<u>1,655,462</u>	<u>50,755</u>	<u>1,706,217</u>	<u>32,844</u>
Net cash and cash equivalents provided by (used in) operating activities	<u><u>\$ 3,170,104</u></u>	<u><u>\$ (679,845)</u></u>	<u><u>\$ 2,490,259</u></u>	<u><u>\$ (41,257)</u></u>
Significant Noncash Transactions -				
The General Corporate Fund transferred funds to the internal service fund to forgive old loans from the General Corporate Fund to the internal service fund	\$ -	\$ -	\$ -	\$ 750,000

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Fiduciary Net Position

April 30, 2020

	Pension Trust Funds	Agency Funds
Assets		
Cash and investments	\$ 2,851,994	\$ 19,961
Investments:		
Certificates of deposit	2,037,404	-
U.S. government securities	8,171,398	-
Stocks	2,260,735	-
Bonds	10,046,325	-
Insurance contracts	4,734,415	-
Equity mutual funds	27,703,118	-
Receivables - Accrued interest receivable	106,007	-
Prepaid expenses and other assets	8,961	-
	<u>57,920,357</u>	<u>\$ 19,961</u>
Total assets		
Liabilities		
Accounts payable	22,448	\$ -
Refundable deposits, bonds, etc.	-	19,961
	<u>22,448</u>	<u>\$ 19,961</u>
Total liabilities		
Net Position Restricted for Pensions	<u><u>\$ 57,897,909</u></u>	

Village of Franklin Park, Illinois

Fiduciary Funds Statement of Changes in Fiduciary Net Position

Year Ended April 30, 2020

	<u>Pension Trust Funds</u>
Additions	
Investment income (loss):	
Interest and dividends	\$ 1,501,030
Net increase in fair value of investments	(1,832,155)
Investment-related expenses	<u>(109,893)</u>
Net investment loss	(441,018)
Contributions:	
Employer contributions	5,643,924
Employee contributions	<u>792,149</u>
Total contributions	<u>6,436,073</u>
Total additions	5,995,055
Deductions	
Benefit payments	6,469,721
Administrative expenses	<u>136,299</u>
Total deductions	<u>6,606,020</u>
Net Decrease in Net Position Held in Trust	(610,965)
Net Position Restricted for Pensions - Beginning of year	<u>58,508,874</u>
Net Position Restricted for Pensions - End of year	<u><u>\$ 57,897,909</u></u>

Note 1 - Significant Accounting Policies

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

Reporting Entity

The Village of Franklin Park, Illinois is a municipal corporation governed by an elected board. The accompanying financial statements present the Village and its component units, entities for which the Village is considered to be financially accountable. Blended component units are, in substance, part of the Village's operations, even though they are separate legal entities. Thus, blended component units are appropriately presented as funds of the Village. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Village.

Blended Component Units

Foreign Fire Insurance Premium Tax Fund

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

Police Pension Fund

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

Firefighters' Pension Fund

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

Note 1 - Significant Accounting Policies (Continued)

Discretely Presented Component Unit

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

Accounting and Reporting Principles

The Village follows accounting principles generally accepted in the United States of America (GAAP), as applicable to governmental units. Accounting and financial reporting pronouncements are promulgated by the Governmental Accounting Standards Board (GASB). The following is a summary of the significant accounting policies used by the Village:

Fund Accounting

The Village accounts for its various activities in several different funds in order to demonstrate accountability for how it spends certain resources; separate funds allow the Village to show the particular expenditures for which specific revenue is used. The various funds are aggregated into three broad fund types:

Governmental Funds

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

- *General Corporate Fund* - The primary operating fund because it accounts for all financial resources used to provide general government services, other than those specifically assigned to another fund.
- *Downtown Franklin Avenue TIF Fund* - A special revenue fund used to account for the tax increment financing revenue and expenditures within the Downtown Franklin Avenue TIF District.

Proprietary Funds

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

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

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

Note 1 - Significant Accounting Policies (Continued)

Fiduciary Funds

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

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

Interfund Activity

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

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

Basis of Accounting

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

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

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

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

Note 1 - Significant Accounting Policies (Continued)

Report Presentation

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

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

As a general rule, the effect of interfund activity has been removed from the government-wide financial statements. Exceptions to this general rule occur when there are charges between the Village's water and sewer and nonmajor enterprise functions and various other functions of the Village. Eliminations of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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

Specific Balances and Transactions

Cash and Investments

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

Inventories and Prepaid Items

Inventories are valued at cost, on a first-in, first-out basis. Certain payments to vendors reflect costs applicable to future fiscal years and are recorded as prepaid items in both government-wide and fund financial statements, when applicable.

Restricted Assets

There are two components to the restricted assets recorded within the Cullerton Ave capital projects fund. The loans payable held at Cook County, Illinois on behalf of the Village and paid with tax revenue require a debt reserve of cash to be held at the county to cover the next period's principal payment. A total of \$300,000 of the restricted assets as of April 30, 2020 represents this reserve. The remaining restricted assets of \$489,855 represent cash held at Cook County, Illinois on behalf of the Village to be used for future principal and interest payments on the loans payable.

Note 1 - Significant Accounting Policies (Continued)

Capital Assets

Capital assets, which include property, plant, equipment, intangible assets, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the Village as assets with an initial individual cost of more than \$0 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

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

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

	<u>Depreciable Life - Years</u>
Buildings	40
Infrastructure	20-75
Water and sewer system	10-75
Vehicles and equipment	5-10

Long-term Obligations

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

The Village reports the following deferred outflows of resources and deferred inflows of resources:

	<u>Outflows</u>	<u>Inflows</u>
Unavailable revenue (those not collected within the period of availability) - Reported only at the modified accrual level		✓
Deferred benefit on bond refunding		✓
Deferred pension costs (or cost reductions)	✓	✓
Deferred OPEB costs (or cost reductions)	✓	✓
Property taxes levied for the following year		✓

Note 1 - Significant Accounting Policies (Continued)

Net Position

Net position of the Village is classified in three components. Net investment in capital assets consists of capital assets net of accumulated depreciation and is reduced by the current balances of any outstanding borrowings used to finance the purchase or construction of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the remaining net position that does not meet the definition of invested in capital or restricted.

Net Position Flow Assumption

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

Fund Balance Flow Assumptions

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

Fund Balance Policies

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

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Village's highest level of decision-making authority. The village board of trustees is the highest level of decision-making authority for the Village that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation. As of April 30, 2020, the Village does not have any commitments of fund balance.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The village board of trustees may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist only temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment. As of April 30, 2020, the Village has assigned fund balance of \$2,679,737 related to the FY 2021 budget.

The governmental funds balance sheet reports \$465,345 of restricted fund balance for the function of public safety. Within this function, there are two purposes as follows: \$68,990 restricted for use within the fire department and \$396,355 restricted for use on law enforcement.

Note 1 - Significant Accounting Policies (Continued)

Property Tax Revenue

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

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

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

Pension

The Village offers defined benefit pension plans to its employees. The Village records a net pension liability or asset for the difference between the total pension liability calculated by the actuary and the pension plans' fiduciary net position. For the purpose of measuring the net pension liability or asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Illinois Municipal Retirement Fund Regular Plan, Illinois Municipal Retirement Fund Sheriff's Law Enforcement Plan, Police Pension Plan, and Firefighters' Pension Plan and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by the pension plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Other Postemployment Benefit Costs

The Village offers retiree health care benefits to retirees. The Village records a net OPEB liability for the difference between the total OPEB liability calculated by the actuary and the OPEB plan's fiduciary net position. For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. The Village has not set aside any funds to date toward this liability; hence, the unfunded net OPEB liability is equal to the total OPEB liability calculated by the actuary.

Note 1 - Significant Accounting Policies (Continued)

Compensated Absences (Vacation and Sick Leave)

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

Proprietary Funds Operating Classification

Proprietary funds distinguish operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of proprietary funds is charges to customers for sales or services. Operating expenses for these funds include the cost of sales or services and administrative expenses and may include depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Use of Estimates

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

Upcoming Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*, which establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the 2020-2021 fiscal year.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2021.

In June 2017, the GASB issued Statement No. 87, *Leases*, which improves accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2023.

Note 1 - Significant Accounting Policies (Continued)

In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement establishes criteria to improve the information that is disclosed in the notes to governments' financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which simplifies accounting for interest cost incurred before the end of construction and requires those costs to be expensed in the period incurred. As a result, interest cost incurred before the end of a construction period will not be capitalized and included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This statement also reiterates that, in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of the standard will be applied prospectively and result in increased interest expense during periods of construction. The provisions of this statement are effective for the Village's financial statements for the April 30, 2022 fiscal year.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests*. This statement improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. The Village is currently evaluating the impact this standard will have on the financial statements when adopted for the year ending April 30, 2021.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*, which clarifies the existing definition of conduit debt, provides a single method of reporting conduit debt obligations by issuers, and eliminates diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. As a result, issuers should not recognize a liability for items meeting the definition of conduit debt; however, a liability should be recorded for additional or voluntary commitments to support debt service if certain recognition criteria are met. The standard also addresses the treatment of arrangements where capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by a third-party obligor. The requirements of the standard will be applied retrospectively and are effective for the Village's financial statements for the April 30, 2023 fiscal year.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses eight unrelated practice issues and technical inconsistencies in authoritative literature. The standard addresses leases, intraentity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The standard has various effective dates. The Village does not believe this pronouncement will have a significant impact on its financial statements but is still making a full evaluation.

In March 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. With the London Interbank Offered Rate (LIBOR) expecting to cease existence in its current form at the end of 2021, this statement addresses accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR) in hedging derivative instruments and leases. The standard is effective for the Village's financial statements for the April 30, 2022 fiscal year. Lease modification requirements are effective one year later.

Note 1 - Significant Accounting Policies (Continued)

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, to bring a uniform guidance on how to report public-private and public-public partnership arrangements. As a result, transferors in public-private or public-public arrangements will recognize receivables for installment payments, deferred inflows of resources, and, when applicable, capital assets. Operators will recognize liabilities for installment payments and intangible right-to-use assets and, when applicable, deferred outflows of resources and liabilities for assets being transferred. This statement also provides guidance for accounting and financial reporting for availability payment arrangements, in which a government compensates an operator for services such as designing, constructing, financing, maintaining, or operating an underlying asset for a period of time in an exchange or exchange-like transaction. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2024.

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*, which defines SBITAs and provides accounting and financial reporting for SBITAs by governments. This statement requires a government to recognize a subscription liability and an intangible right-to-use subscription asset for SBITAs. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement are effective for the Village's financial statements for the year ending April 30, 2024.

In June 2020, the GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. While this standard had certain aspects impacting defined contribution pension and OPEB plans and other employee benefit plans that were effective immediately, it also clarifies when a 457 should be considered a pension plan or an other employee benefit plan to assist in the application of GASB Statement No. 84 to these types of plans. The Village is currently evaluating the impact this standard will have on the financial statements when adopted. The provisions of this statement related to 457 plans are effective for the Village's financial statements for the year ending April 30, 2023.

Note 2 - Deposits and Investments

Deposits and investments of the Village, excluding the pension trust funds, are reported in the financial statements as follows:

	Governmental Activities	Business-type Activities
Cash and cash equivalents	\$ 11,579,219	\$ 967,341
Investments	3,000,724	1,008,731
Restricted cash and investments	789,855	-
Total	<u>\$ 15,369,798</u>	<u>\$ 1,976,072</u>

Note 2 - Deposits and Investments (Continued)

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

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

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that, in the event of a bank failure, the Village's deposits may not be returned to it. The carrying amount of cash, excluding the pension trust funds, was \$17,345,870 at April 30, 2020, while the bank balances were \$18,177,951. All account balances at banks were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000 or collateralized with securities of the U.S. government or with letters of credit issued by the Federal Home Loan Bank held in the Village's name by financial institutions acting as the Village's agent.

At April 30, 2020, the Police Pension Fund's carrying amount of cash was \$1,535,559, while the bank balances were \$972,721. The FDIC insures bank balances up to \$250,000. At April 30, 2020, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Police Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance since flow-through FDIC insurance is available for the Police Pension Fund's deposits with financial institutions.

At April 30, 2020, the Firefighters' Pension Fund's carrying amount and bank balances of cash were \$1,316,435 and \$1,215,771, respectively. The FDIC insures bank balances up to \$250,000. At April 30, 2020, the entire amount of the bank balance of the deposits was covered by federal depository or equivalent insurance. The Firefighters' Pension Fund's investment policy does not require pledging of collateral for all bank balances in excess of federal depository insurance, since flow-through FDIC insurance is available for the Firefighters' Pension Fund's deposits with financial institutions.

Investments

The following schedule reports the fair values for the Village's investments (excluding pension trust funds) as of April 30, 2020. All investments mature in less than one year:

	<u>Fair Value</u>
Money market mutual fund	\$ 2,072,699
Treasurer Illinois Funds	1,936,756

Note 2 - Deposits and Investments (Continued)

Custodial Credit Risk of Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the Village or the Police Pension or Firefighters' Pension funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. Mutual funds are not subject to custodial credit risk disclosures. The Village limits its exposure to custodial credit risk by utilizing independent third-party institutions, selected by the Village, to act as custodians for its securities and collateral, as described in the Village's investment policy. The Village's investments are fully collateralized as of April 30, 2020. Although not required by the Police Pension or Firefighters' Pension funds' investment policies, the Police Pension and Firefighters' Pension funds limit their exposure to custodial credit risk by utilizing an independent third-party institution, selected by the Police Pension or Firefighters' Pension funds, to act as custodian for its securities and collateral.

Interest Rate Risk

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

The Police Pension and Firefighters' Pension funds' formal investment policies limit their exposure to interest rate risk by structuring the portfolio to provide liquidity while at the same time matching investment maturities to projected fund liabilities.

The following schedule reports the fair values and maturities for the Police Pension and Firefighters' Pension funds' investments at April 30, 2020:

Police Pension Fund	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Treasury notes	\$ 4,058,427	\$ -	\$ 1,673,355	\$ 2,385,072	\$ -
U.S. government agency securities	612,221	-	828	287	611,106
Corporate bonds	5,350,082	920,819	2,374,028	2,055,235	-
Total	\$ 10,020,730	\$ 920,819	\$ 4,048,211	\$ 4,440,594	\$ 611,106

Firefighters' Pension Fund	Fair Value	Less Than 1 Year	1-5 Years	6-10 Years	More Than 10 Years
U.S. Treasury notes	\$ 1,350,373	\$ -	\$ 874,433	\$ 475,940	\$ -
U.S. government agency securities	2,150,377	-	184,031	1,180,954	785,392
Corporate bonds	4,696,243	205,443	2,282,043	2,062,982	145,775
Total	\$ 8,196,993	\$ 205,443	\$ 3,340,507	\$ 3,719,876	\$ 931,167

Credit Risk

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

Note 2 - Deposits and Investments (Continued)

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

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

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

Investment	Fair Value
Police Pension Fund - Unrated	\$ 562,028
Firefighters' Pension Fund - Unrated	210,439

Concentration of Credit Risk

The Village limits the amount the Village may invest in any one issuer; no more than 50 percent of the funds may be invested in a single institution, as described in the adopted village investment policy. More than 5 percent of the Village's investments (excluding pension trust funds) are in the Amalgamated Bank money market mutual fund (11 percent).

The Police Pension Fund diversifies investments so as to minimize the risk of large losses, and the securities of any one company should not exceed 5 percent of the total fund and no more than 10 percent of the total fund should be invested in any one industry. At April 30, 2020, more than 5 percent of the Police Pension Fund's investments are in Vanguard Total Stock Market Index Fund, Vanguard Small Cap Index Fund, and MFS International Value Fund. These investments are 24, 9, and 7 percent, respectively, of the Police Pension Fund's total investments.

The Firefighters' Pension Fund's investment policy states the trustees seek to "optimize the asset allocation to best meet the actuarial and cash flow needs of the Pension Fund at a prudent level of risk." At April 30, 2020, more than 5 percent of the Firefighters' Pension Fund's investments are in Principal Life Financial Insurance Contract, Vanguard Total Stock Market Index Fund, Vanguard Total International Stock Index Fund, and Artisan International Investor Fund. These investments are 11, 6, 24, and 6 percent, respectively, of the Firefighters' Pension Fund's total investments.

Note 3 - Fair Value Measurements

The Village categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and liabilities. Level 1 inputs are quoted prices in active markets for identical assets and liabilities, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy.

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

April 30, 2020

Note 3 - Fair Value Measurements (Continued)

The Village has the following recurring fair value measurements as of April 30, 2020:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Governmental and proprietary investment types by fair value measure:				
Mutual funds	\$ -	\$ 2,072,699	\$ -	\$ 2,072,699
Treasurer Illinois Funds	-	1,936,756	-	1,936,756
Total	\$ -	\$ 4,009,455	\$ -	\$ 4,009,455

The Police Pension Fund and Firefighters' Pension Fund had the following recurring fair value measurements as of April 30, 2020:

	Police Pension Fund Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at April 30, 2020
Debt securities:				
U.S. Treasurys	\$ 4,058,427	\$ -	\$ -	\$ 4,058,427
U.S. agencies	-	612,221	-	612,221
Corporate bonds	-	5,350,082	-	5,350,082
Total debt securities	4,058,427	5,962,303	-	10,020,730
Equity securities:				
Insurance contracts	1,418,703	-	-	1,418,703
Mutual funds	15,504,399	-	-	15,504,399
Total equity securities	16,923,102	-	-	16,923,102
Total investments by fair value	\$ 20,981,529	\$ 5,962,303	\$ -	\$ 26,943,832

April 30, 2020

Note 3 - Fair Value Measurements (Continued)

	Firefighters' Pension Fund			
	Assets Measured at Fair Value on a Recurring Basis			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Debt securities:				
U.S. Treasuries	\$ 2,037,404	\$ -	\$ -	\$ 2,037,404
U.S. agencies	-	2,150,377	-	2,150,377
Corporate bonds	-	4,696,243	-	4,696,243
Total debt securities	2,037,404	6,846,620	-	8,884,024
Equity securities:				
Insurance contracts	-	3,315,712	-	3,315,712
Equity securities	2,260,735	-	-	2,260,735
Mutual funds	12,198,719	-	-	12,198,719
Total equity securities	14,459,454	3,315,712	-	17,775,166
Total investments by fair value level	\$ 16,496,858	\$ 10,162,332	\$ -	\$ 26,659,190

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

The fair value of U.S. agencies, corporate bonds, and certificates of deposit at April 30, 2020 was determined primarily based on Level 2 inputs. The Village estimates the fair value of these investments using other inputs, such as interest rates and yield curves, that are observable at commonly quoted intervals.

Note 4 - Capital Assets

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

Governmental Activities

	Balance May 1, 2019	Additions	Disposals	Balance April 30, 2020
Capital assets not being depreciated:				
Land	\$ 4,681,120	\$ 301,728	\$ -	\$ 4,982,848
Construction in progress	8,901,202	1,589,524	-	10,490,726
Subtotal	13,582,322	1,891,252	-	15,473,574
Capital assets being depreciated:				
Infrastructure	135,983,970	-	-	135,983,970
Buildings and improvements	22,328,167	21,969	-	22,350,136
Machinery and equipment	7,618,513	276,112	(206,697)	7,687,928
Subtotal	165,930,650	298,081	(206,697)	166,022,034
Accumulated depreciation:				
Infrastructure	116,128,606	1,860,632	-	117,989,238
Buildings and improvements	6,384,249	534,209	-	6,918,458
Machinery and equipment	5,196,690	401,490	(206,697)	5,391,483
Subtotal	127,709,545	2,796,331	(206,697)	130,299,179
Net capital assets being depreciated	38,221,105	(2,498,250)	-	35,722,855
Net governmental activities capital assets	\$ 51,803,427	\$ (606,998)	\$ -	\$ 51,196,429

April 30, 2020

Note 4 - Capital Assets (Continued)

Business-type Activities

	Balance May 1, 2019	Additions	Disposals and Adjustments	Balance April 30, 2020
Capital assets not being depreciated:				
Land	\$ 185,000	\$ -	\$ -	\$ 185,000
Construction in progress	2,318,709	3,008,104	-	5,326,813
Subtotal	2,503,709	3,008,104	-	5,511,813
Capital assets being depreciated:				
Water and sewer lines	69,315,032	-	-	69,315,032
Storage reservoir pump	5,686,944	-	-	5,686,944
Buildings and improvements	2,172,577	-	-	2,172,577
Machinery and equipment	3,603,824	-	-	3,603,824
Subtotal	80,778,377	-	-	80,778,377
Accumulated depreciation:				
Water and sewer lines	24,070,043	1,140,353	-	25,210,396
Storage reservoir pump	3,928,975	161,348	-	4,090,323
Buildings and improvements	1,323,276	55,237	-	1,378,513
Machinery and equipment	3,133,086	77,634	-	3,210,720
Subtotal	32,455,380	1,434,572	-	33,889,952
Net capital assets being depreciated	48,322,997	(1,434,572)	-	46,888,425
Net business-type activities capital assets	<u>\$ 50,826,706</u>	<u>\$ 1,573,532</u>	<u>\$ -</u>	<u>\$ 52,400,238</u>

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

Governmental activities:	
General government	\$ 159,754
Public safety	625,805
Highway and streets	2,010,772
Total governmental activities	<u>\$ 2,796,331</u>
Business-type activities:	
Water and sewer	\$ 1,432,294
Commuter parking lot	2,278
Total business-type activities	<u>\$ 1,434,572</u>

Construction Commitments

At year end, the Village's commitments with contractors are as follows:

	Spent to Date	Remaining Commitment
Franklin Avenue Design Phase	\$ 1,530,683	\$ 1,500,657
Reuter Phase 2	1,325,996	1,115,809
EOWA Phase 2 S11 Design	24,008	193,451

April 30, 2020

Note 5 - Long-term Debt

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

Governmental Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
General Obligation Bonds (Alternate Revenue Source):							
Series 2011 - \$9,975,000 Payable through 2031	4.00% - 6.25%	\$425,000 - \$880,000	\$ 7,780,000	\$ -	\$ (475,000)	\$ 7,305,000	\$ 500,000
General Obligation Limited Tax Debt Certificates:							
Series 2013 - \$4,760,000 Payable through 2033	3.625% - 5.00%	\$68,738 - \$428,288	4,534,250	-	(164,500)	4,369,750	215,250
General Obligation Refunding Bonds (Alternate Revenue Source):							
Series 2014B - \$3,335,000 Payable through 2023	3.00% - 5.00%	\$235,000 - \$430,000	2,180,000	-	(355,000)	1,825,000	365,000
General Obligation Refunding Bonds (Alternate Revenue Source):							
Series 2015A - \$6,140,000 Payable through 2035	3.625% - 5.00%	\$230,000 - \$1,570,000	6,140,000	-	-	6,140,000	-
General Obligation Refunding Bonds (Alternate Revenue Source):							
Series 2016A - \$8,800,000 Payable through 2031	2.00% - 4.00%	\$30,000 - \$1,200,000	8,635,000	-	(30,000)	8,605,000	35,000
General Obligation Refunding Bonds (Alternate Revenue Source):							
Series 2018 - \$3,835,000 Payable through 2023	4.00%	\$700,000 - \$875,000	3,135,000	-	(700,000)	2,435,000	720,000
Total principal and contracts outstanding			32,404,250	-	(1,724,500)	30,679,750	1,835,250
Unamortized bond premiums			1,573,423	-	(153,459)	1,419,964	-
Unamortized bond discounts			(184,917)	-	15,170	(169,747)	-
Total bonds and contracts payable			33,792,756	-	(1,862,789)	31,929,967	1,835,250
Leases payable			847,586	-	(131,380)	716,206	13,412
Loans payable			3,970,326	157,991	(328,327)	3,799,990	360,575
Net pension liability			88,017,977	18,396,137	-	106,414,114	-
Net OPEB liability			20,839,490	1,986,911	-	22,826,401	-
Compensated absences			1,093,323	374,606	(317,883)	1,150,046	230,009
Total governmental activities long-term debt			<u>\$ 148,561,458</u>	<u>\$ 20,915,645</u>	<u>\$ (2,640,379)</u>	<u>\$ 166,836,724</u>	<u>\$ 2,439,246</u>

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

April 30, 2020

Note 5 - Long-term Debt (Continued)

Business-type Activities

	Interest Rate Ranges	Principal Maturity Ranges	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Bonds and contracts payable:							
General Obligation Limited							
Tax Debt Certificates:							
Series 2013 - \$8,740,000	3.625% -	\$126,263 -					
Payable through 2033	5.00%	\$786,713	\$ 8,320,750	\$ -	\$ (305,500)	\$ 8,015,250	\$ 399,750
General Obligation Refunding							
Bonds (Alternate Revenue							
Source):							
Series 2014A - \$10,445,000	2.00% -	\$780,000 -					
Payable through 2022	5.00%	\$1,545,000	5,195,000	-	(1,405,000)	3,790,000	1,465,000
General Obligation Limited							
Tax Debt Certificates:							
Series 2015 - \$6,855,000	4.00% -	\$260,000 -					
Payable through 2036	5.00%	\$1,030,000	6,855,000	-	-	6,855,000	-
General Obligation Limited							
Tax Debt Certificates:							
Series 2016 - \$2,545,000	4.00% -	\$85,000 -					
Payable through 2036	5.00%	\$1,520,000	2,545,000	-	-	2,545,000	-
General Obligation Limited							
Tax Debt Certificates:							
Series 2018A - \$4,980,000	4.00% -	\$40,000 -					
Payable through 2038	4.50%	\$1,770,000	4,980,000	-	-	4,980,000	-
Total principal and							
contracts outstanding							
			27,895,750	-	(1,710,500)	26,185,250	1,864,750
Unamortized bond premiums							
Unamortized bond discounts							
			1,421,896	-	(258,055)	1,163,841	-
			(173,059)	-	11,547	(161,512)	-
Total bonds and contracts							
payable							
			29,144,587	-	(1,957,008)	27,187,579	1,864,750
Loans payable							
			725,408	-	(337,584)	387,824	101,328
Net pension liability							
			568,774	-	(568,774)	-	-
Net OPEB liability							
			1,972,970	188,110	-	2,161,080	-
Compensated absences							
			117,426	129,064	(117,426)	129,064	129,064
Total business-type							
activities long-term debt							
			<u>\$ 32,529,165</u>	<u>\$ 317,174</u>	<u>\$ (2,980,792)</u>	<u>\$ 29,865,547</u>	<u>\$ 2,095,142</u>

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

Total interest expense for the year was approximately \$2,451,000.

April 30, 2020

Note 5 - Long-term Debt (Continued)

Debt Service Requirements to Maturity

Annual debt service requirements to maturity for the above bonds and note obligations are as follows:

Years Ending April 30	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 2,209,237	\$ 1,496,024	\$ 3,705,261	\$ 1,966,078	\$ 1,134,521	\$ 3,100,599
2022	2,460,478	1,438,700	3,899,178	2,136,627	1,041,406	3,178,033
2023	2,598,579	1,340,552	3,939,131	2,153,480	971,646	3,125,126
2024	2,698,455	1,214,647	3,913,102	1,168,816	901,864	2,070,680
2025	2,372,528	1,091,145	3,463,673	1,071,368	822,465	1,893,833
2026-2030	12,134,048	3,811,650	15,945,698	5,821,387	3,383,783	9,205,170
2031-2035	10,497,636	1,034,729	11,532,365	7,190,471	2,077,426	9,267,897
2036-2040	224,985	6,206	231,191	5,064,847	480,633	5,545,480
Total	<u>\$ 35,195,946</u>	<u>\$ 11,433,653</u>	<u>\$ 46,629,599</u>	<u>\$ 26,573,074</u>	<u>\$ 10,813,744</u>	<u>\$ 37,386,818</u>

Legal Debt Margin

The Village is subject to a legal debt margin of 8.625 percent of equalized assessed value (EAV) of property in the Village. As of April 30, 2020, the equalized assessed valuation of the Village using the tax year 2019 EAV is \$828,461,628, and the legal debt margin is \$71,454,815, while the equalized assessed valuation of the Village using the tax year 2018 EAV (which was also in effect during the fiscal year) is \$656,377,372, and the legal debt margin is \$56,612,548. Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2014B, 2016A, and 2018 are such bonds; therefore, the Village is in compliance.

Debt Covenants

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

Note 6 - Short-term Debt

The Village maintains a \$4,000,000 revolving line of credit with one of its banks. The line provides a liquidity cushion for the Village, largely for use between the twice-yearly receipt of property tax revenue. The Village has maintained a liquidity facility since 2009 when it was \$2,000,000. During the intervening period, the facility has grown to its present \$4,000,000. The line is renewable annually at the end of June. As of April 30, 2020, there were no outstanding draws on the line of credit, and there were no amounts drawn down on the line of credit during the year ended April 30, 2020.

Note 7 - Noncommitment Debt

Tax increment financing notes outstanding as of April 30, 2020 total \$21,084,043. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of noncommitment is as follows:

O’Hare East Industrial Complex Redevelopment Project

A \$8,200,000 note issued on November 1, 2000 bearing interest at 10 percent. The principal balance as of April 30, 2020 is \$8,200,000 plus accrued interest of \$10,929,733, for a total amount due of \$19,129,733. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

Seymour Avenue/Waveland Avenue Redevelopment Project

Series 2017A note of \$1,393,651 issued on May 22, 2017 bearing interest at 8 percent. The principal balance as of April 30, 2020 is \$271,171 plus accrued interest of \$4,458, for a total amount due of \$275,629. The final due date of the note is May 22, 2037. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

Series 2017B note of \$1,678,682 issued on May 22, 2017 with a 0 percent interest rate. The principal balance and total amount due as of April 30, 2020 is \$1,678,682. The final due date of the note is May 22, 2037. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

Note 8 - Interfund Receivables, Payables, and Transfers

The Village has made the following long-term advances between funds:

Fund Borrowed From	Fund Loaned To	Amount
General Corporate Fund	Downtown Franklin Avenue TIF Fund	\$ 1,746,611
	Nonmajor governmental funds	568,814
	Fleet Maintenance Fund	803,748
	Total General Corporate Fund	3,119,173
Nonmajor governmental funds	Downtown Franklin Avenue TIF Fund	719,316
Water and Sewer Fund	Downtown Franklin Avenue TIF Fund	400,000
	Total	<u>\$ 4,238,489</u>

The principal purposes of the interfund receivables and payables were purchases made with cash from a different fund. All remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Related to the interfund receivable and payable between the General Corporate Fund and the Downtown Franklin Avenue TIF Fund of \$1,746,611, the General Corporate Fund lent the Downtown Franklin Avenue TIF Fund money to cover initial costs.

April 30, 2020

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

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

Paying Fund (Transfer Out)	Receiving Fund (Transfer In)	Amount
General Corporate Fund	Downtown Franklin Avenue TIF Fund	\$ 255,000
	Nonmajor governmental funds	300,000
	Fleet Maintenance Fund	750,000
	Total General Corporate Fund	1,305,000
Downtown Franklin Avenue TIF Fund	Nonmajor governmental funds	428,550
Nonmajor governmental funds	Water and Sewer Fund	1,629,625
	Nonmajor governmental funds	902,314
	Total nonmajor governmental funds	2,531,939
Water and Sewer Fund	Nonmajor enterprise funds	3,959,736
	Total	\$ 8,225,225

The transfer between the Corporate Bond and Interest Fund and the Water and Sewer Fund related to tax moneys collected in the Corporate Bond and Interest Fund related to debt principal and interest paid out of the Water and Sewer Fund. The transfers between the Downtown Franklin Avenue TIF Fund, nonmajor governmental funds, and the Corporate Bond and Interest Fund are due to the fact that bond covenants require that expenditures for debt service be shown in the Corporate Bond and Interest Fund; however, the payment related to TIF bonds. The transfers between nonmajor governmental funds related to reappropriation of moneys between contiguous TIF districts. The transfer between the Water and Sewer Fund and the nonmajor enterprise funds represents the financing of operations in the nonmajor enterprise funds in accordance with budgetary restrictions. The transfer between the General Corporate Fund and the Fleet Maintenance Fund represents the forgiveness of old advances made between these funds.

Note 9 - Pension Plans

Plan Description

The Village of Franklin Park, Illinois provides various retirement benefits to employees who meet the eligibility requirements, including age and years of service. The benefits are provided through the Illinois Municipal Retirement Fund (IMRF) Regular Plan, an agent multiple-employer plan administered by IMRF; the IMRF Sheriff's Law Enforcement Plan (SLEP), an agent multiple-employer plan administered by IMRF; the Police Pension Plan, a single-employer plan administered by the Police Pension Fund Board; and the Firefighters' Pension Plan, a single-employer plan administered by the Firefighters' Pension Fund Board.

The Village accounts for the Police Pension Plan and Firefighters' Pension Plan as pension trust funds. Both funds are governed by a five-member board of trustees. Two members of each board are appointed by the Village's mayor, one member of each board is elected by respective pension beneficiaries, and two members of each respective board are elected by the active police and fire employees.

Each pension system issues a publicly available financial report. IMRF issues a publicly available Comprehensive Annual Financial Report available for download at www.imrf.org for the IMRF Regular Plan and IMRF SLEP. The Police Pension Plan and Firefighters' Pension Plan issue their own stand-alone financial reports, which can be obtained by writing to the Village.

Note 9 - Pension Plans (Continued)

Benefits Provided

IMRF Regular Plan and IMRF SLEP

The IMRF Regular Plan provides retirement and disability benefits, postretirement increases, and death benefits to regular plan members and beneficiaries. The IMRF SLEP provides retirement and disability benefits, postretirement increases, and death benefits to sheriff's law enforcement personnel employees and beneficiaries.

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

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

- 3 percent of the original pension amount
- Half of the increase in the Consumer Price Index of the original pension amount

Benefit provisions for both the IMRF Regular Plan and IMRF SLEP are established by statute and may only be changed by the General Assembly of the State of Illinois.

Police Pension Plan and Firefighters' Pension Plan

The Police Pension Plan and Firefighters' Pension Plan cover all sworn police and fire personnel of the Village, respectively. The defined benefits for both funds are governed by Illinois Compiled Statutes (40 ILCS 5/3-1 for Police and ILCS 5/4-1 for Fire) and may be amended only by the Illinois Legislature.

The Police Pension Plan and Firefighters' Pension Plan provide retirement benefits through two tiers of benefits, as well as death and disability benefits. Covered employees hired before January 1, 2011 (Tier 1) attaining the age of 50 or older with 20 or more years of creditable service are entitled to receive an annual retirement benefit of 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 percent of such salary for each additional year of service over 20 years up to 30 years, to a maximum of 75 percent of such salary. Employees with at least 8 years but less than 20 years of credited service may retire at or after age 60 and receive a reduced benefit. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually following the first anniversary date of retirement by 3 percent of the original pension and 3 percent compounded annually thereafter and be paid upon reaching the age of at least 55 years.

Note 9 - Pension Plans (Continued)

Covered employees hired on or after January 1, 2011 (Tier 2) attaining the age of 55 or older with 10 or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officer and firefighter salary for pension purposes is capped at \$106,800, plus the lesser of one-half of the annual change in the Consumer Price Index or 3 percent compounded. The annual benefit shall be increased by 2.5 percent of such a salary for each additional year of service over 20 years up to 30 years to a maximum of 75 percent of such salary. Employees with at least 10 years may retire at or after age 50 and receive a reduced benefit (i.e., 0.5 percent for each month under 55). The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1 after the police officer retires or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually each January thereafter. The increase is the lesser of 3 percent or one-half of the change in the Consumer Price Index for the proceeding calendar year.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	IMRF Regular Plan	IMRF SLEP	Police Pension Plan	Firefighters' Pension Plan
Date of member count	December 31, 2019	December 31, 2019	May 1, 2019	May 1, 2019
Inactive plan members or beneficiaries currently receiving benefits	115	-	50	54
Inactive plan members entitled to but not yet receiving benefits	37	-	-	-
Active plan members	59	-	45	43
Total employees covered by the plan	211	-	95	97

Contributions

IMRF Regular Plan

As set by statute, the Village’s regular plan members are required to contribute 4.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village’s annual contribution rate for calendar years 2020 and 2019 was 8.11 and 5.06 percent, respectively. For the fiscal year ended April 30, 2020, the Village contributed \$240,798 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s board of trustees, while the supplemental retirement benefits rate is set by statute.

IMRF SLEP

As set by statute, the Village’s SLEP plan members are required to contribute 7.5 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended April 30, 2020, the Village contributed \$0 to the plan. The Village also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s board of trustees, while the supplemental retirement benefits rate is set by statute.

Note 9 - Pension Plans (Continued)

Police Pension Plan

Covered employees are required to contribute 9.91 percent of their base salary to the Police Pension 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 and the administrative costs, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2020, the Village's contribution was 66.07 percent of covered payroll.

Firefighters' Pension Plan

Covered employees are required to contribute 9.455 percent of their base 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 accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan and the administrative costs, as actuarially determined by an enrolled actuary. However, effective January 1, 2011, ILCS requires the Village to contribute a minimum amount annually calculated using the projected unit credit actuarial cost method that will result in the funding of 90 percent of the past service cost by the year 2040. The Village has chosen to use the following parameters to fund its pension plan above and beyond the state minimum. For the year ended April 30, 2020, the Village's contribution was 69.27 percent of covered payroll.

Net Pension Liability

The Village chooses a date for each pension plan to measure its net pension liability. This is based on the measurement date of each pension plan, which may be based on a comprehensive valuation as of that date or based on an earlier valuation that has used procedures to roll the information forward to the measurement date.

	<u>IMRF Regular Plan</u>	<u>IMRF SLEP</u>	<u>Police Pension Plan</u>	<u>Firefighters' Pension Plan</u>
Measurement date used for the Village's net pension liability	December 31, 2019	December 31, 2019	April 30, 2020	April 30, 2020
Based on a comprehensive actuarial valuation as of	December 31, 2019	December 31, 2019	May 1, 2019	May 1, 2019

Note 9 - Pension Plans (Continued)

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

IMRF Regular Plan

Changes in Net Pension Liability (Asset)	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability (Asset)
Balance at December 31, 2018	\$ 26,468,874	\$ 24,422,734	\$ 2,046,140
Changes for the year:			
Service cost	399,258	-	399,258
Interest	1,877,837	-	1,877,837
Differences between expected and actual experience	(458,047)	-	(458,047)
Contributions - Employer	-	204,816	(204,816)
Contributions - Employee	-	173,628	(173,628)
Net investment income	-	4,775,687	(4,775,687)
Benefit payments, including refunds	(1,534,619)	(1,534,619)	-
Miscellaneous other charges	-	(182,953)	182,953
Net changes	284,429	3,436,559	(3,152,130)
Balance at December 31, 2019	\$ 26,753,303	\$ 27,859,293	\$ (1,105,990)

The plan's fiduciary net position represents 104.1 percent of the total pension liability.

IMRF SLEP

Changes in Net Pension Asset	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Asset
Balance at December 31, 2018	\$ -	\$ 55,523	\$ (55,523)
Changes for the year:			
Net investment income	-	12,019	(12,019)
Miscellaneous other charges	-	(110)	110
Net changes	-	11,909	(11,909)
Balance at December 31, 2019	\$ -	\$ 67,432	\$ (67,432)

There is no total pension liability for the IMRF SLEP plan, as there are currently no plan participants.

April 30, 2020

Note 9 - Pension Plans (Continued)

Police Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2019	\$ 76,361,551	\$ 28,466,507	\$ 47,895,044
Changes for the year:			
Service cost	1,376,653	-	1,376,653
Interest	4,176,893	-	4,176,893
Changes in benefits	354,089	-	354,089
Differences between expected and actual experience	799,496	-	799,496
Changes in assumptions	7,536,422	-	7,536,422
Contributions - Employer	-	2,917,658	(2,917,658)
Contributions - Employee	-	433,269	(433,269)
Net investment income	-	75,261	(75,261)
Benefit payments, including refunds	(3,281,527)	(3,281,527)	-
Administrative expenses	-	(77,470)	77,470
Net changes	10,962,026	67,191	10,894,835
Balance at April 30, 2020	<u>\$ 87,323,577</u>	<u>\$ 28,533,698</u>	<u>\$ 58,789,879</u>

The plan's fiduciary net position represents 32.7 percent of the total pension liability.

Firefighters' Pension Plan

Changes in Net Pension Liability	Increase (Decrease)		
	Total Pension Liability	Plan Net Position	Net Pension Liability
Balance at April 30, 2019	\$ 68,687,934	\$ 30,042,367	\$ 38,645,567
Changes for the year:			
Service cost	1,137,310	-	1,137,310
Interest	4,008,377	-	4,008,377
Changes in benefits	465,434	-	465,434
Differences between expected and actual experience	620,124	-	620,124
Changes in assumptions	5,766,955	-	5,766,955
Contributions - Employer	-	2,726,266	(2,726,266)
Contributions - Employee	-	358,880	(358,880)
Net investment loss	-	(516,279)	516,279
Benefit payments, including refunds	(3,188,194)	(3,188,194)	-
Administrative expenses	-	(58,829)	58,829
Miscellaneous other charges	(509,494)	-	(509,494)
Net changes	8,300,512	(678,156)	8,978,668
Balance at April 30, 2020	<u>\$ 76,988,446</u>	<u>\$ 29,364,211</u>	<u>\$ 47,624,235</u>

The plan's fiduciary net position represents 38.1 percent of the total pension liability.

April 30, 2020

Note 9 - Pension Plans (Continued)

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

For the year ended April 30, 2020, the Village recognized pension expense of \$13,535,699 from all plans.

At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 8,370,433	\$ 863,171
Changes in assumptions	15,590,688	1,421,526
Net difference between projected and actual earnings on pension plan investments	2,843,955	1,331,612
Employer contributions to the plan subsequent to the measurement date	97,493	-
Total	<u>\$ 26,902,569</u>	<u>\$ 3,616,309</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (note that employer contributions subsequent to the measurement date will reduce the net pension liability and, therefore, will not be included in future pension expense):

Years Ending April 30	Amount
2021	\$ 5,792,082
2022	4,881,342
2023	5,436,832
2024	4,160,709
2025	2,372,299
Thereafter	545,503
Total	<u>\$ 23,188,767</u>

Actuarial Assumptions

The total pension liability in each actuarial valuation was determined using the following actuarial assumptions applied to all periods included in the measurement:

	IMRF Regular Plan	IMRF SLEP	Police Pension Plan	Firefighters' Pension Plan
Inflation	2.50%	2.50%	2.25%	2.25%
Salary increases (including inflation)	3.35%-14.25%	3.35%-14.25%	3.50%-20.32%	3.50%-16.18%
Investment rate of return (net of investment expenses)	7.25%	7.25%	6.50%	6.50%
Mortality rates	See (1) below	See (1) below	See (2) below	See (2) below

(1) The mortality tables used for both the IMRF Regular Plan and the IMRF SLEP were IMRF-specific tables for nondisabled retirees, disabled retirees, and actives used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were based on the RP-2014 Blue Collar Health Annuitant, Disabled Retirees, and Employee mortality tables, respectively, with adjustments to match current IMRF experience.

Note 9 - Pension Plans (Continued)

- (2) Mortality rates for both the Police Pension and Firefighters' Pension plans were based on the assumption study prepared by Lauterbach & Amen, LLP in 2020. The respective tables combine observed experience of Illinois police officers (for Police Pension Plan mortality rate) and Illinois firefighters (for Firefighters' Pension Plan mortality rate) with the PubS-2010(A) Study with Blue Collar Adjustment improved generationally using MP-2019 improvement rates.

Discount Rate

As shown below, the discount rate used to measure the total pension liability was determined after considering a projection of the cash flows to determine whether the future contributions (made at the current contribution rates) will be sufficient to allow the pension plans' fiduciary net position to make all projected future benefit payments of current active and inactive employees:

	IMRF Regular Plan	IMRF SLEP	Police Pension Plan	Firefighters' Pension Plan
Assumed investment rate of return	7.25%	7.25%	6.5%	6.5%
Are contributions expected to be sufficient to allow fiduciary net position to pay future benefits?	Yes	Yes	No	No
Discount rate used to measure total pension liability	7.25%	7.25%	5.14%	5.57%

Investment Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric or arithmetic real rates of return as of the December 31, 2019 (IMRF Regular Plan and IMRF SLEP) or April 30, 2020 (Police Pension Plan and Firefighters' Pension Plan) measurement dates for each major asset class included in the pension plan's target asset allocation, as disclosed in the investment footnote, are summarized in the following tables:

IMRF Regular Plan and IMRF SLEP

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Domestic equity	37.00 %	5.75 %
International equity	18.00	6.50
Fixed income	28.00	3.25
Real estate	9.00	5.20
Alternatives	7.00	7.60
Cash or cash equivalents	1.00	1.85

Police Pension Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	38.00 %	3.10 %
Domestic equity	33.00	5.55
International equity	24.00	7.20
Real estate	3.00	6.00
Cash or cash equivalents	2.00	1.60

Note 9 - Pension Plans (Continued)

Firefighters' Pension Plan

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Fixed income	35.00 %	2.10 %
Domestic equity	35.00	5.60
International equity	20.00	5.80
Real estate	10.00	3.70

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the Village, calculated using the discount rates of 7.25, 7.25, 5.14, and 5.57 percent for the IMRF Regular Plan, IMRF SLEP, Police Pension Plan, and Firefighters' Pension Plan, respectively, as well as what the Village's net pension liability (asset) would be if it were calculated using discount rates that are 1 percentage point lower or 1 percentage point higher than the current rates:

	1 Percentage Point Decrease	Current Discount Rate	1 Percentage Point Increase
Net pension liability (asset) of the IMRF Regular Plan	\$ 1,948,379	\$ (1,105,990)	\$ (3,623,335)
Net pension asset of the IMRF SLEP	(67,432)	(67,432)	(67,432)
Net pension liability of the Police Pension Plan	73,155,409	58,789,879	47,388,435
Net pension liability of the Firefighters' Pension Plan	59,274,349	47,624,235	38,214,720
Total	<u>\$ 134,310,705</u>	<u>\$ 105,240,692</u>	<u>\$ 81,912,388</u>

Assumption Changes

Police Pension Plan

The discount rate used in determination of the net pension liability was changed from 5.59 to 5.14 percent. The rate is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

The mortality tables were updated to the current PubS-2010(A) tables using MP-2019 Improvement Rates as a result of a 2020 experience study.

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation Bonds was changed from 3.79 percent to 2.56 percent for the current year. The rate has been updated to the current fiscal year end based on changes in market conditions, as reflected in the index.

Firefighters' Pension Fund

The discount rate used in determination of the net pension liability was changed from 5.97 to 5.57 percent. The rate is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

The mortality tables were updated to the current PubS-2010(A) tables using MP-2019 Improvement Rates as a result of a 2020 experience study.

The assumed rate on High Quality 20 Year Tax-Exempt General Obligation Bonds was changed from 3.79 percent to 2.56 percent for the current year. The rate has been updated to the current fiscal year end based on changes in market conditions as reflected in the index.

Note 10 - Pension Allocations

Pension amounts for each pension plan are as follows:

	Illinois Municipal Retirement Fund - Regular Plan	Illinois Municipal Retirement Fund - SLEP	Police Pension Plan	Firefighters' Pension Plan	Total
Pension expense	\$ 323,653	\$ (4,261)	\$ 7,392,060	\$ 5,824,247	\$ 13,535,699
Deferred outflows of resources representing difference between expected and actual experience	151,595	-	7,306,903	911,935	8,370,433
Deferred inflows of resources representing difference between expected and actual experience	(328,642)	-	(182,287)	(352,242)	(863,171)
Deferred outflows of resources representing assumption changes	210,410	-	5,127,917	10,252,361	15,590,688
Deferred inflows of resources representing assumption changes	(47,312)	-	-	(1,374,214)	(1,421,526)
Deferred outflows of resources representing the net difference between projected and actual earnings on pension plan investments	-	4,500	885,463	1,953,992	2,843,955
Deferred inflows of resources representing the net difference between projected and actual earnings on pension plan investments	(1,331,612)	-	-	-	(1,331,612)
Deferred outflows of resources representing contributions subsequent to the measurement date	97,493	-	-	-	97,493
Amortization of deferred amounts:					
2021	\$ (277,990)	\$ 1,362	\$ 3,437,541	\$ 2,631,169	\$ 5,792,082
2022	(571,408)	663	3,129,943	2,322,144	4,881,342
2023	114,550	603	2,626,258	2,695,421	5,436,832
2024	(610,713)	1,872	2,161,729	2,607,821	4,160,709
2025	-	-	1,310,679	1,061,620	2,372,299
Thereafter	-	-	471,846	73,657	545,503
Total	\$ (1,345,561)	\$ 4,500	\$ 13,137,996	\$ 11,391,832	\$ 23,188,767

Note 11 - Risk Management

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

April 30, 2020

Note 12 - Tax Increment Revenue Pledged

The Village has pledged a portion of future property tax revenue to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenue were \$1,253,950 and \$3,461,042, respectively.

Note 13 - Tax Abatements

As of April 30, 2020, the Village of Franklin Park, Illinois provides tax incentives under the Tax Increment Allocation Redevelopment Act. The Village uses the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, to, among other things, finance infrastructure redevelopment projects that retain, expand, and create employment opportunities within the Village's TIF districts; increase industry and commerce within the State of Illinois; increase the tax base; and eradicate potentially blighting conditions through the use of tax increment allocation financing for economic redevelopment. Under the TIF program, the Village authorizes incentives through passage of public ordinances based upon each business' investment criteria and through a contractual redevelopment agreement with each business, including, among other things, a proposed TIF budget outlining the project and proof that the project or improvements have been made. Parcels located within a TIF district receive a property tax bill and any normal increase in the property tax bill; however, the increase or increment from the time the TIF is adopted and certified comes back to the Village to be used within the TIF district for the TIF-eligible costs, some of which are described above. A portion of the agreed-upon amount of increment is rebated to the developer for the TIF-eligible costs in accordance with the signed and adopted redevelopment agreement. For the fiscal year ended April 30, 2020, the Village's property tax revenue was not reduced but was segregated by virtue of the TIF base value and the incremental property taxes collected. Payouts made by the Village under these programs for the O'Hare East Industrial TIF and Seymour-Waveland TIF totaled \$337,517 and \$914,414, respectively, for the year ended April 30, 2020.

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

Note 14 - Joint Venture

During a previous year, the Village entered into an agreement with four other villages to create the Proviso-Leyden Joint 9-1-1 Authority (the "Authority") to provide for the equipment, services, personnel, facilities, and other items necessary for the implementation, operation, maintenance, and repayment of a 9-1-1 Emergency Telephone System within portions of Cook County, Illinois. The Authority was entered into in accordance with the Intergovernmental Cooperation Act (5 ILCS 220/1 et seq.) and the Emergency Telephone System Act (50 ILCS 750/1 et seq.). The Village appoints two voting members to the Authority board, which governs the functions and operations of the Authority. All 9-1-1 surcharge receipts from the Village and other participating villages are deposited in the Authority's Surcharge Fund. The Village made an initial investment in the Authority of approximately \$83,500. Each participating village in the Authority has a surcharge fund that tracks the associated revenue and expenses of each village and represents each village's equity interest in the Authority. As of April 30, 2020, the Village's equity interest was \$408,069.

Note 15 - Other Postemployment Benefit Plan

Plan Description

The Village provides full health care insurance for its eligible retired employees until age 65. Employees under IMRF who were enrolled in IMRF prior to January 1, 2011 must be at least 55 years old, have at least eight years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under IMRF who were enrolled in IMRF on or after January 1, 2011 must be at least 62 years old, have at least 10 years of credited service, and no longer work in a position that qualifies for participation in IMRF. Employees under the Police Pension Fund and Firefighters' Pension Fund hired prior to January 1, 2011 must be at least 50 years old and have at least 20 years of credited service. Employees under the Police Pension Fund and Firefighters' Pension Fund hired on or after January 1, 2011 must be at least 55 years old and have at least 10 years of credited service. This is a single-employer defined benefit plan administered by the Village. The benefits are provided under collective bargaining agreements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided

The Village pays 40 percent of the premium charged for retiree-only or family coverage for IMRF employees. The Village pays 50 percent of the premium charged for retiree-only or family coverage for Firefighters' Pension Fund and Police Pension Fund employees.

Employees Covered by Benefit Terms

The following members were covered by the benefit terms:

	Village of Franklin Park Postretirement Health Plan
	<hr/>
Date of member count	May 1, 2018
Inactive plan members or beneficiaries currently receiving benefits	38
Active plan members	<hr/> 146
Total plan members	<hr/> <hr/> 184

Contributions

Retiree health care costs are paid by the Village on a pay-as-you-go basis. The Village has no obligation to make contributions in advance of when the insurance premiums are due for payment. For the fiscal year ended April 30, 2020, the Village made payments for postemployment health benefit premiums of \$642,089.

Note 15 - Other Postemployment Benefit Plan (Continued)

Total OPEB Liability

The April 30, 2020 total OPEB liability was determined by an actuarial valuation performed as of May 1, 2018, which used update procedures to roll forward the estimated liability to April 30, 2020.

Changes in the total OPEB liability during the measurement year were as follows:

Changes in Total OPEB Liability	Total OPEB Liability
Balance at May 1, 2019	\$ 22,812,460
Changes for the year:	
Service cost	1,253,137
Interest	721,974
Changes in assumptions	841,999
Benefit payments, including refunds	<u>(642,089)</u>
Net changes	<u>2,175,021</u>
Balance at April 30, 2020	<u>\$ 24,987,481</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended April 30, 2020, the Village recognized OPEB expense of \$1,313,577.

At April 30, 2020, the Village reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ (450,298)
Changes in assumptions	<u>1,513,395</u>	<u>(1,141,973)</u>
Total	<u>\$ 1,513,395</u>	<u>\$ (1,592,271)</u>

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

Years Ending April 30	Amount
2021	\$ (19,445)
2022	(19,445)
2023	(19,445)
2024	(19,445)
2025	(19,445)
Thereafter	<u>18,349</u>
Total	<u>\$ (78,876)</u>

Note 15 - Other Postemployment Benefit Plan (Continued)

Actuarial Assumptions

The total OPEB liability as of the April 30, 2020 measurement date was determined using an inflation assumption of 3 percent; assumed salary increases (including inflation) of 3.5 percent; a discount rate of 2.85 percent; a medical HMO IL and PPO health care cost trend rate of 5.5 percent for 2020 varying year over year with an ultimate rate of 5 percent in 2030; dental HMO health care cost trend rate of 1.5 percent in 2020 (constant for all years); dental PPO health care cost trend rate of 2.0 percent in 2020 (constant for all years); and the same mortality tables used in the 2018 IMRF valuation, which were IMRF-specific tables for nondisabled retirees, disabled retirees, and actives used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were based on the RP-2014 Blue Collar Health Annuitant, Disabled Retirees, and Employee mortality tables, respectively, with adjustments to match current IMRF experience. These assumptions were applied to all periods included in the measurement.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.85 percent. The discount rate was based on S&P Municipal Bond 20 Year High-Grade Rate Index.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Village, calculated using the discount rate of 2.85 percent, as well as what the Village's total OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (1.85%)	Current Discount Rate (2.85%)	1 Percentage Point Increase (3.85%)
Total OPEB liability of the Village of Franklin Park Postretirement Health Plan	\$ 27,582,409	\$ 24,987,481	\$ 22,704,555

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rate

The following presents the total OPEB liability of the Village, calculated using the health care cost trend rates assumed in the valuation, as well as what the Village's total OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1 Percentage Point Decrease (4.5%)	Current Health Care Cost Trend Rate (5.5%)	1 Percentage Point Increase (6.5%)
Total OPEB liability of the Village of Franklin Park Postretirement Health Plan	\$ 22,110,337	\$ 24,987,481	\$ 28,420,421

Assumption Changes

The discount rate used to measure the total OPEB liability was decreased from 3.21 percent for April 30, 2019 to 2.85 percent for April 30, 2020.

Required Supplemental Information

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule General Corporate Fund

Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenue			
Taxes:			
Property taxes	\$ 12,785,000	\$ 13,169,286	\$ 384,286
Income taxes	1,825,000	1,803,208	(21,792)
State-shared revenue and grants	3,670,000	3,758,148	88,148
Intergovernmental:			
Grant revenue	66,100	78,822	12,722
Utility tax	4,195,000	3,788,939	(406,061)
Other taxes	1,224,000	1,699,343	475,343
Charges for services	2,592,000	1,848,360	(743,640)
Fines and forfeitures	802,800	755,109	(47,691)
Licenses and permits	1,659,736	1,309,956	(349,780)
Investment income	4,000	10,508	6,508
Other revenue	694,675	848,182	153,507
Total revenue	29,518,311	29,069,861	(448,450)
Expenditures			
Current services:			
General government	6,114,357	5,893,914	220,443
Public safety	16,760,052	17,019,103	(259,051)
Highway and streets	3,026,679	2,703,112	323,567
Public health	319,449	277,922	41,527
Community development	881,762	413,990	467,772
Building department	814,035	785,454	28,581
Capital outlay	1,169,600	1,106,312	63,288
Debt service	386,477	416,995	(30,518)
Total expenditures	29,472,411	28,616,802	855,609
Excess of Revenue Over Expenditures	45,900	453,059	407,159
Other Financing (Uses) Sources			
Transfers out	(725,000)	(1,305,000)	(580,000)
New debt issued	-	157,991	157,991
Sale of capital assets	-	8,500	8,500
Sale of land held for resale	350,000	-	(350,000)
Total other financing uses	(375,000)	(1,138,509)	(763,509)
Net Change in Fund Balance	(329,100)	(685,450)	(356,350)
Fund Balance - Beginning of year	10,242,501	10,242,501	-
Fund Balance - End of year	\$ 9,913,401	\$ 9,557,051	\$ (356,350)

Village of Franklin Park, Illinois

Required Supplemental Information Budgetary Comparison Schedule - Major Special Revenue Fund Downtown Franklin Avenue TIF Fund

Year Ended April 30, 2020

	Original and Final Budget	Actual	Variance with Final Budget
Revenue			
Property taxes	\$ 180,000	\$ 243,648	\$ 63,648
Investment income	-	278	278
Total revenue	180,000	243,926	63,926
Expenditures - Current - Community development	3,600	11,519	(7,919)
Excess of Revenue Over Expenditures	176,400	232,407	56,007
Other Financing Sources (Uses)			
Transfers in	255,000	255,000	-
Transfers out	(428,550)	(428,550)	-
Total other financing uses	(173,550)	(173,550)	-
Net Change in Fund Balance	2,850	58,857	56,007
Fund Balance (Deficit) - Beginning of year	(2,932,782)	(2,932,782)	-
Fund Balance (Deficit) - End of year	<u>\$ (2,929,932)</u>	<u>\$ (2,873,925)</u>	<u>\$ 56,007</u>

Village of Franklin Park, Illinois

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

	Last Five Fiscal Years				
	2020	2019	2018	2017	2016
Total Pension Liability					
Service cost	\$ 399,258	\$ 362,241	\$ 418,384	\$ 417,970	\$ 351,910
Interest	1,877,837	1,808,223	1,849,230	1,799,259	1,742,327
Differences between expected and actual experience	(458,047)	478,942	(477,280)	(29,794)	158,282
Changes in assumptions	-	664,760	(781,598)	-	-
Benefit payments, including refunds	(1,534,619)	(1,547,612)	(1,507,244)	(1,535,484)	(1,517,433)
Net Change in Total Pension Liability	284,429	1,766,554	(498,508)	651,951	735,086
Total Pension Liability - Beginning of year	26,468,874	24,702,320	25,200,828	24,548,877	23,813,791
Total Pension Liability - End of year	\$ 26,753,303	\$ 26,468,874	\$ 24,702,320	\$ 25,200,828	\$ 24,548,877
Plan Fiduciary Net Position					
Contributions - Employer	\$ 204,816	\$ 321,932	\$ 334,147	\$ 363,032	\$ 710,898
Contributions - Member	173,628	175,400	173,638	172,689	168,390
Net investment income (loss)	4,775,687	(1,651,413)	4,457,696	1,593,242	117,389
Benefit payments, including refunds	(1,534,619)	(1,547,612)	(1,507,244)	(1,535,484)	(1,517,433)
Other	(182,953)	533,979	(1,006,358)	342,607	(73,663)
Net Change in Plan Fiduciary Net Position	3,436,559	(2,167,714)	2,451,879	936,086	(594,419)
Plan Fiduciary Net Position - Beginning of year	24,422,734	26,590,448	24,138,569	23,202,483	23,796,902
Plan Fiduciary Net Position - End of year	\$ 27,859,293	\$ 24,422,734	\$ 26,590,448	\$ 24,138,569	\$ 23,202,483
Village's Net Pension (Asset) Liability - Ending	\$ (1,105,990)	\$ 2,046,140	\$ (1,888,128)	\$ 1,062,259	\$ 1,346,394
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	104.13 %	92.27 %	107.64 %	95.78 %	94.52 %
Covered Payroll	\$ 3,858,403	\$ 3,878,700	\$ 3,823,183	\$ 3,837,534	\$ 3,742,009
Village's Net Pension (Asset) Liability as a Percentage of Covered Payroll	(28.66)%	52.75 %	(49.39)%	27.68 %	35.98 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Village of Franklin Park, Illinois

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

**Last Six Fiscal Years
Years Ended April 30**

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 195,235	\$ 278,777	\$ 372,692	\$ 354,998	\$ 619,909	\$ 604,929
Contributions in relation to the statutorily required contribution	195,235	278,777	372,692	354,998	619,909	604,929
Contribution Excess	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Village's Covered Payroll	\$ 3,858,403	\$ 3,833,295	\$ 3,918,501	\$ 3,821,574	\$ 3,809,851	\$ 3,220,943
Contributions as a Percentage of Covered Payroll	5.06 %	7.27 %	9.51 %	9.29 %	16.27 %	18.78 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Notes to Schedule of Village Contributions - Illinois Municipal Retirement Fund Regular Plan

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of December 31 each year, which is 16 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	24-year closed period
Asset valuation method	5-year smoothed market; 20 percent corridor
Inflation	2.50 percent
Salary increase	3.35 to 14.25 percent
Investment rate of return	7.50 percent
Retirement age	Experience-based table rates that are specific to the type of eligibility condition. Last updated for the 2017 valuation pursuant to an experience study of the period from 2014-2016.
Mortality	IMRF-specific tables for nondisabled retirees, disabled retirees, and actives used with fully generational projection scale MP-2017 (base year 2015). The IMRF-specific rates were based on the RP-2014 Blue Collar Health Annuitant, Disabled Retirees, and Employee mortality tables, respectively, with adjustments to match current IMRF experience.

Village of Franklin Park, Illinois

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

	Last Five Fiscal Years				
	2020	2019	2018	2017	2016
Total Pension Liability					
Net Change in Total Pension Liability	\$ -	\$ -	\$ -	\$ -	\$ -
Total Pension Liability - Beginning of year	-	-	-	-	-
Total Pension Liability - End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Plan Fiduciary Net Position					
Net investment income (loss)	\$ 12,019	\$ (4,841)	\$ 10,107	\$ 3,221	\$ 268
Other	(110)	159	(108)	95	(7,050)
Net Change in Plan Fiduciary Net Position	11,909	(4,682)	9,999	3,316	(6,782)
Plan Fiduciary Net Position - Beginning of year	55,523	60,205	50,206	46,890	53,672
Plan Fiduciary Net Position - End of year	<u>\$ 67,432</u>	<u>\$ 55,523</u>	<u>\$ 60,205</u>	<u>\$ 50,206</u>	<u>\$ 46,890</u>
Village's Net Pension Asset - Ending	<u>\$ (67,432)</u>	<u>\$ (55,523)</u>	<u>\$ (60,205)</u>	<u>\$ (50,206)</u>	<u>\$ (46,890)</u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	- %	- %	- %	- %	- %
Covered Payroll	\$ -	\$ -	\$ -	\$ -	\$ -
Village's Net Pension Asset as a Percentage of Covered Payroll	- %	- %	- %	- %	- %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Village of Franklin Park, Illinois

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

	Last Six Fiscal Years					
	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,376,653	\$ 1,329,028	\$ 1,204,552	\$ 1,136,048	\$ 804,105	\$ 914,123
Interest	4,176,893	4,064,096	3,969,684	3,557,715	3,609,252	3,474,363
Changes in benefit terms	354,089	-	-	-	-	-
Differences between expected and actual experience	799,496	110,745	(44,769)	(250,021)	(288,036)	-
Changes in assumptions	7,536,422	1,436,789	2,864,694	5,115,283	3,940,011	-
Benefit payments, including refunds	(3,281,527)	(3,011,503)	(2,788,022)	(2,666,038)	(2,404,927)	(2,375,322)
Net Change in Total Pension Liability	10,962,026	3,929,155	5,206,139	6,892,987	5,660,405	2,013,164
Total Pension Liability - Beginning of year	76,361,551	72,432,396	67,226,257	60,333,270	54,672,865	52,659,701
Total Pension Liability - End of year	\$ 87,323,577	\$ 76,361,551	\$ 72,432,396	\$ 67,226,257	\$ 60,333,270	\$ 54,672,865
Plan Fiduciary Net Position						
Contributions - Employer	\$ 2,917,658	\$ 2,435,638	\$ 1,874,375	\$ 1,981,999	\$ 1,769,378	\$ 1,881,099
Contributions - Member	433,269	431,532	414,531	401,553	403,414	443,000
Net investment income	75,261	2,447,385	1,674,158	1,997,951	308,450	1,442,872
Administrative expenses	(77,470)	(58,154)	(62,269)	(51,968)	(76,709)	(48,484)
Benefit payments, including refunds	(3,281,527)	(3,011,503)	(2,788,022)	(2,666,038)	(2,404,927)	(2,375,322)
Net Change in Plan Fiduciary Net Position	67,191	2,244,898	1,112,773	1,663,497	(394)	1,343,165
Plan Fiduciary Net Position - Beginning of year	28,466,507	26,221,609	25,108,836	23,445,339	23,445,733	22,102,568
Plan Fiduciary Net Position - End of year	\$ 28,533,698	\$ 28,466,507	\$ 26,221,609	\$ 25,108,836	\$ 23,445,339	\$ 23,445,733
Village's Net Pension Liability - Ending	\$ 58,789,879	\$ 47,895,044	\$ 46,210,787	\$ 42,117,421	\$ 36,887,931	\$ 31,227,132
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	32.68 %	37.28 %	36.20 %	37.35 %	38.86 %	42.88 %
Covered Payroll	\$ 4,416,270	\$ 4,336,261	\$ 4,508,766	\$ 4,356,296	\$ 4,204,830	\$ 4,022,813
Village's Net Pension Liability as a Percentage of Covered Payroll	1,331.21 %	1,104.52 %	1,024.91 %	966.82 %	877.28 %	776.25 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Police Pension Fund

	Last Six Fiscal Years Years Ended April 30					
	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,902,744	\$ 2,543,142	\$ 2,391,504	\$ 2,083,488	\$ 2,035,492	\$ 1,931,074
Contributions in relation to the actuarially determined contribution	2,917,658	2,435,638	1,874,375	1,981,999	1,769,378	1,881,099
Contribution Excess (Deficiency)	\$ 14,914	\$ (107,504)	\$ (517,129)	\$ (101,489)	\$ (266,114)	\$ (49,975)
Covered Payroll	\$ 4,416,270	\$ 4,336,261	\$ 4,508,766	\$ 4,356,296	\$ 4,204,830	\$ 4,022,813
Contributions as a Percentage of Covered Payroll	66.07 %	56.17 %	41.57 %	45.50 %	42.08 %	46.76 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Notes to Schedule of Village Contributions - Police Pension Fund

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay
Remaining amortization period	90 percent funded in year 2040
Asset valuation method	5-year smoothed market
Inflation	2.50 percent
Salary increase	3.75 to 20.32 percent, including inflation
Investment rate of return	6.50 percent
Retirement age	See notes to financial statements
Mortality	Mortality rates were based on the assumption study prepared by Lauterbach & Amen, LLP in 2020. The respective tables combine observed experience of Illinois police officers (for Police Pension Plan mortality rate) and Illinois firefighters (for Firefighters' Pension Plan mortality rate) with the PubS-2010(A) Study with Blue Collar Adjustment improved generationally using MP-2019 improvement rates.

Village of Franklin Park, Illinois

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

	Last Six Fiscal Years					
	2020	2019	2018	2017	2016	2015
Total Pension Liability						
Service cost	\$ 1,137,310	\$ 946,525	\$ 886,689	\$ 829,379	\$ 864,916	\$ 923,057
Interest	3,498,883	3,981,117	3,817,878	3,977,123	3,382,646	3,358,358
Changes in benefit terms	465,434	-	-	-	-	-
Differences between expected and actual experience	620,124	587,167	4,200	(654,886)	(562,489)	-
Changes in assumptions	5,766,955	5,052,183	2,530,033	(3,753,805)	3,686,959	-
Benefit payments, including refunds	(3,188,194)	(2,987,692)	(2,763,306)	(2,641,451)	(2,533,270)	(2,409,632)
Net Change in Total Pension Liability	8,300,512	7,579,300	4,475,494	(2,243,640)	4,838,762	1,871,783
Total Pension Liability - Beginning of year	68,687,934	61,108,634	56,633,140	58,876,780	54,038,018	52,166,235
Total Pension Liability - End of year	\$ 76,988,446	\$ 68,687,934	\$ 61,108,634	\$ 56,633,140	\$ 58,876,780	\$ 54,038,018
Plan Fiduciary Net Position						
Contributions - Employer	\$ 2,726,266	\$ 1,926,507	\$ 1,874,755	\$ 1,979,592	\$ 1,814,047	\$ 1,862,970
Contributions - Member	358,880	341,883	345,384	342,425	356,782	309,228
Net investment (loss) income	(516,279)	1,860,670	1,986,291	2,120,096	114,621	1,532,903
Administrative expenses	(58,829)	(75,525)	(47,234)	(46,563)	(45,348)	(50,421)
Benefit payments, including refunds	(3,188,194)	(2,987,692)	(2,763,306)	(2,641,451)	(2,533,270)	(2,409,632)
Other	-	64,425	-	-	-	-
Net Change in Plan Fiduciary Net Position	(678,156)	1,130,268	1,395,890	1,754,099	(293,168)	1,245,048
Plan Fiduciary Net Position - Beginning of year	30,042,367	28,912,099	27,516,209	25,762,110	26,055,278	24,810,230
Plan Fiduciary Net Position - End of year	\$ 29,364,211	\$ 30,042,367	\$ 28,912,099	\$ 27,516,209	\$ 25,762,110	\$ 26,055,278
Village's Net Pension Liability - Ending	\$ 47,624,235	\$ 38,645,567	\$ 32,196,535	\$ 29,116,931	\$ 33,114,670	\$ 27,982,740
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	38.14 %	43.68 %	47.31 %	48.59 %	43.76 %	48.22 %
Covered Payroll	\$ 3,935,729	\$ 3,723,542	\$ 3,752,739	\$ 3,625,835	\$ 3,513,867	\$ 3,342,976
Village's Net Pension Liability as a Percentage of Covered Payroll	1,210.05 %	1,037.87 %	857.95 %	803.04 %	942.40 %	837.06 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Village Contributions Firefighters' Pension Fund

**Last Six Fiscal Years
Years Ended April 30**

	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 2,699,695	\$ 2,304,933	\$ 2,210,572	\$ 1,999,894	\$ 1,976,128	\$ 1,781,597
Contributions in relation to the actuarially determined contribution	2,726,266	1,926,507	1,874,755	1,979,592	1,814,047	1,862,970
Contribution Excess (Deficiency)	\$ 26,571	\$ (378,426)	\$ (335,817)	\$ (20,302)	\$ (162,081)	\$ 81,373
Covered Payroll	\$ 3,935,729	\$ 3,723,542	\$ 3,752,739	\$ 3,625,835	\$ 3,513,867	\$ 3,342,976
Contributions as a Percentage of Covered Payroll	69.27 %	51.74 %	49.96 %	54.60 %	51.63 %	55.73 %

Table is built prospectively upon implementation of GASB Statement No. 68 until 10 years of data are available.

Notes to Schedule of Village Contributions - Firefighters' Pension Fund

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of April 30, two years prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay (closed)
Remaining amortization period	100 percent funded over 23 years
Asset valuation method	5-year smoothed market
Inflation	2.5 percent
Salary increase	3.50 to 16.18 percent, including inflation
Investment rate of return	6.50 percent
Retirement age	See notes to financial statements
Mortality	Mortality rates were based on the assumption study prepared by Lauterbach & Amen, LLP in 2020. The respective tables combine observed experience of Illinois police officers (for Police Pension Plan mortality rate) and Illinois firefighters (for Firefighters' Pension Plan mortality rate) with the PubS-2010(A) Study with Blue Collar Adjustment improved generationally using MP-2019 improvement rates.

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of Changes in the Total OPEB Liability and Related Ratios No Trust

	Last Two Fiscal Years	
	2020	2019
Total OPEB Liability		
Service cost	\$ 1,253,137	\$ 1,142,379
Interest	721,974	798,080
Changes in benefit terms	-	233,465
Differences between expected and actual experience	-	(576,080)
Changes in assumptions	841,999	(479,476)
Benefit payments, including refunds	<u>(642,089)</u>	<u>(583,168)</u>
Net Change in Total OPEB Liability	2,175,021	535,200
Total OPEB Liability - Beginning of year	<u>22,812,460</u>	<u>22,277,260</u>
Total OPEB Liability - End of year	<u>\$ 24,987,481</u>	<u>\$ 22,812,460</u>
Covered-employee Payroll	\$ 11,174,803	\$ 11,174,803
Total OPEB Liability as a Percentage of Covered-employee Payroll	223.61 %	204.14 %

Table is built prospectively upon implementation of GASB Statement No. 75 until 10 years of data are available.

Village of Franklin Park, Illinois

Required Supplemental Information Schedule of OPEB Contributions

**Last Ten Fiscal Years
Years Ended April 30**

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contribution	\$ 2,418,183	\$ 2,418,183	\$ 2,418,183	\$ 2,418,183	\$ 2,588,781	\$ 2,588,781	\$ 2,693,069	\$ 2,693,069	\$ 2,181,584	\$ 2,181,584
Contributions in relation to the actuarially determined contribution	642,089	583,168	471,099	471,099	493,634	461,243	550,660	517,737	382,196	382,196
Contribution Deficiency	\$ (1,776,094)	\$ (1,835,015)	\$ (1,947,084)	\$ (1,947,084)	\$ (2,095,147)	\$ (2,127,538)	\$ (2,142,409)	\$ (2,175,332)	\$ (1,799,388)	\$ (1,799,388)
Covered-employee Payroll	\$ 11,174,803	\$ 11,174,803	\$ 11,212,783	\$ 11,212,783	\$ 10,171,789	\$ 10,171,789	\$ 9,242,824	\$ 9,466,395	\$ 9,466,395	\$ 9,153,019
Contributions as a Percentage of Covered-employee Payroll	5.75 %	5.22 %	4.20 %	4.20 %	4.85 %	4.53 %	5.96 %	5.47 %	4.04 %	4.18 %

Notes to Schedule of Contributions

Actuarial valuation information relative to the determination of contributions:

Valuation date Actuarially determined contribution rates are calculated as of April 30, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	N/A
Remaining amortization period	N/A
Asset valuation method	N/A
Inflation	3 percent
Health care cost trend rates	5.5 percent for 2019 varying year over year with an ultimate rate of 5 percent for 2030
Salary increase	3.5 percent
Investment rate of return	N/A
Retirement age	Varies depending on collective bargaining group and gender
Mortality	Firefighter Employees and Retirees: RP-2014 Mortality with Blue Collar Adjustment Improved Generationally using MP-2016 Improvement Rates. Police Employees and Retirees: RP-2014 Mortality with Blue Collar Adjustment Improved Generationally using MP-2016 Improvement Rates. IMRF Employees: IMRF Specific tables for nondisabled retirees, disabled retirees, and actives used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were based on the RP-2014 Blue Collar Health Annuitant, Disabled Retirees, and Employee mortality tables, respectively, with adjustments to match current IMRF experience.

April 30, 2020

Budgetary Information

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

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

Budget hearings are conducted.

The budget is legally enacted through passage of an ordinance.

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

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

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

Pension Information

Changes in Assumptions

Significant changes in assumptions for the Village's pension plans are as follows:

IMRF Regular Plan

December 31, 2018 - The beginning of year total pension liability was based on a discount rate of 7.50 percent, and the end of year total pension liability was based on a discount rate of 7.25 percent.

Police Pension Fund

April 30, 2016 - The demographic assumptions were changed during the year ended April 30, 2016. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted included: mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

April 30, 2017 - The beginning of year total pension liability was based on a discount rate of 6.75 percent, and the end of year total pension liability was based on a discount rate of 6.03 percent.

April 30, 2018 - The beginning of year total pension liability was based on a discount rate of 6.03 percent, and the end of year total pension liability was based on a discount rate of 5.73 percent.

April 30, 2019 - The beginning of year total pension liability was based on a discount rate of 5.73 percent, and the end of year total pension liability was based on a discount rate of 5.59 percent.

April 30, 2020 - The beginning of year total pension liability was based on a discount rate of 5.59 percent, and the end of year total pension liability was based on a discount rate of 5.14 percent.

Firefighters' Pension Fund

April 30, 2016 - The demographic assumptions were changed during the year ended April 30, 2016. The changes were made to better reflect the future anticipated experience of the fund. The assumptions impacted included: mortality rates, mortality improvement rates, retirement rates, disability rates, and termination rates.

April 30, 2017 - The beginning of year total pension liability was based on a discount rate of 6.41 percent, and the end of year total pension liability was based on a discount rate of 6.91 percent.

April 30, 2018 - The beginning of year total pension liability was based on a discount rate of 6.91 percent, and the end of year total pension liability was based on a discount rate of 6.57 percent.

April 30, 2020

April 30, 2019 - The beginning of year total pension liability was based on a discount rate of 6.57 percent, and the end of year total pension liability was based on a discount rate of 5.97 percent.

April 30, 2020 - The beginning of year total pension liability was based on a discount rate of 5.97 percent, and the end of year total pension liability was based on a discount rate of 5.57 percent.

OPEB Information

Changes in Assumptions

April 30, 2019 - The beginning of year total OPEB liability was based on a discount rate of 3.63 percent, and the end of year total OPEB liability was based on a discount rate of 3.21 percent.

April 30, 2020 - The beginning of year total OPEB liability was based on a discount rate of 3.21 percent, and the end of year total OPEB liability was based on a discount rate of 2.85 percent.

Other Supplemental Information

Village of Franklin Park, Illinois

	Special Revenue Funds									
	Foreign Fire Insurance Premium Tax Fund	Police Department 1505 Fund	911 Emergency Surchage Tax Fund	Motor Fuel Tax Fund	Mannheim/Grand TIF Fund	Milwaukee Avenue TIF Fund	West Mannheim Redeveloping Area TIF Fund	DHL Seymour Fund	Centrella-Seymour TIF Fund	Seymour Waveland TIF Fund
Assets										
Cash and investments	\$ 68,990	\$ 396,355	\$ -	\$ 357,243	\$ 269,958	\$ 148,323	\$ 3,946,140	\$ 9,159	\$ 1,361	\$ 529,100
Receivables:										
Property taxes receivable	-	-	-	-	-	-	-	-	-	-
Other receivables	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-
Other taxes receivable	-	-	-	54,373	-	-	-	-	-	-
Allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-	-	-	-	-
Restricted assets:										
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-	-	-
Assets held at the county	-	-	-	-	-	-	-	-	-	-
Total assets	\$ 68,990	\$ 396,355	\$ -	\$ 411,616	\$ 269,958	\$ 148,323	\$ 3,946,140	\$ 9,159	\$ 1,361	\$ 529,100
Liabilities										
Accounts payable	\$ -	\$ -	\$ 1,139	\$ 23,186	\$ 85	\$ 43	\$ 7,617	\$ 85	\$ 43	\$ 425
Due to other governmental units	-	-	-	-	225,060	-	-	-	-	-
Bank overdraft	-	-	67,322	-	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-
Refundable deposits, bonds, etc.	-	-	-	-	-	-	-	-	-	-
Accrued liabilities and other	-	-	57	-	-	-	-	-	-	-
Total liabilities	-	-	68,518	23,186	225,145	43	7,617	85	43	425
Deferred Inflows of Resources										
Unavailable revenue	-	-	-	-	-	-	-	-	-	-
Property taxes levied for the following year	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-	-	-	-	-
Total liabilities and deferred inflows of resources	-	-	68,518	23,186	225,145	43	7,617	85	43	425
Fund Balances (Deficit)										
Restricted:										
Public safety	68,990	396,355	-	-	-	-	-	-	-	-
TIF development	-	-	-	-	44,813	148,280	3,938,523	9,074	1,318	528,675
Debt service	-	-	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	388,430	-	-	-	-	-	-
Unassigned	-	-	(68,518)	-	-	-	-	-	-	-
Total fund balances (deficit)	68,990	396,355	(68,518)	388,430	44,813	148,280	3,938,523	9,074	1,318	528,675
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 68,990	\$ 396,355	\$ -	\$ 411,616	\$ 269,958	\$ 148,323	\$ 3,946,140	\$ 9,159	\$ 1,361	\$ 529,100

Other Supplemental Information
Combining Balance Sheet
Nonmajor Governmental Funds

April 30, 2020

Special Revenue Funds	Debt Service Funds						Capital Projects Funds				Total
	Corporate Bond and Interest Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total Debt Service Funds	Capital Fund	Cullerton Ave Fund	Tollway Fund	Total Capital Project Funds	
\$ 5,726,629	\$ -	\$ 3,118,818	\$ 402,342	\$ 297,652	\$ 9,316	\$ 3,828,128	\$ -	\$ -	\$ 194,475	\$ 194,475	\$ 9,749,232
-	1,422,479	-	-	4	-	1,422,483	-	-	-	-	1,422,483
-	-	-	-	-	-	-	-	-	52,269	52,269	52,269
54,373	-	-	-	-	-	-	1,169,096	-	-	1,169,096	1,169,096
-	(140,800)	-	-	-	-	(140,800)	-	-	-	-	(140,800)
-	719,316	-	-	-	-	719,316	-	-	-	-	719,316
-	-	-	-	-	-	-	-	300,000	-	300,000	300,000
-	-	-	-	-	-	-	-	489,855	-	489,855	489,855
\$ 5,781,002	\$ 2,000,995	\$ 3,118,818	\$ 402,342	\$ 297,656	\$ 9,316	\$ 5,829,127	\$ 1,169,096	\$ 789,855	\$ 246,744	\$ 2,205,695	\$ 13,815,824
\$ 32,623	\$ -	\$ 6,261	\$ -	\$ 543	\$ 85	\$ 6,889	\$ 366,387	\$ -	\$ 858	\$ 367,245	\$ 406,757
225,060	-	-	933,778	-	-	933,778	-	-	-	-	1,158,838
67,322	110,922	-	-	-	-	110,922	230,272	-	-	230,272	408,516
-	-	-	-	-	-	-	-	568,814	-	568,814	568,814
-	-	3,954	-	-	-	3,954	-	-	-	-	3,954
57	-	-	-	-	-	-	-	-	-	-	57
325,062	110,922	10,215	933,778	543	85	1,055,543	596,659	568,814	858	1,166,331	2,546,936
-	-	-	-	-	-	-	882,135	-	52,269	934,404	934,404
-	1,268,178	-	-	-	-	1,268,178	-	-	-	-	1,268,178
-	1,268,178	-	-	-	-	1,268,178	882,135	-	52,269	934,404	2,202,582
325,062	1,379,100	10,215	933,778	543	85	2,323,721	1,478,794	568,814	53,127	2,100,735	4,749,518
465,345	-	-	-	-	-	-	-	-	-	-	465,345
4,670,683	-	-	-	-	-	-	-	-	-	-	4,670,683
-	621,895	3,108,603	-	297,113	9,231	4,036,842	-	-	-	-	4,036,842
388,430	-	-	-	-	-	-	-	221,041	193,617	414,658	803,088
(68,518)	-	-	(531,436)	-	-	(531,436)	(309,698)	-	-	(309,698)	(909,652)
5,455,940	621,895	3,108,603	(531,436)	297,113	9,231	3,505,406	(309,698)	221,041	193,617	104,960	9,066,306
\$ 5,781,002	\$ 2,000,995	\$ 3,118,818	\$ 402,342	\$ 297,656	\$ 9,316	\$ 5,829,127	\$ 1,169,096	\$ 789,855	\$ 246,744	\$ 2,205,695	\$ 13,815,824

Village of Franklin Park, Illinois

	Special Revenue Funds									
	Foreign Fire Insurance Tax Fund	Police Department 1505 Fund	911 Emergency Surcharge Tax Fund	Motor Fuel Tax Fund	Mannheim/Grand TIF Fund	Milwaukee Avenue TIF Fund	West Mannheim Redeveloping Area TIF Fund	DHL Seymour Fund	Centrella-Seymour TIF Fund	Seymour Waveland TIF Fund
Revenue										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 103,797	\$ 29,754	\$ 871,375	\$ -	\$ -	\$ 1,011,483
Intergovernmental:										
Grant revenue	-	-	-	-	-	-	-	-	-	-
Other taxes -										
Operating grants	-	-	-	676,518	-	-	-	-	-	-
Charges for services	-	-	64,258	-	-	-	-	-	-	-
Fines and forfeitures	-	116,110	-	-	-	-	-	-	-	-
Investment income	140	58	-	4,195	233	320	31,079	7	-	2,728
Other revenue	56,445	5,480	-	-	-	-	-	-	-	-
Total revenue	56,585	121,648	64,258	680,713	104,030	30,074	902,454	7	-	1,014,211
Expenditures										
Current services:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	20,242	8,395	58,827	-	-	-	-	-	-	-
Highway and streets	-	-	-	264,210	-	-	-	-	-	-
Community development	-	-	-	-	86,292	85	13,207	205	86	915,052
Capital outlay	28,987	51,818	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-	-	-
Total expenditures	49,229	60,213	58,827	264,210	86,292	85	13,207	205	86	915,052
Excess of Revenue Over (Under) Expenditures	7,356	61,435	5,431	416,503	17,738	29,989	889,247	(198)	(86)	99,159
Other Financing Sources (Uses)										
Transfers in	-	-	-	-	76,914	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(825,400)	-	-	-
Total other financing sources (uses)	-	-	-	-	76,914	-	(825,400)	-	-	-
Net Change in Fund Balances	7,356	61,435	5,431	416,503	94,652	29,989	63,847	(198)	(86)	99,159
Fund Balances (Deficit) - Beginning of year	61,634	334,920	(73,949)	(28,073)	(49,839)	118,291	3,874,676	9,272	1,404	429,516
Fund Balances (Deficit) - End of year	\$ 68,990	\$ 396,355	\$ (68,518)	\$ 388,430	\$ 44,813	\$ 148,280	\$ 3,938,523	\$ 9,074	\$ 1,318	\$ 528,675

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

Year Ended April 30, 2020

Special Revenue Funds	Debt Service Funds						Capital Projects Funds				Total
	Corporate Bond and Interest Fund	Life/Fitness Reebie Storage TIF Fund	Waveland/Mannheim TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total Debt Service Funds	Capital Fund	Cullerton Ave Fund	Tollway Fund	Total Capital Project Funds	
\$ 2,016,409	\$ 2,780,868	\$ 798,151	\$ -	\$ 396,179	\$ 6,655	\$ 3,981,853	\$ -	\$ 222,032	\$ -	\$ 222,032	\$ 6,220,294
-	-	-	-	-	-	-	1,655,338	-	-	1,655,338	1,655,338
676,518	-	-	-	-	-	-	-	-	-	-	676,518
64,258	-	-	-	-	-	-	-	-	-	-	64,258
116,110	-	-	-	-	-	-	-	-	-	-	116,110
38,760	6,619	12,202	-	454	12	19,287	1,046	-	36	1,082	59,129
61,925	-	-	-	-	-	-	-	-	-	-	61,925
<u>2,973,980</u>	<u>2,787,487</u>	<u>810,353</u>	<u>-</u>	<u>396,633</u>	<u>6,667</u>	<u>4,001,140</u>	<u>1,656,384</u>	<u>222,032</u>	<u>36</u>	<u>1,878,452</u>	<u>8,853,572</u>
-	9,000	-	-	-	-	9,000	-	-	-	-	9,000
87,464	-	-	-	-	-	-	-	-	-	-	87,464
264,210	-	-	-	-	-	-	-	-	-	-	264,210
1,014,927	-	314,914	-	341,026	5,174	661,114	-	-	-	-	1,676,041
80,805	-	-	-	-	-	-	1,626,521	-	10,004	1,636,525	1,717,330
-	3,150,307	-	-	-	-	3,150,307	-	192,830	-	192,830	3,343,137
<u>1,447,406</u>	<u>3,159,307</u>	<u>314,914</u>	<u>-</u>	<u>341,026</u>	<u>5,174</u>	<u>3,820,421</u>	<u>1,626,521</u>	<u>192,830</u>	<u>10,004</u>	<u>1,829,355</u>	<u>7,097,182</u>
1,526,574	(371,820)	495,439	-	55,607	1,493	180,719	29,863	29,202	(9,968)	49,097	1,756,390
76,914	1,253,950	-	-	-	-	1,253,950	300,000	-	-	300,000	1,630,864
(825,400)	(1,629,625)	(76,914)	-	-	-	(1,706,539)	-	-	-	-	(2,531,939)
<u>(748,486)</u>	<u>(375,675)</u>	<u>(76,914)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(452,589)</u>	<u>300,000</u>	<u>-</u>	<u>-</u>	<u>300,000</u>	<u>(901,075)</u>
778,088	(747,495)	418,525	-	55,607	1,493	(271,870)	329,863	29,202	(9,968)	349,097	855,315
4,677,852	1,369,390	2,690,078	(531,436)	241,506	7,738	3,777,276	(639,561)	191,839	203,585	(244,137)	8,210,991
<u>\$ 5,455,940</u>	<u>\$ 621,895</u>	<u>\$ 3,108,603</u>	<u>\$ (531,436)</u>	<u>\$ 297,113</u>	<u>\$ 9,231</u>	<u>\$ 3,505,406</u>	<u>\$ (309,698)</u>	<u>\$ 221,041</u>	<u>\$ 193,617</u>	<u>\$ 104,960</u>	<u>\$ 9,066,306</u>

Village of Franklin Park, Illinois

Other Supplemental Information Budgetary Comparison Schedules - Nonmajor Governmental Funds Motor Fuel Tax Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Intergovernmental	\$ 475,000	\$ 676,518	\$ 201,518
Investment income	300	4,195	3,895
Total revenue	475,300	680,713	205,413
Expenditures - Current - Highway and streets	470,000	264,210	205,790
Net Change in Fund Balance	5,300	416,503	411,203
Fund Balance (Deficit) - Beginning of year	(28,073)	(28,073)	-
Fund Balance (Deficit) - End of year	<u>\$ (22,773)</u>	<u>\$ 388,430</u>	<u>\$ 411,203</u>

Village of Franklin Park, Illinois

Other Supplemental Information Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued) Mannheim/Grand TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 125,000	\$ 103,797	\$ (21,203)
Investment income	500	233	(267)
Total revenue	125,500	104,030	(21,470)
Expenditures - Current - Community and economic development	946,789	86,292	860,497
Excess of Revenue (Under) Over Expenditures	(821,289)	17,738	839,027
Other Financing Sources - Transfers in	931,789	76,914	(854,875)
Net Change in Fund Balance	110,500	94,652	(15,848)
Fund Balance (Deficit) - Beginning of year	(49,839)	(49,839)	-
Fund Balances - End of year	<u>\$ 60,661</u>	<u>\$ 44,813</u>	<u>\$ (15,848)</u>

Village of Franklin Park, Illinois

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Milwaukee Avenue TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 9,000	\$ 29,754	\$ 20,754
Investment income	500	320	(180)
Total revenue	9,500	30,074	20,574
Expenditures - Current - Community and economic development	2,100	85	2,015
Net Change in Fund Balance	7,400	29,989	22,589
Fund Balance - Beginning of year	118,291	118,291	-
Fund Balance - End of year	\$ 125,691	\$ 148,280	\$ 22,589

Village of Franklin Park, Illinois

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
West Mannheim Redeveloping Area TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 950,000	\$ 871,375	\$ (78,625)
Investment income	15,000	31,079	16,079
Total revenue	965,000	902,454	(62,546)
Expenditures - Current - Community and economic development	34,200	13,207	20,993
Excess of Revenue Over Expenditures	930,800	889,247	(41,553)
Other Financing Uses - Transfers out	(825,400)	(825,400)	-
Net Change in Fund Balance	105,400	63,847	(41,553)
Fund Balance - Beginning of year	3,874,676	3,874,676	-
Fund Balance - End of year	<u>\$ 3,980,076</u>	<u>\$ 3,938,523</u>	<u>\$ (41,553)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Budgetary Comparison Schedules - Nonmajor Governmental Funds (Continued) DHL Seymour Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue - Investment income	\$ 150	\$ 7	\$ (143)
Expenditures - Current - Community and economic development	550	205	345
Net Change in Fund Balance	(400)	(198)	202
Fund Balance - Beginning of year	9,272	9,272	-
Fund Balance - End of year	<u>\$ 8,872</u>	<u>\$ 9,074</u>	<u>\$ 202</u>

Village of Franklin Park, Illinois

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
Centrella-Seymour TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue	\$ -	\$ -	\$ -
Expenditures - Current - Community and economic development	<u>550</u>	<u>86</u>	<u>464</u>
Net Change in Fund Balance	(550)	(86)	464
Fund Balance - Beginning of year	<u>1,404</u>	<u>1,404</u>	-
Fund Balance - End of year	<u><u>\$ 854</u></u>	<u><u>\$ 1,318</u></u>	<u><u>\$ 464</u></u>

Village of Franklin Park, Illinois

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
Seymour Waveland TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 1,025,000	\$ 1,011,483	\$ (13,517)
Investment income	-	2,728	2,728
Total revenue	1,025,000	1,014,211	(10,789)
Expenditures - Current - Community and economic development	654,050	915,052	(261,002)
Net Change in Fund Balance	370,950	99,159	(271,791)
Fund Balance - Beginning of year	429,516	429,516	-
Fund Balance - End of year	<u>\$ 800,466</u>	<u>\$ 528,675</u>	<u>\$ (271,791)</u>

Village of Franklin Park, Illinois

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Corporate Bond and Interest Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 2,827,751	\$ 2,780,868	\$ (46,883)
Investment income	-	6,619	6,619
Total revenue	2,827,751	2,787,487	(40,264)
Expenditures			
Current services - General government	-	9,000	(9,000)
Debt service	3,150,008	3,150,307	(299)
Total expenditures	3,150,008	3,159,307	(9,299)
Excess of Expenditures Over Revenue	(322,257)	(371,820)	(49,563)
Other Financing Sources (Uses)			
Transfers in	1,253,950	1,253,950	-
Transfers out	(1,629,625)	(1,629,625)	-
Total other financing uses	(375,675)	(375,675)	-
Net Change in Fund Balance	(697,932)	(747,495)	(49,563)
Fund Balance - Beginning of year	1,369,390	1,369,390	-
Fund Balance - End of year	\$ 671,458	\$ 621,895	\$ (49,563)

Village of Franklin Park, Illinois

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Life/Fitness Reebie Storage TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 725,000	\$ 798,151	\$ 73,151
Investment income	5,000	12,202	7,202
Total revenue	<u>730,000</u>	<u>810,353</u>	<u>80,353</u>
Expenditures - Current - Community and economic development	<u>980,950</u>	<u>314,914</u>	<u>666,036</u>
Excess of Revenue (Under) Over Expenditures	(250,950)	495,439	746,389
Other Financing Uses - Transfers out	<u>(931,789)</u>	<u>(76,914)</u>	<u>854,875</u>
Net Change in Fund Balance	(1,182,739)	418,525	1,601,264
Fund Balance - Beginning of year	<u>2,690,078</u>	<u>2,690,078</u>	-
Fund Balance - End of year	<u><u>\$ 1,507,339</u></u>	<u><u>\$ 3,108,603</u></u>	<u><u>\$ 1,601,264</u></u>

Village of Franklin Park, Illinois

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
O'Hare East Industrial TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 375,000	\$ 396,179	\$ 21,179
Investment income	-	454	454
Total revenue	375,000	396,633	21,633
Expenditures - Current - Community and economic development	345,100	341,026	4,074
Net Change in Fund Balance	29,900	55,607	25,707
Fund Balance - Beginning of year	241,506	241,506	-
Fund Balance - End of year	<u>\$ 271,406</u>	<u>\$ 297,113</u>	<u>\$ 25,707</u>

Village of Franklin Park, Illinois

Other Supplemental Information
Budgetary Comparison Schedules - Nonmajor Governmental Funds
(Continued)
Resurrection TIF Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Taxes	\$ 8,000	\$ 6,655	\$ (1,345)
Investment income	-	12	12
Total revenue	8,000	6,667	(1,333)
Expenditures - Current - Community and economic development	7,900	5,174	2,726
Net Change in Fund Balance	100	1,493	1,393
Fund Balance - Beginning of year	7,738	7,738	-
Fund Balance - End of year	<u>\$ 7,838</u>	<u>\$ 9,231</u>	<u>\$ 1,393</u>

Village of Franklin Park, Illinois

Other Supplemental Information
 Budgetary Comparison Schedules - Nonmajor Governmental Funds
 (Continued)
 Capital Fund

Year Ended April 30, 2020

	Original and Final Budget (Unaudited)	Actual	Variance with Original and Final Budget (Unaudited)
Revenue			
Intergovernmental	\$ 3,160,000	\$ 1,655,338	\$ (1,504,662)
Investment income	-	1,046	1,046
Total revenue	<u>3,160,000</u>	<u>1,656,384</u>	<u>(1,503,616)</u>
Expenditures - Capital outlay	<u>3,630,000</u>	<u>1,626,521</u>	<u>2,003,479</u>
Excess of Revenue (Under) Over Expenditures	(470,000)	29,863	499,863
Other Financing Sources - Transfers in	<u>470,000</u>	<u>300,000</u>	<u>(170,000)</u>
Net Change in Fund Balance	-	329,863	329,863
Fund Balance (Deficit) - Beginning of year	<u>(639,561)</u>	<u>(639,561)</u>	-
Fund Balance (Deficit) - End of year	<u>\$ (639,561)</u>	<u>\$ (309,698)</u>	<u>\$ 329,863</u>

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Net Position Nonmajor Enterprise Funds

April 30, 2020

	Garbage Fund	Commuter Parking Lot Fund	Total Nonmajor Enterprise Funds
Assets			
Current assets:			
Cash and investments	\$ -	\$ 67,725	\$ 67,725
Receivables:			
Customer receivables	370,250	-	370,250
Allowance for doubtful accounts	(173,013)	-	(173,013)
Total current assets	197,237	67,725	264,962
Noncurrent assets - Capital assets - Assets subject to depreciation	-	6,531	6,531
Total assets	197,237	74,256	271,493
Liabilities			
Current liabilities:			
Accounts payable	141,829	15,218	157,047
Accrued liabilities and other	1,253	-	1,253
Total liabilities	143,082	15,218	158,300
Net Position			
Net investment in capital assets	-	6,531	6,531
Unrestricted	54,155	52,507	106,662
Total net position	\$ 54,155	\$ 59,038	\$ 113,193

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Revenue, Expenses, and Changes in Net Position Nonmajor Enterprise Funds

Year Ended April 30, 2020

	Garbage Fund	Commuter Parking Lot Fund	Total Nonmajor Enterprise Funds
Operating Revenue - Other sales to customers	\$ 1,140,862	\$ 77,524	\$ 1,218,386
Operating Expenses			
Repairs and maintenance	21,199	253,202	274,401
Billing and administrative costs	-	4,587	4,587
Supplies and services	1,667,720	-	1,667,720
Depreciation	-	2,278	2,278
Total operating expenses	1,688,919	260,067	1,948,986
Operating Loss	(548,057)	(182,543)	(730,600)
Nonoperating Revenue - Investment income	-	239	239
Transfers In	3,959,736	-	3,959,736
Change in Net Position	3,411,679	(182,304)	3,229,375
Net Position - Beginning of year	(3,357,524)	241,342	(3,116,182)
Net Position - End of year	<u>\$ 54,155</u>	<u>\$ 59,038</u>	<u>\$ 113,193</u>

Village of Franklin Park, Illinois

Other Supplemental Information Combining Statement of Cash Flows Nonmajor Enterprise Funds

Year Ended April 30, 2020

	Garbage Fund	Commuter Parking Lot Fund	Total Nonmajor Enterprise Funds
Cash Flows from Operating Activities			
Receipts from customers	\$ 1,178,013	\$ 77,524	\$ 1,255,537
Payments to suppliers	(1,689,237)	(246,145)	(1,935,382)
Net cash and cash equivalents used in operating activities	(511,224)	(168,621)	(679,845)
Cash Flows from Noncapital Financing Activities			
Transfers from other funds	3,959,736	-	3,959,736
Repayment of implied bank financing	(3,448,512)	-	(3,448,512)
Net cash and cash equivalents provided by noncapital financing activities	511,224	-	511,224
Cash Flows Provided by Investing Activities - Interest received on investments	-	239	239
Net Decrease in Cash and Cash Equivalents	-	(168,382)	(168,382)
Cash and Cash Equivalents - Beginning of year	-	236,107	236,107
Cash and Cash Equivalents - End of year	<u>\$ -</u>	<u>\$ 67,725</u>	<u>\$ 67,725</u>
Classification of Cash and Cash Equivalents - Cash and investments	<u>\$ -</u>	<u>\$ 67,725</u>	<u>\$ 67,725</u>
Reconciliation of Operating Loss to Net Cash from Operating Activities			
Operating loss	\$ (548,057)	\$ (182,543)	\$ (730,600)
Adjustments to reconcile operating loss to net cash from operating activities:			
Depreciation	-	2,278	2,278
Changes in assets and liabilities:			
Receivables	37,151	-	37,151
Accounts payable	(318)	11,644	11,326
Total adjustments	36,833	13,922	50,755
Net cash and cash equivalents used in operating activities	<u>\$ (511,224)</u>	<u>\$ (168,621)</u>	<u>\$ (679,845)</u>

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Fiduciary Net Position Fiduciary Funds

April 30, 2020

	Pension Trust Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Assets			
Cash and investments	\$ 1,535,559	\$ 1,316,435	\$ 2,851,994
Investments:			
Certificates of deposit	-	2,037,404	2,037,404
U.S. government securities	4,670,648	3,500,750	8,171,398
Stocks	-	2,260,735	2,260,735
Bonds	5,350,082	4,696,243	10,046,325
Insurance contracts	1,418,703	3,315,712	4,734,415
Equity mutual funds	15,504,399	12,198,719	27,703,118
Receivables - Accrued interest receivable	52,485	53,522	106,007
Prepaid expenses	6,898	2,063	8,961
Total assets	28,538,774	29,381,583	57,920,357
Liabilities - Accounts payable	5,076	17,372	22,448
Net Position Restricted for Pensions	\$ 28,533,698	\$ 29,364,211	\$ 57,897,909

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Changes in Fiduciary Net Position Fiduciary Funds

Year Ended April 30, 2020

	Pension Trust Funds		
	Police Pension Fund	Firefighters' Pension Fund	Total Pension Trust Funds
Additions			
Investment income (loss):			
Interest and dividends	\$ 820,996	\$ 680,034	\$ 1,501,030
Net decrease in fair value of investments	(720,983)	(1,111,172)	(1,832,155)
Investment-related expenses	(24,752)	(85,141)	(109,893)
Net investment income (loss)	75,261	(516,279)	(441,018)
Contributions:			
Employer contributions	2,917,658	2,726,266	5,643,924
Employee contributions	433,269	358,880	792,149
Total contributions	3,350,927	3,085,146	6,436,073
Total additions	3,426,188	2,568,867	5,995,055
Deductions			
Benefit payments	3,281,527	3,188,194	6,469,721
Administrative expenses	77,470	58,829	136,299
Total deductions	3,358,997	3,247,023	6,606,020
Net Increase (Decrease) in Net Position Held in Trust	67,191	(678,156)	(610,965)
Net Position Restricted for Pensions - Beginning of year	28,466,507	30,042,367	58,508,874
Net Position Restricted for Pensions - End of year	\$ 28,533,698	\$ 29,364,211	\$ 57,897,909

Village of Franklin Park, Illinois

Other Supplemental Information
Statement of Assets and Liabilities
Agency Fund

April 30, 2020

Village Escrow
Funds

Assets - Cash and investments

\$ 19,961

Liabilities - Refundable deposits, bonds, etc.

\$ 19,961

Village of Franklin Park, Illinois

Other Supplemental Information Statement of Changes in Assets and Liabilities Agency Funds

Year Ended April 30, 2020

	Village Escrow Funds			April 30, 2020
	May 1, 2019	Additions	Deductions	
Assets - Cash and investments	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,961</u>
Liabilities - Refundable deposits, bonds, etc.	<u>\$ 19,961</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19,961</u>

Statistical Section

Statistical Section

This part of the comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Village's overall financial health

The statistical section is organized into the following main categories:

Financial trends

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

Revenue capacity

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

Debt capacity

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

Demographic and economic information

These schedules help the reader understand the environment within which the Village's financial activities take place.

Operating information

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

Net Position by Component

Last Ten Fiscal Years

April 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net investment in capital assets	\$ 12,991,451	\$ 11,757,677	\$ 17,508,955	\$ 14,868,344	\$ 13,388,031	\$ 18,662,293	\$ 5,666,521	\$ 12,343,036	\$ 12,658,461	\$ 15,064,868
Restricted	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490	15,171,188	10,233,393	11,774,606	10,742,377
Unrestricted	<u>(4,667,352)</u>	<u>(6,909,672)</u>	<u>(13,619,431)</u>	<u>(15,782,479)</u>	<u>(19,038,997)</u>	<u>(83,050,292)</u>	<u>(79,823,060)</u>	<u>(83,889,438)</u>	<u>(91,010,646)</u>	<u>(98,378,129)</u>
Total net position	<u>\$ 19,215,270</u>	<u>\$ 8,647,432</u>	<u>\$ 10,723,778</u>	<u>\$ 8,409,703</u>	<u>\$ 2,343,562</u>	<u>\$ (52,349,509)</u>	<u>\$ (58,985,351)</u>	<u>\$ (61,313,009)</u>	<u>\$ (66,577,579)</u>	<u>\$ (72,570,884)</u>
Business Type Activities:										
Net investment in capital assets	16,153,802	17,398,876	19,658,946	20,235,039	21,548,646	20,032,993	22,196,229	23,359,454	20,736,857	24,714,909
Unrestricted	<u>(7,066,157)</u>	<u>1,305,343</u>	<u>(2,322,891)</u>	<u>(4,519,411)</u>	<u>(3,959,270)</u>	<u>(2,943,234)</u>	<u>(4,914,578)</u>	<u>(3,434,493)</u>	<u>896,794</u>	<u>(1,089,115)</u>
Total net position	<u>\$ 9,087,645</u>	<u>\$ 18,704,219</u>	<u>\$ 17,336,055</u>	<u>\$ 15,715,628</u>	<u>\$ 17,589,376</u>	<u>\$ 17,089,759</u>	<u>\$ 17,281,651</u>	<u>\$ 19,924,961</u>	<u>\$ 21,633,651</u>	<u>\$ 23,625,794</u>
Primary government in total:										
Net investment in capital assets	\$ 29,145,253	\$ 29,156,553	\$ 37,167,901	\$ 35,103,383	\$ 34,936,677	\$ 38,695,286	\$ 27,862,750	\$ 35,702,490	\$ 33,395,318	\$ 39,779,777
Restricted	10,891,171	3,799,427	6,834,254	9,323,838	7,994,528	12,038,490	15,171,188	10,233,393	11,774,606	10,742,377
Unrestricted	<u>(11,733,509)</u>	<u>(5,604,329)</u>	<u>(15,942,322)</u>	<u>(20,301,890)</u>	<u>(22,998,267)</u>	<u>(85,993,526)</u>	<u>(84,737,638)</u>	<u>(87,323,931)</u>	<u>(90,113,852)</u>	<u>(99,467,244)</u>
Total net position	<u>\$ 28,302,915</u>	<u>\$ 27,351,651</u>	<u>\$ 28,059,833</u>	<u>\$ 24,125,331</u>	<u>\$ 19,932,938</u>	<u>\$ (35,259,750)</u>	<u>\$ (41,703,700)</u>	<u>\$ (41,388,048)</u>	<u>\$ (44,943,928)</u>	<u>\$ (48,945,090)</u>

Source: Village records

Changes in Governmental Net Position

Last Ten Fiscal Years

April 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GOVERNMENTAL ACTIVITIES										
Program revenues:										
Charges for services:										
General government	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167	\$ 1,090,292	\$ 1,160,878	\$ 1,242,960	\$ 1,117,496
Public safety	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121	2,095,634	1,708,811	1,511,459	1,482,039
Public health	-	-	-	-	-	-	-	-	-	-
Community development	12,530	21,520	48,000	41,966	43,646	68,876	151,426	246,752	138,893	42,600
Building department	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971	1,926,846	2,156,435	3,374,411	1,335,548
Operating grants	457,595	643,744	660,914	177,986	273,191	523,197	125,230	195,494	188,945	199,807
Capital grants	1,082,446	399,659	608,470	848,722	402,383	2,341,212	3,425	6,804,041	1,259,515	2,073,810
General revenues:										
Property taxes	18,752,446	16,423,457	16,407,482	16,534,573	15,775,584	16,789,148	16,525,969	16,624,212	18,662,081	19,633,228
Gain on sale of fixed assets	-	81,129	-	-	-	-	711,294	15,281	196,261	21,360
Sales	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606	3,545,638	2,884,676	3,672,502	3,758,148
Income	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279	1,736,125	1,657,272	1,895,462	1,803,208
Utility	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785	3,626,361	3,627,173	3,728,923	3,788,939
Replacement	775,309	683,801	723,740	758,485	391,709	561,371	515,324	431,194	734,599	804,116
Hotel/Motel	7,807	9,118	19,403	13,125	29,492	20,500	21,600	29,820	45,897	31,840
Motor fuel	591,569	456,903	436,647	452,602	449,295	468,938	464,677	468,097	465,376	676,518
Other taxes	279,561	318,338	201,847	423,312	503,250	503,250	496,499	536,493	598,781	858,512
Investment	6,931	11,550	10,640	13,060	4,026	10,236	11,934	36,746	68,930	69,915
Miscellaneous	1,023,630	749,602	787,443	660,651	1,149,835	1,245,586	1,268,014	1,178,225	943,658	897,247
Transfers	1,024,992	(10,687,072)	-	-	(1,797,200)	337,499	1,219,471	(1,637,450)	(1,983,250)	(1,629,625)
Total revenue	<u>34,331,396</u>	<u>19,499,974</u>	<u>30,528,697</u>	<u>31,208,074</u>	<u>29,586,296</u>	<u>36,044,742</u>	<u>35,535,759</u>	<u>38,124,150</u>	<u>36,745,403</u>	<u>36,964,706</u>
Expenses:										
General government	6,438,478	5,750,635	5,347,045	6,948,033	7,413,324	6,781,421	6,669,245	6,873,490	6,243,724	6,875,899
Public safety	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330	20,150,692	20,771,281	22,414,463	25,951,009
Highway and street	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078	7,264,894	6,976,892	5,857,118	5,543,742
Public health	281,856	296,695	315,110	311,396	261,028	305,170	308,466	287,574	296,347	278,573
Community development	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574	751,113	1,240,528	1,297,220	2,129,384
Building department	1,020,662	1,324,691	955,867	743,800	637,096	706,794	754,907	996,216	853,913	846,272
Interest on long-term debt	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077	1,981,317	1,668,377	1,427,540	1,333,132
Total expenses	<u>(31,183,566)</u>	<u>(30,067,812)</u>	<u>(28,452,351)</u>	<u>(32,496,003)</u>	<u>(34,077,437)</u>	<u>(36,312,444)</u>	<u>(37,880,634)</u>	<u>(38,814,358)</u>	<u>(38,390,325)</u>	<u>(42,958,011)</u>
(DECREASE) INCREASE IN NET POSITION	<u>\$ 3,147,830</u>	<u>\$ (10,567,838)</u>	<u>\$ 2,076,346</u>	<u>\$ (1,287,929)</u>	<u>\$ (4,491,141)</u>	<u>\$ (267,702)</u>	<u>\$ (2,344,875)</u>	<u>\$ (690,208)</u>	<u>\$ (1,644,922)</u>	<u>\$ (5,993,305)</u>

Source: Village records

Village of Franklin Park, Illinois

Changes in Business Type Net Position

Last Ten Fiscal Years

April 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
BUSINESS-TYPE ACTIVITIES										
Program revenues:										
Operating grants	-	78,399	13,500	-	-	-	-	\$ -	\$ -	\$ -
Capital grants	-	-	-	275,000	-	1,216,820	1,305,911	-	-	278,198
Water**	4,425,761	4,332,873	7,466,510	8,494,967	11,123,390	11,572,648	11,401,925	11,782,302	12,799,249	13,211,679
Sewer**	2,358,732	2,264,922	-	-	-	-	-	-	-	-
Garbage collection	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229	1,247,583	1,217,502	1,176,300	1,140,862
Commuter parking lot	63,255	62,131	68,342	64,735	68,817	73,091	71,227	76,198	77,181	77,524
General revenues:										
Property taxes	-	-	-	162,455	128,174	-	-	-	-	-
Gain on sale of fixed assets	-	-	-	-	-	-	-	23,200	-	-
Unrestricted investment earnings	2,498	4,292	1,083	887	813	594	998	2,642	17,833	20,279
Transfers	(1,024,992)	10,687,072	-	-	1,797,200	(337,499)	(1,219,471)	1,637,450	1,983,250	1,629,625
Other	13,123	2,815	234,182	-	-	105,538	-	-	-	-
Total revenue	<u>7,292,476</u>	<u>18,741,684</u>	<u>8,950,348</u>	<u>10,161,577</u>	<u>14,193,285</u>	<u>13,794,421</u>	<u>12,808,173</u>	<u>14,739,294</u>	<u>16,053,813</u>	<u>16,358,167</u>
Expenses:										
Water ⁽¹⁾	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949	11,001,938	12,014,582	12,448,077	12,431,705
Sewer ⁽¹⁾	2,296,739	2,495,388	-	-	-	-	-	-	-	-
Garbage collection	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440	1,595,849	1,646,983	1,660,011	1,674,252
Commuter parking lot	13,805	17,958	29,463	56,028	133,401	53,407	18,494	71,869	36,481	260,067
Total expenses	<u>(8,742,962)</u>	<u>(9,125,110)</u>	<u>(10,318,512)</u>	<u>(11,658,905)</u>	<u>(13,894,537)</u>	<u>(14,342,796)</u>	<u>(12,616,281)</u>	<u>(13,733,434)</u>	<u>(14,144,569)</u>	<u>(14,366,024)</u>
(DECREASE) INCREASE IN										
NET POSITION	<u>\$ (1,450,486)</u>	<u>\$ 9,616,574</u>	<u>\$ (1,368,164)</u>	<u>\$ (1,497,328)</u>	<u>\$ 298,748</u>	<u>\$ (548,375)</u>	<u>\$ 191,892</u>	<u>\$ 1,005,860</u>	<u>\$ 1,909,244</u>	<u>\$ 1,992,143</u>

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

Source: Village records

Village of Franklin Park, Illinois

Changes in Net Position

Last Ten Fiscal Years

April 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
Program revenues:										
Charges for services:										
General government	\$ 1,405,288	\$ 1,245,000	\$ 1,147,340	\$ 1,203,703	\$ 1,152,455	\$ 1,080,167	\$ 1,090,292	\$ 1,160,878	\$ 1,242,960	\$ 1,117,496
Public safety	1,642,993	1,685,651	1,549,883	1,560,086	1,567,639	1,579,121	2,095,634	1,708,811	1,511,459	1,482,039
Public health	-	-	-	-	-	-	-	-	-	-
Community development	12,530	21,520	48,000	41,966	43,646	68,876	151,426	246,752	138,893	42,600
Building department	616,082	744,387	1,387,839	1,757,858	974,311	1,793,971	1,926,846	2,156,435	3,374,411	1,335,548
Water ⁽¹⁾	4,425,761	4,332,873	-	-	-	-	-	-	-	-
Sewer ⁽¹⁾	2,358,732	2,264,922	-	-	-	-	-	-	-	-
Garbage collection	1,454,099	1,309,180	1,166,731	1,163,533	1,074,891	1,163,229	1,247,583	1,217,502	1,176,300	1,140,862
Commuter parking lot	63,255	62,131	68,342	64,735	68,817	73,091	71,227	76,198	77,181	77,524
Charges for services/water, sewer ⁽¹⁾	-	-	7,466,510	8,494,967	11,123,390	11,572,648	11,401,925	11,782,302	12,799,249	13,211,679
Operating grants	457,595	722,143	674,414	177,986	273,191	523,197	125,230	195,494	188,945	199,807
Capital grants	1,082,446	399,659	608,470	1,123,722	402,383	3,558,032	1,309,336	6,804,041	1,259,515	2,352,008
General revenues:										
Property taxes	18,752,446	16,423,457	16,407,482	16,697,028	15,903,758	16,789,148	16,525,969	16,624,212	18,662,081	19,633,228
Gain on sale of fixed assets	-	81,129	-	-	-	-	711,294	38,481	196,261	21,360
Sales	2,023,821	1,822,068	1,812,946	1,864,656	3,533,108	3,526,606	3,545,638	2,884,676	3,672,502	3,758,148
Income	1,510,967	1,564,958	1,719,780	1,747,711	1,880,238	1,858,279	1,736,125	1,657,272	1,895,462	1,803,208
Utility	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,336,785	3,626,361	3,627,173	3,728,923	3,788,939
Replacement	775,309	683,801	723,740	758,485	391,709	561,371	515,324	431,194	734,599	804,116
Hotel/Motel	7,807	9,118	19,403	13,125	29,492	20,500	21,600	29,820	45,897	31,840
Motor fuel	591,569	456,903	436,647	452,602	449,295	468,938	464,677	468,097	465,376	676,518
Other taxes	279,561	749,602	201,847	423,312	503,250	503,250	496,499	536,493	598,781	858,512
Investment	9,429	15,842	11,723	13,947	4,839	10,830	12,932	39,388	86,763	90,194
Miscellaneous	1,036,753	321,153	1,021,625	660,651	1,149,835	1,351,124	1,268,014	1,178,225	943,658	897,247
Total revenue	<u>41,623,872</u>	<u>38,241,658</u>	<u>39,479,045</u>	<u>41,369,651</u>	<u>43,779,581</u>	<u>49,839,163</u>	<u>48,343,932</u>	<u>52,863,444</u>	<u>52,799,216</u>	<u>53,322,873</u>

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

Source: Village records

Village of Franklin Park, Illinois

Changes in Net Position (Continued)

Last Ten Fiscal Years

April 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
TOTAL GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES										
Expenses:										
General government	6,438,478	5,750,635	5,347,045	6,948,033	7,413,324	6,781,421	6,669,245	6,873,490	6,243,724	6,125,899
Public safety	14,736,166	15,890,927	15,349,819	16,068,460	16,575,860	19,363,330	20,150,692	20,771,281	22,414,463	25,951,009
Highway and street	6,486,425	3,925,578	4,014,364	5,440,731	5,989,498	6,496,078	7,264,894	6,976,892	5,857,118	5,543,742
Public health	281,856	296,695	315,110	311,396	261,028	305,170	308,466	287,574	296,347	278,573
Community development	841,746	1,174,033	797,279	1,056,993	979,425	1,181,574	751,113	1,240,528	1,297,220	2,129,384
Building department	1,020,662	1,324,691	955,867	743,800	637,096	706,794	754,907	996,216	853,913	846,272
Interest on long-term debt	1,378,233	1,705,253	1,672,867	1,926,590	2,221,206	1,478,077	1,981,317	1,668,377	1,427,540	1,333,132
Water ⁽¹⁾	4,738,227	5,183,861	8,617,185	10,055,096	12,028,106	12,612,949	11,001,938	12,014,582	12,448,077	12,431,705
Sewer ⁽¹⁾	2,296,739	2,495,388	-	-	-	-	-	-	-	-
Garbage collection	1,694,191	1,427,903	1,671,864	1,547,781	1,733,030	1,676,440	1,595,849	1,646,983	1,660,011	1,674,252
Commuter parking lot	13,805	17,958	29,463	56,028	133,401	53,407	18,494	71,869	36,481	260,067
Total expenses	<u>(39,926,528)</u>	<u>(39,192,922)</u>	<u>(38,770,863)</u>	<u>(44,154,908)</u>	<u>(47,971,974)</u>	<u>(50,655,240)</u>	<u>(50,496,915)</u>	<u>(52,547,792)</u>	<u>(52,534,894)</u>	<u>(56,574,035)</u>
(DECREASE) INCREASE IN NET POSITION	\$ <u>1,697,344</u>	\$ <u>(951,264)</u>	\$ <u>708,182</u>	\$ <u>(2,785,257)</u>	\$ <u>(4,192,393)</u>	\$ <u>(816,077)</u>	\$ <u>(2,152,983)</u>	\$ <u>315,652</u>	\$ <u>264,322</u>	\$ <u>(3,251,162)</u>
NET (EXPENSE) REVENUE										
Governmental activities	3,147,830	(10,567,838)	2,076,346	(1,287,929)	(4,491,141)	(267,702)	(2,344,875)	(690,208)	(1,644,922)	(5,993,305)
Business-type activities	<u>(1,450,486)</u>	<u>9,616,574</u>	<u>(1,368,164)</u>	<u>(1,497,328)</u>	<u>298,748</u>	<u>(548,375)</u>	<u>191,892</u>	<u>1,005,860</u>	<u>1,909,244</u>	<u>1,992,143</u>
TOTAL NET (EXPENSE) REVENUE	\$ <u>1,697,344</u>	\$ <u>(951,264)</u>	\$ <u>708,182</u>	\$ <u>(2,785,257)</u>	\$ <u>(4,192,393)</u>	\$ <u>(816,077)</u>	\$ <u>(2,152,983)</u>	\$ <u>315,652</u>	\$ <u>264,322</u>	\$ <u>(4,001,162)</u>

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

Source: Village records

Village of Franklin Park, Illinois

Fund Balances, Governmental Funds

Last Ten Fiscal Years

April 30, 2020

	2011	2012 ⁽¹⁾	2013	2014	2015	2016 ⁽²⁾	2017	2018	2019	2020
GENERAL FUND										
Nonspendable	\$ -	\$ 496,818	\$ -	\$ 4,502,513	\$ 3,284,583	\$ 3,230,574	\$ 2,978,902	\$ 3,047,711	\$ 4,731,701	\$ 4,351,309
Restricted	-	-	-	-	942,117	1,139,897	1,788,115	1,103,151	1,624,660	1,970,613
Assigned	-	-	-	-	-	699,631	1,820,445	-	-	2,679,737
Reserved	1,365,205	-	-	-	-	-	-	-	-	-
Unreserved/Unassigned	<u>1,645,502</u>	<u>4,235,992</u>	<u>4,637,538</u>	<u>1,043,763</u>	<u>1,527,609</u>	<u>1,829,251</u>	<u>603,069</u>	<u>3,728,095</u>	<u>3,886,140</u>	<u>555,392</u>
SUBTOTAL, GENERAL FUND	\$ <u>3,010,707</u>	\$ <u>4,732,810</u>	\$ <u>4,637,538</u>	\$ <u>5,546,276</u>	\$ <u>5,754,309</u>	\$ <u>6,899,353</u>	\$ <u>7,190,531</u>	\$ <u>7,878,957</u>	\$ <u>10,242,501</u>	\$ <u>9,557,051</u>
Percentage change from prior year	-163.2%	57.2%	-2.0%	19.6%	3.8%	19.9%	4.2%	9.6%	30.0%	-6.7%
ALL OTHER GOVERNMENT FUNDS										
Nonspendable	\$ -	\$ -	\$ -	\$ 2,253,776	\$ 2,700,723	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	10,512,997	6,834,254	7,742,113	6,404,466	10,507,979	13,271,232	8,566,414	9,533,849	9,975,958
Assigned	-	157,179	-	-	-	-	-	-	-	-
Reserved	13,820,910	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Working Cash Fund	-	-	-	-	-	-	-	-	-	-
Nonmajor governmental funds	(4,006,035)	-	-	-	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>(3,494,223)</u>	<u>(6,387,511)</u>	<u>(6,370,840)</u>	<u>(7,900,854)</u>	<u>(7,294,319)</u>	<u>(6,931,885)</u>	<u>(5,309,423)</u>	<u>(4,255,640)</u>	<u>(3,783,577)</u>
SUBTOTAL, ALL OTHER										
GOVERNMENTAL FUNDS	\$ <u>9,814,875</u>	\$ <u>7,175,953</u>	\$ <u>446,743</u>	\$ <u>3,625,049</u>	\$ <u>1,204,335</u>	\$ <u>3,213,660</u>	\$ <u>6,339,347</u>	\$ <u>3,256,991</u>	\$ <u>5,278,209</u>	\$ <u>6,192,381</u>
Percentage change from prior year	12.3%	-26.9%	-93.8%	711.4%	-66.8%	166.8%	97.3%	-48.6%	62.1%	17.3%
TOTAL GOVERNMENTAL FUNDS	\$ <u>12,825,582</u>	\$ <u>11,908,763</u>	\$ <u>5,084,281</u>	\$ <u>9,171,325</u>	\$ <u>6,958,644</u>	\$ <u>10,113,013</u>	\$ <u>13,529,878</u>	\$ <u>11,135,948</u>	\$ <u>15,520,710</u>	\$ <u>15,749,432</u>
Percentage change from prior year	222.1%	-7.1%	-57.3%	80.4%	-24.1%	45.3%	33.8%	-17.7%	39.4%	1.5%

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

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

Source: Village records

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

April 30, 2020

	2011 ⁽²⁾	2012	2013	2014	2015 ⁽³⁾	2016	2017	2018 ⁽⁴⁾	2019	2020
REVENUE										
Property taxes	\$ 18,752,446	\$ 16,423,457	\$ 16,407,482	\$ 16,534,573	\$ 15,775,584	\$ 16,789,148	\$ 16,525,969	\$ 16,624,212	\$ 18,662,081	\$ 19,633,228
Sales taxes	2,023,821	1,822,068	1,812,946	1,775,018	3,395,131	3,520,123	3,555,471	3,551,969	3,672,502	3,758,148
Income taxes	1,510,967	1,564,958	1,747,711	1,747,711	1,880,238	1,858,279	1,736,125	1,657,272	1,895,462	1,803,208
Utility taxes	3,117,429	3,326,161	3,006,323	3,149,578	3,253,334	3,324,013	3,626,361	3,627,173	3,728,923	3,788,939
Other taxes	1,709,620	1,474,570	1,540,321	1,639,556	1,388,434	1,581,849	1,510,137	1,595,746	1,850,920	2,375,861
Licenses, permits, and fees	1,295,823	1,520,581	2,146,680	2,541,873	1,731,576	2,555,694	2,806,391	1,750,840	1,661,172	1,309,956
Grant revenue	1,826,606	1,043,403	1,269,384	911,323	632,482	2,250,020	63,007	5,767,484	1,786,316	1,734,160
Other revenue	893,377	879,855	787,443	660,651	1,149,835	1,245,586	1,268,014	1,178,225	944,593	910,107
Fines and forfeitures	734,603	710,478	642,096	702,856	602,130	1,021,446	1,062,621	1,020,469	859,854	871,219
Investment income	6,931	11,550	10,640	13,060	4,026	10,236	11,934	36,746	68,930	69,915
Charges for services	1,359,902	1,465,499	1,344,286	1,434,269	1,447,437	1,293,248	1,460,834	2,673,046	3,817,072	1,912,618
TOTAL REVENUE	33,231,525	30,242,580	30,715,312	31,110,468	31,260,207	35,449,642	33,626,864	39,483,182	38,947,825	38,167,359
EXPENDITURES										
General government	6,121,843	7,354,957	5,842,913	6,271,192	6,701,850	6,341,680	6,116,993	6,359,163	5,835,820	5,902,914
Public safety	12,334,899	12,572,830	12,339,169	13,052,482	13,749,138	14,415,882	15,023,159	14,680,329	15,770,353	17,106,567
Highway and street	2,501,434	1,833,201	3,619,559	3,391,986	4,011,473	5,255,893	4,688,270	4,400,212	2,986,699	2,967,322
Public health	255,172	270,011	284,092	438,747	387,475	416,657	349,016	287,574	296,347	277,922
Community development	800,946	1,134,631	750,628	1,054,030	952,549	1,199,849	747,289	1,033,470	1,297,705	2,101,550
Building department	785,341	717,285	639,927	733,376	631,437	699,738	744,303	930,602	803,556	785,454
Debt service:										
Principal	520,000	580,000	680,000	862,847	1,115,194	1,345,820	1,411,114	1,802,772	1,667,500	1,724,500
Interest and other charges	1,368,737	1,473,778	1,733,573	1,926,850	2,236,761	1,752,387	1,991,278	2,114,780	2,094,031	2,035,632
Capital outlay	2,462,715	5,028,591	11,622,002	4,214,102	798,659	5,499,308	1,658,396	8,598,004	2,272,014	2,823,642
TOTAL EXPENDITURES	(27,151,087)	(30,965,284)	(37,511,863)	(31,945,612)	(30,584,536)	(36,927,214)	(32,729,818)	(40,206,906)	(33,024,025)	(35,725,503)
EXCESS (DEFICIENCY) OF										
REVENUE OVER EXPENDITURES	\$ 6,080,438	\$ (722,704)	\$ (6,796,551)	\$ (835,144)	\$ 675,671	\$ (1,477,572)	\$ 897,046	\$ (723,724)	\$ 5,923,800	\$ 2,441,856

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

(3) The discrepancy between ending FY 2017 fund balance and beginning FY 2018 fund balance is due to a prior period adjustment.

Source: Village records

Changes in Fund Balances, Governmental Funds
(Continued)

Last Ten Fiscal Years
April 30, 2020

	2011 ⁽²⁾	2012	2013	2014	2015 ⁽³⁾	2016	2017	2018 ⁽⁴⁾	2019	2020
OTHER FINANCING SOURCES (USES)										
Bond proceeds	\$ -	\$ 9,975,000	\$ -	\$ -	\$ 9,475,000	\$ 4,294,442	\$ 9,010,769	\$ 3,835,000	\$ -	\$ -
Bond premium	-	504,324	-	162,188	507,323	-	881,021	163,948	-	-
Bond issuance costs	-	(482,352)	-	-	-	-	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-	(9,580,000)	-	(9,302,736)	(4,185,000)	-	-
Proceeds from capital lease	175,000	414,856	-	-	81,525	-	-	938,145	-	-
Proceeds from debt issue	-	-	-	4,760,000	-	-	-	-	-	157,991
Proceeds from sale of fixed assets	-	81,129	-	-	-	-	711,294	17,399	175,500	8,500
Transfers in	6,620,322	4,820,372	2,209,053	2,390,609	1,108,376	1,529,327	2,496,695	4,282,785	1,867,307	1,885,864
Transfers out	(5,595,330)	(15,507,444)	(2,209,053)	(2,390,609)	(2,905,576)	(1,191,828)	(1,277,224)	(5,920,235)	(3,850,557)	(4,265,489)
Transfers of assets held for resale	-	-	-	-	-	-	-	835,202	268,712	-
Total other financing sources (uses)	<u>1,199,992</u>	<u>(194,115)</u>	<u>-</u>	<u>4,922,188</u>	<u>(1,313,352)</u>	<u>4,631,941</u>	<u>2,519,819</u>	<u>(32,756)</u>	<u>(1,539,038)</u>	<u>(2,213,134)</u>
NET CHANGES IN FUND BALANCES	7,280,430	(916,819)	(6,796,551)	4,087,044	(637,681)	3,154,369	3,416,865	(756,480)	4,384,762	228,722
FUND BALANCES, BEGINNING OF YEAR	<u>5,545,152</u>	<u>12,825,582</u>	<u>11,908,763</u>	<u>5,112,212</u>	<u>7,596,325</u>	<u>6,958,644</u>	<u>10,113,013</u>	<u>11,892,428</u>	<u>11,135,948</u>	<u>15,520,710</u>
FUND BALANCES, END OF YEAR	<u>\$ 12,825,582</u>	<u>\$ 11,908,763</u>	<u>\$ 5,112,212</u>	<u>\$ 9,199,256</u>	<u>\$ 6,958,644</u>	<u>\$ 10,113,013</u>	<u>\$ 13,529,878</u>	<u>\$ 11,135,948</u>	<u>\$ 15,520,710</u>	<u>\$ 15,749,432</u>
CAPITAL EXPENDITURES	\$ (2,462,715)	\$ (5,028,591)	\$ (11,622,002)	\$ (4,214,102)	\$ (798,659)	\$ (5,499,308)	\$ (1,658,396)	\$ (7,949,261)	\$ (1,325,672)	\$ (2,189,933)
RATIO OF TOTAL DEBT SERVICE EXPENDITURES TO NONCAPITAL EXPENDITURES										
	7.65%	7.92%	9.32%	10.06%	11.25%	9.86%	10.95%	12.14%	11.87%	11.21%

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

(3) The discrepancy between ending FY 2017 fund balance and beginning FY 2018 fund balance is due to a prior period adjustment.

Source: Village records

Village of Franklin Park, Illinois

Assessed Value and Actual Value of Taxable Property

Last Ten Calendar (Tax) Years

<u>Tax Year</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Industrial Property</u>	<u>Railroad Property</u>	<u>Total Taxable AV</u>	<u>Tax Rate</u>	<u>Estimated Actual Value</u>	<u>Annual Pct Change</u>
2010	237,545,123	82,906,086	516,164,672	6,298,942	842,914,823	1.702%	2,528,744,469	-8.1%
2011	277,073,007	69,949,873	392,761,273	12,156,276	751,940,429	1.929%	2,255,821,287	-10.8%
2012	252,904,351	63,586,726	364,046,541	11,619,958	692,157,576	2.134%	2,076,472,728	-8.0%
2013	203,744,556	57,678,100	338,349,141	11,367,184	611,138,981	2.392%	1,833,416,943	-11.7%
2014	207,907,076	70,309,015	329,610,860	12,524,400	620,351,351	2.457%	1,861,054,053	1.5%
2015	201,761,915	66,412,589	309,925,712	15,655,405	593,755,621	2.483%	1,781,266,863	-4.3%
2016	240,028,064	73,805,744	335,457,335	16,191,132	665,482,275	2.235%	1,996,446,825	12.1%
2017	232,261,283	77,951,556	348,204,019	16,723,657	675,140,515	2.284%	2,025,421,545	1.45%
2018	226,055,247	75,299,579	338,053,914	16,968,632	656,377,372	2.413%	1,969,132,116	-2.78%
2020	245,056,135	87,153,148	478,922,588	17,329,757	828,461,628	2.003%	2,485,384,884	26.217%

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

**Representative Property Tax Rates
All Direct and Overlapping Governments**

Last Ten Calendar (Tax) Years

Tax Levy Year	<u>2010</u>	<u>2011⁽¹⁾</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Village Direct Rate										
Corporate	0.3619	0.4375	0.4196	0.4375	0.3997	0.4146	0.3536	0.3563	0.3623	0.2957
Bond & Interest	0.3909	0.4358	0.5222	0.5568	0.5387	0.5117	0.4553	0.4392	0.4524	0.3569
Garbage	-	-	-	-	-	-	-	-	-	-
Police Pension	0.1431	0.1788	0.2094	0.2821	0.2786	0.3223	0.2910	0.3439	0.3831	0.3461
Fire Pension	0.1469	0.1687	0.2008	0.2749	0.2786	0.2931	0.2647	0.2709	0.3263	0.2930
Fire Pension(2)	-	-	-	-	-	0.0260	0.0234	0.0239	0.0253	-
IMRF	-	-	-	0.0276	-	-	-	-	-	-
Street & Bridge	0.1000	0.1000	0.0967	0.1000	0.0819	0.0850	0.0767	0.0772	0.0785	0.0641
Fire Protection	0.2132	0.3176	0.3424	0.2700	0.3997	0.4147	0.3849	0.3860	0.3925	0.3232
Police Protection	0.2147	0.2902	0.3424	0.3489	0.3997	0.4147	0.3849	0.3860	0.3925	0.3232
Civil Defense	-	-	-	-	-	-	-	-	-	-
Social Security	-	-	-	-	-	-	-	-	-	-
Auditing	-	-	-	0.0064	-	-	-	-	-	-
Liability Insurance	0.1307	-	-	0.0257	-	-	-	-	-	-
Street Lighting	-	-	-	0.0119	-	-	-	-	-	-
Crossing Guards	-	-	-	-	-	-	-	-	-	-
Water and Sewage	-	-	-	0.0500	-	-	-	-	-	-
Working Cash	-	-	-	-	-	-	-	-	-	-
CBOE Medicare	-	-	-	-	-	-	-	-	-	-
Total Direct Rate	1.7014	1.9286	2.1335	2.3918	2.3769	2.4823	2.2345	2.2834	2.4129	2.0022

Village of Franklin Park, Illinois

**Representative Property Tax Rates
All Direct and Overlapping Governments (Continued)**

	Last Ten Calendar (Tax) Years									
Tax Levy Year	<u>2011⁽¹⁾</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Overlapping Rates										
Consolidated Elections	-	0.0250	-	0.0310	-	0.0340	-	0.0310		0.0300
Cook County Forest Preserve District	0.0510	0.0580	0.0630	0.0690	0.0690	0.0690	0.0630	0.0620	0.0600	0.0590
County of Cook	0.4230	0.4620	0.5310	0.5600	0.5680	0.5520	0.5330	0.4960	0.4890	0.4540
Suburban Cook County TB Sanitarium District	-	-	-	-	-					
Leyden Township Road & Bridge	0.1150	0.1300	0.1470	0.1720	0.1750	0.1830	0.1630	0.1660	0.1760	0.1530
Leyden Township General Assistance	0.0040	0.0040	0.0050	0.0060	0.0060	0.0070	0.0070	0.0080	0.0090	0.0080
Leyden Township	0.0810	0.0930	0.1050	0.1240	0.1270	0.1330	0.1190	0.1220	0.1290	0.1130
Triton Community College District 504	0.2250	0.2670	0.2690	0.3250	0.3360	0.3520	0.3300	0.3060	0.3240	0.3060
Community High School District 212	2.2230	2.5090	2.8300	3.2640	3.3190	3.4710	3.1150	3.1540	3.0150	2.8650
School District 84	3.9320	4.3430	4.5860	4.9610	5.6270	5.9490	5.3180	5.4680	5.8800	4.6930
Metropolitan Water Reclamation District	0.2740	0.3200	0.3700	0.4170	0.4300	0.4260	0.4060	0.4020	0.3960	0.3890
Franklin Park Public Library	0.1870	0.2130	0.2380	0.2750	0.2760	0.2920	0.2640	0.2750	0.2920	0.2490
<u>Franklin Park Park District</u>	<u>0.4380</u>	<u>0.4990</u>	<u>0.5620</u>	<u>0.6410</u>	<u>0.6400</u>	<u>0.6820</u>	<u>0.6330</u>	<u>0.6490</u>	<u>0.6790</u>	<u>0.5600</u>
Total Overlapping Rate	7.9530	8.9230	9.7060	10.8450	11.5730	12.1500	10.9510	11.1390	11.4490	9.8790
Total Direct and Overlapping Tax Rates	9.6544	10.8516	11.8395	13.2368	13.9499	14.6323	13.1855	13.4224	13.8619	11.8812

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

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

Village of Franklin Park, Illinois

Principal Taxpayers Calendar (Tax) Years 2019

Tax Year 2009

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
Albertons Prop Tax	Real Estate Investments	24,997,693	2.73%
Center Point Properties	Real Estate Investments	24,581,378	2.69%
Realty Assoc Fund	Real Estate Investments	14,781,602	1.62%
Franklin Partners	Commercial Real Estate	12,726,074	1.39%
United States Tobacco	Tobacco	10,762,398	1.18%
Entropy Consortium LLC	Real Estate Investments	8,192,838	0.90%
AM Castle	Cold Finishing & Metal Shops	8,121,294	0.89%
CBRE	Real Estate Investments	7,790,926	0.85%
Nestle USA	Candy and Confectionary	7,606,063	0.83%
Central Grocers Coop.	Grocery Store & Distribution Center	7,408,201	0.81%
		\$ 126,968,467	13.87%

Tax Year 2019

<u>Taxpayer</u>	<u>Business/Service</u>	<u>Equalized Assessed Valuation</u>	<u>% of EAV</u>
New Albertsons LLC	Grocery Store & Distribution Center	18,847,601	2.28%
Hamilton Partners	Real Estate Investments	13,310,265	1.61%
Digital Grand Avenue 2	Data Storage	10,142,481	1.22%
Centerpoint Properties	Real Estate Investments	9,411,102	1.14%
WPT Belmont Ave LP	Real Estate Investments	8,617,021	1.04%
Prologis, Inc.	Industrial Real Estate Development & L	8,537,797	1.03%
JCG Industries Inc	Industrial Metals	7,192,641	0.87%
Nestle USA	Candy and Confectionary	6,294,821	0.76%
Hill Group	Real Estate Investments	5,700,276	0.69%
Sloan Valve Co	Flush Valve Manufacturer	5,636,137	0.68%
		\$ 93,690,142	11.31%

(1) Includes property parcels with 2019 equalized assessed valuations over approximately \$100,000.
Includes property parcels with 2009 equalized assessed valuations over approximately \$300,000.

(2) Uses the Village's 2019 Equalized Assessed Valuation of \$828,461,628
Uses the Village's 2009 Equalized Assessed Valuation of \$915,088,546

Data Source: Office of the Cook County Clerk & Bond Offering Statements

Village of Franklin Park, Illinois

Property Tax Levies and Collections

Last Ten Fiscal Years

<u>Tax Levy Years</u>	<u>Extended Tax Levy</u>	<u>Amount Collected</u>	<u>Percent of Levy</u>
2009	14,471,356	13,760,998	95.09%
2010	14,341,551	13,631,416	95.05%
2011	14,502,714	13,754,605	94.84%
2012	14,766,598	14,105,780	95.52%
2013	14,617,714	13,851,658	94.76%
2014	14,745,097	14,056,205	95.33%
2015	14,737,748	14,044,611	95.30%
2016	14,869,879	14,542,434	97.80%
2017	15,420,209	15,030,781	97.47%
2018	15,838,386	15,378,480	97.10%

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

Village of Franklin Park, Illinois

Sales Tax Receipt Analysis by Sector

Last Ten Calendar Years

Municipal Sales Tax	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014⁽¹⁾</u>	<u>2015⁽¹⁾</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
General Merchandise	\$ 101,460	\$ 38,661	\$ 24,617	\$ 49,077	\$ 69,819	\$ 89,545	86,948	\$ 83,029	\$ 79,205	\$ 69,092
Food	293,895	270,598	260,534	237,992	309,935	459,615	434,410	493,935	565,074	602,521
Drinking and Eating Places	158,940	164,454	165,456	172,241	276,663	416,578	449,516	470,957	515,749	545,906
Apparel	10,725	7,168	7,094	4,561	52,097	79,876	73,629	67,611	69,078	64,192
Furniture & H.H. & Radio	392,483	286,661	249,462	53,412	193,141	12,432	23,253	63,552	58,350	43,506
Lumber, Bldg, Hardware	140,035	119,609	133,967	641,694	513,618	(868,949)	527,227	495,882	514,521	507,567
Automotive & Filling Stations	298,049	286,720	141,359	341,974	495,760	689,154	548,430	615,415	664,850	619,113
Drugs & Misc. Retail	239,827	63,067	317,291	(55,817)	522,029	1,897,745	522,542	476,867	474,417	476,310
Agriculture & All Others	414,891	426,697	325,327	264,421	350,094	505,280	523,217	464,559	474,503	536,881
<u>Manufacturers</u>	<u>193,310</u>	<u>164,793</u>	<u>199,581</u>	<u>(50,627)</u>	<u>270,764</u>	<u>332,234</u>	<u>307,303</u>	<u>331,215</u>	<u>304,976</u>	<u>338,305</u>
	\$ 2,243,615	\$ 1,828,428	\$ 1,824,688	\$ 1,658,928	\$ 3,053,920	\$ 3,613,510	\$ 3,496,475	\$ 3,563,023	3,720,723	3,803,394

1. The significantly higher levels of sales tax revenue is principally due to the Village's imposition of a one percent non-home rule sales tax during FY15, which generated \$1.2 million during FY15.

Source: Illinois Department of Revenue

Village of Franklin Park, Illinois

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Direct										
Village of Franklin Park	0.00%	0.00%	0.00%	0.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Overlapping										
State of Illinois	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%	6.25%
Cook County Home Rule	1.25%	1.00%	1.00%	0.75%	1.75%	1.75%	1.75%	1.75%	1.75%	1.75%
Regional Transportation Authority	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.25%</u>	<u>1.25%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>	<u>1.00%</u>
	8.50%	8.25%	8.25%	8.00%	10.25%	10.25%	10.00%	10.00%	10.00%	10.00%

Source: Cook County Treasurer and Regional Transportation Authority

Ratios of Total Debt to Equalized Assessed Valuation and
Personal Income and Total Debt Per Capita

Last Ten Fiscal Years

Fiscal Year	Estimated Population	Equalized Assessed Valuation (EAV)	Governmental General Obligation Bonded Debt ⁽¹⁾	Business-Type General Obligation Bonded Debt ⁽¹⁾⁽²⁾	Ratio of Total Bonded Debt to EAV	Business-Type Illinois EPA Loans	Capital Financing Loans	Governmental Leases Payable	Total Debt	Ratio of Total Debt to EAV	Total Personal Income	Ratio of Bonded Debt to Personal Income	Ratio of Total Debt to Personal Income	Total Debt Per Capita
2011	18,333	842,914,824	27,255,000	15,545,000	3.2%	5,661,510	-	975,834	49,437,344	5.9%	387,357,957	7.0%	12.8%	2,696.63
2012	18,333	751,940,429	36,650,000	14,515,000	6.8%	4,815,398	-	1,230,217	57,210,615	7.6%	376,468,155	9.7%	15.2%	3,120.64
2013	18,333	692,157,576	38,970,000	13,430,000	7.6%	3,944,037	-	697,699	57,041,736	8.2%	376,468,155	10.4%	15.2%	3,111.42
2014	18,333	611,138,981	40,070,000	21,035,000	10.0%	3,046,670	-	493,635	64,645,305	10.6%	429,774,286	9.3%	15.0%	3,526.17
2015	18,333	620,351,351	39,989,185	20,602,710	9.8%	2,218,098	-	359,966	63,169,959	10.2%	440,554,952	9.1%	14.3%	3,445.70
2016	18,333	593,755,621	38,639,015	26,184,508	10.9%	1,462,350	4,768,442	242,776	71,297,091	12.0%	441,018,648	8.8%	16.2%	3,889.00
2017	18,333	665,482,275	37,482,758	27,538,517	9.8%	841,290	5,152,047	160,668	71,175,280	10.7%	455,410,053	8.2%	15.6%	3,882.36
2018	18,333	675,140,515	35,598,545	25,888,870	9.1%	485,387	4,858,560	1,029,117	67,860,479	10.1%	455,410,053	7.8%	14.9%	3,701.55
2019	18,333	656,377,372	33,792,756	29,144,590	9.6%	245,857	4,566,877	847,586	68,597,666	10.5%	455,410,053	7.4%	15.1%	3,741.76
2020	18,333	828,461,628	31,929,967	27,187,585	7.1%	-	4,187,814	716,206	64,021,572	7.7%	455,410,053	7.0%	14.1%	3,492.15

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

(2) Business -Type Obligations reported separately beginning 2011

Source: Village records

Schedule of Bonded Debt Retirement

April 30, 2020

<u>Fiscal Year</u>	<u>Amortization</u>	Percent Retired	
		<u>Annually</u>	<u>Cumulatively</u>
2021	3,700,000	6.51%	6.51%
2022	4,070,000	7.16%	13.66%
2023	4,210,000	7.40%	21.07%
2024	3,320,000	5.84%	26.91%
2025	3,210,000	5.64%	32.55%
2026	3,075,000	5.41%	37.96%
2027	3,175,000	5.58%	43.54%
2028	3,370,000	5.93%	49.47%
2029	3,520,000	6.19%	55.66%
2030	3,680,000	6.47%	62.13%
2031	3,850,000	6.77%	68.90%
2032	3,170,000	5.57%	74.47%
2033	3,310,000	5.82%	80.30%
2034	3,015,000	5.30%	85.60%
2035	3,115,000	5.48%	91.08%
2036	1,610,000	2.83%	93.91%
2037	1,695,000	2.98%	96.89%
2038	<u>1,770,000</u>	<u>3.11%</u>	<u>100.00%</u>
	56,865,000	100.00%	

Source: Village records

Village of Franklin Park, Illinois

Schedule of Direct and Overlapping Debt

April 30, 2020

<u>Government</u>	<u>Debt</u>	Percentage Applicable to the Village of <u>Franklin Park</u>	Village of Franklin Park <u>Share of Debt</u>
Direct Debt			
Village of Franklin Park Leases Payable	\$ 716,206	100.00%	\$ 716,206
Village of Franklin Park Loans Payable	3,799,990	100.00%	3,799,990
Village of Franklin Park General Obligation	<u>31,929,967</u>	<u>100.00%</u>	<u>31,929,967</u>
Total Direct Debt	\$ 36,446,163	100.00%	\$ 36,446,163
Overlapping Debt:			
Cook County	2,803,851,750	0.404%	11,327,561
Cook County Forest Preserve	86,265,000	0.404%	348,511
Metropolitan Water Reclamation District	2,590,665,000	0.411%	10,647,633
Leyden Township Fire Protection District	1,574,850	7.657%	120,586
Northlake Public Library District	3,225,000	1.702%	54,890
Bensenville Park District	1,126,260	2.220%	25,003
Park District of Franklin Park	1,070,000	99.664%	1,066,405
Veterans Park District	869,945	14.334%	124,698
School District 81	23,555,000	8.779%	2,067,893
School District 83	35,725,000	44.758%	15,989,796
School District 84	12,321,586	93.549%	11,526,720
School District 84 1/2	5,445,000	6.749%	367,483
High School District 212	25,835,000	30.156%	7,790,803
Community College District #504	<u>0</u>	<u>7.351%</u>	<u>0</u>
Total Overlapping Debt	5,591,529,391		61,457,981
Total Direct and Overlapping Debt	\$ 5,623,459,141		\$ 97,903,927

Overlapping debt was calculated by determining the percentage of each overlapping government's EAV located within the Village's boundaries versus the total EAV for each government (excluding railroad valuation and incremental TIF valuation), then applying that percentage to the debt outstanding.

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

(2) Excludes Principal of outstanding General Obligation Bonds and Debt Certificates which are expected to be paid from sources other than general taxation.

Source: Cook County Clerk's Office

Village of Franklin Park, Illinois

Debt Limit

April 30, 2020

Tax Year 2019 Equalized Assessed Valuation (including TIF districts)	\$	873,263,734
Debt limit percentage		8.625%
Current debt limit		<u>75,318,997</u>
Outstanding debt:		
G.O. Alternate Revenue Bonds of 2011	\$	7,305,000
G.O. Alternate Revenue Bonds of 2014A		3,790,000
G.O. Alternate Revenue Bonds of 2014B		1,825,000
G.O. Alternate Revenue Bonds of 2015A		6,140,000
G.O. Limited Tax Debt Certificates, Series 2013		12,385,000
G.O. Limited Tax Debt Certificates, Series 2015		6,855,000
G.O. Limited Tax Debt Certificates, Series 2016		2,545,000
G.O. Alternate Revenue Bonds, Series 2016A		8,605,000
G.O. Alternate Revenue Bonds, Series 2018		2,435,000
G.O. Alternate Revenue Bonds, Series 2018A		<u>4,980,000</u>
Total direct debt		56,865,000
Less debt not subject to debt limit*		<u>(12,865,000)</u>
Debt subject to debt limit		44,000,000
Debt Margin	\$	<u>31,318,997</u>

**Pursuant to the provisions of the Debt Reform Act, alternate revenue bonds do not count against the statutory 8.625 percent of EAV limit unless the government fails to abate the associated property tax levies. The Series 2014B, 2016A, and 2018 are such bonds.*

Village of Franklin Park, Illinois

Demographic Statistics

Last Ten Calendar Years

Calendar Year	Estimated Population ⁽¹⁾	Estimated Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	Annual Average Unemployment Rate ⁽⁴⁾	Estimated Median Household Income ⁽²⁾	Estimated Median Age ⁽²⁾	Estimated College Graduate % ⁽²⁾
2010	18,333	21,129	3,243	14.1%	57,715	35.7	13.6%
2011	18,333	20,535	3,173	13.7%	54,437	35.6	12.8%
2012	18,333	22,983	3,246	12.1%	56,098	35.6	14.6%
2013	18,333	22,983	3,556	10.2%	56,098	36.8	12.0%
2014	18,333	23,938	3,251	7.3%	54,063	38.1	12.2%
2015	18,333	24,056	3,390	5.1%	56,985	38.2	15.9%
2016	18,333	24,841	3,362	5.0%	55,926	35.6	13.8%
2017	18,333	26,245	4,300	4.4%	57,288	39.4	18.3%
2018	18,808	26,077	4,253	3.3%	60,019	N.A	18.8%
2019	18,138	26,513	4,305	3.7%	62,861	39.1	19.4%

(1) Based on census data

(2) Based on American FactFinder data for 2000 and American Community Survey five-year estimates for 2008-2012 transitioned from data end points of 2000 and 2009; 2012-2016 Community Survey 5-year Estimates

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

(4) Source: Illinois Department of Employment Security

Village of Franklin Park, Illinois

Major Employers Located Within Village Limits

Calendar Years 2009 and 2019

Employer	Type of Business or Property	2019 Largest Employers			2009 Largest Employers		
		Approximate Number Employed	Data Source	Percentage of Total Village Employment *	Approximate Number Employed	Data Source	Percentage of Total Village Employment **
The Hill Group	Industrial HVAC	837	(1)	8.6%	900	(2)	10.5%
Canadian Pacific Railway	Railroad yard	800	(1)	8.2%	800	(2)	9.3%
Sloan Valve Company	Plumbing & Fixtures Equipment Manufacturing	760	(1)	7.8%	750	(2)	8.7%
Nestle' USA Confections & Snacks Division	Candy & Confectionery Manufacturing	750	(1)	7.7%	750	(2)	8.7%
Bretford, Inc.	Office Furniture	500	(1)	5.1%	500	(2)	5.8%
Life Fitness, Inc.	Fitness Equipment Manufacturer	450	(1)	4.6%	450	(2)	5.2%
United Parcel Service	Courier service	300	(1)	3.1%	600		7.0%
Transcendia, Inc.	Plastic Extrusions	250	(1)	2.6%	550	(2)	6.4%
Coregistics	Contract Packaging Services	225	(1)	2.3%	--		
DHL Global	International Freight	200	(1)	2.1%	450	(2)	5.2%
J.S. Paluch Company Inc.	Religious Devotional Booklet & Bulletin Publishing	200	(1)	2.1%	--		
R & M Trucking	Specialized Freight Trucking	200	(1)	2.1%	--		
RCM Industries, Inc.	Aluminum Die Castings	200	(1)	2.1%	--		
Se-Kure Controls, Inc.	Security Systems	200	(1)	2.1%	--		
Fresh Express	Food products				557	(2)	6.5%

* The Illinois Department of Employment Security reports that the number of employed in the Village in 2019 was 9,724

2018 Sources:

(1) 2019 Illinois Manufacturers' Directory, (2) 2019 Illinois Services Directory

** The Illinois Department of Employment Security reports that the number of employed in the Village in 2009 was 8,608

2009 Source:

Official Statement of the Village that lists as its source, The Village

Operating Information and Indicators

Last Ten Calendar Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FIRE PROTECTION										
Fire responses	116	115	109	74	96	92	89	84	91	83
Rescue/emergency responses	1,523	1,630	1,620	1,271	1,647	1,859	1,624	1,708	1,679	1,603
Other incidents	1,377	1,422	1,350	1,119	1,456	1,255	1,533	1,584	1,971	1,886
Injuries/fatalities	8	9	1	-	1	2	4	10	2	9
Mutual aid given	289	180	274	235	306	277	306	466	137	129
Mutual aid received	327	309	189	71	101	88	87	118	72	56
POLICE PROTECTION										
Parking violations	9,914	6,440	5,541	3,371	8,541	6,282	7,504	5,461	6,728	6,404
Traffic citations	3,422	2,287	1,679	4,677	3,839	1,575	3,236	2,587	2,007	2,044
Arrests ⁽¹⁾	741	696	939	1,195	703	674	689	636	530	517
MUNICIPAL WATER & SEWER SYSTEM										
Water/Sewer Customers, Residential	4,709	4,709	4,709	4,630	4,709	4,646	4,664	4,664	4,698	4,663
Water/Sewer Customers, Commercial/Industrial	1,112	1,112	1,112	1,216	1,220	1,214	1,233	1,233	1,237	1,250
Metered Fire Line Customers	184	184	184	171	184	186	186	186	184	188
Annual Water Main Breaks	46	52	47	90	60	31	59	71	92	76
Potable Water Pumped, Millions of Gallons	1,176.6	946.0	931.6	#####	1,154.7	1,008.7	959.9	994.2	643.8	885.3

Source: Village records

Village of Franklin Park, Illinois

Capital Asset Statistics

Last Ten Calendar Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FIRE PROTECTION										
Number of stations	3	3	3	3	3	3	3	3	3	3
Fire fighting vehicles	5	5	5	5	4	4	4	5	5	6
Ambulances	1	2	2	3	3	3	3	3	3	3
POLICE PROTECTION										
Number of stations	1	1	1	1	1	1	1	1	1	1
Vehicles	24	24	19	17	19	21	22	24	24	23
PUBLIC WORKS										
Streets, miles	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0	75.0
Alleys, miles	18.9	18.9	18.9	19.2	19.2	19.2	19.2	19.2	19.2	19.2
Vehicles	27	28	27	35	41	105	23	23	23	24
MUNICIPAL WATER SYSTEM										
Sanitary sewer pipe, miles	35.5	35.5	35.5	34.0	35.0	35.0	35.0	35.0	35.0	35.0
CSO/storm sewer pipe, miles	65.5	65.5	65.5	66.0	66.0	66.0	66.0	66.0	66.0	66.0
Water mains, miles	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0	86.0
Pump stations	3	3	3	3	3	3	3	3	3	3
Water storage tanks	7	7	7	7	7	7	7	7	7	7
Water storage capacity, millions of gallons	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7	15.7
Sanitary/storm lift stations	9	9	9	6	6	6	6	6	6	6
Number of fire hydrants	876	876	881	872	872	891	891	891	891	891
Vehicles	9	10	10	12	16	18	16	16	16	16
Other major equipment	18	17	18	18	10	12	8	8	8	8

Source: Village records

Village of Franklin Park, Illinois

Full-Time Equivalent Employees

Last Ten Calendar Years

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
FIRE PROTECTION										
Sworn personnel	42	38	40	39	42	43	43	42	43	43
Civilian personnel	0.5	0.5	-	-	-	-	-	-	-	-
POLICE PROTECTION										
Sworn personnel	49	43	46	39	45	47	46	45	48	49
Civilian personnel	25.0	22.0	27.0	27.0	26.0	24.0	24.0	22.0	17.0	16.0
PUBLIC WORKS										
Supervisory personnel	3	3	3	4	4	4	4	4	4	4
Non-supervisory personnel	10.5	9.0	8.0	8.0	8.0	12.5	11.0	15.0	15.0	14.0
MUNICIPAL WATER SYSTEM										
Supervisory personnel	3	3	3	2	2	2	2	2	2	3
Non-supervisory personnel	8.0	6.0	5.0	7.0	7.0	13.5	12.0	10.0	10.0	9.0

Source: Village records

Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements
Performed in Accordance with *Government
Auditing Standards*

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Village of Franklin Park, Illinois (the "Village") as of and for the year ended April 30, 2020 and the related notes to the financial statements, which collectively comprise the Village's basic financial statements and have issued our report thereon dated January 13, 2021. Our report includes a reference to other auditors who audited the financial statements of the Police Pension Fund and the Firefighters' Pension Fund, as described in our report on the Village of Franklin Park, Illinois' financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Police Pension Fund and the Firefighters' Pension Fund were not audited in accordance with *Government Auditing Standards*, and, accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control. Accordingly, we do not express an opinion on the effectiveness of the Village's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2020-001, 2020-002, and 2020-003, that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

The Village's Responses to the Findings

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The Village's responses were not subjected to the auditing procedures applied in the audit of the financial statements, and, accordingly, we express no opinion on them.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Plante & Moran, PLLC

January 13, 2021

Schedule of Findings and Questioned Costs

Year Ended June 30, 2020

Financial Statement Audit Findings

Reference Number	Finding
2020-001	<p>Finding Type - Material weakness</p> <p>Criteria - Management's goal was to accurately record all adjustments for the fund-level and government-wide statements.</p> <p>Condition - Journal entries were necessary to adjust various account balances in order to properly state them as of April 30, 2020.</p> <p>Context - The journal entries identified by the auditor and recorded by management related to the following items: (1) recording of current year activity for the Village's net pension liabilities and related deferred outflows, deferred inflows, and expenses; (2) recording of fixed assets in the Water and Sewer Fund and governmental activities that were not originally recorded; (3) recording of the net OPEB liability and related deferred outflows, deferred inflows, and expenses in association with implementation of GASB 75; (4) adjustment to accounts payable to correct ending balances; and (5) recording various other full accrual adjustments for year-end close.</p> <p>Cause - For certain financial statement accounts, the Village did not have a review process in place to ensure that year-end schedules were reviewed for accuracy prior to being finalized for the audit process.</p> <p>Effect - As a result, several account balances, as noted above, required adjustments as of April 30, 2020. The financial statements were misstated prior to the auditor proposing the entries.</p> <p>Recommendation - The Village should develop controls to ensure that the proper reviews are being performed on year-end schedules and that all appropriate journal entries are made prior to the audit.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Village concurs with the recommendation and will put a process in place to address the issue.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Financial Statement Audit Findings (Continued)

Reference Number	Finding
2020-002	<p>Finding Type - Material weakness</p> <p>Criteria - Segregation of the four general categories (authorization, custody, record-keeping, and reconciliation) is a key concept of internal control and provides for the timely prevention and/or detection of errors and unauthorized transactions.</p> <p>Condition - The segregation of duties surrounding cash functions and the IT system is not sufficient to mitigate risks.</p> <p>Context - (1) When reviewing the general informational technology (IT) controls over the financial applications, it was noted that the assistant comptroller has administrative rights allowing them to create new users, make user changes, and post journal entries.</p> <p>(2) During procedures performed at the police department, it was noted that the cash drawer counts are performed by the same cashiers who are collecting cash. A supervisor is currently counting the cash the day after the amount has been recorded by the cashier. Additionally, cash is not maintained in a locked drawer during office hours.</p> <p>Cause - Appropriate segregation of duties is not established surrounding certain functions within the Village.</p> <p>Effect - (1) There is a risk that a fictitious user could be created to post journal entries or that changes could be made to another user's profile to allow someone other than that user to post journal entries.</p> <p>(2) Lack of segregation of duties of the four general categories creates the opportunity for unauthorized cash transactions and errors in processing and recording cash transactions. The police department collects approximately \$3,000,000 of cash on an annual basis.</p> <p>Recommendation - (1) We recommend management review the current accounting and control procedures to identify where key controls can be improved upon and properly segregated.</p> <p>(2) We recommend a separate individual count the cash drawers or observe the cash count at the time the cashier's count is recorded to ensure the recorded amount is accurate. Further, we recommend cash be maintained in a locked drawer during business hours.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Village concurs with the recommendation and will examine current control procedures to identify potential solutions.</p>

Schedule of Findings and Questioned Costs (Continued)

Year Ended June 30, 2020

Financial Statement Audit Findings (Continued)

Reference Number	Finding
2020-003	<p>Finding Type - Material weakness</p> <p>Criteria - In accordance with GASB 34, interfund balances that are not likely to be repaid within a reasonable time should be eliminated and presented as transfers, as they do not represent true assets and liabilities of the respective funds.</p> <p>Condition - Adjusting entries and passed adjusting entries were required to properly state advances and transfers between funds.</p> <p>Context - In the current year, the General Corporate Fund transferred money to the Fleet Maintenance Fund, and the Water and Sewer Fund transferred money to the Garbage Fund to eliminate these funds' negative cash balances, as the funds do not have sufficient revenue sources to repay these funds.</p> <p>Cause - For interfund borrowings, the Village did not have a process in place to ensure that moneys borrowed between funds have the ability to be repaid or if the moneys should be transferred.</p> <p>Effect - Lack of proper interfund analysis could cause the lending fund to be misstated if the borrowing fund does not have the ability to repay those funds.</p> <p>Recommendation - We recommend management review interfund balances on a routine basis to ensure they have the ability to be repaid.</p> <p>Views of Responsible Officials and Planned Corrective Actions - The Village concurs with the recommendation and will examine current control procedures to identify potential solutions.</p>