VILLAGE OF FOREST PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

Year Ended April 30, 2017

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Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Forest Park (the "Village"), as of and for the year ended April 30, 2017, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village, as of April 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary Information

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

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

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards,* we have also issued our report dated December 18, 2017, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Oak Brook, Illinois
December 18, 2017

The management of the Village of Forest Park presents the financial statements with narrative overview and analysis of the financial activities for the fiscal year ended April 30, 2017. The Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes in net position, and currently known facts. It should be read in conjunction with the auditor's opinion beginning on page 1 and the Village's financial statements beginning on page 17.

Financial Highlights

As presented on the Statement of Net Activities, FY2017 recognized an 8.0% increase in capital assets. Capital asset gains include investment in infrastructure projects, and purchases of replacement equipment and vehicles. These assets had been deferred for several years, however during the FY2017 budget process the Village Council recognized the need to maintain equipment to provide necessary services to the community. The 2002 Bond obligation was fulfilled in FY2017, reducing current liabilities by (5.5%). While the long term obligation of bonds payable was reduced, non-current liabilities overall increased 2.0%. In FY2016 the Village adopted GASB 68, an accounting principle that requires those governments providing defined benefit pensions to recognize the long-term obligation as a liability on the government wide financial statement. The long-term net pension liability for the combined Police Pension, Fire Pension, and Illinois Municipal Retirement Fund pension funds as of fiscal year end is $57,346,199. This is an increase of $2,072,301, or 3.7% from prior year. Overall net position in the Village's primary government (Governmental activities and Business type activities) shows an ending balance of $2,835,819. Investment in assets and infrastructure, declining revenues, and recognition of long term pension obligations have resulted in a decline of net position from FY2016. Governmental fund revenues in conjunction with other financing sources did not exceed expenditures, resulting in a loss in fund balances of ($1,593,700) as shown on Statement 5. Fund detail is as follows:

The General fund recognized a loss of ($1,316,255). Collected General fund revenues (excluding operating transfers and other financing sources) in FY2017 were ($210,823) or (1.3%) less than FY2016, and reached 84.8% of budget expectation, short by ($2,958,893). Shortfalls include:

- Property tax collections ($354,115) or (6.4%) short of budget, an increase of $4,770 from prior year
- Local share of state sales and income taxes short of budget by ($640,250) or (12.3%), and down ($195,475) or (4.1%) from FY2016 allocations
- Fines and Penalties ($910,275) or (41.1%) short of budget, a (28.2%) or ($511,470) reduction from prior year revenues
- Grants not awarded or suspended by the State during FY2017 reduced budgeted revenues by ($950,450)

Expenditures in the General fund reached 91.0% of expectation, under budget by ($1,921,861), and increased $1,087,797 or 5.9% from prior year. Departments within the General fund remained under budget. Expenditure variances include:

- Health insurance premiums and pension contributions over budget $125,725, an additional $250,200 from FY2016
- Grants not awarded during FY2017 total a reduction in budgeted expenditure of ($991,980)
- Budgeted vehicle and equipment replacements totaled $471,410
- Wages and benefits were budgeted at a 6.7% increase from FY2016 year end in consideration of full staffing and eligible retirements. Compared to prior year, wages and benefits increased $511,968 or 3.6% , and were ($439,480) or (2.9%) under budgeted expectations. This reduction from budget is due to fewer retirements and short-term personnel vacancies.

Other financing sources in the General fund include the annual operating transfer from the Water fund to cover the approximate cost of unallocated expenses, the transfer of excess incremental sales tax not required to meet the final 2002 Bond fund debt obligation, the transfer out to close the Harlem Harrison TIF, and proceeds from loans. In FY2017, other financing sources totaled $1,724,148.

The VIP fund recognized a decline in Non-Home Rule sales tax revenues, down ($76,520) or (4.0%) from prior fiscal year and (5.9%) under budget. Budgeted revenues included operating transfers for construction related costs from the Motor Fuel Tax fund, and an inter-governmental agreement with the Village of River Forest for their portion of the Madison Street (DesPlaines to Park Avenue) project. These financing sources were ($1,016,230) under budget due to construction scheduling and State of Illinois invoicing. Expenditures were ($664,632) or (19.0%) under budget and $234,003 or 9.0% increased from prior year. Net result is a ($157,103) reduction to fund balance. The loss incurred in the VIP fund will be recovered following State of Illinois invoicing for the Madison Street project and reimbursement from River Forest for their portion of the project expenses.

Property tax revenues in the Major TIF funds exceeded budget expectations by $450,124. Incremental revenues show gains in the Mall TIF, Brown Street Station TIF, and Roosevelt Road Corridor TIF from tax year 2015 to 2016. The Harlem/Harrison TIF was dissolved during FY2016 and the liability balance of ($56,335) was transferred to the General fund in FY2017. Collective expenditures for the TIF funds were under budget expectation by ($1,347,443) or (47.8%). The Brown Street Station TIF budgeted for infrastructure improvements under the US Department of Transportation's "Transportation Investment Generating Economic Recovery" (TIGER) grant as in FY2015 and FY2016, however no award to date. The Roosevelt Road project and additional infrastructure improvement projects were recognized in the Mall TIF expenditures. As the 2002 Bond fund (Mall TIF debt) was fulfilled in December 2016, balances in the debt service funds were transferred to the Mall TIF and to respective funds with liability balances. The collective change in fund balance for Major TIF funds was $837,696.

In the Special Revenue and Debt Service funds (Non-major), revenues fell short of budget expectation in all funds except the 911 fund, and the State seizure fund. Collective revenues were ($337,212) under budget. Overall expenditures and operating transfers were under budget expectation by ($51,185) and increased $584,038 over prior year. Preliminary costs associated with state mandated consolidated dispatch was reflected in the 911 fund. IMRF pension fund was re-classed as a Major fund for FY2017. The collective change in fund balance for these Non-Major funds was ($956,986).

In the proprietary fund (Statement 8), the Water fund revenues decreased ($456,520) or (6.7%) over FY2016 and were ($490,620) or (7.2%) under budget expectation. This includes charges for services, investment earnings, other revenues, and grant revenues. Charges for services vary both by rates and consumption. Rates have not increased since January 1, 2015. Water fund actual expenditures relating to watermain and sewer improvement projects were reduced per the audit by ($421,369) in order to recognize the capital asset gain from infrastructure improvements. Note 4 of this report reflects the changes in capital assets. With these adjustments, revenues exceeded expenses resulting in a net gain of $1,361,081. This increase in net position will secure future infrastructure improvements.

Overview of the Financial Statements

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

Government-Wide Financial Statements

The government-wide financial statements (Statements 1 and 2) are designed to provide readers with a broad overview of Village finances in a manner similar to a private-sector business. The statement of net position presents information on all of the assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time increases or decreases in net position may serve as a useful indicator of whether the financial position of the Village is improving or declining.

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

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

Fund Financial Statements

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

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

The Village maintains sixteen individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for seven major governmental funds: General fund, Brown Street Station TIF, Harlem/Harrison TIF, Roosevelt/Hannah TIF, 2002 Bond fund (Mall TIF), Illinois Municipal Retirement Fund, and the VIP fund. Nine special revenue funds which include the Roosevelt Road Corridor TIF, and two debt service funds (components to the 2002 Bond fund), are considered to be Non-major funds. Individual fund information for these Non-major governmental funds is provided in Exhibits 9 through 19.

The Village maintains one type of proprietary fund to account for water and sewer operations, the Water fund. Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The proprietary fund financial statement provides separate information for the Water fund, which is considered to be a major operating fund of the Village.

Fiduciary funds are used to account for resources held for the benefit of others, in this case for Fire and Police retirees. Fiduciary fund activities are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is similar to that used by proprietary funds.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements this report also includes certain required supplementary information related to budgetary information and the Village's progress in funding its obligation to provide pension benefits to its employees.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Assets						
Cash and investments	$ 13,046.7	$ 14,093.5	$ 3,761.4	$ 2,893.3	$ 16,808.1	$ 16,986.9
Current assets	5,333.8	5,682.1	882.6	960.2	6,216.4	6,642.3
Capital assets	33,246.2	30,347.3	9,704.0	9,461.8	42,950.2	39,809.0
Total assets	51,626.7	50,122.9	14,348.0	13,315.3	65,974.7	63,438.2
Deferred Inflows of Resources						
Deferred loss on refunding	260.2	290.8	-	-	260.2	290.8
Deferred Pension Outflows	12,593.7	17,069.0	-	-	12,593.7	17,069.0
Liabilities						
Current liabilities	3,925.1	4,144.0	832.2	795.6	4,757.3	4,939.6
Long-term liabilities	65,731.0	64,051.2	1,974.4	2,339.5	67,705.4	66,390.6
Total liabilities	69,656.1	68,195.1	2,806.6	3,135.1	72,462.7	71,330.2
Deferred Inflows of Resources						
Unavailable property tax revenue	2,524.5	2,468.7	-	-	2,524.5	2,468.7
Deferred Pension inflows	1,005.5	258.8	-	-	1,005.5	258.8
Net Position						
Invested in capital assets, net	24,620.5	20,665.1	7,366.7	6,759.7	31,987.2	27,424.8
Restricted	13,067.8	13,389.6	-	-	13,067.8	13,389.6
Unrestricted	(46,393.8)	(37,494.7)	4,174.7	3,420.6	(42,219.1)	(34,074.1)
Total Net Position	$ (8,705.5)	$ (3,440.0)	$ 11,541.4	$ 10,180.3	$ 2,835.9	$ 6,740.3

Source: Statement 1

Total assets have increased by $2,536,519, or 4.0%, over prior year due to infrastructure improvements and equipment replacements. Current liabilities have decreased ($273,317) or (5.5%). Cash and current assets of $23,024,518 are 4.8 times current liabilities of $4,757,296, a ratio consistent with prior fiscal year. This ratio shows that the Village's ability to pay current bills in a timely fashion has continued. The increase in pension and post-employment benefit obligations are recognized in long-term liabilities on the government-wide statement. Net position is represented by capital assets such as buildings and other structures, parking lots, and infrastructure net of any outstanding debt, and funds that are restricted for debt service and construction projects. Unrestricted assets can be used to finance day-to-day operations without constraints established by legal requirements.

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

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2017	**2016**	**2017**	**2016**	**2017**	**2016**
Revenues						
Program Revenues:						
Charges for services	$ 4,926.3	$ 5,310.4	$ 6,360.0	$ 6,817.6	$ 11,286.3	$ 12,128.0
Operating grants/contributions	109.2	162.3	-	-	109.2	162.3
Capital grants/contributions	1,196.4	1,579.5	-	-	1,196.4	1,579.5
General Revenues:						
Property taxes	7,097.7	7,227.2	-	-	7,097.7	7,227.2
Other taxes	7,565.9	7,778.1	-	-	7,565.9	7,778.1
Intergovernmental revenues	1,467.3	1,712.1	-	-	1,467.3	1,712.1
Other revenues	104.0	44.2	5.1	3.1	109.1	47.3
Total Revenues	22,466.8	23,814.0	6,365.1	6,820.7	28,831.9	30,634.6
Expenses						
General government	7,677.1	7,180.5	-	-	7,677.1	7,180.5
Police protection	9,848.8	8,806.1	-	-	9,848.8	8,806.1
Fire protection	5,621.0	5,172.7	-	-	5,621.0	5,172.7
Health and safety	350.1	325.0	-	-	350.1	325.0
Community outreach	873.8	784.0	-	-	873.8	784.0
Public works	4,026.8	4,950.5	-	-	4,026.8	4,950.5
Interest on debt	271.2	310.1	-	-	271.2	310.1
Water and sewer	-	-	4,067.5	4,295.5	4,067.5	4,295.5
Total Expenses	28,668.8	27,529.0	4,067.5	4,295.5	32,736.3	31,824.5
Transfers Out / (In)	936.5	900.0	(936.5)	(900.0)	-	-
Change in Net Position	(5,265.5)	(2,815.1)	1,361.1	1,625.2	(3,904.4)	(1,189.9)
Net position beginning balance	(3,440.0)	(624.9)	10,180.3	8,555.1	6,740.3	7,930.1
Net position end of year	$ (8,705.5)	$ (3,440.0)	$ 11,541.4	$ 10,180.3	$ 2,835.9	$ 6,740.3

Source: Statement 2

Governmental Activities revenue decreased ($1,347,296) or (5.7%) compared to fiscal year 2016 in all categories except utility tax in Other taxes, and investment earnings and miscellaneous general revenues in Other revenues. The principle sources of revenue for the Governmental Activities are state taxes at 34.9%, property taxes at 31.6%, and fees/fines/charges for services at 21.9%. Local share of state sales tax across all funds decreased ($157,536), or (3.0%) from prior year. Property tax collections decreased ($129,604) compared to prior year, with reductions in all funds. Total expenses in Governmental Activities increased by $1,048,772 or 3.8%, the majority of this increase in Police protection. The categories of Police protection and Fire protection comprise 47.4% of the total Primary Government expenses, Public works accounts for 12.3%, and other governmental expenses including debt service comprise 27.8%. Business-type Activities (Water fund) revenues from charges for services, investment earnings, and other revenues decreased ($456,520) or (6.7%) and expenses including debt and depreciation decreased ($227,939) or (5.3%). The Water fund accounts for 12.5% of total primary government expenses.

Governmental Funds

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

The changes in the various governmental funds balances are shown (in thousands) below:

	Major Funds							Non-major Funds		
	General Fund	Brown Street Station TIF	Harlem/Harrison TIF	Roosevelt/Hannah TIF	2002 Bond Fund	Illinois Municipal Retirement Fund	VIP Fund	Special Revenue / Debt Service Funds	Total Governmental Funds	As of 4/30/16 Total Governmental Funds
Revenues	$ 16,463.07	$ 389.35	$ -	$ 840.75	$ 382.88	$ 277.44	$ 2,050.16	$ 1,508.17	$ 21,911.82	$ 22,631.76
Expenditures	19,503.47	43.50	-	88.28	1,397.46	298.60	2,838.78	743.38	24,913.47	22,774.93
Excess (deficiency) of revenues over expenditures	(3,040.40)	345.85	-	752.47	(1,014.58)	(21.16)	(788.62)	764.79	(3,001.65)	(143.17)
Transfer in (out)	1,252.73	-	56.34	-	697.61	20.11	631.52	(1,721.78)	936.53	900.00
Loan Proceeds	471.41	-	-	-	-	-	-	-	471.41	-
Net change in fund balances	(1,316.26)	345.85	56.34	752.47	(316.97)	(1.05)	(157.10)	(956.99)	(1,593.71)	756.83
Beginning fund balance	2,853.17	3,875.44	(56.34)	2,532.60	2,802.82	(521.11)	936.47	2,499.21	14,922.26	14,165.42
End of year fund balances	$ 1,536.91	$ 4,221.29	$ -	$ 3,285.07	$ 2,485.85	$ (522.16)	$ 779.37	$ 1,542.22	$ 13,328.55	$ 14,922.25

Source: Statement 5

Proprietary Funds

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

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

Changes in Proprietary Net Position

	2017 Water Fund	2016 Water Fund	% change 2017 from 2016
Total revenues	$ 6,364.1	$ 6,820.7	-6.7%
Total expenses	4,066.5	4,295.5	-5.3%
Excess (deficiency) of revenues over expenditures	2,297.6	2,525.2	-9.0%
Transfers in (out)	(936.5)	(900.0)	4.1%
Contribution revenue	-	-	-
Special items	-	-	-
Net change in Fund Balances	1,361.1	1,625.2	-16.3%
Net position at beginning of year	10,180.3	8,555.1	19.0%
Net position at end of year	$ 11,541.3	$ 10,180.3	13.4%

Source: Statement 8

Water fund revenues reflect billable consumption, grant revenues, meter installation charges, late fee penalties, and investment earnings. For FY2017, overall revenues were down ($456,520) or (6.7%). Revenues from water billing will vary both by rates and consumption. Billed consumption decreased (9.0%) from FY2016. While the rate structure has not increased since January 1, 2015, service rates on properties are subject to change, such as de-conversion from multi-family to single, rate reduction when eligible for senior classification, and suspended accounts due to vacancies. Water fund expenses include purchased water from the City of Chicago, debt service, infrastructure maintenance and improvement, depreciation, personnel, and grants. Operating expenses decreased ($228,939) or (5.3%), primarily due to less water purchased. Transfers from the Water fund to the General fund cover the approximate cost to the Village of unallocated expenses, such as liability insurance, pension, payroll taxes, and other employment benefits and costs, and intangible property rights. For fiscal year 2017 the transfer out was $936,531.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

	2017			2016		
	Final Budget	**Actual**	**Variance**	**Final Budget**	**Actual**	**Variance**
Revenues:						
Taxes	$12,127.4	$11,036.8	$ (1,090.6)	$11,977.9	$10,923.8	$ (1,054.1)
Licenses and permits	1,322.3	1,273.9	(48.4)	1,271.1	1,211.2	(59.8)
Fees for services	2,139.6	2,172.7	33.1	2,308.8	2,097.4	(211.4)
Grant revenue	981.1	30.6	(950.5)	1,026.5	85.7	(940.9)
Parking revenue	543.5	485.5	(58.0)	542.7	504.5	(38.2)
Fines	2,210.2	1,300.2	(910.0)	2,238.5	1,811.4	(427.1)
Interest on investment	5.6	9.5	3.9	1.8	4.7	2.9
Other	92.3	153.9	61.6	86.7	35.2	(51.5)
Total Revenues	19,422.0	16,463.1	(2,958.9)	19,453.9	16,673.9	(2,780.1)
Expenditures:						
Office of the Mayor	7,398.0	7,095.8	302.2	7,070.2	6,686.8	383.4
Office of Accounts & Finance	9,321.2	8,171.3	1,149.9	9,529.5	7,850.4	1,679.1
Office of Public Property	1,895.9	1,764.4	131.5	1,839.2	1,651.7	187.6
Office of Streets & Public Improvement	1,836.3	1,604.5	231.8	1,469.2	1,366.9	102.3
Office of Health & Safety	415.3	325.0	90.3	406.7	308.6	98.1
Debt Service Payments	558.7	542.5	16.2	573.9	551.4	22.5
Total Expenditures	21,425.4	19,503.5	1,921.9	20,888.6	18,415.7	2,473.0
Excess (deficiency) of revenues over expenditures:	(2,003.4)	(3,040.4)	(1,037.0)	(1,434.7)	(1,741.8)	(307.1)
Other financing sources:						
Operating Transfers In / (Out)	1,403.6	1,252.7	(150.9)	1,475.0	1,227.8	(247.2)
Loan Proceeds	600.8	471.4	(129.4)	-	-	-
Total other financing sources	2,004.4	1,724.1	(280.3)	1,475.0	1,227.8	(247.2)
Net Change to Fund Balance	1.0	(1,316.3)	(1,317.3)	40.3	(514.0)	(554.3)

Source: RSI-10

FY2017 General fund revenues met 84.8% of budget expectation, and expenditures met 91.0%. Revenues were ($210,823) or (1.3%) less than prior year, with the majority of this reduction attributed to Fines. FY2017 budget to actual revenue variations resulted from lower than expected collections in property tax, sales tax, income tax, utility tax, fines, and grants. Expenditures recognized an additional $113,200 toward health insurance premiums, $137,000 in Police and Fire Pension contributions, $245,600 in Police protection costs, and $471,410 in asset replacement. While all departments remained under budget, overall expenditures increased $1,087,797 or 5.9% from prior year. The net result for current year is a loss of ($1,316,255). Declining revenues and the increasing costs of contractual and operating expenses are the factors for consecutive years' losses. It is incumbent upon the Village to review other revenue options to sustain the level of safety and service to the community.

CAPITAL ASSET AND DEBT ADMINISTRATION

Governmental Activities Change in Capital Assets (in thousands)

	Balance as of April 30, 2016	Net Additions/ (Deletions)	Balance as of April 30, 2017
Non-Depreciable Assets			
Land	$ 5,365.4	-	$ 5,365.4
Construction in Progress	1,564.0	(703.5)	860.5
Non-Depreciable Assets Total	6,929.4	(703.5)	6,225.9
Other Capital Assets			
Infrastructure	40,841.7	2,715.1	43,556.8
Buildings and improvements	4,943.0	-	4,943.0
Fixtures/Equipment	5,235.8	184.9	5,420.7
Accum. Depreciation	(27,602.6)	702.4	(26,900.2)
Net Capital Assets	$ 30,347.3	$ 2,898.9	$ 33,246.2

Source: Note 4

Infrastructure additions include the completion of Madison Street East and West projects, from Park Avenue (River Forest) to Harlem Avenue; a resurfacing project; five alleys from the 2015 CDBG program (2016 alley improvement); and eleven alleys from the 2017 alley improvement program. Construction in progress is comprised of the Roosevelt Road streetscape project. Replacement equipment includes an ambulance, Public Works wheel loader, dump truck, drum roller, chipper, and a telephone system. These assets had been deferred for several years and equipment was beyond the point of safety or repair. Funding resources included grants, VIP, MFT, General fund, and TIF funds. Proceeds from sales of depreciated assets partially offset the expense of the replacement equipment.

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

	Balance as of April 30, 2016	Net Additions/ (Deletions)	Balance as of April 30, 2017
Non-Depreciable Assets			
Construction in Progress	$ 261.9	$ (261.9)	$ -
Other Capital Assets			
Infrastructure	11,199.1	652.1	11,851.2
Buildings and improvements	681.9	-	681.9
Fixtures/Equipment	257.3	-	257.3
Accum. Depreciation	(2,938.4)	(148.0)	(3,086.4)
Net Capital Assets	$ 9,461.8	$ 242.2	$ 9,704.0

Source: Note 4

Infrastructure additions include watermain replacement, and watermain and sewer improvements in conjunction with the Madison Street West project (DesPlaines Avenue to Park Avenue), and both alley improvement projects.

Debt Administration

At April 30, 2017, the Village had following long term obligations:

		Ending balance		Principal due within one year
Governmental Activities				
G.O. TIF Refunding Bonds, 2002	$	-	$	-
G.O. Alternative Revenue Refunding, 2012		5,565,000		555,000
Premium on Bonds		218,529		-
Total Bonds	$	5,783,529	$	555,000
G.O. Debt Certificate Series 2011		1,353,688		256,444
Loans Payable		1,488,441		204,668
Net Pension Obligations		57,346,199		-
Other Post Employment Benefits		720,262		-
Compensated Absences		819,178		764,174
Total Governmental Long-term Debt	$	67,511,297	$	1,780,286
Business-type Activities				
G.O. Debt Certificate Series 2011	$	256,312	$	48,556
Loan Payable		2,080,992		315,662
Compensated Absences		12,995		11,669
Total Business-type Long-term Debt	$	2,350,299	$	375,887

Source: Note 5

The governmental G.O. bond principal payment of $555,000 due in fiscal year 2018 is payable from the VIP fund which is financed through one percent Non-Home Rule sales tax. Interest rates on the bond range from 2.0 to 3.0 percent, and the debt expires 12/2025. The G.O. Debt Certificate Series 2011 is split between the General fund (84.1%) and Water fund (15.9%) with interest rates ranging from 2.0 to 3.0 percent. This debt expires 11/2021. Bank loans payable include the FY2014 LED loan at a term of ten years at 3.25 percent interest; five vehicles financed in FY2015 at terms of 3.5 years at 2.9 percent interest; and replacement assets financed in FY2017, which include an ambulance, Public Works vehicles and equipment, and a Village-wide telephone system. The terms on the new loan are 7.5 years at 3.25 percent. These loans are all paid from General fund. The Business type (Water fund) loan is the IL EPA water main project, a 20 year term at 2.675 percent that expires in 02/2023. Debt that expired in FY2017 includes the 2002 G.O. Bond (Mall TIF), and six vehicles financed in FY2012 (General fund).

The actuarial value of net pension obligations and other post-employment benefits are required under the Governmental Accounting Standards Board (GASB) to be reported. These amounts will vary as actuarial experience in the various retirement funds fluctuate from year to year. FY2017 year end net pension obligation allocation is as follows: Police Pension at 59.3%, Fire Pension at 38.4%, and Illinois Municipal Retirement Fund at 2.2%.

Under Illinois law, the Village's outstanding debt is limited to 8.625% of the assessed valuations in our jurisdiction. Assessed valuation per the 2016 levy is $302,132,242. The Village's debt limit under this law is $26,058,906 compared to legal debt outstanding at April 30, 2017, of $7,175,000.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Fiscal year 2017 final numbers and the budget projections for 2018 have presented many challenges to the Village but we believe that we continue to take proper steps to keep Forest Park moving forward. Unemployment numbers nationwide continue to decrease. Housing in Forest Park continues its upward trend and in many cases Forest Park has seen a higher increase in home sale prices than many other suburban Chicago locations. Recently the Village participated in the grand opening of the long vacant Kmart site with a new home improvement retailer that will bring much needed sales tax revenue for the General and VIP funds. Early numbers suggest a robust business. We have reviewed reports from our major retailers such as Walmart and several car dealerships and their numbers are showing improvement. The 1.0% Non-Home Rule tax approved by voters is directly tied to the sales tax so while the annual receipts from this fund have been down, the Village continues to be very aggressive with infrastructure projects. Since 2005 the Village has completed more than 40 million dollars in infrastructure projects throughout the Village using a combination of grants, VIP, MFT, Water fund, and General fund dollars to complete this important work. In fiscal year 2017 the Village completed more than 7 million dollars of work with the largest share being a 5 million dollar project along Roosevelt Road from Harlem Avenue to DesPlaines Avenue. The completed work was funded using the previously mentioned combination of funds. The beautification project on Roosevelt Road has made the street and surrounding area much more pedestrian friendly and the combination of new lighting, enhanced crosswalks, and landscaping will draw people to the area and increase the sales tax base. The combination of funds used to complete annual infrastructure projects will ensure that Forest Park is properly poised to attract and keep sales tax producing businesses which reduces obligations from General fund revenues. We have direct evidence that this type of project is beneficial as the recently completed corridor along our central business district continues to attract good retail businesses and restaurants. In fiscal year 2017 the Village Council approved additional funds for the Chamber of Commerce, and hired an economic development consultant. These two actions continue to produce demonstrable results as several new businesses are opening within the business district. Recently, the Village Council approved video gaming throughout Forest Park. Village Council and Management are confident that the revenue gained from gaming will also relieve some demand on the General fund. In an effort to spur development the Village has expanded the TIF areas along Roosevelt Road between Harlem and DesPlaines, making the entire corridor a TIF area. The newly established TIF is the Roosevelt Road Corridor TIF. This positive action has helped to fund the extensive reconstruction along Roosevelt Road. The Village is exploring many creative ways along the corridor to assist property owners with improvements to existing properties, as well as holding preliminary discussions with interested parties in some of the vacant parcels along Roosevelt Road.

The Village continues to explore many cost-saving methods, including reductions in insurance premiums, fuel, telephone, and credit card fees. These discussions occur on an ongoing basis, and we have reduced fees for collections, phone, and credit card processing as a direct result of these interactions. We have installed a new state of the art phone system and have removed more than 30 phone lines from the phone account. Annual savings are expected to be more than $35,000, and the Village has received more than $25,000 in credits year to date. This new phone system is in place and has increased productivity by staff. The Village continues to work hard with the various labor unions to hold the line on payroll expenses. In recent talks the Village was able to negotiate small wage increases with a large unit of employees. These wages then become the internal comparable that we use when we bargain with other units. Negotiations for larger employee contributions toward insurance premiums are a continued effort.

During FY2018 budget meetings held with the Village Council, staff presented multiple ideas on revenue options and increases. Among these are increase to parking fees, parking fines, the potential to add metered parking throughout our business district, and several smaller items. The Council has generally agreed with these increases and staff is preparing proper documentation for Council approval. When implemented these actions are intended to close any budget gap.

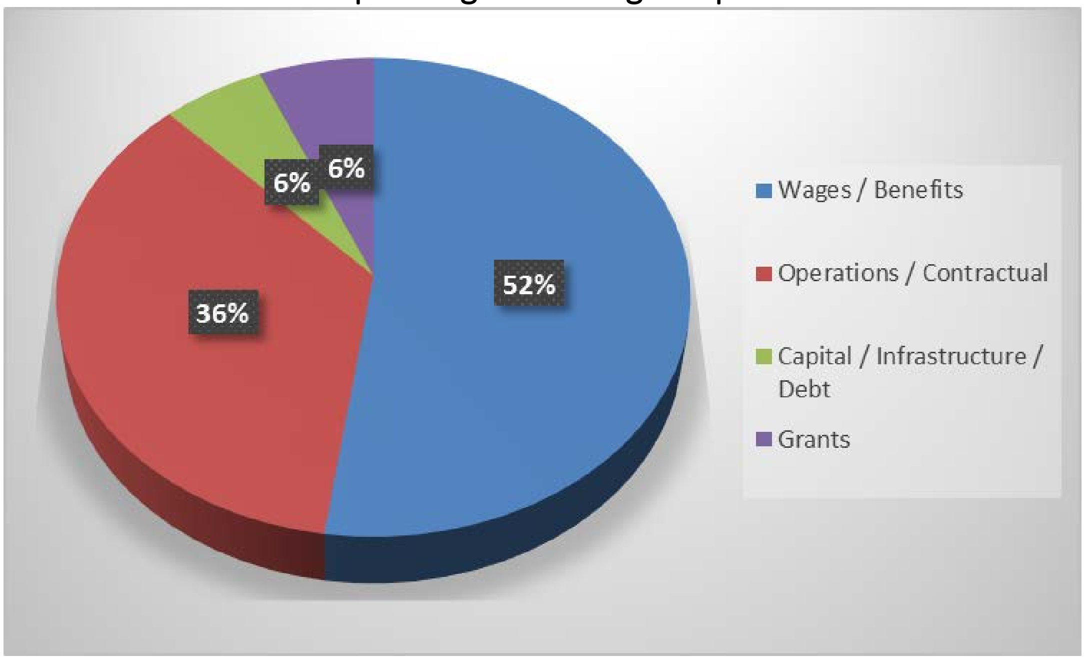
In 2017, the State of Illinois mandated that all municipalities with populations of less than 25,000 residents would be required to combine 911 Emergency Dispatch. Services currently housed in Forest Park were required to combine with another jurisdiction or agency to exceed those population numbers. The Village performed a significant amount of due diligence and eventually moved our dispatch services to WSCDC, located in River Forest. This agency currently provides dispatch services for the surrounding communities of River Forest, Oak Park, Elmwood Park, as well as Park Ridge. The change resulted in the Village disbanding the FOP Dispatchers Union and the seven full time employees who made up that Union. The Village did need to hire four other full time employees into another Union to handle day to day desk duties but at a much reduced level of pay. WSCDC on behalf of the Village applied for and received a technology grant that will reimburse the Village approximately $140,000 of expenses incurred with the move. It is hoped that the reduction in payroll expenses and operation costs will provide a reduction in the overall General fund for dispatch services.

The Village's major operating fund is comprised of the General and Water funds. Operating revenues and other financing sources for FY2018 were budgeted with an overall 7.4% increase from FY2017 year end. General fund revenues are budgeted with an 8.4% increase from the following sources: video gaming licensing and local share of State distribution, restructured rates for vehicle licenses and building permit fees, and grant revenues that were not awarded in FY2017 have again been budgeted for FY2018. Other revenues remain flat or have been budgeted with conservative increases. General fund revenues that are impacted by the State's 2018 budget include reduction to income tax distribution to municipalities by 10 percent. This is an approximate loss of ($135,000) in revenue. The Water fund reflects an increase of 4.6 percent in budgeted revenues; Water fund revenues will always fluctuate with consumption. Rates have not increased since January 1, 2015, however the charge for purchased water has increased per CPI. FY2018 budget discussions included future rate schedules for water and refuse services as these costs increase annually per CPI from the provider, but for several years the Village has been absorbing these expenses.

Property taxes and state-shared revenues each represent approximately 25.0% of General fund revenues. Shared taxes are in continual threat of reduction from the State, as shown with the Local Government Distributive Fund and reduction to income tax disbursements. Legislation to freeze property taxes remains under consideration. Conversely, the Village is required to comply with State enforced unfunded mandates. As a Non-Home Rule community, the Village of Forest Park is limited in the ability and resources to generate additional revenues and relies on taxes for more than half of the required revenues to fund day to day operations.

Operating fund expenditures for FY2018 were budgeted with an overall 11.1% increase from FY2017 year end. General fund expenditure reflect a 10.3% increase, attributed to one time grant expenditures, dispatch consolidation, and pension contributions. Water fund is budgeted with an additional 14.2% in expenses in infrastructure improvements, grants, and purchased water. Wages and benefits continue to be the major portion of the Operating fund expenditures. The budgeted increase in overall wages and benefits in FY2018 is 3.8% or $532,830 compared to FY2017 year end. This incorporates potential retirements, increased pension contributions, and increased insurance premiums. The chart below represents the operating budget expenditures broken down by wages and benefits, operations and contractual, capital, infrastructure and debt, and grants. Over fifty percent of total operating expenditures represent employment costs, including taxes, pensions, and insurance, and 98% of employment costs are paid from General fund. This percentage has remained fairly level over the last six years.

FY2018 Operating Fund Budget Expenditures



In the other funds, VIP revenues for FY2018 were budgeted at a 28.1% increase from FY2017 year end due to intergovernmental revenue, and transfer in from MFT for construction related expenditures. The 1% Non-Home Rule sales tax is subject to a 2% administrative fee as passed in the State budget. This is a potential reduction of ($40,000) in revenue. The TIF funds collectively were budgeted in FY2018 with a (45.3%) reduction in revenues as the Mall TIF and related debt service funds will terminate. Non-major funds are budgeted for FY2018 with a collective (9.1%) reduction in revenues due to termination of the 911 fund per state mandate.

FY2018 collective TIF expenditures were budgeted at a 67.8% increase from FY2017 per the infrastructure improvement along Roosevelt Road, alley replacements, and street resurfacing projects. The VIP budget was reduced (18.3%) as the completion of infrastructure improvements on Madison Street were recognized in FY2017. Non-major funds collectively reflect a 30.1% increase due to MFT infrastructure improvement projects.

Budget and funding strategies must be constantly assessed Village-wide. While the largest expense recognized by the Village is personnel, any reduction in personnel would equate to reduction in services. In the midst of economic recovery, the Village is reluctant to increase fees paid strictly paid by residents, however we are cognizant of the need to continue to provide quality services and safety that our residents expect. We are aggressively seeking to lower costs and will continue to negotiate contracts to reduce expenses for the future.

In all, infrastructure updates, economic development efforts, and continued strong support of our business community ensures a continued solid sales tax base. Staff will continue to find more savings in all accounts held by the Village and through these combined efforts Forest Park will continue to thrive.

CONTACTING THE VILLAGE'S FINANCIAL MANAGEMENT

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

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF NET POSITION
April 30, 2017

	Primary Government			
	Governmental Activities	Business-type Activities	Total Primary Government	Component Unit
ASSETS				
Current assets:				
Cash and investments	$ 13,046,749	$ 3,761,398	$ 16,808,147	$ 2,513,286
Receivables:				
Property tax receivable	2,524,537	-	2,524,537	869,949
Due from other governments	1,967,368	-	1,967,368	11,000
Accounts receivable	418,100	879,105	1,297,205	-
Prepaid items	423,784	3,477	427,261	10,447
Total current assets	18,380,538	4,643,980	23,024,518	3,404,682
Noncurrent assets:				
Capital assets not being depreciated	6,225,854	-	6,225,854	134
Capital assets being depreciated, net	27,020,344	9,703,995	36,724,339	1,276,520
Total noncurrent assets	33,246,198	9,703,995	42,950,193	1,276,654
Total assets	51,626,736	14,347,975	65,974,711	4,681,336
DEFERRED OUTFLOW OF RESOURCES				
Deferred loss on refunding	260,164	-	260,164	-
Deferred pension outflows	12,593,715	-	12,593,715	235,907
Total deferred outflow of resources	12,853,879	-	12,853,879	235,907
LIABILITIES				
Current liabilities:				
Accounts payable	921,586	378,894	1,300,480	13,480
Accrued payroll	223,559	-	223,559	6,640
Other liabilities	28,912	10,296	39,208	-
Unearned revenue	882,373	44,206	926,579	-
Interest payable	88,364	22,933	111,297	-
Long-term obligations, due within one year				
Compensated absences	764,174	11,669	775,843	-
Bonds payable	555,000	-	555,000	-
Debt certificates payable	256,444	48,556	305,000	-
Loans payable	204,668	315,662	520,330	-
Total current liabilities	3,925,080	832,216	4,757,296	20,120
Noncurrent liabilities:				
Long-term obligations, due in more than one year				
Compensated absences	55,004	1,326	56,330	-
Bonds payable	5,228,529	-	5,228,529	-
Debt certificates payable	1,097,244	207,756	1,305,000	-
Loans payable	1,283,773	1,765,330	3,049,103	-
Net pension liabilities	57,346,199	-	57,346,199	272,224
Other post employment benefit obligation	720,262	-	720,262	-
Total noncurrent liabilities	65,731,011	1,974,412	67,705,423	272,224
Total liabilities	69,656,091	2,806,628	72,462,719	292,344
DEFERRED INFLOW OF RESOURCES				
Property tax revenue	2,524,537	-	2,524,537	869,949
Deferred pension inflows	1,005,515	-	1,005,515	68,939
Total deferred inflow of resources	3,530,052	-	3,530,052	938,888
NET POSITION				
Net investment in capital assets	24,620,540	7,366,691	31,987,231	1,276,654
Restricted for:				
Debt service	2,397,485	-	2,397,485	-
Capital projects	779,369	-	779,369	-
Public safety	626,114	-	626,114	-
Playground/Recreation	659,419	-	659,419	-
Economic development	7,506,365	-	7,506,365	-
Streets & highway	1,098,993	-	1,098,993	-
Other purposes	-	-	-	120,029
Unrestricted	(46,393,813)	4,174,656	(42,219,157)	2,289,328
Total net position	$ (8,705,528)	$ 11,541,347	$ 2,835,819	$ 3,686,011

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF ACTIVITIES
Year Ended April 30, 2017

Functions/Programs	Expenses	Program Revenues: Fees, Fines & Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total	Net (Expense) Revenue and Changes in Net Position: Component Unit
Primary government:								
Governmental activities:								
General government	$ 7,677,046	$ 3,879,242	$ -	$ -	$ (3,797,804)		$ (3,797,804)	
Police protection	9,848,835	142,068	11,523	-	(9,695,244)		(9,695,244)	
Fire protection	5,621,033	-	19,109	424,252	(5,177,672)		(5,177,672)	
Health and safety	350,104	-	-	-	(350,104)		(350,104)	
Community outreach	873,788	6,431	-	-	(867,357)		(867,357)	
Public works	4,026,802	898,576	78,535	772,139	(2,277,552)		(2,277,552)	
Interest on debt	271,210	-	-	-	(271,210)		(271,210)	
Total governmental activities	28,668,818	4,926,317	109,167	1,196,391	(22,436,943)		(22,436,943)	
Business-type activities:								
Water operations	3,993,601	6,360,019	-	-	-	$ 2,366,418	2,366,418	
Sewer operations	73,919	-	-	-	-	(73,919)	(73,919)	
Total business-type activities:	4,067,520	6,360,019	-	-	-	2,292,499	2,292,499	
Total primary government	$ 32,736,338	$ 11,286,336	$ 109,167	$ 1,196,391	(22,436,943)	2,292,499	(20,144,444)	
Component unit								
Public library	$ 1,828,571	$ 34,993	$ 12,165	$ -				$ (1,781,413)
General revenues:								
Property taxes					7,097,669	-	7,097,669	1,728,945
Sales tax					5,034,044	-	5,034,044	-
Income tax					1,335,776	-	1,335,776	-
Utility tax					1,196,117	-	1,196,117	-
Intergovernmental revenue					1,467,259	-	1,467,259	40,586
Investment earnings					53,108	4,113	57,221	8,479
Gain on sale of capital assets					-	1,000	1,000	-
Other general revenues					50,872	-	50,872	2,306
Transfers					936,531	(936,531)	-	-
Total general revenues and transfers					17,171,376	(931,418)	16,239,958	1,780,316
Change in net position					(5,265,567)	1,361,081	(3,904,486)	(1,097)
Net position, beginning of year					(3,439,961)	10,180,266	6,740,305	3,687,108
Net position, end of year					$ (8,705,528)	$ 11,541,347	$ 2,835,819	$ 3,686,011

VILLAGE OF FOREST PARK, ILLINOIS

GOVERNMENTAL FUNDS
BALANCE SHEET
April 30, 2017

	Major Funds								
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Illinois Municipal Retirement Fund	VIP Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS									
Cash and investments	$ 304,673	$ 4,226,223	$ -	$ 3,287,014	$ 2,709,168	$ -	$ 861,867	$ 1,657,804	$ 13,046,749
Receivables:									
Property tax receivable	2,232,428	-	-	-	-	129,027	-	163,082	2,524,537
Due from other governments	1,465,626	-	-	-	-	-	439,274	62,468	1,967,368
Accounts receivable	400,266	-	-	-	-	-	-	17,834	418,100
Interfund receivable	576,713	-	-	-	-	-	-	-	576,713
Advances receivable	132,381	-	-	-	-	-	-	-	132,381
Prepaid items	423,784	-	-	-	-	-	-	-	423,784
Total assets	$ 5,535,871	$ 4,226,223	$ -	$ 3,287,014	$ 2,709,168	$ 129,027	$ 1,301,141	$ 1,901,188	$ 19,089,632
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE									
Liabilities									
Accounts payable	$ 312,077	$ 1,942	$ -	$ 1,942	$ 223,319	$ -	$ 373,353	$ 8,953	$ 921,586
Accrued payroll	223,559	-	-	-	-	-	-	-	223,559
Other liabilities	25,924	2,988	-	-	-	-	-	-	28,912
Unearned revenue	882,373	-	-	-	-	-	-	-	882,373
Interfund payable	-	-	-	-	-	399,463	-	177,250	576,713
Advances payable	-	-	-	-	-	122,700	-	9,681	132,381
Total liabilities	1,443,933	4,930	-	1,942	223,319	522,163	373,353	195,884	2,765,524
Deferred inflow of resources									
Property taxes	2,232,428	-	-	-	-	129,027	-	163,082	2,524,537
Unavailable revenue	322,598	-	-	-	-	-	148,419	-	471,017
Total deferred inflow of resources	2,555,026	-	-	-	-	129,027	148,419	163,082	2,995,554
Fund balance									
Nonspendable									
Prepaid items	423,784	-	-	-	-	-	-	-	423,784
Advances	132,381	-	-	-	-	-	-	-	132,381
Restricted									
Economic development	-	4,221,293	-	3,285,072	-	-	-	-	7,506,365
Public safety	-	-	-	-	-	-	-	626,114	626,114
Streets & highways	-	-	-	-	-	-	779,369	1,098,993	1,878,362
Debt service	-	-	-	-	2,485,849	-	-	-	2,485,849
Playground/Recreation	659,419	-	-	-	-	-	-	-	659,419
Unassigned	321,328	-	-	-	-	(522,163)	-	(182,885)	(383,720)
Total fund balance	1,536,912	4,221,293	-	3,285,072	2,485,849	(522,163)	779,369	1,542,222	13,328,554
Total liabilities, deferred inflow of resources and fund balance	$ 5,535,871	$ 4,226,223	$ -	$ 3,287,014	$ 2,709,168	$ 129,027	$ 1,301,141	$ 1,901,188	$ 19,089,632

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO STATEMENT OF NET POSITION
April 30, 2017

Total fund balances - governmental funds		$ 13,328,554
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 therefore are not reported in the funds:		
Capital assets	$ 60,146,354	
Accumulated depreciation	(26,900,156)	
Net capital assets		33,246,198
Other long-term assets are not available to pay for current period expenditures and therefore are unavailable in the funds:		
Sales taxes receivable	322,598	
Other taxes receivable	147,058	
Intergovernmental receivable	1,361	
Total unavailable revenue		471,017
Interest on long-term debt is not accrued in governmental funds, but rather is recognized when due.		(88,364)
Long term debt activities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities and deferred outflows in governmental funds. These consist of :		
Bonds payable	(5,783,529)	
Debt certificates payable	(1,353,688)	
Deferred outflow - loss on refunding	260,164	
Loans payable	(1,488,441)	
Compensated absences	(819,178)	
Net pension liabilities	(57,346,199)	
Deferred outflow - pension activities	12,593,715	
Deferred inflow - pension activities	(1,005,515)	
Other post employment benefit obligation	(720,262)	
Total long-term liabilities and deferred outflows		(55,662,933)
Net position of governmental activities		$ (8,705,528)

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Major Funds								
	General Fund	Brown Street Station TIF Fund	Harlem / Harrison TIF Fund	Roosevelt / Hannah TIF Fund	2002 Bond Fund	Illinois Municipal Retirement Fund	VIP Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues									
Property tax	$ 4,577,437	$ 374,521	$ -	$ 829,085	$ 377,133	$ 265,986	$ -	$ 673,507	$ 7,097,669
Sales tax	3,053,715	-	-	-	-	-	1,842,164	155,491	5,051,370
Income tax	1,335,776	-	-	-	-	-	-	-	1,335,776
Utility taxes	1,478,702	-	-	-	-	-	-	-	1,478,702
Intergovernmental	591,134	-	-	-	-	11,457	33,528	569,774	1,205,893
Licenses and permits	1,273,875	-	-	-	-	-	-	-	1,273,875
Fees for services	2,172,665	-	-	-	-	-	-	-	2,172,665
Grant revenue	30,632	-	-	-	-	-	170,000	92,931	293,563
Parking revenue	485,467	-	-	-	-	-	-	-	485,467
Fines	1,300,203	-	-	-	-	-	-	-	1,300,203
Interest on investments	9,512	14,839	-	11,673	5,744	-	4,470	6,870	53,108
Other revenue	153,952	-	-	-	-	-	-	9,600	163,552
Total revenues	16,463,070	389,360	-	840,758	382,877	277,443	2,050,162	1,508,173	21,911,843
Expenditures									
Current:									
Office of public affairs	7,095,772	-	-	-	-	-	-	357,880	7,453,652
Office of accounts and finance	8,171,314	-	-	-	873,208	298,601	-	359,816	9,702,939
Office of public property	1,764,376	-	-	-	-	-	-	-	1,764,376
Office of streets and public improvement	1,604,504	43,502	-	88,283	-	-	2,122,033	25,685	3,884,007
Office of health and safety	325,013	-	-	-	-	-	-	-	325,013
Debt service:									
Principal retired	457,312	-	-	-	500,000	-	550,000	-	1,507,312
Interest and charges	85,182	-	-	-	24,250	-	166,750	-	276,182
Total expenditures	19,503,473	43,502	-	88,283	1,397,458	298,601	2,838,783	743,381	24,913,481
Excess (deficiency) of revenues over expenditures	(3,040,403)	345,858	-	752,475	(1,014,581)	(21,158)	(788,621)	764,792	(3,001,638)
Other financing sources (uses)									
Transfers in	1,309,076	-	56,335	-	697,609	20,106	631,518	52,316	2,766,960
Transfers out	(56,335)	-	-	-	-	-	-	(1,774,094)	(1,830,429)
Loan proceeds	471,407	-	-	-	-	-	-	-	471,407
Total other financing sources (uses)	1,724,148	-	56,335	-	697,609	20,106	631,518	(1,721,778)	1,407,938
Net change in fund balances	(1,316,255)	345,858	56,335	752,475	(316,972)	(1,052)	(157,103)	(956,986)	(1,593,700)
Fund balances at beginning of year	2,853,167	3,875,435	(56,335)	2,532,597	2,802,821	(521,111)	936,472	2,499,208	14,922,254
Fund balances at end of year	$ 1,536,912	$ 4,221,293	$ -	$ 3,285,072	$ 2,485,849	$ (522,163)	$ 779,369	$ 1,542,222	$ 13,328,554

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
Year Ended April 30, 2017

Net change in total fund balances			$ (1,593,700)
Amounts reported for governmental activities in the Statement of Activities are different because:			
Some revenues were not collected for several months after the close of the fiscal year and therefore were not considered to be "available" and are not reported as revenue in the governmental funds.			
	Sales taxes received from the state of Illinois	$ (17,326)	
	Other taxes received	(29,936)	
	Total change in unavailable revenues		(47,262)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported in the governmental funds.			
	Change in net pension liability and deferred items	(7,294,324)	
	Change in other postemployment benefit obligation	(172,905)	
	Change in compensated absences	(97,208)	
	Change in accrued interest on debt	15,003	
	Amortization of deferred loss on refunding	(30,608)	
	Amortization of bond premium	20,578	
	Total expenses of non-current resources		(7,559,464)
Governmental funds report purchases of capital assets as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets.			
	Capital expenditures	4,047,364	
	Depreciation	(1,497,047)	
	Capital expenditures in excess of depreciation		2,550,317
The original cost of assets disposed of had a net value greater than the disposal proceeds. The difference has been recorded in the statement of activities.			(253,502)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.			
	Donated asset		602,139
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position.			
	General obligation bonds	1,050,000	
	Debt certificates payable	252,240	
	Loans payable	205,072	
	Total retirement of debt		1,507,312
In governmental funds, long-term debt is considered an other financing source (use), but in the statement of net position, debt is reported as a liability. In the current period, proceeds were received from:			
	Loans		(471,407)
Change in net position of governmental activities			$ (5,265,567)

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF NET POSITION
April 30, 2017

	Major Fund	
	Water Fund	
ASSETS		
Current assets:		
Cash and cash equivalents	$	3,761,398
Receivables:		
Accounts receivable		879,105
Prepaids		3,477
Total current assets		4,643,980
Noncurrent assets:		
Capital assets being depreciated, net		9,703,995
Total noncurrent assets		9,703,995
Total assets	$	14,347,975
LIABILITIES AND NET POSITION		
Liabilities		
Current liabilities:		
Accounts payable	$	378,894
Other liabilities		10,296
Unearned revenue		44,206
Compensated absences		11,669
Debt certificates payable		48,556
Loans payable		315,662
Interest payable		22,933
Total current liabilities		832,216
Noncurrent liabilities:		
Compensated absences		1,326
Debt certificates payable		207,756
Loans payable		1,765,330
Total noncurrent liabilities		1,974,412
Total liabilities		2,806,628
Net position		
Net Investment in capital assets		7,366,691
Unrestricted		4,174,656
Total net position		11,541,347
Total liabilities and net position	$	14,347,975

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

PROPRIETARY FUNDS
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Year Ended April 30, 2017

	Major Fund
	Water Fund
Operating revenues	
Charges for services	$ 6,360,019
Total operating revenues	6,360,019
Operating expenses	
Operations	3,815,166
Depreciation	166,488
Total operating expenses	3,981,654
Operating income (loss)	2,378,365
Nonoperating revenues and (expenses)	
Interest revenue	4,113
Interest expense	(73,191)
Loss on disposal of capital assets	(11,675)
Total nonoperating revenues and (expenses)	(80,753)
Income (loss) before transfers	2,297,612
Transfers out	(936,531)
Change in net position	1,361,081
Net position at beginning of year	10,180,266
Net position at end of year	$ 11,541,347

See accompanying notes to the financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended April 30, 2017

	Major Fund
	Water Fund
Cash flows from operating activities:	
Cash received from customers	$ 6,429,206
Cash payments for goods and services	(3,477,819)
Cash payments to employees for services	(295,430)
Net cash provided by operating activities:	2,655,957
Cash flows from noncapital financing activities:	
Transfers out	(936,531)
Net cash used for noncapital financing activities:	(936,531)
Cash flows from capital and related financing activities:	
Purchase of capital assets	(421,369)
Proceeds from sale of capital assets	1,000
Principal paid on debt	(364,771)
Interest paid on debt	(70,312)
Net cash used for capital and related financing activities:	(855,452)
Cash flows from investing activities:	
Interest received	4,113
Net cash provided by investing activities:	4,113
Net increase (decrease) in cash and cash equivalents	868,087
Cash and cash equivalents, beginning of year	2,893,311
Cash and cash equivalents, end of year	$ 3,761,398
Reconciliation of operating income to Net cash provided by operating activities:	
Operating income (loss)	$ 2,378,365
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:	
Depreciation	166,488
Decrease (increase) in accounts receivable	69,187
Decrease (increase) in prepaids	8,477
Increase (decrease) in accounts payable	34,323
Increase (decrease) in other liabilities	34
Increase (decrease) in compensated absences	(917)
Total adjustments	277,592
Net cash provided by (used for) operating activities:	$ 2,655,957

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
April 30, 2017

ASSETS	
Cash and cash equivalents	$ 1,412,844
Investments	
Corporate bonds	1,922,727
Government securities	12,069,064
Mutual funds	15,371,844
Insurance contracts	5,881,743
Total investments	35,245,378
Interest receivable	41,888
Prepaid items	1,097
Total assets	36,701,207
LIABILITIES	
Accounts payable	4,175
Total liabilities	4,175
NET POSITION	
Net Position restricted for pensions	$ 36,697,032

VILLAGE OF FOREST PARK, ILLINOIS

STATEMENT OF CHANGES IN FIDUCIARY
NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2017

ADDITIONS	
Contributions	
Employer	$ 1,673,979
Plan members	686,758
Total contributions	2,360,737
Investment earnings	
Net change in fair value of investments	1,859,456
Interest	849,152
Less investment expense	(36,132)
Net investment income	2,672,476
Total additions	5,033,213
DEDUCTIONS	
Benefits and refunds	3,530,307
Administrative expenses	73,910
Total deductions	3,604,217
Change in plan net position	1,428,996
Plan net position at beginning of year	35,268,036
Plan net position at end of year	$ 36,697,032

See accompanying notes to the financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Forest Park (Village) was incorporated in 1856 under the provisions of the Illinois Revised Statutes, as amended. The Village operates under a Mayor-Commissioner form of government. Education and social services are provided by separate governing bodies that are beyond the direct or indirect control of the Village's government. The accounting policies of the Village of Forest Park conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies.

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

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

The Forest Park Public Library is included in the reporting entity because of its operational and financial relationship with the Village of Forest Park. The Forest Park Public Library meets the criteria for discrete presentation and is shown in the component unit column in the Government-wide financial statements. The Forest Park Public Library is reported in a separate column to emphasize that it is legally separate from the Village of Forest Park. The Forest Park Public Library has issued separate financial statements for the year ended April 30, 2017. Separate financial statements can be obtained by contacting its office at 7555 Jackson Boulevard, Forest Park, Illinois 60130.

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Measurement Focus and Basis of Accounting:

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

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

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

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports differences between expected and actual experience, changes in pension assumptions, and loss on pension investments. Differences between expected and actual experience and changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Loss on pension investments are deferred and amortized over five years.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Village has only one type of item which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue,* is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from one source: other taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Under the full accrual basis of accounting, in accordance with the requirements of GASB Statement No. 65, property tax revenues that are levied but intended to fund future periods are considered to be deferred inflows of resources. Additionally, certain amounts related to pensions must be deferred. Differences between expected and actual experience and changes in pension plan assumptions are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan.

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

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

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

The Village reports the following major governmental funds:

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

2002 Bond Fund – The 2002 Bond Account is a debt service fund used to pay principal and interest on a $5,765,000 general obligation bond. The original TIF was divided in 2001 and currently comprises the Wal-Mart property, including the parking lot. The bond debt service is totally funded by incremental property taxes paid by Wal-Mart.

Illinois Municipal Retirement Fund – This is a special revenue fund used to account for pension contributions to the Illinois Municipal Retirement Fund. Revenue to finance the contributions is derived primarily from local property taxes.

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

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

The Village reports the following major proprietary funds:

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

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash, Cash Equivalents, and Investments

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

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

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

The value of the Illinois Funds Money Market Fund and Illinois Metropolitan Investment Fund equates to the number of shares owned as of April 30, 2017. These deposits are regulated by the Comptroller of the State of Illinois.

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

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

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

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

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

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

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

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

Fund Balance - The components of fund balance include the following line items:

a) Nonspendable fund balance is inherently nonspendable, such as portions of net resources that cannot be spent because of their form and portions of net resources that cannot be spent because they must be maintained intact.

b) Restricted fund balance is externally enforceable limitations on use, such as limitations imposed by creditors, grantors, contributors, or laws and regulations of other government as well as limitations imposed by law through constitutional provision or enabling legislation. Restricted fund balances reported on the Village's Governmental Funds Balance Sheet mainly include restricted property tax levies, bond proceeds, and grant awards.

c) Committed fund balance has self-imposed limitations set in place prior to the end of the period. The limitations are imposed at the highest level of decision making that requires formal action at the same level to remove. Fund Balance of the Village may be committed for a specific source by passing of a Board Resolution by the Village Council. Amendments or modifications of the committed fund balance must be also by approved by passing of a Board Resolution by the Village Council.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Village Council designated for that purpose. The intended use is established by an official designated for that purpose. The Village has not designated anyone for this purpose. However, GASB 54 has outlined that fund balance outside of the general fund is to fall in this category if there is not a deficit fund balance for the fund.

e) Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance. In addition, if there is a deficit balance in another governmental fund, it will be reported as a negative amount in that fund's unassigned classification.

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

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

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

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

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

Long-Term Debt: In the Government-wide financial statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed at the time of issuance.

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

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions: For purposes of measuring the net pension liability, 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 (IMRF) and additions to/deductions from IMRF's fiduciary net position have been determined on the same basis as they are reported by IMRF. 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Police Pension Plan and additions to/deductions from the Police Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Police 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.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Firefighters' Pension Plan and additions to/deductions from the Firefighters' Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Fire 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.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Village reports deferred loss on refunding of debt, change in pension assumptions, loss on pension investments, differences between expected and actual experience and contributions subsequent to the measurement date. Changes in pension plan assumptions and differences between expected and actual experience are deferred and amortized over the average of the expected remaining service lives of employees that are provided with benefits through the pension plan. Losses on pension investments are deferred and amortized over five years. Contributions subsequent to the measurement date are recognized in the next year.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Village has an item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. Certain amounts related to pensions must be deferred. Differences between expected and actual experience are deferred and amortized over the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan.

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

(Continued)

NOTE 2 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Village

At year end, the carrying amount of the Village's (excluding the Police and Firefighters' Pension Funds) deposits were $16,805,584. In addition, the Village maintained four petty cash accounts with a carrying value of $2,563. The balances in the bank were $16,929,939.

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

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

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Village's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating service to include Standard & Poor's, Moody's or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. As of April 30, 2017 the Village bank balances were fully collateralized.

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

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

Note 2		Financial Statements	
Carrying value of cash and cash equivalents	$16,805,584	Statement 1 (Primary Government) Cash and investments	$16,808,147
Petty cash	2,563	Total financial statements	$16,808,147
Total notes	$16,808,147		

Police Pension Fund

At year end, the Police Pension Fund's carrying amount of cash was $1,112,453, while the bank balances were $1,115,429. As of April 30, 2017, the full bank balance was collateralized with securities of the U.S. government held in the Police Pension Fund's name by a financial institution acting as the fund's agent. The Police Pension Fund is authorized to invest in Illinois Funds Money Market deposits, deeply discounted federal securities (strips, etc.), certificates of deposit, guaranteed investment contracts, and stocks and mutual funds.

(Continued)

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Police Pension Fund's investments at April 30, 2017:

		Investment Maturities			
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	Greater Than Ten Years
GNMA	$ 2,061,589	$ -	$ 477	$ 4,914	$ 2,056,198
FHLMC	4,274,815	-	-	-	4,274,815
FNMA	2,916,697	-	-	-	2,916,697
Mutual funds	5,451,442	5,451,442	-	-	-
Insurance contracts	5,881,743	5,881,743	-	-	-
Total investments	$ 20,586,286	$ 11,333,185	$ 477	$ 4,914	$ 9,247,710

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

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

Credit ratings for the Police Pension Fund's investments in debt securities at April 30, 2017 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, which are not considered to have credit risk) were as follows:

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

Investment Type	AA/Aaa
Federal Home Loan Mortgage Corporation	100%
Federal National Mortgage Association	100%
Insurance Contracts	N/R

(Continued)

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

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Village will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Police Pension Fund's investment policy requires that all amounts in excess of any insurance limits be collateralized by securities eligible for Village investment or any other high-quality, interest-bearing security rated at least AAA/Aaa by one or more standard rating service to include Standard & Poor's, Moody's, or Fitch. The market value of the pledge securities shall equal or exceed the portion of the deposit requiring collateralization. The Police Pension Fund was fully collateralized as of April 30, 2017.

Concentration of Credit Risk – The Village places no limit on the amount the Police Pension Fund may invest in any one issuer. More than 5% of the Police Pension Fund's investments are in invested in American Fundamental Investors Class A (5.44%), Jackson National Life (6.53%), Lincoln Benefit Life (6.56%), and AIG Life/American General Annuity (8.69%).

Firefighters' Pension Fund

At year end, the Firefighters' Pension Fund's carrying amount of demand deposits was $300,391, while the bank balances were $295,447. As of April 30, 2017, the full bank balance was collateralized.

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

The following schedule reports the fair values and maturities (using the segmented time distribution method) for the Firefighters' Pension Fund's investments at April 30, 2017.

		Investment Maturities			
	Fair Value	Less Than One Year	One to Five Years	Six to Ten Years	Greater Than Ten Years
GNMA	$ 642,890	$ -	$ -	$ 406,592	$ 236,298
Corporate Bonds	1,922,727	417,075	575,733	754,833	175,086
Treasury Securities	2,173,073	599,274	960,069	613,730	-
Equity Mutual Funds	9,920,402	9,920,402	-	-	-
Total investments	$ 14,659,092	$ 10,936,751	$ 1,535,802	$ 1,775,155	$ 411,384

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

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

(Continued)

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

Credit ratings for the Firefighters' Pension Fund's investments in debt securities at April 30, 2017 (excluding investments explicitly guaranteed by the U.S. Government and investments in mutual funds, which are not considered to have credit risk) were as follows:

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

Investment Type	A/A	AA/AA	AAA/AAA	BBB/BAA	NR/NR
Corporate Bonds	23%	12%	0%	65%	0%
Treasury Securities	0%	0%	72%	0%	28%

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

Concentration of Credit Risk – This is the risk of loss attributed to the magnitude of the Firefighters' Pension Fund's investment in a single issuer. The Fund does not have a formal written policy with regards to concentration of credit risk for investments. At April 30, 2017, the Firefighters' Fund has over 5% of plan net position invested in Artisan International Value Fund (13.62%), S&P 500 Index Fund (32.88%), and Thornburg International Value Fund (5.95%).

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

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

Note 2		Financial Statements	
Carrying value of cash and cash equivalents (police $1,112,453 fire $300,391)	$ 1,412,844	Statement 10 Cash and cash equivalents	$ 1,412,844
Carrying value of investments (police $20,586,286, fire $14,659,092)	35,245,378	Investments	35,245,378
Total notes	$ 36,658,222	Total financial statements	$ 36,658,222

(Continued)

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

Fair Value Measurement and Application

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 of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. To value mortgage-backed securities, pricing vendors use a variety of techniques to estimate value. These estimates may be based on certain factors that affect the value of the security, including liquidity risk. The Police Pension's insurance contracts are valued using cash surrender values. The fair value of corporate bonds is determined using recently executed transactions, market price quotations, bond spreads, credit default swap spreads, or at the money volatility and/or volatility skew, adjusted for any basis difference between cash and derivative instruments. The fair value of agency mortgage pass-through pool securities, which are classified within federal agencies in the table below, is model-driven based on spreads of a comparable to-be-announced security. As of April 30, 2017, the fiduciary funds' investments are valued as follows:

		Fair Value Measurements Using		
Investment Type	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Police Pension				
Mortgage-backed securities	$ 9,253,101	$ -	$ 9,253,101	$ -
Mutual funds	5,451,442	5,451,442	-	-
Insurance contracts	5,881,743	-	-	5,881,743
Police pension investment Total	20,586,286	5,451,442	9,253,101	5,881,743
Fire Pension				
Corporate bonds	1,922,727	-	1,922,727	-
Treasury securities	2,173,073	2,173,073	-	-
Federal agencies	642,890	-	642,890	-
Equity mutual funds	9,920,402	9,920,402	-	-
Fire pension investment Total	14,659,092	12,093,475	2,565,617	-
Totals	$ 35,245,378	$ 17,544,917	$ 11,818,718	$ 5,881,743

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION

Property taxes for 2016 were attached as an enforceable lien upon Board approval on December 19, 2016 on property values assessed as of January 1, 2016. Taxes are levied by December of the subsequent year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments on or about March 1 and September 1. The County collects such taxes and remits them to the Village periodically. The Village receives the majority of its real estate taxes in March and October. The property tax revenue in the financial statements represents approximately one-half of the 2015 and one-half of the 2016 property tax levies.

(Continued)

NOTE 3 - PROPERTY TAX REVENUE RECOGNITION (Continued)

Property taxes for the current 2016 tax levy are received in two installments in March 2017 and August 2017.

Property taxes receivable, constituting primarily the second installment due in August 2017, is recorded as unavailable revenue since the Village budgets for these revenues to be used to finance the operations of fiscal year 2018.

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

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

NOTE 4 - CAPITAL ASSETS

A summary of changes in the Village's capital assets for the period from May 1, 2016 through April 30, 2017 follows:

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 5,365,407	$ -	$ -	$ 5,365,407
Construction in Progress	1,563,983	860,447	1,563,983	860,447
Total capital assets not being depreciated, net	6,929,390	860,447	1,563,983	6,225,854
Capital assets being depreciated:				
Infrastructure	40,841,694	4,808,487	2,093,383	43,556,798
Building and improvements	4,942,977	-	-	4,942,977
Fixtures and equipment	5,235,826	544,552	359,653	5,420,725
Subtotal	51,020,497	5,353,039	2,453,036	53,920,500
Accumulated depreciation				
Infrastructure	(21,560,564)	(1,187,420)	(1,839,881)	(20,908,103)
Building and improvements	(2,183,908)	(47,006)	-	(2,230,914)
Fixtures and equipment	(3,858,171)	(262,621)	(359,653)	(3,761,139)
Total accumulated depreciation	(27,602,643)	(1,497,047)	(2,199,534)	(26,900,156)
Total capital assets being depreciated, net	23,417,854	3,855,992	253,502	27,020,344
Governmental activities, net	$ 30,347,244	$ 4,716,439	$ 1,817,485	$ 33,246,198

(Continued)

NOTE 4 - CAPITAL ASSETS (Continued)

	Balance at Beginning of Year	Additions	Deletions	Balance at End of Year
Business-type activities:				
Capital assets not being depreciated:				
Construction in Progress	$ 261,900	$ -	$ 261,900	$ -
Capital assets being depreciated:				
Building and improvements	681,887	-	-	681,887
Fixtures and equipment	257,262	-	-	257,262
Infrastructure	11,199,142	683,269	31,220	11,851,191
Subtotal	12,138,291	683,269	31,220	12,790,340
Accumulated depreciation				
Building and improvements	(286,211)	(7,790)	-	(294,001)
Fixtures and equipment	(181,818)	(11,560)	-	(193,378)
Infrastructure	(2,470,373)	(147,138)	(18,545)	(2,598,966)
Total accumulated depreciation	(2,938,402)	(166,488)	(18,545)	(3,086,345)
Total capital assets being depreciated, net	9,199,889	516,781	12,675	9,703,995
Business-type activities, net	$ 9,461,789	$ 516,781	$ 274,575	$ 9,703,995

Depreciation expense of $1,497,047 and $166,488 for the Village's governmental and business-type activities, respectively, was charged to the following functions:

Governmental Activities	Amount
General government	$ 69,377
Health and public safety	15,813
Public works	1,256,898
Police protection	58,855
Fire protection	96,104
Total depreciation expense	$ 1,497,047

Business-Type Activities	Amount
Water	$ 166,488
Total depreciation expense	$ 166,488

(Continued)

NOTE 5 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligation transactions of the Village for the year ended April 30, 2017:

	Balance Beginning of Year	Additions	Deletions	Balance End of Year	Principal Due Within One Year
GOVERNMENTAL ACTIVITIES					
Bonds:					
G.O. TIF Refunding Bonds, 2002	$ 500,000	$ -	$ 500,000	$ -	$ -
G.O. Alternative Revenue Refunding, 2012	6,115,000	-	550,000	5,565,000	555,000
Premium on Bonds	239,107	-	20,578	218,529	-
Total Bonds	6,854,107	-	1,070,578	5,783,529	555,000
G.O. Debt Certificates Series 2011	1,605,928	-	252,240	1,353,688	256,444
Loans Payable	1,222,106	471,407	205,072	1,488,441	204,668
Net Pension Liability - Police Pension	32,765,201	3,012,850	1,751,422	34,026,629	-
Net Pension Liability - Fire Pension	21,293,312	2,531,195	1,778,885	22,045,622	-
Net Pension (Asset) Liability - IMRF	1,215,385	808,158	749,595	1,273,948	-
Other Post Employment Benefits	547,357	172,905	-	720,262	-
Compensated Absences	721,970	764,111	666,903	819,178	764,174
Total Governmental Long-Term Debt	$ 66,225,366	$ 7,760,626	$ 6,474,695	$ 67,511,297	$ 1,780,286
BUSINESS-TYPE ACTIVITIES					
G.O. Debt Certificates Series 2011	$ 304,072	$ -	$ 47,760	$ 256,312	$ 48,556
Loan Payable	2,398,003	-	317,011	2,080,992	315,662
Compensated Absences	13,912	10,836	11,753	12,995	11,669
Total Business-type Long-Term Debt	$ 2,715,987	$ 10,836	$ 376,524	$ 2,350,299	$ 375,887

Components of Long-Term Obligations: Long-term obligations of the governmental activities at April 30, 2017 consist of the following individual issues:

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

General Obligation Debt Certificates Series 2011 $3,055,000 principal to current refund the General Obligation Debt Certificates Series 2001, due in annual installments, interest payable each May 1 and November 1, matures serially through November 1, 2021, with interest ranging from 2% to 3%. The principal is payable from the General Fund and Water Fund (Enterprise Fund). The amount outstanding of the defeased bonds are $0.

General Obligation Refunding Bonds Series 2012 $6,745,000 principal to current refund the General Obligation Bonds series 2005, due in annual installments, interest payable each June 1 and December 1, matures serially through December 1, 2025, with interest ranging from 2% to 3%. The amount outstanding of the defeased bonds are $5,265,000.

Loan Payable $1,303,292 principal is for the purchase of street lights, formerly due May 15, 2013 with an interest rate of 3.25% was refinanced into a $1,291,407 loan, due in installments of $76,148, principal and interest payable semiannually, with an interest rate of 3.25%. Final maturity is on March 30, 2024. The principal is payable from the General Fund.

(Continued)

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

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

Loan Payable $471,407 principal is for the purchase of equipment including an ambulance, trailer, chipper, loader, telephone system, and vehicle. Formerly due June 1, 2017 with an interest rate of 3.50%, it was refinanced into a $471,407 loan, due in installments of $5,989, principal and interest payable monthly, with an interest rate of 3.25%. Final maturity is on February 25, 2025. The principal is payable from the General Fund.

Debt Service Requirements to Maturity

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

Year Ending	Debt Certificates 2011 *		GO Refunding Bonds 2012	
April 30,	Principal	Interest	Principal	Interest
2018	$ 305,000	$ 43,675	$ 555,000	$ 155,750
2019	315,000	37,575	565,000	144,650
2020	320,000	29,700	580,000	133,350
2021	330,000	20,100	600,000	115,950
2022	340,000	10,200	615,000	97,950
2023-2026	-	-	2,650,000	201,600
Totals	$ 1,610,000	$ 141,250	$ 5,565,000	$ 849,250

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

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

Year Ending	Six Ford Vehicles		LED Lights	
April 30,	Principal	Interest	Principal	Interest
2018	$ 44,103	$ 1,471	$ 122,509	$ 29,788
2019	26,328	257	126,523	25,774
2020	-	-	130,626	21,671
2021	-	-	134,986	17,311
2022	-	-	139,371	12,925
2023-2025	-	-	292,588	12,007
Totals	$ 70,431	$ 1,728	$ 946,603	$ 119,476

(Continued)

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Year Ending	FY17 Equipment		Total Loans Payable	
April 30,	Principal	Interest	Principal	Interest
2018	$ 38,056	$ 9,855	$ 204,668	$ 41,114
2019	58,431	13,432	211,282	39,463
2020	60,341	11,524	190,967	33,195
2021	62,370	9,496	197,356	26,807
2022	64,410	7,455	203,781	20,380
2023-2025	187,799	9,354	480,387	21,361
Totals	$ 471,407	$ 61,116	$ 1,488,441	$ 182,320

Legal Debt Margin: Villages under Illinois law are subject to a debt limit since they are not home-rule units. Currently, the total outstanding debt of non-referendum bonding of Illinois villages is 8.625% of their assessed valuations. The Village at April 30, 2017 satisfies this requirement as follows:

Assessed valuation for 2016		$ 302,132,242
At maximum outstanding debt rate		8.625%
Maximum debt		26,058,906
Legal debt outstanding at April 30, 2017		
Series 2011	$ 1,610,000	
Series 2012	5,565,000	
Legal debt outstanding at April 30, 2017		7,175,000
Remaining Legal Debt Margin		$ 18,883,906

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

Year Ending April 30,	Principal	Interest
2018	$ 315,662	$ 63,753
2019	334,431	44,983
2020	343,437	35,978
2021	352,686	26,729
2022	362,183	17,232
2023	372,593	7,478
Totals	$ 2,080,992	$ 196,153

NOTE 6 – INTERFUND ACTIVITY

The following interfund/advance balances existed as of April 30, 2017:

	Advance/ Due From	Advance/ Due To
Major Governmental Fund - General Fund	$ 132,381	$ -
Nonmajor Governmental Funds	-	9,681
Major Governmental Fund - IMRF	-	122,700
Total Advances	$ 132,381	$ 132,381
Major Governmental Fund - General Fund	$ 576,713	$ -
Major Governmental Fund - IMRF	-	399,463
Nonmajor Governmental Funds	-	177,250
Total Interfunds	$ 576,713	$ 576,713

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

The following transfers occurred during fiscal year 2017:

	Transfer In	Transfer Out
Major Governmental Fund - General Fund	$ 1,309,076	$ 56,335
Major Governmental Fund - Harlem / Harrison TIF Fund	56,335	-
Major Governmental Fund - 2002 Bond Fund	697,609	-
Major Governmental Fund - VIP Program Fund	631,518	-
Major Governmental Fund - IMRF Fund	20,106	-
Nonmajor Governmental Funds	52,316	1,774,094
Major Enterprise Fund - Water Fund	-	936,531
Total Transfers	$ 2,766,960	$ 2,766,960

The transfers represent both routine and non-routine items. Generally, routine transfers occur to meet the operating purposes of another fund, such as the transfers by the Water of $900,000, to the General Fund for unallocated operating and overhead expenses. Other routine transfers occur to reimburse the General Fund for road repair and maintenance expenditures covered by the Motor Fuel Tax and expenditures on behalf of TIF districts and debt service funds. Transfers to/from other funds offset one another and are therefore not reported in the Government-wide statement of activities.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS

ILLINOIS MUNICIPAL RETIREMENT FUND (IMRF)

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

Benefits provided: IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

All three IMRF benefit plans have two tiers. 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% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% 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 ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of:

- 3% of the original pension amount, or
- ½ of the increase in the Consumer Price Index of the original pension amount.

Employees Covered by Benefit Terms: As of December 31, 2016 the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits	176
Active Plan Members – Village	59
Active Plan Members – Library	18
Total	253

Contributions: As set by statute, the Village's Regular Plan Members are required to contribute 4.50% of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The Village and Library's annual required contribution rate for calendar year 2016 were 9.41%. For the fiscal year ended

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

April 30, 2017, the Village contributed $299,587 and the Library contributed $65,636 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 the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability: The Village's net pension liability for IMRF was measured as of December 31, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Price Inflation	2.75%
Salary Increases	3.75% to 14.50%
Investment Rate of Return	7.50%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013
Mortality	For non-disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, and IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

A detailed description of the actuarial assumptions and methods can be found in the December 31, 2016 Illinois Municipal Retirement Fund annual actuarial valuation. The investment rate of return of 7.50% is an increase of 0.01% from the prior year rate of 7.49%. There were no other significant changes in assumptions. There were no benefit changes since the prior measurement date. The Village is not aware of any changes that have occurred subsequent to the measurement date that are expected to have a significant effect on the net pension liability.

Expected return on pension plan investments: 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 to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	38.00%	7.77%
International Equity	17.00%	3.54%
Fixed Income	27.00%	4.85%
Real Estate	8.00%	8.97%
Alternative Investments	9.00%	N/A
Cash Equivalents	1.00%	N/A
	100.00%	

Discount rate: A single discount rate of 7.50% was used to measure the total pension liability. The projection of cash flow used to determine this single discount rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The single discount rates reflects:

(1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits and

2) the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was not blended with the AA rated general obligation bond index at December 31, 2016 to arrive at the discount rates used to determine the total pension liability. For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.50%, the municipal bond rate is 3.78%, and the resulting single discount rate is 7.50%, which is an increase of 0.01% from the previous measurement date. The last year the plan is expected to be fully funded is December 31, 2116.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension Liability for the IMRF plan - Village

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balances at 12/31/15	$ 18,198,193	$ 16,982,808	$ 1,215,385
Changes for the year:			
Service Cost	334,683	-	334,683
Interest	1,384,438	-	1,384,438
Actuarial Experience	(427,812)	-	(427,812)
Assumption Changes	8,549	-	8,549
Contributions - Employer	-	299,120	(299,120)
Contributions - Employee	-	143,043	(143,043)
Net Investment Income	-	1,210,231	(1,210,231)
Benefit payments, including refunds	(749,595)	(749,595)	-
Other (net Transfer)	-	(411,099)	411,099
Net Changes	550,263	491,700	58,563
Balances at 12/31/16	$ 18,748,456	$ 17,474,508	$ 1,273,948

Changes in the Net Pension Liability for the IMRF plan - Component Unit - Library

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset)/Liability (a) - (b)
Balances at 12/31/15	$ 4,487,163	$ 4,187,483	$ 299,680
Changes for the year:			
Service Cost	71,517	-	71,517
Interest	295,836	-	295,836
Actuarial Experience	(91,418)	-	(91,418)
Assumption Changes	(38,142)	-	(38,142)
Contributions - Employer	-	63,918	(63,918)
Contributions - Employee	-	30,567	(30,567)
Net Investment Income	-	258,611	(258,611)
Benefit payments, including refunds	(160,178)	(160,178)	-
Other (net Transfer)	-	(87,847)	87,847
Net Changes	77,615	105,071	(27,456)
Balances at 12/31/16	$ 4,564,778	$ 4,292,554	$ 272,224

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 7.50%, as well as what the Village's net pension liability for IMRF plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

IMRF Plan	1% Decrease 6.50%	Current Discount Rate 7.50%	1% Increase 8.50%
Village's Net Pension (Asset)/Liability	$ 3,927,967	$ 1,273,948	$ (869,684)
Component Unit - Library's Net Pension (Asset)/Liability	839,355	272,224	(185,840)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017 the Village recognized pension expense of $845,241 and the Library recognized $148,317 for the IMRF plan. At April 30, 2017, the Village reported deferred inflows of resources and deferred outflows of resources related to pensions from the following sources:

	Village		Component Unit - Library	
Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods				
Differences between expected and actual experience	$ -	$ 303,722	$ -	$ 65,686
Changes of assumptions	8,938	16,864	2,203	3,253
Change in proportionate share	-	22,387	22,387	-
Net difference between projected and actual earnings on pension plan investments	777,338	-	189,800	-
Total Deferred Amounts to be recognized in pension expense in future periods	786,276	342,973	214,390	68,939
Pension Contributions made subsequent to the Measurement Date	99,656	-	21,517	-
Total Deferred Amounts Related to Pensions	$ 885,932	$ 342,973	$ 235,907	$ 68,939

$99,656 and $21,517 reported as deferred outflows of resources related to pensions resulting from Village and Library contributions subsequent to the measurement date, respectively, will be recognized as a reduction of net pension liability in the reporting year ended April 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending April 30	Village Net Deferred Outflows of Resources	Component Unit - Library Net Deferred Outflows of Resources
2018	$ 95,763	$ 41,054
2019	98,043	41,616
2020	235,286	59,745
2021	14,211	3,036
Total	$ 443,303	$ 145,451

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

POLICE PENSION

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

At April 30, 2017, the Police Pension Fund plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees entitled to but not yet receiving benefits	2
Active Employees	38
Total	74

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

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

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

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes shall not exceed $106,800 however, that amount shall increase annually by the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 police officer shall be increased annually at age 60 on the January 1st after the police officer retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Contributions: Covered employees are required to contribute 9.91% of their base salary to the Police Pension Fund plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee-contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for fiscal year 2017 were $897,068. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Police Pension Plan. Schedules of funding progress and employer contributions are presented in the RSI. For the year ended April 30, 2017, the Village's contribution was 26.51% of covered payroll. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Basis of Accounting - The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments - Fixed-income securities are reported at fair market value. Short-term investments are reported a cost which approximates market value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The Village's net pension liability for the Police Pension plan was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

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

Actuarial Assumptions (economic)	
Actuarial cost method	Entry Age Normal - Percentage of Pay
Asset valuation method	Five-year linear smoothing
Compensation increase	0-2 years, 8.00%; 3+years, 4.00%
Projected increase in total payroll	4.00%
Inflation	2.50%
Investment rate of return	6.00%
Cost of living increases	1.25% per annual simple increase for Tier II
Compensation limit increase	2.50% per annum increase for benefits for Tier II
Administrative expenses	$45,000, assumed to increase at the inflation rate in future years

Mortality rates were based on the RP-2014 Blue Collar Mortality Table Adjusted to 2006 for healthy participants and RP-2014 Disabled Retiree Mortality Table Adjusted to 2006 for disabled retirees, and both were projected generationally with mortality improvement scale MP-2016.

Assumption changes: The assumed administrative expenses payable from the Fund was increased from $43,000 to $45,000.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Expected return on pension plan investments: The long-term expected rate of return on the Fund's investments has been selected as the best estimate of future investment return experience over the life of the Fund (from a participant's hire through the satisfaction of all benefit payments to the participants). The assumption was determined using a building-block approach based upon best-estimate ranges of expected future rates of return developed for each significant asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The expected rate of return provided represent geometric averages. The expected rate of return and target allocation for each significant asset class has been provided by the professional investment advisor for the Fund and are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	45.48%	4.24%
International Equity	7.35%	4.15%
Fixed Income	43.04%	2.34%
Cash	4.13%	-1.37%
Total	100.00%	

Discount rate: The discount rate of 6.00% is a combination of the long-term expected rate of return and the municipal bond rate. For each future year, the fiduciary net position of the Fund is determined by accounting for all projected future cash flows into and out of the Fund. Projected contributions into the Fund reflect current employee contribution rates (which are assumed to be unchanged) and expected employer contributions (based upon projected actuarially determined contributions under the funding contribution policy and actual historical and expected contribution patterns for the employer). To the extent the fiduciary net position of the Fund is sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the long-term expected rate of return. If the fiduciary net position of the Fund is not sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the municipal bond rate. The discount rate assumption is the single equivalent discount rate which would result in the same discounted value of future benefit payments determined pursuant to the description above. Because the Fund's projected fiduciary net position is always projected to be sufficient to cover the projected benefit payment of the Fund, the discount rate is equal to the long-term expected rate of return.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in the Net Pension Liability for the Police Pension plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2016	$ 53,711,335	$ 20,946,134	$ 32,765,201
Changes for the year:			
Service cost	1,213,889	-	1,213,889
Interest	3,170,137	-	3,170,137
Actuarial experience	(607,425)	-	(607,425)
Contributions - employer	-	897,068	(897,068)
Contributions - employee	-	489,953	(489,953)
Net investment income	-	1,174,243	(1,174,243)
Benefit payments, including refunds	(1,751,422)	(1,751,422)	-
Administrative expense	-	(46,091)	46,091
Net changes	2,025,179	763,751	1,261,428
Balances at April 30, 2017	$ 55,736,514	$ 21,709,885	$ 34,026,629

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 6.00%, as well as what the Village's net pension liability for Police Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (5.00%) or 1-percentage-point higher (7.00%) than the current rate:

	1% Decrease 5.00%	Current Discount Rate 6.00%	1% Increase 7.00%
Police Net Pension Liability	$ 43,416,957	$ 34,026,629	$ 26,547,095

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017 the Village recognized pension expense of $5,262,738 for the Police Pension plan. At April 30, 2017, the Village reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 662,542
Changes of assumptions	7,552,871	-
Net difference between projected and actual earnings on investments	703,307	-
Total	$ 8,256,178	$ 662,542

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Year Ended April 30	Deferred Outflows of Resources
2018	$ 2,567,027
2019	2,567,027
2020	2,567,025
2021	(107,443)
Total	$ 7,593,636

Rate of Return: For the year ended April 30, 2017, the annual money-weighted rate of return on Police pension plan investments, net of pension plan investment expense, was 5.96 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

FIRE PENSION

Plan Description: Firefighter sworn personnel are covered by the Firefighters' Pension Fund plan, which is a defined benefit single-employer pension plan. Although this is a single-employer pension plan, the defined benefits as well as the employee and employer contributions levels are mandated by Illinois Compiled Statutes (40 ILCS 5/4) and may be amended only by the Illinois legislature. The Village accounts for the plan as a pension trust fund.

At April 30, 2017, the Firefighters' Pension Fund plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to but not yet receiving benefits	0
Active Employees	23
Total	54

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

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

The monthly benefit of a covered employee who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.0% of the original pension and 3.0% compounded annually thereafter.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the firefighter during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Firefighters' salary for pension purposes is capped at $106,800 plus the lesser of ½ of the annual change in the Consumer Price Index or 3.0% compounded. The annual benefit shall be increased by 2.5% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.0% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e. ½% for each month under 55).

The monthly benefit of a Tier 2 firefighter shall be increased annually at age 60 on the January 1st after the firefighter retires, or the first anniversary of the pension starting date, whichever is later. Noncompounding increases occur annually, each January thereafter. The increase is the lesser of 3.0% or ½ of the change in the Consumer Price Index for the proceeding calendar year.

Contributions: Covered employees are required to contribute 9.455% of their salary to the Firefighters' Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without interest. The Village is required to contribute the remaining amounts (not less than 9 1/4%) necessary to finance the plan as actuarially determined by an enrolled actuary. Administrative costs are financed through investment earnings. Employer contributions for 2017 were $776,911. According to the State Statute, effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service costs for the Firefighters' Pension Plan. For the year ended April 30, 2017, the Village's contribution was 36.93% of covered payroll. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that Village contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

Basis of Accounting: The accrual basis of accounting is utilized by pension trust funds. Under this method, additions to net plan assets are recorded when earned and deductions from net plan assets are recorded when the time related liabilities are incurred. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments: Fixed-income securities are reported at fair market values. Short-term investments are reported at cost which approximates market value. Investment income is recognized when earned. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have any established market, if any, are reported at estimated fair value. Gains and losses of investments represent the increase (decrease) of cost over market value.

Net Pension Liability: The Village's net pension liability for the Firefighters' Pension plan was measured as of April 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

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

Actuarial Assumptions (economic)	
Actuarial cost method	Entry Age Normal - Percentage of Pay
Asset valuation method	Five-year linear smoothing
Compensation increase	0-2 years, 8.00%; 3+ years, 4.00%
Projected increase in total payroll	4.00%
Inflation	2.50%
Investment rate of return	7.00%
Cost of living increases	1.25% per annual simple increase for Tier II
Compensation limit increase	2.50% per annum increase for benefits for Tier II
Administrative expense	$32,000, assumed to increase at the inflation rate in future years

Mortality rates were based on the RP-2014 Blue Collar Mortality Table Adjusted to 2006 for healthy participants and RP-2014 Disabled Retiree Mortality Table Adjusted to 2006 for disabled retirees and projected generationally with mortality improvement scale MP-2016.

Assumption changes: There were no changes in actuarial methods and assumptions since the last actuarial valuation.

Expected return on pension plan investments: The long-term expected rate of return on the Fund's investments has been selected as the best estimate of future investment return experience over the life of the Fund (from a participant's hire through the satisfaction of all benefit payments to the participants). The assumption was determined using a building-block approach based upon best-estimate ranges of expected future rates of return developed for each significant asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage. The expected rate of return provided represent geometric averages. The expected rate of return and target allocation for each significant asset class has been provided by the professional investment advisor for the Fund and are summarized below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	27%	6.59%
U.S. Mid Cap Equity	3%	7.08%
U.S. Small Cap Equity	3%	7.57%
International Equity	16%	6.30%
Emerging Markets Equity	8%	8.05%
Real Estate Investment Trust	3%	5.57%
Fixed Income	37%	2.13%
Cash	3%	1.06%
Total	100%	

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Discount rate: The discount rate of 7.00% is a combination of the long-term expected rate of return and the municipal bond rate. For each future year, the fiduciary net position of the Fund is determined by accounting for all projected future cash flows into and out of the Fund. Projected contributions into the Fund reflect current employee contribution rates (which are assumed to be unchanged) and expected employer contributions (based upon projected actuarially determined contributions under the funding contribution policy and actual historical and expected contribution patterns for the employer). To the extent the fiduciary net position of the Fund is sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the long-term expected rate of return. If the fiduciary net position of the Fund is not sufficient to provide for the projected benefit payments in a given future year, the benefit payments are discounted using the municipal bond rate. The discount rate assumption is the single equivalent discount rate which would result in the same discounted value of future benefit payments determined pursuant to the description above. Because the Fund's projected fiduciary net position is always projected to be sufficient to cover the projected benefit payment of the Fund, the discount rate is equal to the long-term expected rate of return.

Changes in the Net Pension Liability for the Firefighters' Pension plan:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at May 1, 2016	$ 35,615,213	$ 14,321,901	$ 21,293,312
Changes for the year:			
Service cost	670,034	-	670,034
Interest	2,430,804	-	2,430,804
Actuarial experience	95,603	-	95,603
Assumptions changes		-	-
Contributions - employer	-	776,911	(776,911)
Contributions - employee	-	196,805	(196,805)
Net investment income	-	1,498,233	(1,498,233)
Benefit payments, including refunds	(1,778,885)	(1,778,885)	-
Administrative expense	-	(27,818)	27,818
Net changes	1,417,556	665,246	752,310
Balances at April 30, 2017	$ 37,032,769	$ 14,987,147	$ 22,045,622

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Village, calculated using the discount rate of 7.00%, as well as what the Village's net pension liability for the Firefighters' Pension plan would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Firefighters' Net Pension Liability	$ 27,321,025	$ 22,045,622	$ 17,756,487

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: For the year ended April 30, 2017 the Village recognized pension expense of $3,137,624 for the Firefighters' Pension plan.

At April 30, 2017, the Village reported deferred inflows or resources and deferred outflows or resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	$ 553,272
Changes of assumptions	2,488,964
Net difference between projected and actual earnings on investments	409,369
Total	$ 3,451,605

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

Year Ended April 30	Deferred Outflows of Resources
2018	$ 1,179,152
2019	1,179,152
2020	1,179,152
2021	(85,851)
Total	$ 3,451,605

Rate of Return: For the year ended April 30, 2017, the annual money-weighted rate of return on the Firefighters' pension plan investments, net of pension plan investment expense, was 10.98 percent. The money weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Pension Plan Information

Fiduciary Net Position:

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,112,453	$ 300,391	$ 1,412,844
Investments			
Corporate bonds	-	1,922,727	1,922,727
Government securities	9,253,101	2,815,963	12,069,064
Mutual funds	5,451,442	9,920,402	15,371,844
Insurance contracts	5,881,743	-	5,881,743
Total investments	20,586,286	14,659,092	35,245,378
Interest receivable	10,949	30,939	41,888
Prepaid items	697	400	1,097
Total assets	21,710,385	14,990,822	36,701,207
LIABILITIES			
Accounts payable	500	3,675	4,175
Total liabilities	500	3,675	4,175
NET POSITION			
Net position restricted for pensions	$ 21,709,885	$ 14,987,147	$ 36,697,032

(Continued)

NOTE 7 - DEFINED BENEFIT PENSION PLANS (Continued)

Changes in Plan Net Position:

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions			
Employer	$ 897,068	$ 776,911	$ 1,673,979
Plan members	489,953	196,805	686,758
Total contributions	1,387,021	973,716	2,360,737
Investment earnings			
Net Increase in Fair Value of Investments	635,970	1,223,486	1,859,456
Interest	538,573	310,579	849,152
Less investment Expense	(300)	(35,832)	(36,132)
Net investment income	1,174,243	1,498,233	2,672,476
Total additions	2,561,264	2,471,949	5,033,213
DEDUCTIONS			
Benefits and refunds	1,751,422	1,778,885	3,530,307
Administrative expenses	46,092	27,818	73,910
Total deductions	1,797,514	1,806,703	3,604,217
Increase (decrease) in net position	763,750	665,246	1,428,996
Plan net position at beginning of year	20,946,135	14,321,901	35,268,036
Plan net position at end of year	$ 21,709,885	$ 14,987,147	$ 36,697,032

Summary:

	IMRF	Police	Firefighters'	Total
Net Pension Liability	$ 1,546,172	$ 34,026,629	$ 22,045,622	$ 57,618,423
Deferred Outflows of Resources	1,121,839	8,256,178	3,451,605	12,829,622
Deferred Inflows of Resources	411,912	662,542	-	1,074,454
Pension Expense	993,558	5,262,738	3,137,624	9,393,920

	Village	Library	Total
Net Pension Liability	$ 57,346,199	$ 272,224	$ 57,618,423
Deferred Outflows of Resources	12,593,715	235,907	12,829,622
Deferred Inflows of Resources	1,005,515	68,939	1,074,454
Pension Expense	9,245,603	148,317	9,393,920

(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS

Plan Description. The Village provides the continuation of health care benefits and life insurance to Police, Fire, and Municipal employees who retire from the Village in accordance with Illinois Compiled Statutes. Employees who terminate after reaching retirement eligibility in the plan are eligible to elect to continue their health care coverage by paying the monthly premium rate. Because the actuarial cost of health benefits for retirees exceeds the average amount paid by retirees, the additional cost is paid by the Village and is the basis for the OPEB obligation is accounted for under GASB Statement 45. The Village Council has the authority of establishing and amending benefits offered by this plan. The OPEB plan is a single-employer plan. There is no separate, audited GAAP-basis postemployment benefit plan report available. At May 1, 2016 (the most recent actuarial valuation date), the OPEB plan membership consisted of:

Inactive employees or beneficiaries currently receiving benefits	16
Inactive employees entitled to but not yet receiving benefits	-
Active employees	95
Total	111

Funding Policy. Funding is provided by the Village on a pay-as-you-go basis. Retirees and their dependents may continue coverage under The Village of Forest Park's group health program by contributing a monthly premium. They may participate in any of the plans available to active employees. The Village pays the difference between the actuarial cost of the health coverage for retirees and the blended average employee group cost. The Village's contribution on behalf of the employees to the insurance provider was $97,169 for 2017.

Annual OPEB Cost and Net OPEB Obligation. The Village's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the *Entry Age actuarial method,* an amount actuarially determined in accordance with the parameters of GASB Statement 45. The following table shows the components of the Village's annual OPEB cost for fiscal year 2017, the amount actually contributed to the plan, and changes in the Village's net OPEB obligation:

Annual OPEB Cost and Net OPEB Obligation	April 30, 2017
Annual required contribution	$ 266,425
Interest on net OPEB obligation	21,894
Adjustment to annual required contribution	(18,245)
Annual OPEB cost	270,074
Contributions made	97,169
Increase (decrease) in net OPEB obligation	172,905
Net OPEB obligation beginning of year	547,357
Net OPEB obligation end of year	$ 720,262

The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 was as follows:

(Continued)

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

Three Year Trend Information			
Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
4/30/2015	$ 164,852	44.8%	$ 455,815
4/30/2016	165,459	44.7%	547,357
4/30/2017	270,074	36.0%	720,262

Funded Status and Funding Progress. As of May 1, 2016 (the most recent actuarial valuation date), the plan was unfunded. The actuarial accrued liability for benefits was $2,585,629.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
4/30/2015*	$ -	$ 2,791,372	$ 2,791,372	0.0%	$ 8,770,768	31.8%
4/30/2016	-	2,585,629	2,585,629	0.0%	9,326,113	27.7%
4/30/2017*	-	2,585,629	2,585,629	0.0%	9,326,113	27.7%

* Results from prior year

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

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

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

NOTE 8 - POSTEMPLOYMENT HEALTHCARE BENEFITS (Continued)

In the April 30, 2017 actuarial valuation, the entry age normal – level percentage of pay actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 6.5 percent initially, reduced by decrements to an ultimate rate of 4.0 percent. Both rates included a 2.5 percent inflation assumption. The plan is not funded, and therefore, there is no actuarial value of assets methodology applied. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2017, was thirty years.

NOTE 9 - RISK MANAGEMENT

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

NOTE 10 - FUND BALANCES

Restricted for Separate Tax Levies

Included in the General Fund's balance are the financial position and results of operations of five separate tax levies. The Village considers these five tax levies as departments of the General Fund since none of these "funds" are self-sufficient. The changes in the fund balances of these tax levies for the fiscal year ended April 30, 2017 are as follows:

	Restricted Fund Balance	Revenue			Restricted Fund Balance
	5/1/2016	Specified	Subsidized	Expenditures	4/30/2017
Fire Protection	$ -	$ 1,360,000	$ 1,707,079	$ 3,067,079	$ -
Trees and Forestry	-	75,000	215,579	290,579	-
Insurance	-	385,000	543,864	928,864	-
Playground/Recreation	674,510	-	-	15,091	659,419
Police Protection	-	1,580,000	3,542,508	5,122,508	-
Totals	$ 674,510	$ 3,400,000	$ 6,009,030	$ 9,424,121	$ 659,419

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

Deficit Fund Equity: The following funds had deficit fund balances/net position as of April 30, 2017. These balances are expected to be reduced through future revenues or transfers

Illinois Municipal Retirement Fund	$ 522,163
Social Security Fund	150,176
Roosevelt Road Corridor TIF Fund	32,709

(Continued)

NOTE 11 - FRANCHISE FEES

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

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

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

NOTE 12 - TAX INCREMENT FINANCING

Forest Park Mall TIF

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

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

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

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

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

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

(Continued)

NOTE 12 - TAX INCREMENT FINANCING (Continued)

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

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

Roosevelt-Hannah TIF

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

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

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

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

Brown Street Station TIF

In 2000, the Village formed the Brown Street Station TIF for the far northeast area of town to Harlem Avenue and south along Harlem to Dixon. Property Tax increment has been accumulating and at the beginning of fiscal year 2016 totaled $5 million. There is currently an agreement between the Village and Nunley LLC Elite Tire.

NOTE 12 - TAX INCREMENT FINANCING (Continued)

During fiscal year 2017, the Brown Street Station area was enhanced at the cost of $15,505 for redevelopment improvements. Further infrastructure improvements will be made as necessary in anticipation of the area being developed.

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENTS AND TAX ABATEMENTS

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

As of April 30, 2017, the Village has paid $372,696 to Bed Bath and Beyond of Forest Park, LLC.

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

As of April 30, 2017, the Village has paid $1,107,386 to Currie Motors Chevrolet.

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

As of April 30, 2017, the Village has paid $539,235 to Hawk Chrysler Dodge Jeep.

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

As of April 30, 2017, the Village has paid $79,778 to Grand Appliance, Inc.

Cook County Class 6b Property Tax Incentive Program: Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

(Continued)

NOTE 13 - BUSINESS DEVELOPMENT AGREEMENTS AND TAX ABATEMENTS (Continued)

The Village is affected by Cook County's Class 6b property tax incentive program. The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial reutilization of abandoned buildings. The goal of the program is to attract new industry, stimulate expansion and retention of existing industry, and increase employment opportunities.

Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities have granted Class 6b incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the Village and the other impacted taxing districts than would have been generated if the development had not occurred. The Village's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending April 30, 2017, the Village's share of the abatement granted to the Class 6b properties was approximately $51,000.

NOTE 14 - FOREST PARK PUBLIC LIBRARY

<u>Cash and Investments</u>

Permitted Deposits and Investments – Statutes authorize the Library to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, obligations of states and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Funds.

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

<u>Interest Rate Risk, Credit Risk, Custodial Credit Risk, and Concentration Risk</u>

Deposits – At year end, the carrying amount of the Library's deposits totaled $770,795 and the bank balances totaled $796,300. Additionally, at year end the Library has $1,742,491 invested in the Illinois Funds.

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

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

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

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

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

Property Taxes

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

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

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Capital Assets

	Balance at May 1, 2016	Additions	Deletions	Balance at April 30, 2017
Capital assets not being depreciated:				
Land	$ 134	$ -	$ -	$ 134
Capital assets being depreciated:				
Buildings	1,506,954	56,982	-	1,563,936
Furniture and equipment	226,447	-	-	226,447
Computer equipment	200,735	23,535	-	224,270
Collections	1,144,628	212,864	245,988	1,111,504
Subtotal	3,078,764	293,381	245,988	3,126,157
Accumulated depreciation				
Buildings	(861,919)	(49,616)	-	(911,535)
Furniture and equipment	(188,322)	(5,120)	-	(193,442)
Computer equipment	(162,549)	(18,217)	-	(180,766)
Collections	(584,269)	(225,613)	(245,988)	(563,894)
Subtotal	(1,797,059)	(298,566)	(245,988)	(1,849,637)
Total capital assets being depreciated, net	1,281,705	(5,185)	-	1,276,520
Capital assets, net	$ 1,281,839	$ (5,185)	$ -	$ 1,276,654

Depreciation expense of $298,566 was charged to the public library function.

Long-Term Debt

	Balance Beginning	Additions	Deletions	Ending Balance	Principal Due Within One Year
Net Pension (Asset) Liability - IMRF	$ 299,680	$ -	$ 27,456	$ 272,224	$ -

Net Position Restrictions

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

	Beginning Balances	Increases	Decreases	Ending Balances
General Fund				
Unemployment Insurance	$ 2,283	$ 1	$ -	$ 2,284
Workers Compensation	42,724	514	-	43,238
Special Revenue Funds				
Audit	2,548	-	66	2,482
Social Security	59,671	-	46,904	12,767
IMRF	-	59,258	-	59,258
Total	$ 107,226	$ 59,773	$ 46,970	$ 120,029

(Continued)

NOTE 14 - FOREST PARK PUBLIC LIBRARY (Continued)

Risk Management

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

Employee Retirement System – Defined Benefit Pension Plan

Illinois Municipal Retirement System: See Note 8 for disclosures.

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS

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

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. The requirements of this Statement are effective for the Village's financial year ending April 30, 2019. This statement will have an effect on the financial statements of the Village and the OPEB liability will be added to the Statement of Net Position.

In December 2015, the GASB issued Statement 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement 14*. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2016, the GASB issued Statement 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. This Statement is effective for the Village's fiscal year ended April 30, 2018. This Statement will not have an impact on the Village's financial statements.

(Continued)

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In March 2016, the GASB issued Statement 82, *Pension Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement is effective for the Village's fiscal year ended April 30, 2018. Management has not determined what impact, if any, this statement will have on its financial statements.

In November 2016, the GASB issued Statement 83, *Certain Asset Retirement Obligations*. This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for asset retirement obligations (AROs). This Statement is effective for the Village's fiscal year ended April 30, 2020. This statement will have no effect on the Village.

In January 2017, the GASB issued Statement 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement is effective for the Village's fiscal year ended April 30, 2020. This statement will have no effect on the Village.

In March 2017, the GASB issued Statement 85, *Omnibus 2017*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits. This Statement is effective for the Village's fiscal year ended April 30, 2019. Management has not determined what impact, if any, this statement will have on its financial statements.

In March 2017, the GASB issued Statement 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources (resources other than the proceeds of refunding debt) are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for the Village's fiscal year ended April 30, 2019. This Statement will have no effect on the Village.

(Continued)

NOTE 15 - NEW GOVERNMENT ACCOUNTING STANDARDS (Continued)

In June 2017, the GASB issued Statement 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring 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. This Statement is effective for the Village's fiscal year ended April 30, 2021. Management has not determined what impact, if any, this statement will have on its financial statements.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS - OTHER POSTEMPLOYMENT BENEFITS
Year Ended April 30, 2017

Actuarial Valuation Date	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio (1)/(2)	(4) Unfunded AAL (UAAL) (2) - (1)	(5) Covered Payroll	(6) UAAL as a Percentage of Covered Payroll (4)/(5)
4/30/17*	$ -	$ 2,585,629	0.0%	$ 2,585,629	$ 9,326,113	27.7%
4/30/16	-	2,585,629	0.0%	2,585,629	9,326,113	27.7%
4/30/15*	-	2,791,372	0.0%	2,791,372	8,770,768	31.8%
4/30/14*	-	2,791,372	0.0%	2,791,372	8,770,768	31.8%
4/30/13	-	2,791,372	0.0%	2,791,372	8,770,768	31.8%
4/30/12	-	2,035,510	0.0%	2,035,510	8,046,576	25.3%

*Results from prior year

Actuarial valuation date	May 1, 2016
Actuarial cost method	Entry Age
Amortization method	Level % payroll, open
Remaining amortization period	30 years
Actuarial valuation method	Not applied as plan is not funded
Significant actuarial assumptions:	
Investment rate of return*	4.00%
Projected salary increases	4.00%
Healthcare inflation rate	6.50% initial 4.00% ultimate
Employer Provided Benefit	Current Health Insurance Premium for Retired Employees ($496/month starting for employees up to $1,814/month for employees and family)
*Includes inflation at	2.50%

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN ILLINOIS MUNICIPAL RETIREMENT FUND NET POSTIION
AND RELATED RATIOS
Last Two Fiscal Years

	2017	2016
Total Pension Liability		
Service Cost	$ 406,200	$ 429,801
Interest	1,680,274	1,600,638
Changes of Benefit Terms	-	-
Differences Between Expected and Actual Experience	(519,230)	(41,693)
Changes of Assumptions	(29,593)	28,247
Benefit Payments and Refunds	(909,773)	(917,151)
Net Change in Total Pension Liability	627,878	1,099,842
Total Pension Liability - Beginning	22,685,356	21,585,514
Total Pension Liability - Ending (a)	$ 23,313,234	$ 22,685,356
Plan Fiduciary Net Position		
Contributions - Employer	$ 363,038	$ 371,684
Contributions - Employee	173,610	173,145
Net Investment Income	1,468,842	107,707
Benefit Payments and Refunds	(909,773)	(917,151)
Other	(498,946)	(292,733)
Net Change in Plan Fiduciary Net Position	596,771	(557,348)
Plan Fiduciary Net Position - Beginning	21,170,291	21,727,639
Plan Fiduciary Net Position - Ending (b)	$ 21,767,062	$ 21,170,291
Village's Net Pension Liability (a-b)	$ 1,546,172	$ 1,515,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.37%	93.32%
Covered-Employee Payroll	$ 3,857,997	$ 3,847,656
Village's Net Pension Liability as a Percentage of Covered Employee Payroll	40.08%	39.38%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented.

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Note to the Required Supplementary Information:
The discount rate increased from 7.49% at December 31, 2015 to 7.50% at December 31, 2016. There were no other significant changes in the methods and assumptions used to determine the total pension liability.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF ILLINOIS MUNICIPAL RETIREMENT FUND CONTRIBUTIONS
Year Ended April 30, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 365,399	$ 364,675	$ 413,686	$ 342,681	$ 415,230	$ 432,089	$ 362,867	$ 332,615	$ 277,756	$ 242,315
Contributions in relation to the actuarially determined contribution	365,399	364,675	413,686	342,681	415,230	432,089	354,321	303,029	277,756	242,315
Contribution deficency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,546	$ 29,586	$ -	$ -
Covered-employee payroll	$ 3,900,958	$ 3,808,302	$ 4,304,781	$ 3,913,496	$ 3,770,504	$ 3,652,956	$ 3,564,667	$ 3,634,262	$ 3,602,540	$ 3,638,369
Contributions as a percentage of covered-employee payroll	9.37%	9.58%	9.61%	8.76%	11.01%	11.83%	9.94%	8.34%	7.71%	6.66%

Notes to Schedule

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine 2016 contribution rates:

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	Taxing bodies: 27-year closed period until remaining period reaches 15 years (then 15-year rolling period).
Asset valuation method	5-year smoothed market, 20% corridor
Wage growth	3.50%
Price inflation	2.75% - approximate; No explicit price inflation assumption is used in this valuation
Salary increases	3.75% to 14.50%, including inflation
Investment rate of return	7.50%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2014 valuation pursuant to an experience study of the period 2011-2013.
Mortality	For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

Other information:

Changes	There were no benefit changes during the year

The calculation of the 2016 contribution rate is based on valuation assumptions used in the December 31, 2014 actuarial valuation.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN POLICE PENSION FUND NET PENSION LIABILITY AND RELATED RATIOS
Year Ended April 30, 2017

	2017	2016	2015
Total pension liability			
Service cost	$ 1,213,889	$ 722,375	$ 716,672
Interest	3,170,137	2,899,286	2,764,614
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(607,425)	(294,336)	8,846
Changes of assumptions	-	12,588,119	-
Benefit payments, including refunds of member contributions	(1,751,422)	(1,722,513)	(1,666,508)
Net change in total pension liability	2,025,179	14,192,931	1,823,624
Total pension liability - beginning	53,711,335	39,518,404	37,694,780
Total pension liability - ending (a)	$ 55,736,514	$ 53,711,335	$ 39,518,404
Plan fiduciary net position			
Contributions - employer	$ 897,068	$ 860,422	$ 672,901
Contributions - employee	489,953	319,101	311,953
Net investment income	1,174,243	478,339	1,161,181
Benefit payments, including refunds of member contributions	(1,751,422)	(1,722,513)	(1,666,508)
Administrative expense	(46,091)	(38,865)	(42,381)
Other	-	-	-
Net change in plan fiduciary net position	763,751	(103,516)	437,146
Plan fiduciary net position - beginning	20,946,134	21,049,650	20,612,504
Plan fiduciary net position - ending (b)	$ 21,709,885	$ 20,946,134	$ 21,049,650
Village's net pension liability (a-b)	$ 34,026,629	$ 32,765,201	$ 18,468,754
Plan fiduciary net position as a percentage of the total pension liability	38.95%	39.00%	53.27%
Covered-employee payroll	$ 3,384,468	$ 3,381,383	$ 3,135,346
Plan's net pension liability (asset) as a percentage of covered-employee payroll	1005.38%	968.99%	589.05%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND CONTRIBUTIONS
Year Ended April 30, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 1,326,465	$ 1,224,046	$ 938,198	$ 837,292	$ 771,013	$ 870,729	$ 810,717	$ 661,659	$ 561,697	$ 468,488
Contributions in relation to the actuarially determined contribution	897,068	860,422	672,901	689,370	674,566	730,836	654,205	496,890	421,385	438,825
Contribution deficency (excess)	$ 429,397	$ 363,624	$ 265,297	$ 147,922	$ 96,447	$ 139,893	$ 156,512	$ 164,769	$ 140,312	$ 29,663
Covered-employee payroll	$ 3,384,468	$ 3,381,383	$ 3,135,346	$ 3,044,271	$ 3,031,936	$ 2,968,822	$ 2,824,862	$ 2,698,737	$ 2,698,737	$ 2,342,675
Contributions as a percentage of covered-employee payroll	26.51%	25.45%	21.46%	22.64%	22.25%	24.62%	23.16%	18.41%	15.61%	18.73%

Notes to Schedule:

Methods and addumption used to determine contribution rates:

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	24 years
Asset valuation method	To determine the actuarial value of assets, the current market value of assets is adjusted by a declining percentage of the unexpected asset gains or losses over the past four years.
Inflation	2.50%
Salary increases	0-2 years of service, 8.00% 3+ years of service, 4.00%
Investment rate of return	6.00%
Mortality	RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement Scale MP-2016.

Notes to Police Pension Required Supplementary Information:

Assumption Changes : The assumed administrative expenses payable from the Fund was increased from $43,000 to $45,000.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF POLICE PENSION FUND INVESTMENT RATE OF RETURN
Year Ended April 30, 2017

	2017	2016	2015
Annual money-weighted rate of return net of investment expense	5.96%	2.29%	10.36%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN FIREFIGHTERS' PENSION FUND NET PENSION LIABILITY AND RELATED RATIOS
Year Ended April 30, 2017

	2017	2016	2015
Total pension liability			
Service cost	$ 670,034	$ 522,439	$ 535,303
Interest	2,430,804	2,159,539	2,110,395
Changes of benefit terms	-	-	-
Differences between expected and actual experience	95,603	794,650	(431,107)
Changes of assumptions	-	4,148,272	-
Benefit payments, including refunds of member contributions	(1,778,885)	(1,607,085)	(1,511,573)
Net change in total pension liability	1,417,556	6,017,815	703,018
Total pension liability - beginning	35,615,213	29,597,398	28,894,380
Total pension liability - ending (a)	$ 37,032,769	$ 35,615,213	$ 29,597,398
Plan fiduciary net position			
Contributions - employer	$ 776,911	$ 683,363	$ 528,964
Contributions - employee	196,805	198,332	197,766
Net investment income	1,498,233	(260,226)	1,013,984
Benefit payments, including refunds of member contributions	(1,778,885)	(1,607,085)	(1,511,573)
Administrative expense	(27,818)	(26,689)	(36,669)
Other	-	-	-
Net change in plan fiduciary net position	665,246	(1,012,305)	192,472
Plan fiduciary net position - beginning	14,321,901	15,334,206	15,141,734
Plan fiduciary net position - ending (b)	$ 14,987,147	$ 14,321,901	$ 15,334,206
Village's net pension liability (a-b)	$ 22,045,622	$ 21,293,312	$ 14,263,192
Plan fiduciary net position as a percentage of the total pension liability	40.47%	40.21%	51.81%
Covered-employee payroll	$ 2,104,007	$ 2,109,431	$ 2,115,924
Plan's net pension liability (asset) as a percentage of covered-employee payroll	1047.79%	1009.43%	674.09%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND CONTRIBUTIONS
Year Ended April 30, 2017

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially determined contribution	$ 1,107,822	$ 1,079,005	$ 851,483	$ 757,390	$ 687,404	$ 770,226	$ 744,133	$ 517,235	$ 455,200	$ 477,645
Contributions in relation to the actuarially determined contribution	776,911	683,363	528,694	547,776	531,069	554,789	488,470	530,165	460,437	437,768
Contribution deficency (excess)	$ 330,911	$ 395,642	$ 322,789	$ 209,614	$ 156,335	$ 215,437	$ 255,663	$ (12,930)	$ (5,237)	$ 39,877
Covered-employee payroll	$ 2,104,007	$ 2,109,431	$ 2,115,924	$ 2,097,819	$ 2,038,299	$ 1,952,345	$ 1,846,667	$ 1,745,299	$ 1,768,587	$ 1,691,221
Contributions as a percentage of covered-employee payroll	36.93%	32.40%	24.99%	26.11%	26.05%	28.42%	26.45%	30.38%	26.03%	25.88%

Notes to Schedule:

Methods and addumption used to determine contribution rates:

Actuarial valuation date	May 1, 2017
Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage of Pay
Remaining amortization period	24 years
Asset valuation method	To determine the actuarial value of assets, the current market value of assets is adjusted by a declining percentage of the unexpected asset gains or losses over the past four years.
Inflation	2.50%
Salary increases	0-2 years of service, 8.00% 3+ years of service, 4.00%
Investment rate of return	7.00%
Mortality	RP-2014 Blue Collar Mortality Table Adjusted to 2006 and projected generationally with mortality improvement Scale MP-2016.

Notes to Firefighters' Pension Required Supplementary Information:

Assumption Changes : There were no changes in actuarial methods and assumptions since the previous valuation.

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FIREFIGHTERS' PENSION FUND INVESTMENT RATE OF RETURN
Year Ended April 30, 2017

	2017	2016	2015
Annual money-weighted rate of return net of investment expense	10.98%	-1.82%	7.15%

* This is a 10-year schedule. However, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of data will be presented

VILLAGE OF FOREST PARK, ILLINOIS

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2017

	GENERAL FUND			SPECIAL REVENUE FUNDS					
				BROWN STREET STATION TIF FUND			HARLEM / HARRISON TIF FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues									
Property tax	$ 4,945,364	$ 4,577,437	$ (367,927)	$ 387,615	$ 374,521	$ (13,094)	$ -	$ -	$ -
Personal property replacement tax	165,000	174,421	9,421	-	-	-	-	-	-
Sales tax	3,344,850	3,053,715	(291,135)	-	-	-	-	-	-
Intergovernmental	406,800	416,713	9,913	-	-	-	-	-	-
Income tax	1,590,385	1,335,776	(254,609)	-	-	-	-	-	-
Utility taxes	1,675,000	1,478,702	(196,298)	-	-	-	-	-	-
Licenses and permits	1,322,300	1,273,875	(48,425)	-	-	-	-	-	-
Fees for services	2,139,555	2,172,665	33,110	-	-	-	-	-	-
Grant revenue	981,082	30,632	(950,450)	-	-	-	-	-	-
Parking revenue	543,500	485,467	(58,033)	-	-	-	-	-	-
Fines	2,210,200	1,300,203	(909,997)	-	-	-	-	-	-
Interest on investments	5,570	9,512	3,942	14,000	14,839	839	10	-	(10)
Other revenue	92,350	153,952	61,602	-	-	-	-	-	-
Total revenues	19,421,956	16,463,070	(2,958,886)	401,615	389,360	(12,255)	10	-	(10)
Expenditures									
Current:									
Office of public affairs	7,397,975	7,095,772	302,203	-	-	-	-	-	-
Office of accounts and finance	9,321,158	8,171,314	1,149,844	-	-	-	-	-	-
Office of public property	1,895,937	1,764,376	131,561	-	-	-	-	-	-
Office of streets and public improvement	1,836,281	1,604,504	231,777	1,174,450	43,502	1,130,948	5,000	-	5,000
Office of health and safety	415,325	325,013	90,312	-	-	-	-	-	-
Debt service:									
Principal retired	479,702	457,312	22,390	-	-	-	-	-	-
Interest and charges	78,956	85,182	(6,226)	-	-	-	-	-	-
Total expenditures	21,425,334	19,503,473	1,921,861	1,174,450	43,502	1,130,948	5,000	-	5,000
Excess (deficiency) of revenues over expenditures	(2,003,378)	(3,040,403)	(1,037,025)	(772,835)	345,858	1,118,693	(4,990)	-	4,990
Other financing sources (uses)									
Transfers in	1,403,575	1,309,076	(94,499)	-	-	-	-	56,335	56,335
Transfers out	-	(56,335)	(56,335)	-	-	-	-	-	-
Loan proceeds	600,800	471,407	(129,393)	-	-	-	-	-	-
Total other financing sources (uses)	2,004,375	1,724,148	(280,227)	-	-	-	-	56,335	56,335
Net change in fund balances	$ 997	(1,316,255)	$ (1,317,252)	$ (772,835)	345,858	$ 1,118,693	$ (4,990)	56,335	$ 61,325
Fund balances at beginning of year		2,853,167			3,875,435			(56,335)	
Fund balances at end of year		$ 1,536,912			$ 4,221,293			$ -	

See accompanying notes to the budgetary comparison schedule.

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) AND ACTUAL
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
Year Ended April 30, 2017

	SPECIAL REVENUE FUNDS					
	ROOSEVELT / HANNAH TIF FUND			ILLINOIS MUNICIPAL RETIREMENT FUND		
	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)	Original and Final Budget	Actual	Variance from Final Budget Positive (Negative)
Revenues						
Property tax	$ 743,000	$ 829,085	$ 86,085	$ 312,000	$ 265,986	$ (46,014)
Personal property replacement tax	-	-	-	10,030	11,457	1,427
Sales tax	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Income tax	-	-	-	-	-	-
Utility taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fees for services	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-
Parking revenue	-	-	-	-	-	-
Fines	-	-	-	-	-	-
Interest on investments	9,000	11,673	2,673	-	-	-
Other revenue	-	-	-	-	-	-
Total revenues	752,000	840,758	88,758	322,030	277,443	(44,587)
Expenditures						
Current:						
Office of public affairs	-	-	-	-	-	-
Office of accounts and finance	-	-	-	320,000	298,601	21,399
Office of public property	-	-	-	-	-	-
Office of streets and public improvement	297,950	88,283	209,667	-	-	-
Office of health and safety	-	-	-	-	-	-
Debt service:						
Principal retired	-	-	-	-	-	-
Interest and charges	-	-	-	-	-	-
Total expenditures	297,950	88,283	209,667	320,000	298,601	21,399
Excess (deficiency) of revenues over expenditures	454,050	752,475	298,425	2,030	(21,158)	(23,188)
Other financing sources (uses)						
Transfers in	-	-	-	-	20,106	20,106
Transfers out	-	-	-	-	-	-
Loan proceeds	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	20,106	20,106
Net change in fund balances	$ 454,050	752,475	$ 298,425	$ 2,030	(1,052)	$ (3,082)
Fund balances at beginning of year		2,532,597			(521,111)	
Fund balances at end of year		$ 3,285,072			$ (522,163)	

See accompanying notes to the budgetary comparison schedule.

Budgetary Data:

1. The Village Budget Officer submits to the Village Council, in early May, a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them.

2. The budget document is available for public inspection for at least 30 days prior to the Village Council's passage of the Annual Appropriations Ordinance.

3. The Village Council must hold at least one public hearing on the budget prior to its passage.

4. The budget is legally enacted through the passage of the Annual Appropriations Ordinance.

5. The Village Council by a two-thirds vote is authorized to transfer budgeted amounts among departments within any fund. The Village Council must approve any revisions, which alter the total expenditures of any fund. The budget information stated in the financial statements includes adjustments made during the year.

6. The level of control where expenditures may not exceed the budget is the department level of activity. Unspent budgetary amounts lapse at year end and, therefore, are not carried over to succeeding years.

7. The Village prepares budgets for the following funds in accordance with accounting principles generally accepted in the United States of America (GAAP):

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

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

Fund	Excess over Budget	
2002 Bond Fund	$	54,508
Emergency 911 Fund		102,161
Social Security Fund		1,816

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Final Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 4,945,364	$ 4,577,437	$ (367,927)
Personal property replacement tax	165,000	174,421	9,421
Sales tax	3,344,850	3,053,715	(291,135)
Intergovernmental			
Use tax	345,000	349,308	4,308
Foreign fire insurance tax	28,500	29,487	987
Pull tabs/jar games	1,000	990	(10)
Charitable games	300	-	(300)
Video gaming	-	6,746	6,746
Auto rental tax	32,000	30,182	(1,818)
Total intergovernmental revenues	406,800	416,713	9,913
Local share-income tax	1,590,385	1,335,776	(254,609)
Utility taxes			
Telephone utility tax	475,000	425,550	(49,450)
Electric utility tax	625,000	573,182	(51,818)
Franchise tax - cable	325,000	288,074	(36,926)
Gas utility tax	250,000	191,896	(58,104)
Total utility taxes	1,675,000	1,478,702	(196,298)
Licenses and permits			
Liquor license	105,000	99,743	(5,257)
Liquor license application fee	4,500	1,595	(2,905)
Business license	56,000	48,980	(7,020)
Sidewalk use permit	4,000	3,950	(50)
Solicitor's license	500	860	360
Amusement devises	26,000	19,475	(6,525)
Amusement tax video rental	13,500	8,717	(4,783)
Vending machines	3,500	2,765	(735)
Tobacco license	5,000	4,000	(1,000)
Gasoline stations' license	12,000	8,600	(3,400)
Taxicabs' license	15,000	11,380	(3,620)
Scavenger services' license	17,500	17,500	-
Contractors' license	33,000	18,020	(14,980)
Vehicle license	255,000	296,179	41,179
Animal license	4,000	4,097	97
Video gaming license	-	11,175	11,175
Building permits	215,000	162,075	(52,925)
Electric permits	32,000	33,451	1,451
Plumbing permits	34,000	21,064	(12,936)
HVAC permits	5,000	1,415	(3,585)
Water permit fees	1,000	7,500	6,500
Private property maintenance	-	3,935	3,935
Sign permits	37,500	34,609	(2,891)
Dumpster permits	5,000	2,300	(2,700)
Parking permits	265,000	275,510	10,510
Garage sale permits	1,000	745	(255)
Plan review fees	2,800	6,967	4,167
Elevator inspection fees	16,500	16,227	(273)
Food service inspection fees	24,000	30,275	6,275
Certificate of compliance fees	125,000	117,545	(7,455)
Zoning application fees	1,000	300	(700)
Dog park permits	3,000	2,921	(79)
Total licenses and permits	1,322,300	1,273,875	(48,425)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Final Budget	Actual	Variance from Budget Positive (Negative)
Fees for services			
Ambulance charges	$ 385,000	$ 424,252	$ 39,252
Highway maintenance - IDOT	77,165	78,535	1,370
Refuse collection charges	721,875	742,550	20,675
Recycling fees	101,885	100,824	(1,061)
Yard waste fees	60,000	55,202	(4,798)
Accident reports	4,500	4,261	(239)
SORA registration fees	50	10	(40)
Water towers	192,780	192,681	(99)
Real estate	30,000	32,300	2,300
Groovin' in the grove	3,500	3,053	(447)
Community center	5,000	6,431	1,431
Day care-after school program	155,000	149,350	(5,650)
Day care-summer program	78,000	83,438	5,438
Youth activities	1,600	845	(755)
Classes	500	967	467
Trips - tours - excursions	187,000	157,097	(29,903)
Taxi - cab fares/fees	2,000	1,147	(853)
Community Events	46,000	60,022	14,022
RTA - administration subsidy	72,000	67,382	(4,618)
RTA - PACE advertisement	7,000	4,887	(2,113)
RTA - dial-a-ride	8,200	7,431	(769)
RTA - PACE passes/fares	500	-	(500)
Total fees for services	2,139,555	2,172,665	33,110
Grant revenue			
Federal Assistance to FF	427,500	-	(427,500)
JAG grant	6,480	6,480	-
DOJ bullet proof vests	7,605	2,843	(4,762)
Tobacco/Liquor grant	2,400	2,200	(200)
CTA Lot grant	508,549	-	(508,549)
IDOT Traffic Safety grant	18,548	8,418	(10,130)
Safety and education grant	10,000	9,191	(809)
Walmart police grant	-	1,500	1,500
Total grant revenue	981,082	30,632	(950,450)
Parking revenue			
Parking meters	85,000	79,633	(5,367)
Affinity Card sales	4,000	2,319	(1,681)
Van Buren lot	345,000	320,668	(24,332)
Ferdinand lot	1,500	1,025	(475)
Thomas/Madison lot	80,000	64,273	(15,727)
Beloit/Madison lot	6,000	3,663	(2,337)
Hannah/Madison lot	15,000	9,190	(5,810)
Circle/Madison lot	7,000	4,696	(2,304)
Total parking revenue	543,500	485,467	(58,033)
Fines			
Traffic and parking fines	1,365,200	809,124	(556,076)
Illinois Comptroller debt recovery	325,000	166,428	(158,572)
Towing revenue	185,000	116,300	(68,700)
K9 unit fees	30,000	11,350	(18,650)
Compliance tickets	235,000	153,160	(81,840)
Code violation fines	60,000	39,414	(20,586)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Final Budget	Actual	Variance from Budget Positive (Negative)
Other fines and penalties	$ 10,000	$ 4,427	$ (5,573)
Total fines	2,210,200	1,300,203	(909,997)
Interest on investments	5,570	9,512	3,942
Other revenue			
Miscellaneous revenue	30,900	41,217	10,317
Police CTA detail	-	16,310	16,310
NSF - agency collections	200	120	(80)
AMEX Corporate points earned	1,000	251	(749)
Workmen's comp reimbursements	30,000	49,568	19,568
FOIA	250	65	(185)
Claims and damages	30,000	46,421	16,421
Total other revenue	92,350	153,952	61,602
Total revenues	$ 19,421,956	$ 16,463,070	$ (2,958,886)

(Continued)

VILLAGE OF FOREST PARK, ILLINOIS

GENERAL FUND
SCHEDULE OF EXPENDITURES - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Final Budget	Actual	Variance from Budget Positive (Negative)
Expenditures			
Office of public affairs			
General public affairs	$ 1,367,101	$ 1,312,641	$ 54,460
Police	5,326,753	5,122,508	204,245
Community services	704,121	660,623	43,498
Total office of public affairs	7,397,975	7,095,772	302,203
Office of accounts and finance			
Village clerk	5,016,298	5,064,448	(48,150)
Grant expenditures	1,031,768	39,787	991,981
Fire	1,250,275	1,096,637	153,638
Fire protection	2,022,817	1,970,442	52,375
Total office of accounts and finance	9,321,158	8,171,314	1,149,844
Office of public property			
Public property	1,081,605	1,064,391	17,214
Public property/street lights	150,000	188,611	(38,611)
Forestry	348,082	290,579	57,503
Playground and recreation	33,500	15,092	18,408
Property maintenance	282,750	205,703	77,047
Total office of public property	1,895,937	1,764,376	131,561
Office of streets and public improvement			
Streets and public improvement	945,171	742,073	203,098
Garbage	891,110	862,431	28,679
Total office of streets and public improvement	1,836,281	1,604,504	231,777
Office of health and safety			
Public health and safety	415,325	325,013	90,312
Total office of health and safety	415,325	325,013	90,312
Debt service			
Principal retired	479,702	457,312	22,390
Interest and charges	78,956	85,182	(6,226)
Total office of public property	558,658	542,494	16,164
Total expenditures	$ 21,425,334	$ 19,503,473	$ 1,921,861

VILLAGE OF FOREST PARK, ILLINOIS

BROWN STREET STATION TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 387,615	$ 374,521	$ (13,094)
Interest on investments	14,000	14,839	839
Total revenues	401,615	389,360	(12,255)
Expenditures			
Office of streets and public improvement			
Operating expenditures	1,174,450	43,502	1,130,948
Total expenditures	1,174,450	43,502	1,130,948
Net change in fund balance	$ (772,835)	345,858	$ 1,118,693
Fund balance at beginning of year		3,875,435	
Fund balance at end of year		$ 4,221,293	

VILLAGE OF FOREST PARK, ILLINOIS

HARLEM / HARRISON TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	$ 10	$ -	$ (10)
Total revenues	10	-	(10)
Expenditures			
Office of streets and public improvement			
Operating expenditures	5,000	-	5,000
Total expenditures	5,000	-	5,000
Excess (deficiency) of revenues over expenditures	(4,990)	-	4,990
Other financing sources (uses)			
Transfers in	-	56,335	56,335
Total other financing sources (uses)	-	56,335	56,335
Net change in fund balance	$ (4,990)	56,335	$ 61,325
Fund balance at beginning of year		(56,335)	
Fund balance at end of year		$ -	

VILLAGE OF FOREST PARK, ILLINOIS

ROOSEVELT / HANNAH TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 743,000	$ 829,085	$ 86,085
Interest on investments	9,000	11,673	2,673
Total revenues	752,000	840,758	88,758
Expenditures			
Office of streets and public improvement			
Operating expenditures	297,950	88,283	209,667
Total expenditures	297,950	88,283	209,667
Net change in fund balance	$ 454,050	752,475	$ 298,425
Fund balance at beginning of year		2,532,597	
Fund balance at end of year		$ 3,285,072	

VILLAGE OF FOREST PARK, ILLINOIS

2002 BOND FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ -	$ 377,133	$ 377,133
Interest on investments	180	5,744	5,564
Total revenues	180	382,877	382,697
Expenditures			
Office of accounts and finance			
Bank fees	2,700	450	2,250
Street improvement project	800,000	866,899	(66,899)
Other expenditures	16,000	5,859	10,141
Debt service			
Principal retired	500,000	500,000	-
Interest and charges	24,250	24,250	-
Total expenditures	1,342,950	1,397,458	(54,508)
Excess (deficiency) of revenues over expenditures	(1,342,770)	(1,014,581)	328,189
Other financing sources (uses)			
Transfers in	-	697,609	697,609
Total other financing sources (uses)	-	697,609	697,609
Net change in fund balance	$ (1,342,770)	(316,972)	$ 1,025,798
Fund balance at beginning of year		2,802,821	
Fund balance at end of year		$ 2,485,849	

VILLAGE OF FOREST PARK, ILLINOIS

ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 312,000	$ 265,986	$ (46,014)
Intergovernmental			
Personal property replacement tax	10,030	11,457	1,427
Total revenues	322,030	277,443	(44,587)
Expenditures			
Office of accounts and finance			
IMRF fund contributions	320,000	298,601	21,399
Total expenditures	320,000	298,601	21,399
Excess (deficiency) of revenues over expenditures	2,030	(21,158)	(23,188)
Other financing sources (uses)			
Transfers in	-	20,106	20,106
Total other financing sources (uses)	-	20,106	20,106
Net change in fund balance	$ 2,030	(1,052)	$ (3,082)
Fund balance at beginning of year		(521,111)	
Fund balance at end of year		$ (522,163)	

VILLAGE OF FOREST PARK, ILLINOIS

VIP PROGRAM FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Sales tax	$ 1,957,060	$ 1,842,164	$ (114,896)
Intergovernmental	500,008	33,528	(466,480)
Grant revenue	170,000	170,000	-
Interest on investments	2,500	4,470	1,970
Total revenues	2,629,568	2,050,162	(579,406)
Expenditures			
Office of streets and public improvement			
Operating expenditures	2,786,666	2,122,033	664,633
Debt service			
Principal retired	550,000	550,000	-
Interest and charges	166,750	166,750	-
Total expenditures	3,503,416	2,838,783	664,633
Excess (deficiency) of revenues over expenditures	(873,848)	(788,621)	85,227
Other financing sources (uses)			
Transfers in	1,181,265	631,518	(549,747)
Total other financing sources (uses)	1,181,265	631,518	(549,747)
Net change in fund balance	$ 307,417	(157,103)	$ (464,520)
Fund balance at beginning of year		936,472	
Fund balance at end of year		$ 779,369	

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
April 30, 2017

	Special Revenue Funds					
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund	Social Security Fund	Motor Fuel Tax Fund
ASSETS						
Cash and investments	$ 186,230	$ 281,788	$ 109,139	$ 41,621	$ -	$ 1,036,525
Receivables:						
Property tax receivable	-	-	-	-	163,082	-
Due from other governments	-	-	-	-	-	62,468
Accounts receivable	13,189	-	-	-	-	-
TOTAL ASSETS	$ 199,419	$ 281,788	$ 109,139	$ 41,621	$ 163,082	$ 1,098,993
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ 2,863	$ 100	$ 2,890	$ -	$ -	$ -
Interfund payable	-	-	-	-	150,176	-
Advances payable	-	-	-	-	-	-
Total liabilities	2,863	100	2,890	-	150,176	-
DEFERRED INFLOW OF RESOURCES						
Property taxes	-	-	-	-	163,082	-
Total deferred inflow of resources	-	-	-	-	163,082	-
FUND BALANCE						
Restricted						
Public safety	196,556	281,688	106,249	41,621	-	-
Streets & highways	-	-	-	-	-	1,098,993
Unassigned	-	-	-	-	(150,176)	-
Total fund balance	196,556	281,688	106,249	41,621	(150,176)	1,098,993
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	$ 199,419	$ 281,788	$ 109,139	$ 41,621	$ 163,082	$ 1,098,993

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
April 30, 2017

	Special Revenue Funds		Debt Service Funds			
	Roosevelt Road Corridor TIF Fund	Total Special Revenue Funds	Special Tax Allocation Fund	Incremental Sales Tax Fund	Total Debt Service Funds	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	$ 2,501	$ 1,657,804	$ -	$ -	$ -	$ 1,657,804
Receivables:						
Property tax receivable	-	163,082	-	-	-	163,082
Due from other governments	-	62,468	-	-	-	62,468
Accounts receivable	4,645	17,834	-	-	-	17,834
TOTAL ASSETS	$ 7,146	$ 1,901,188	$ -	$ -	$ -	$ 1,901,188
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE						
LIABILITIES						
Accounts payable	$ 3,100	$ 8,953	$ -	$ -	$ -	$ 8,953
Interfund payable	27,074	177,250	-	-	-	177,250
Advances payable	9,681	9,681	-	-	-	9,681
Total liabilities	39,855	195,884	-	-	-	195,884
DEFERRED INFLOW OF RESOURCES						
Property taxes	-	163,082	-	-	-	163,082
Total deferred inflow of resources	-	163,082	-	-	-	163,082
FUND BALANCE						
Restricted						
Public safety	-	626,114	-	-	-	626,114
Streets & highways	-	1,098,993	-	-	-	1,098,993
Unassigned	(32,709)	(182,885)	-	-	-	(182,885)
Total fund balance	(32,709)	1,542,222	-	-	-	1,542,222
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND FUND BALANCE	$ 7,146	$ 1,901,188	$ -	$ -	$ -	$ 1,901,188

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Special Revenue Funds					
	Emergency 911 Fund	Narcotics Fund	U.S. Customs Fund	Foreign Fire Insurance Fund	Social Security Fund	Motor Fuel Tax Fund
Revenues						
Property tax	$ -	$ -	$ -	$ -	$ 347,828	$ -
Sales tax	-	-	-	-	-	-
Intergovernmental	171,446	-	-	29,487	10,328	358,513
Grant revenue	-	91,303	1,628	-	-	-
Interest on investments	161	905	83	29	-	5,656
Other revenue	-	9,600	-	-	-	-
Total revenues	171,607	101,808	1,711	29,516	358,156	364,169
Expenditures						
Current:						
Office of public affairs	245,014	35,236	56,234	21,396	-	-
Office of accounts and finance	-	-	-	-	359,816	-
Office of streets and public improvement	-	-	-	-	-	-
Total expenditures	245,014	35,236	56,234	21,396	359,816	-
Excess (deficiency) of revenues over expenditures	(73,407)	66,572	(54,523)	8,120	(1,660)	364,169
Other financing sources (uses)						
Transfers in	-	-	-	-	16,426	-
Transfers out	-	-	-	-	-	(631,518)
Total other financing sources (uses)	-	-	-	-	16,426	(631,518)
Net change in fund balances	(73,407)	66,572	(54,523)	8,120	14,766	(267,349)
Fund balances at beginning of year	269,963	215,116	160,772	33,501	(164,942)	1,366,342
Fund balances at end of year	$ 196,556	$ 281,688	$ 106,249	$ 41,621	$ (150,176)	$ 1,098,993

EXHIBIT 10

VILLAGE OF FOREST PARK, ILLINOIS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Year Ended April 30, 2017

	Special Revenue Fund		Debt Service Funds			
	Roosevelt Road Corridor TIF Fund	Total Special Revenue Funds	Special Tax Allocation Fund	Incremental Sales Tax Fund	Total Debt Service Funds	Total Nonmajor Governmental Funds
Revenues						
Property tax	$ -	$ 347,828	$ 325,679	$ -	$ 325,679	$ 673,507
Sales tax	-	-	-	155,491	155,491	155,491
Intergovernmental	-	569,774	-	-	-	569,774
Grant revenue	-	92,931	-	-	-	92,931
Interest on investments	1	6,835	23	12	35	6,870
Other revenue	-	9,600	-	-	-	9,600
Total revenues	1	1,026,968	325,702	155,503	481,205	1,508,173
Expenditures						
Current:						
Office of public affairs	-	357,880	-	-	-	357,880
Office of accounts and finance	-	359,816	-	-	-	359,816
Office of streets and public improvement	25,685	25,685	-	-	-	25,685
Total expenditures	25,685	743,381	-	-	-	743,381
Excess (deficiency) of revenues over expenditures	(25,684)	283,587	325,702	155,503	481,205	764,792
Other financing sources (uses)						
Transfers in	-	16,426	35,890	-	35,890	52,316
Transfers out	-	(631,518)	(696,805)	(445,771)	(1,142,576)	(1,774,094)
Total other financing sources (uses)	-	(615,092)	(660,915)	(445,771)	(1,106,686)	(1,721,778)
Net change in fund balances	(25,684)	(331,505)	(335,213)	(290,268)	(625,481)	(956,986)
Fund balances at beginning of year	(7,025)	1,873,727	335,213	290,268	625,481	2,499,208
Fund balances at end of year	$ (32,709)	$ 1,542,222	$ -	$ -	$ -	$ 1,542,222

VILLAGE OF FOREST PARK, ILLINOIS

EMERGENCY 911 FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
911 emergency surcharge	$ 142,800	$ 171,446	$ 28,646
Interest on investments	250	161	(89)
Total revenues	143,050	171,607	28,557
Expenditures			
Office of public affairs			
Bank service fees	300	209	91
Regular	42,553	34,852	7,701
E-911 - expenditures/costs	100,000	209,953	(109,953)
Total expenditures	142,853	245,014	(102,161)
Net change in fund balance	$ 197	(73,407)	$ (73,604)
Fund balance at beginning of year		269,963	
Fund balance at end of year		$ 196,556	

VILLAGE OF FOREST PARK, ILLINOIS

NARCOTICS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Grant revenue			
Seizure fees	$ 75,000	$ 91,303	$ 16,303
Sales of seized vehicles	10,000	9,600	(400)
Interest on investments	700	905	205
Total revenues	85,700	101,808	16,108
Expenditures			
Office of public affairs			
Bank service fees	50	57	(7)
Seizure expenditures	76,200	35,179	41,021
Total expenditures	76,250	35,236	41,014
Net change in fund balance	$ 9,450	66,572	$ 57,122
Fund balance at beginning of year		215,116	
Fund balance at end of year		$ 281,688	

VILLAGE OF FOREST PARK, ILLINOIS

U.S. CUSTOMS FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Grant revenue			
U.S. Customs deposits	$ 25,000	$ 1,628	$ (23,372)
Interest on investments	200	83	(117)
Total revenues	25,200	1,711	(23,489)
Expenditures			
Office of public affairs			
Bank service fees	200	156	44
U.S. Customs expenditures	150,000	56,078	93,922
Total expenditures	150,200	56,234	93,966
Net change in fund balance	$ (125,000)	(54,523)	$ 70,477
Fund balance at beginning of year		160,772	
Fund balance at end of year		$ 106,249	

VILLAGE OF FOREST PARK, ILLINOIS

FOREIGN FIRE INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental	$ 28,500	$ 29,487	$ 987
Interest on investments	35	29	(6)
Total revenues	28,535	29,516	981
Expenditures			
Office of public affairs			
Bank service fees	20	-	20
Foreign Fire expenditures	26,500	21,396	5,104
Total expenditures	26,520	21,396	5,124
Net change in fund balance	$ 2,015	8,120	$ 6,105
Fund balance at beginning of year		33,501	
Fund balance at end of year		$ 41,621	

VILLAGE OF FOREST PARK, ILLINOIS

SOCIAL SECURITY FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 351,000	$ 347,828	$ (3,172)
Personal property replacement tax	9,050	10,328	1,278
Total revenues	360,050	358,156	(1,894)
Expenditures			
Office of accounts and finance			
Social Securit/Medicare contributions	358,000	359,816	(1,816)
Total expenditures	358,000	359,816	(1,816)
Excess (deficiency) of revenues over expenditures	2,050	(1,660)	(3,710)
Other financing sources (uses)			
Transfers in	-	16,426	16,426
Total other financing sources (uses)	-	16,426	16,426
Net change in fund balance	$ 2,050	14,766	$ 12,716
Fund balance at beginning of year		(164,942)	
Fund balance at end of year		$ (150,176)	

VILLAGE OF FOREST PARK, ILLINOIS

MOTOR FUEL TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Intergovernmental			
Motor fuel tax allotment	$ 366,925	$ 358,513	$ (8,412)
Interest on investments	1,500	5,656	4,156
Total revenues	368,425	364,169	(4,256)
Excess of revenues	368,425	364,169	(4,256)
Other financing (uses)			
Transfer out	(1,281,265)	(631,518)	649,747
Total other financing (uses)	(1,281,265)	(631,518)	649,747
Net change in fund balance	$ (912,840)	(267,349)	$ 645,491
Fund balance at beginning of year		1,366,342	
Fund balance at end of year		$ 1,098,993	

VILLAGE OF FOREST PARK, ILLINOIS

ROOSEVELT ROAD CORRIDOR TIF FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Interest on investments	$ -	$ 1	$ 1
Total revenues	-	1	1
Expenditures			
Current:			
Office of streets and public improvement	30,000	25,685	4,315
Total expenditures	30,000	25,685	4,315
Net change in fund balance	$ (30,000)	(25,684)	$ 4,316
Fund balance at beginning of year		(7,025)	
Fund balance at end of year		$ (32,709)	

VILLAGE OF FOREST PARK, ILLINOIS

SPECIAL TAX ALLOCATION FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Property tax	$ 636,695	$ 325,679	$ (311,016)
Interest on investments	30	23	(7)
Total revenues	636,725	325,702	(311,023)
Excess (deficiency) of revenues over expenditures	636,725	325,702	(311,023)
Other financing sources (uses)			
Transfers in	-	35,890	35,890
Transfers out	-	(696,805)	(696,805)
Total other financing sources (uses)	-	(660,915)	(660,915)
Net change in fund balance	$ 636,725	(335,213)	$ (971,938)
Fund balance at beginning of year		335,213	
Fund balance at end of year		$ -	

VILLAGE OF FOREST PARK, ILLINOIS

INCREMENTAL SALES TAX FUND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Revenues			
Sales tax	$ 250,000	$ 155,491	$ (94,509)
Interest on investments	15	12	(3)
Total revenues	250,015	155,503	(94,512)
Excess (deficiency) of revenues over expenditures	250,015	155,503	(94,512)
Other financing sources (uses)			
Transfers out	(503,570)	(445,771)	57,799
Total other financing sources (uses)	(503,570)	(445,771)	57,799
Net change in fund balance	$ (253,555)	(290,268)	$ (36,713)
Fund balance at beginning of year		290,268	
Fund balance at end of year		$ -	

VILLAGE OF FOREST PARK, ILLINOIS

WATER FUND
SCHEDULE OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
BUDGET (GAAP BASIS) AND ACTUAL
Year Ended April 30, 2017

	Budget	Actual	Variance from Budget Positive (Negative)
Operating revenues			
Charges for services	$ 6,608,806	$ 6,360,019	$ (248,787)
Other revenue	231,171	-	(231,171)
Total operating revenues	6,839,977	6,360,019	(479,958)
Operating expenses			
Operations	5,249,106	3,815,166	1,433,940
Depreciation	150,090	166,488	(16,398)
Total operating expenses	5,399,196	3,981,654	1,417,542
Operating income (loss)	1,440,781	2,378,365	937,584
Nonoperating revenues and (expenses)			
Interest revenue	3,100	4,113	1,013
Interest expense	(70,201)	(73,191)	(2,990)
Loss on sale of capital assets	-	(11,675)	(11,675)
Total nonoperating revenues and (expenses)	(67,101)	(80,753)	(13,652)
Income (loss) before transfers	1,373,680	2,297,612	923,932
Transfers out	(900,000)	(936,531)	(36,531)
Change in net position	$ 473,680	1,361,081	$ 887,401
Net position at beginning of year		10,180,266	
Net position at end of year		$ 11,541,347	

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
April 30, 2017

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ASSETS			
Cash and cash equivalents	$ 1,112,453	$ 300,391	$ 1,412,844
Investments			
Corporate bonds	-	1,922,727	1,922,727
Government securities	9,253,101	2,815,963	12,069,064
Mutual funds	5,451,442	9,920,402	15,371,844
Insurance contracts	5,881,743	-	5,881,743
Total investments	20,586,286	14,659,092	35,245,378
Interest receivable	10,949	30,939	41,888
Prepaid items	697	400	1,097
Total assets	21,710,385	14,990,822	36,701,207
LIABILITIES			
Accounts payable	500	3,675	4,175
Total liabilities	500	3,675	4,175
NET POSITION			
Net position restricted for pensions	$ 21,709,885	$ 14,987,147	$ 36,697,032

VILLAGE OF FOREST PARK, ILLINOIS

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
Year Ended April 30, 2017

	Police Pension Trust Fund	Firefighters' Pension Trust Fund	Total
ADDITIONS			
Contributions			
Employer	$ 897,068	$ 776,911	$ 1,673,979
Plan members	489,953	196,805	686,758
Total contributions	1,387,021	973,716	2,360,737
Investment earnings			
Net change in fair value of investments	635,970	1,223,486	1,859,456
Interest	538,573	310,579	849,152
Less investment expense	(300)	(35,832)	(36,132)
Net investment income	1,174,243	1,498,233	2,672,476
Total additions	2,561,264	2,471,949	5,033,213
DEDUCTIONS			
Benefits and refunds	1,751,422	1,778,885	3,530,307
Administrative expenses	46,092	27,818	73,910
Total deductions	1,797,514	1,806,703	3,604,217
Increase (decrease) in plan net position	763,750	665,246	1,428,996
Plan net position at beginning of year	20,946,135	14,321,901	35,268,036
Plan net position at end of year	$ 21,709,885	$ 14,987,147	$ 36,697,032

VILLAGE OF FOREST PARK

SCHEDULE OF EXPENDITURES FOR TORT IMMUNITY PURPOSES
Year Ended April 30, 2017

Unemployment	$	21,441
Liability insurance		577,736
Workman's comp insurance		420,687
Total tort immunity purposes expenditures	$	1,019,864

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

The Village's tax extension for liability insurance purposes for tax year 2016 as levied by Cook County was $396,550. Any shortfall to cover expenditures in excess of taxes collected is derived from other revenues of the Village. Any excess of revenues over expenditures is carried forward to subsequent fiscal years subject to a statutory formula.

SCHEDULE OF ASSESSED VALUATIONS, TAX RATES
AND COMPARATIVE TAX STATISTICS
Year Ended April 30, 2017
(Unaudited)

Tax levy year:	Assessed Valuation	Extended Village Tax Rate
2007	$ 382,322,592	$ 1.2630
2008	432,613,550	1.0867
2009	444,213,981	1.0611
2010	426,046,739	1.1392
2011	353,030,571	1.3996
2012	327,397,042	1.5580
2013	306,740,756	1.6596
2014	297,971,337	1.7384
2015	289,084,967	1.8077
2016	302,132,242	1.7495

	2016 Levy		2015 Levy	
	Amount	Rate	Amount	Rate
General fund:				
Corporate	$ 1,155,920	$ 0.3826	$ 1,218,494	$ 0.4215
Fire protection	638,600	0.2114	648,900	0.2245
Forestry	77,250	0.0256	82,400	0.0285
Insurance	396,550	0.1313	427,450	0.1479
Police protection	638,600	0.2114	648,900	0.2245
Police pension	988,800	0.3273	860,050	0.2975
Firefighters' pension	762,200	0.2523	721,515	0.2496
Total general fund	4,657,920	1.5419	4,607,709	1.5940
Special revenue funds:				
Illinois municipal retirement fund	277,070	0.0917	267,800	0.0926
Social security fund	350,200	0.1159	350,200	0.1211
Total special revenue funds	627,270	0.2076	618,000	0.2137
Total tax levy:	$ 5,285,190	$ 1.7495	$ 5,225,709	$ 1.8077
Collections as of April 30, 2017	$ 2,619,748	49.57%	$ 5,209,689	99.69%

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SCHEDULE OF DEBT CERTIFICATES OUTSTANDING
April 30, 2017
(Unaudited)

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

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2018	2.00%	$ 305,000	$ 43,675	$ 348,675
2019	2.50%	315,000	37,575	352,575
2020	3.00%	320,000	29,700	349,700
2021	3.00%	330,000	20,100	350,100
2022	3.00%	340,000	10,200	350,200
Totals		$ 1,610,000	$ 141,250	$ 1,751,250

VILLAGE OF FOREST PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SCHEDULE OF BONDS OUTSTANDING
April 30, 2017
(Unaudited)

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

Fiscal Year Ending April 30,	Interest Rate	Principal	Interest	Total Principal & Interest
2018	2.00%	$ 555,000	$ 155,750	$ 710,750
2019	2.00%	565,000	144,650	709,650
2020	3.00%	580,000	133,350	713,350
2021	3.00%	600,000	115,950	715,950
2022	3.00%	615,000	97,950	712,950
2023	3.00%	635,000	79,500	714,500
2024	3.00%	650,000	60,450	710,450
2025	3.00%	675,000	40,950	715,950
2026	3.00%	690,000	20,700	710,700
Totals		$ 5,565,000	$ 849,250	$ 6,414,250

See independent auditor's report.

VILLAGE OF FOREST PARK, ILLINOIS

WATERWORKS FACILITY REPORT
April 30, 2017
(Unaudited)

Revenues	$ 6,295,972
Operating Expenses	$ 3,033,362
Replacement Costs	
Water Mains	$ 30,273,540
Pump Stations	6,500,000
Water Towers	4,500,000
Total	$ 41,273,540
Total gallons received at the waterworks facility	795,620,964
Total number of gallons billed	651,453,210
Debt service due within one year	
Principal	$ 364,218
Interest	69,735
Total	$ 433,953
Number of users	
Active during the year ended April 30, 2017	3,313
Suspended during the year ended April 30, 2017	26

See independent auditor's report.