

SECTION 2 [Sections 2 through 5 must be completed for each redevelopment project area listed in Section 1.]

FY2013

Name of Redevelopment Project Area:	O'Hare East Industrial TIF
Primary Use of Redevelopment Project Area*:	Industrial
If "Combination/Mixed" List Component Types:	
Under which section of the Illinois Municipal Code was Redevelopment Project Area designated? (check one):	
Tax Increment Allocation Redevelopment Act <u> X </u>	Industrial Jobs Recovery Law _____

	No	Yes
Were there any amendments to the redevelopment plan, the redevelopment project area, or the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (1) and 5/11-74.6-22 (d) (1)] If yes, please enclose the amendment labeled Attachment A	X	
Certification of the Chief Executive Officer of the municipality that the municipality has complied with all of the requirements of the Act during the preceding fiscal year. [65 ILCS 5/11-74.4-5 (d) (3) and 5/11-74.6-22 (d) (3)] Please enclose the CEO Certification labeled Attachment B		X
Opinion of legal counsel that municipality is in compliance with the Act. [65 ILCS 5/11-74.4-5 (d) (4) and 5/11-74.6-22 (d) (4)] Please enclose the Legal Counsel Opinion labeled Attachment C		X
Were there any activities undertaken in furtherance of the objectives of the redevelopment plan, including any project implemented in the preceding fiscal year and a description of the activities undertaken? [65 ILCS 5/11-74.4-5 (d) (7) (A and B) and 5/11-74.6-22 (d) (7) (A and B)] If yes, please enclose the Activities Statement labeled Attachment D		X
Were any agreements entered into by the municipality with regard to the disposition or redevelopment of any property within the redevelopment project area or the area within the State Sales Tax Boundary? [65 ILCS 5/11-74.4-5 (d) (7) (C) and 5/11-74.6-22 (d) (7) (C)] If yes, please enclose the Agreement(s) labeled Attachment E	X	
Is there additional information on the use of all funds received under this Division and steps taken by the municipality to achieve the objectives of the redevelopment plan? [65 ILCS 5/11-74.4-5 (d) (7) (D) and 5/11-74.6-22 (d) (7) (D)] If yes, please enclose the Additional Information labeled Attachment F	X	
Did the municipality's TIF advisors or consultants enter into contracts with entities or persons that have received or are receiving payments financed by tax increment revenues produced by the same TIF? [65 ILCS 5/11-74.4-5 (d) (7) (E) and 5/11-74.6-22 (d) (7) (E)] If yes, please enclose the contract(s) or description of the contract(s) labeled Attachment G	X	
Were there any reports or meeting minutes submitted to the municipality by the joint review board? [65 ILCS 5/11-74.4-5 (d) (7) (F) and 5/11-74.6-22 (d) (7) (F)] If yes, please enclose the Joint Review Board Report labeled Attachment H	X	
Were any obligations issued by municipality? [65 ILCS 5/11-74.4-5 (d) (8) (A) and 5/11-74.6-22 (d) (8) (A)] If yes, please enclose the Official Statement labeled Attachment I	X	
Was analysis prepared by a financial advisor or underwriter setting forth the nature and term of obligation and projected debt service including required reserves and debt coverage? [65 ILCS 5/11-74.4-5 (d) (8) (B) and 5/11-74.6-22 (d) (8) (B)] If yes, please enclose the Analysis labeled Attachment J	X	
Cumulatively, have deposits equal to or greater than \$100,000 been made into the special tax allocation fund? 65 ILCS 5/11-74.4-5 (d) (2) and 5/11-74.6-22 (d) (2) If yes, please enclose Audited financial statements of the special tax allocation fund labeled Attachment K		X
Cumulatively, have deposits of incremental revenue equal to or greater than \$100,000 been made into the special tax allocation fund? [65 ILCS 5/11-74.4-5 (d) (9) and 5/11-74.6-22 (d) (9)] If yes, please enclose a certified letter statement reviewing compliance with the Act labeled Attachment L		X
A list of all intergovernmental agreements in effect in FY 2012, to which the municipality is a part, and an accounting of any money transferred or received by the municipality during that fiscal year pursuant to those intergovernmental agreements. [65 ILCS 5/11-74.4-5 (d) (10)] If yes, please enclose list only of the intergovernmental agreements labeled Attachment M	X	

* Types include: Central Business District, Retail, Other Commercial, Industrial, Residential, and Combination/Mixed.

SECTION 3.1 - (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

Provide an analysis of the special tax allocation fund.

FY2013

TIF NAME: O'Hare East

Fund Balance at Beginning of Reporting Period

\$ (250,493)

Revenue/Cash Receipts Deposited in Fund During Reporting FY:	Reporting Year	Cumulative*	% of Total
Property Tax Increment	\$ 420,364	\$ 3,532,251	100%
State Sales Tax Increment			0%
Local Sales Tax Increment			0%
State Utility Tax Increment			0%
Local Utility Tax Increment			0%
Interest	\$ -	\$ 184	0%
Land/Building Sale Proceeds			0%
Bond Proceeds			0%
Transfers from Municipal Sources			0%
Private Sources			0%
Other (identify source _____; if multiple other sources, attach schedule)	\$ -	\$ -	0%

*must be completed where 'Reporting Year' is populated

Total Amount Deposited in Special Tax Allocation

Fund During Reporting Period

\$ 420,364

Cumulative Total Revenues/Cash Receipts

\$ 3,532,435 100%

Total Expenditures/Cash Disbursements (Carried forward from Section 3.2)

\$ 3,121

Distribution of Surplus

Total Expenditures/Disbursements

\$ 3,121

NET INCOME/CASH RECEIPTS OVER/(UNDER) CASH DISBURSEMENTS

\$ 417,243

FUND BALANCE, END OF REPORTING PERIOD*

\$ 166,750

Total Amount Designated (Carried forward from Section 3.3)

\$ (15,496,658)

*If there is a positive fund balance at the end of the reporting period, you must complete Section 3.3

SECTION 3.2 A- (65 ILCS 5/11-74.4-5 (d) (5) and 65 ILCS 5/11-74.6-22 (d) (5))

FY2013

TIF NAME: O'Hare East

ITEMIZED LIST OF ALL EXPENDITURES FROM THE SPECIAL TAX ALLOCATION FUND
(By category of permissible redevelopment cost, amounts expended during reporting period)

FOR AMOUNTS >\$10,000 SECTION 3.2 B MUST BE COMPLETED

Category of Permissible Redevelopment Cost [65 ILCS 5/11-74.4-3 (q) and 65 ILCS 5/11-74.6-10 (o)]	Amounts	Reporting Fiscal Year
1. Costs of studies, administration and professional services—Subsections (q)(1) and (o) (1)		
Professional services	2,298	
Legal services	823	
		\$ 3,121
2. Cost of marketing sites—Subsections (q)(1.6) and (o)(1.6)		
		\$ -
3. Property assembly, demolition, site preparation and environmental site improvement costs. Subsection (q)(2), (o)(2) and (o)(3)		
		\$ -
4. Costs of rehabilitation, reconstruction, repair or remodeling and replacement of existing public buildings. Subsection (q)(3) and (o)(4)		
		\$ -
5. Costs of construction of public works and improvements. Subsection (q)(4) and (o)(5)		
		\$ -
6. Costs of removing contaminants required by environmental laws or rules (o)(6) - Industrial Jobs Recovery TIFs ONLY		
		\$ -

SECTION 3.2 A

PAGE 2

7. Cost of job training and retraining, including "welfare to work" programs Subsection (q)(5), (o)(7) and (o)(12)

\$ -

8. Financing costs. Subsection (q) (6) and (o)(8)

\$ -

9. Approved capital costs. Subsection (q)(7) and (o)(9)

\$ -

10. Cost of reimbursing school districts for their increased costs caused by TIF assisted housing projects. Subsection (q)(7.5) - Tax Increment Allocation Redevelopment TIFs ONLY

\$ -

11. Relocation costs. Subsection (q)(8) and (o)(10)

\$ -

12. Payments in lieu of taxes. Subsection (q)(9) and (o)(11)

\$ -

13. Costs of job training, retraining advanced vocational or career education provided by other taxing bodies. Subsection (q)(10) and (o)(12)

\$ -

SECTION 3.2 A		
PAGE 3		
14. Costs of reimbursing private developers for interest expenses incurred on approved redevelopment projects. Subsection (q)(11)(A-E) and (o)(13)(A-E)		
		\$ -
15. Costs of construction of new housing units for low income and very low-income households. Subsection (q)(11)(F) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
16. Cost of day care services and operational costs of day care centers. Subsection (q) (11.5) - Tax Increment Allocation Redevelopment TIFs ONLY		
		\$ -
TOTAL ITEMIZED EXPENDITURES		\$ 3,121

Section 3.2 B

FY 2013

TIF NAME: O'Hare East

List all vendors, including other municipal funds, that were paid in excess of \$10,000 during the current reporting year.

X There were no vendors, including other municipal funds, paid in excess of \$10,000 during the current reporting period.

[illegible]

SECTION 3.3 - (65 ILCS 5/11-74.4-5 (d) (5) 65 ILCS 11-74.6-22 (d) (5))

Breakdown of the Balance in the Special Tax Allocation Fund at the End of the Reporting Period

FY 2013

TIF NAME: O'Hare East

FUND BALANCE, END OF REPORTING PERIOD \$ 166,750

	Amount of Original Issuance	Amount Designated
1. Description of Debt Obligations		
Developer Note - HSA Commercial	\$ 8,200,000	\$ 15,663,408

Total Amount Designated for Obligations \$ 8,200,000 \$ 15,663,408

2. Description of Project Costs to be Paid		

Total Amount Designated for Project Costs \$ -

TOTAL AMOUNT DESIGNATED \$ 15,663,408

SURPLUS*/(DEFICIT) \$ (15,496,658)

* NOTE: If a surplus is calculated, the municipality may be required to repay the amount to overlapping taxing districts (See instructions and statutes)

SECTION 4 [65 ILCS 5/11-74.4-5 (d) (6) and 65 ILCS 5/11-74.6-22 (d) (6)]

FY 2013

TIF NAME: O'Hare East

Provide a description of all property purchased by the municipality during the reporting fiscal year within the redevelopment project area.

 X **No property was acquired by the municipality within the Redevelopment Project Area**

Property Acquired by the Municipality Within the Redevelopment Project Area

Property (1):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (2):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (3):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

Property (4):	
Street address:	
Approximate size or description of property:	
Purchase price:	
Seller of property:	

SECTION 5 - 65 ILCS 5/11-74.4-5 (d) (7) (G) and 65 ILCS 5/11-74.6-22 (d) (7) (G)

PAGE 1

FY 2013

TIF NAME: O'Hare East

SECTION 5 PROVIDES PAGES 1-3 TO ACCOMMODATE UP TO 25 PROJECTS. PAGE 1 **MUST BE INCLUDED** WITH TIF REPORT. PAGES 2-3 SHOULD BE INCLUDED **ONLY IF** PROJECTS ARE LISTED ON THESE PAGES

If **NO** projects were undertaken by the municipality within the Redevelopment Project Area, indicate so in the space provided: X

If Projects **WERE** undertaken by the municipality within the Redevelopment Project Area enter the **TOTAL** number of projects and list them in detail below.

TOTAL:	11/1/99 to Date	Estimated Investment for Subsequent Fiscal Year	Total Estimated to Complete Project
Private Investment Undertaken (See Instructions)	\$ -	\$ -	\$ -
Public Investment Undertaken	\$ -	\$ -	\$ -
Ratio of Private/Public Investment	0		0

Project 1:

Private Investment Undertaken (See Instructions)			\$ -
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 2:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 3:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 4:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 5:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Project 6:

Private Investment Undertaken (See Instructions)			
Public Investment Undertaken			
Ratio of Private/Public Investment	0		0

Optional: Information in the following sections is not required by law, but would be helpful in evaluating the performance of TIF in Illinois.

SECTION 6

FY 2013

TIF NAME: O'Hare East

Provide the base EAV (at the time of designation) and the EAV for the year reported for the redevelopment project area

Year redevelopment project area was designated	Base EAV	Reporting Fiscal Year EAV
1996	\$ 6,493,915	\$ 5,736,945

List all overlapping tax districts in the redevelopment project area.

If overlapping taxing district received a surplus, list the surplus.

☒ The overlapping taxing districts did not receive a surplus.

Overlapping Taxing District	Surplus Distributed from Redevelopment Project Area to Overlapping Districts
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -
	\$ -

SECTION 7

Provide information about job creation and retention

Number of Jobs Retained	Number of Jobs Created	Description and Type (Temporary or Permanent) of Jobs	Total Salaries Paid
No data	No data		\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -
			\$ -

SECTION 8

Provide a general description of the redevelopment project area using only major boundaries:

Optional Documents	Enclosed	
Legal description of redevelopment project area	Previously submitted	
Map of District	Previously submitted	



VILLAGE OF FRANKLIN PARK

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January 28, 2014

Office of the Comptroller
Local Government Division
James R. Thompson Center
100 West Randolph Street
Suite 15-500
Chicago, Illinois 60601

**RE: VILLAGE OF FRANKLIN PARK
O'HARE EAST INDUSTRIAL TIF DISTRICT**

Dear Ladies and Gentlemen:

I, Barrett Pedersen, hold the position of President of the Village of Franklin Park, Cook County, Illinois. I certify that, to the best of my knowledge, during the Fiscal Year 2013 the Village has complied with all the applicable requirements of the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4 *et al.* (State Bar Ed. 2012).

Sincerely,

VILLAGE OF FRANKLIN PARK

By: 

Barrett Pedersen, President

BWB/dcs

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January 28, 2014

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OF COUNSEL

IN REPLY REFER TO FILE NO.

Office of the Comptroller
Local Government Division
James R. Thompson Center
100 West Randolph Street, Suite 15-500
Chicago, Illinois 60601

FP-1

RE: VILLAGE OF FRANKLIN PARK, ILLINOIS
O'HARE EAST TAX INCREMENT FINANCING DISTRICT
REPORTING YEAR 2013

Dear Ladies and Gentlemen:

We do hereby certify that the law firm of Storino, Ramello & Durkin serves as Special Counsel for the Village of Franklin Park, Illinois. We further state that, to the best of our knowledge and belief, the Village was in compliance with the Tax Increment Allocation Redevelopment Act, 65 ILCS 5/11-74.4-1, *et al.* (State Bar Ed. 2012) for the above-referenced TIF district and reporting year; provided, no opinion is rendered regarding any audit report for the above-referenced TIF district or the timeliness of any reports filed by the Village pursuant to the Act.

This opinion is rendered solely for your information and no other parties shall be entitled to rely on any matters set forth herein without the express written consent of the undersigned. This opinion is limited to the matters set forth herein and no opinion may be inferred or implied beyond that expressly stated.

Sincerely,

STORINO, RAMELLO & DURKIN



Brian W. Baugh

BWB/dcs

ATTACHMENT D

Statement setting forth all activities undertaken in furtherance of the objectives of the Redevelopment Plan, including:

- A. Any project implemented during the fiscal year beginning May 1, 2012 and ending April 30, 2013 and
- B. A description of the redevelopment activities undertaken.

No new projects were implemented during the fiscal year.

The Village continued to make payments to HSA Companies for an outstanding redevelopment note issued in connection with the development projects carried out in past years. The Village is pleased to report that the buildings have been fully leased out.

**VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND
DEBT SERVICE FUNDS

FINANCIAL STATEMENTS
AND
REPORT ON COMPLIANCE WITH
PUBLIC ACT 85-1142
Year Ended April 30, 2013**

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
Year Ended April 30, 2013

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the TIF Districts' Special Revenue and Debt Service Funds (Funds) of the Village of Franklin Park, Illinois (Village), as of and for the year ended April 30, 2013, and the related notes to the financial statements, which collectively comprise the Funds' 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

(Continued)

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Funds of the Village, as of April 30, 2013, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Funds and do not purport to, and do not, present fairly the financial position of the Village, as of April 30, 2013, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.



Crowe Horwath LLP

Oak Brook, Illinois
January 30, 2014

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS

BALANCE SHEET
SPECIAL REVENUE AND DEBT SERVICE FUNDS
April 30, 2013

	Special Revenue Funds				Debt Service Funds			
	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Life/Fitness Reebie Storage TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total (For Analysis Only)
Assets								
Cash	\$ -	\$ 269,888	\$ -	\$ -	\$ 770,150	\$ 168,421	\$ -	\$ 1,208,459
Investments	1,460,189	-	-	-	-	-	786,416	2,246,605
Interfunds receivable	343,245	-	1,121,383	-	825,000	-	-	2,289,628
Total assets	<u>\$ 1,803,434</u>	<u>\$ 269,888</u>	<u>\$ 1,121,383</u>	<u>\$ -</u>	<u>\$ 1,595,150</u>	<u>\$ 168,421</u>	<u>\$ 786,416</u>	<u>\$ 5,744,692</u>
Liabilities and fund balances								
Liabilities								
Cash overdraft liability	\$ 385,678	\$ -	\$ 48,830	\$ 73,741	\$ -	\$ -	\$ 255,662	\$ 763,911
Accounts payable	4,579	2,835	227,519	9,614	1,671	1,671	245,728	493,617
Interfund payables	-	-	397,388	1,754,827	304,510	-	1,122,278	3,579,003
Total liabilities	<u>390,257</u>	<u>2,835</u>	<u>673,737</u>	<u>1,838,182</u>	<u>306,181</u>	<u>1,671</u>	<u>1,623,668</u>	<u>4,836,531</u>
Fund Balances								
Restricted								
TIF Development	1,413,177	267,053	447,646	-	-	-	-	2,127,876
Debt Service	-	-	-	-	1,288,969	166,750	-	1,455,719
Unassigned	-	-	-	(1,838,182)	-	-	(837,252)	(2,675,434)
Total fund balances	<u>1,413,177</u>	<u>267,053</u>	<u>447,646</u>	<u>(1,838,182)</u>	<u>1,288,969</u>	<u>166,750</u>	<u>(837,252)</u>	<u>908,161</u>
Total liabilities and fund balances	<u>\$ 1,803,434</u>	<u>\$ 269,888</u>	<u>\$ 1,121,383</u>	<u>\$ -</u>	<u>\$ 1,595,150</u>	<u>\$ 168,421</u>	<u>\$ 786,416</u>	<u>\$ 5,744,692</u>

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
SPECIAL REVENUE AND DEBT SERVICE FUNDS
Year Ended April 30, 2013

	Special Revenue Funds				Debt Service Funds			
	West Mannheim Redeveloping Area TIF Fund	Belmont/ River TIF Fund	Mannheim/ Grand TIF Fund	Downtown Franklin Avenue TIF Fund	Life/Fitness Reebie Storage TIF Fund	O'Hare East Industrial TIF Fund	Resurrection TIF Fund	Total (For Analysis Only)
Revenues								
Property taxes	\$ 1,025,831	\$ 68,049	\$ -	\$ 480,310	\$ 669,263	\$ 420,364	\$ -	\$ 2,663,817
Investment income	58	-	36	-	1,775	-	41	1,910
Other Revenue	-	-	-	747	-	-	-	747
Total revenues	<u>1,025,889</u>	<u>68,049</u>	<u>36</u>	<u>481,057</u>	<u>671,038</u>	<u>420,364</u>	<u>41</u>	<u>2,666,474</u>
Expenditures								
Current								
General government	3,048	5,918	-	11,965	4,848	2,298	9,661	37,738
Community development	<u>13,214</u>	<u>12,272</u>	<u>8,337</u>	<u>37,451</u>	<u>286,715</u>	<u>823</u>	<u>2,814</u>	<u>361,626</u>
Total expenditures	<u>16,262</u>	<u>18,190</u>	<u>8,337</u>	<u>49,416</u>	<u>291,563</u>	<u>3,121</u>	<u>12,475</u>	<u>399,364</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,009,627</u>	<u>49,859</u>	<u>(8,301)</u>	<u>431,641</u>	<u>379,475</u>	<u>417,243</u>	<u>(12,434)</u>	<u>2,267,110</u>
Other financing sources (uses)								
Transfers out	-	-	(747,170)	(392,820)	-	-	-	(1,139,990)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(747,170)</u>	<u>(392,820)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,139,990)</u>
Net changes in fund balances	<u>1,009,627</u>	<u>49,859</u>	<u>(755,471)</u>	<u>38,821</u>	<u>379,475</u>	<u>417,243</u>	<u>(12,434)</u>	<u>1,127,120</u>
Fund balances at beginning of year	<u>403,550</u>	<u>217,194</u>	<u>1,203,117</u>	<u>(1,877,003)</u>	<u>909,494</u>	<u>(250,493)</u>	<u>(824,818)</u>	<u>(218,959)</u>
Fund balances at end of year	<u>\$ 1,413,177</u>	<u>\$ 267,053</u>	<u>\$ 447,646</u>	<u>\$ (1,838,182)</u>	<u>\$ 1,288,969</u>	<u>\$ 166,750</u>	<u>\$ (837,252)</u>	<u>\$ 908,161</u>

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The accompanying financial statements include the accounts of the TIF Districts' Special Revenue and Debt Service Funds (Funds) for which the Village of Franklin Park, Illinois (Village) Board has oversight responsibility and are not intended to present fairly the financial position and results of operations of the Village as a whole.

The Funds were established to account for transactions related to the Redevelopment Plan and Redevelopment Project within the municipal boundaries established by Village Ordinance.

The Village intends to fund various expenditures of the redevelopment plan and project and retire any debt issued for the project through the following intended sources of revenue:

Property tax incremental revenue
Investment earnings

Fund Accounting, Measurement Focus, and Basis of Accounting: The accounts of the Village are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

The following are the various Funds presented and the definitions of the various fund types. All Funds are classified as Governmental Funds:

West Mannheim Redeveloping Area TIF Fund	Special Revenue Fund
Belmont/River TIF Fund	Special Revenue Fund
Mannheim/Grand TIF Fund	Special Revenue Fund
Downtown Franklin Avenue TIF Fund	Special Revenue Fund
Life/Fitness Reebie Storage TIF Fund	Debt Service Fund
O'Hare East Industrial TIF Fund	Debt Service Fund
Resurrection TIF Fund	Debt Service Fund

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (property tax incremental revenues) that are legally restricted to expenditures for specified purposes.

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

Governmental funds are used to account for the Village's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Village considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund eliminations have not been made in the aggregation of this data.

Cash and Cash Equivalents: Cash and cash equivalents represent cash on hand, cash deposited in interest-bearing and non-interest bearing checking accounts, treasury obligations and investments in certificates of deposit with original maturities of three months or less.

Investments: Investments are stated at fair value in accordance with GASB 31. Fair values for the Illinois Funds are the same as the value of the pool shares. State statute requires these funds to comply with the Illinois Public Funds Investment Act.

Fund Equity: In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, 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
- 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. For the Village, the Board of Trustees is the highest level of decision making. As of April 30, 2013, the Village does not have any commitments of fund balance.
- d. Assigned fund balance has limitations resulting from intended use consisting of amounts where the intended use is established by the Board of Trustees designated for that purpose. The intended use is established by an official designated for that purpose. The Board of Trustees has not designated any members of management for this purpose.
- e. Unassigned fund balance is the total fund balance in the general fund in excess of nonspendable, restricted, committed, and assigned fund balance.

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

If there is an expenditure incurred for purposes for which both restricted and unrestricted fund balance is available, the Village will consider restricted fund balance to have been spent before unrestricted fund balance. Further, if there is an expenditure incurred for purposes for which committed, assigned, or unassigned fund balance classifications could be used, then the Village will consider committed fund balance to be spent before assigned fund balance, and consider assigned fund balance to be spent before unassigned fund balance.

The Village does not have a minimum fund balance policy.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following funds had deficit fund balances at April 30, 2013:

<u>Fund</u>	<u>Amount</u>
Downtown Franklin Avenue TIF Fund	\$ 1,838,182
Resurrection TIF Fund	837,252

The Village plans to recover these deficits by using future revenues and through transfers of cash from other Village operating funds.

Property Tax Revenue Recognition: Property taxes attach as an enforceable lien on January 1. They are levied in December (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1 and August 1 and are payable in two installments, on or about March 1 and September 1. The County collects such taxes and remits them periodically. Property tax revenues are recognized when they become both measurable and available, in accordance with the Government Accounting Standards Board. "Measurable" means that amounts can be reasonably determined within the current period. "Available" means that amounts are due and collectible within the current period or soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes levied in the current year which are not collected at year end and are not used to pay liabilities of the current period do not meet the "available" criterion and are reported as unearned revenue in the fund financial statements.

NOTE 2 - CASH AND INVESTMENTS

Permitted Deposits and Investments: The Funds follow the Village's adopted investment policy. Statutes authorize the Funds to make deposits/invest in commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. Agencies, obligations of States and their political subdivisions, credit union shares, repurchase agreements, commercial paper rated within the three highest classifications by at least two standard rating services, and the Illinois Public Treasurer's Investment Pool. Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does not operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Fund's share price, the price for which the investment could be sold. The shares do not mature.

Cash: The carrying amount of cash was \$444,548 at April 30, 2013. As the Village commingles its cash accounts across funds, determination of the balance per bank by fund is not possible. All Village account balances at banks, including those from the Funds, were either insured by the Federal Deposit Insurance Corporation (FDIC) for \$250,000, or collateralized with securities of the U.S government or with letters of credit issued by the Federal Home Loan Bank held in the Funds' name by financial institutions acting as the Funds' agent.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 2 - CASH AND INVESTMENTS (Continued)

Investments: The following schedule reports the fair values for the Funds' investments at April 30, 2013. All investments mature in less than one year:

<u>Investment Types</u>	<u>Fair Value</u>
Money market mutual fund	\$ 2,246,605
Total investments	<u>\$ 2,246,605</u>

Interest Rate Risk – The Funds limits their exposure to interest rate risk by structuring the portfolio by not investing any operating funds in any debt instruments other than U.S. Agencies and Illinois Funds.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Funds will not be able to recover the value of their investments or collateral securities that are in the possession of an outside party. The Funds limit their exposure to custodial credit risk by utilizing independent, third-party intuitions, selected by the Funds, to act as custodians for its securities and collateral. The Funds' investments are fully collateralized as of April 30, 2013.

Concentration of Credit Risk – The Funds limits the amount the Funds may invest in any one issuer, with no more than 50% of the funds may be invested in a single institution. More than 5% of the Funds' investments are in Amalgamated Bank money market mutual fund. These investments are 100% of the Fund's investments.

Reconciliation to Financial Statements:

Cash and investments per financial statements:

Balance sheet	
Cash	\$ 1,208,459
Investments	2,246,605
Cash overdraft liability	<u>763,911</u>
Total	<u>\$ 2,691,163</u>

Cash and investments per footnote:

Cash	\$ 444,548
Investments	<u>2,246,605</u>
Total	<u>\$ 2,691,163</u>

NOTE 3 - LONG-TERM DEBT

	<u>Balance Beginning of Year</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance End of Year</u>	<u>Due Within One Year</u>
G.O. Alt. Rev. – 2005A	\$ 3,690,000	\$ -	\$ 145,000	\$ 3,545,000	\$ 180,000
G.O. Alt. Rev. – 2007	<u>7,230,000</u>	<u>-</u>	<u>415,000</u>	<u>6,815,000</u>	<u>435,000</u>
Total	<u>\$ 10,920,000</u>	<u>\$ -</u>	<u>\$ 560,000</u>	<u>\$ 10,360,000</u>	<u>\$ 615,000</u>

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - LONG-TERM DEBT (Continued)

General Obligation Alternate Revenue Bonds, Series 2005A – The Village Board authorized the issuance of \$4,165,000 General Obligation Bonds (Alternate Revenue Source), Series 2005A, dated January 1, 2005. The bonds were issued to provide funds for certain land acquisition and site preparation costs within the Downtown Franklin Avenue TIF, to fund certain capitalized interest on the bonds, and to fund certain costs associated with the issuance of the bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the Funds. The principal and interest payments to maturity at July 1, 2024 are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2014	\$ 180,000	\$ 177,328	\$ 357,328	4.60%
2015	190,000	170,848	360,848	3.60%
2016	195,000	163,818	358,818	3.70%
2017	240,000	156,310	396,310	3.85%
2018	250,000	146,950	396,950	3.90%
2019	260,000	136,950	396,950	4.00%
2020	310,000	122,650	432,650	4.00%
2021	325,000	105,600	430,600	4.00%
2022	340,000	87,725	427,725	4.00%
2023	400,000	69,025	469,025	4.20%
2024	415,000	47,025	462,025	4.20%
2025	<u>440,000</u>	<u>12,100</u>	<u>452,100</u>	4.30%
Total	\$ <u>3,545,000</u>	\$ <u>1,396,329</u>	\$ <u>4,941,329</u>	

General Obligation Alternate Revenue Bonds, Series 2007 – The Village Board authorized the issuance of \$8,155,000 General Obligation Bonds (Alternative Revenue Source), Series 2007. The bonds were issued to assist the Village in upgrading and/or expanding the Franklin Park Mall located within the Grand-Mannheim TIF District, and the West Mannheim Residential TIF District and the Resurrection TIF District (collectively the "TIF Districts"); to fund certain capitalized interest on the Bonds; to fund in part a Debt Service Reserve Fund; and to fund certain costs associated with the issuance of the Bonds. Interest payments are paid in equal semi-annually installments on the 1st of January and July and are to be repaid of out the Corporate Bond and Interest Fund using resources from the Funds. The principal and interest payments to maturity at January 1, 2023 are as follows:

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 3 - LONG-TERM DEBT (Continued)

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Rate</u>
2014	\$ 435,000	\$ 315,363	\$ 750,363	4.10%
2015	450,000	297,528	747,528	4.20%
2016	555,000	278,626	833,626	5.50%
2017	580,000	248,101	828,101	4.40%
2018	610,000	222,583	832,583	4.45%
2019	725,000	195,436	920,436	4.50%
2020	760,000	162,813	922,813	4.60%
2021	795,000	127,853	922,853	4.70%
2022	930,000	90,488	1,020,488	4.75%
2023	<u>975,000</u>	<u>46,313</u>	<u>1,021,313</u>	4.75%
Total	<u>\$ 6,815,000</u>	<u>\$ 1,985,104</u>	<u>\$ 8,800,104</u>	

Legal Debt Margin: The Village is subject to a legal debt margin of 8.625% of equalized assessed value of property in the Village. As of April 30, 2013, the equalized assessed valuation of the Village is \$692,157,576 and the legal debt margin is \$59,698,591. The Village is in compliance with this requirement.

Debt Covenants: The Village is subject to disclosure covenants for its general obligation bonds. These covenants include disclosure of annual financial information 210 days after fiscal year ended. Noncompliance could result in the bondholders filing legal action against the Village compelling the Village to complete its filings. The Village completed the fiscal year 2012 filing in December 2012, which was past the 210 day deadline. To date, no bondholders have filed action against the Village compelling performance.

NOTE 4 - NONCOMMITMENT DEBT

Tax increment financing notes outstanding as of April 30, 2013 total \$17,422,256. These notes are not an obligation of the Village and are secured by the levy of real estate taxes on certain property within the tax increment financing areas. The Village is not liable for repayment but acts as an agent for the property owners in levying the property taxes and forwarding collections to note holders. A summary of non-commitment is as follows:

Life Fitness District/Reebie Storage and Moving Co. Redeveloping Project

\$2,400,000 note issued August 5, 2002, bearing interest at 9%. Principal balance as of April 30, 2013 is \$1,497,840 plus unpaid accrued interest of \$261,008 for a total amount due of \$1,758,848. On August 5, 2002, the Redevelopment Agreement and the note was amended. The new note amount of \$2,400,000 replaced the original note in the amount of \$1,200,000 issued August 4, 1998, bearing interest at 9%, which was canceled by the Village. The final due date of the note is December 31, 2015. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

O'Hare East Industrial Complex Redevelopment Project

\$8,200,000 note issued November 1, 2000 bearing interest at 10%. Principal balance as of April 30, 2013 is \$8,200,000 plus accrued interest of \$7,643,408 for a total amount due of \$15,663,408. The final due date of the note is December 31, 2024. At that time, all unpaid principal and interest due on the note shall be forfeited by the note holder.

(Continued)

VILLAGE OF FRANKLIN PARK, ILLINOIS
TIF DISTRICTS
SPECIAL REVENUE AND DEBT SERVICE FUNDS
NOTES TO FINANCIAL STATEMENTS
April 30, 2013

NOTE 5 - TAX INCREMENT REVENUES PLEDGED

The Village has pledged a portion of future property tax revenues to repay property tax increment bonds issued to finance the refurbishing of various properties in the Village's TIF Districts. The bonds are payable solely from the incremental property taxes generated by increased development in the refurbished districts and include the Village's noncommitment debt. Incremental property taxes were projected to produce 100 percent of the debt service requirements over the life of the bonds. For the current year, principal and interest paid and total incremental property tax revenues were \$1,076,168 and \$2,663,817, respectively.

NOTE 6 - INTERFUNDS AND TRANSFERS

The General Corporate Fund loaned \$1,257,172 and \$111,705 to the Downtown Franklin Avenue TIF Fund and Mannheim/Grand TIF Fund to cover TIF costs during periods of cash shortfalls in the TIF Funds. The Mannheim/Grand TIF Fund loaned \$1,121,383 to the Resurrection TIF Fund for the costs of a land acquisition within the boundaries of both TIFs. The West Mannheim Redeveloping Area TIF Fund loaned \$285,693 to the Mannheim/Grand TIF Fund to cover a cash shortfall. The Life Fitness/Reebie TIF Fund borrowed \$825,000 from the Water Fund to cover TIF costs. The Downtown Franklin TIF borrowed \$400,000 from the Water Fund to cover TIF costs.

The transfers include payment to the Corporate Bond and Interest from the TIF funds for scheduled debt service of \$1,139,990.



Crowe Horwath LLP
Independent Member Crowe Horwath International

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE

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

We have examined the Village of Franklin Park, Illinois' (Village's) compliance with the requirements of subsection (q) of Section 11-74.4-3 of the Illinois Tax Increment Redevelopment Allocation Act during the year ended April 30, 2013. Management is responsible for the Village's compliance with those requirements. Our responsibility is to express an opinion on the Village's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and accordingly, included examining, on a test basis, evidence about the Village's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination of the Village's compliance with specified requirements.

In our opinion, the Village complied in all material respects, with the aforementioned requirements for the year ended April 30, 2013.


Crowe Horwath LLP

Oak Brook, Illinois
January 30, 2014