

VILLAGE OF RICHTON PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended
April 30, 2013

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Trustees
Village of Richton Park
Richton Park, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Richton 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 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 conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Richton Park, Illinois, as of April 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 12 to the financial statements, in June 2011 GASB issued GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position". Statement 63 is effective for the Village's fiscal year ended April 30, 2013. This Statement provides a new statement of net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. Our opinion is not modified with respect to this matter.

As discussed in Note 12 to the financial statements, in March 2012 GASB issued GASB Statement 65, "Items Previously Reported as Assets and Liabilities." The provisions of this Statement are effective for the Village's fiscal year ending April 30, 2014, with earlier application being encouraged. The Village has implemented this Statement for the year ended April 30, 2013 retroactively to restate net position and fund balances as of May 1, 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statements presentations. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget to Actual General Fund, Schedule of Funding Progress, and Schedule of Employer Contributions as listed on the table of contents be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial

statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Client name's financial statements. The Combining and Individual Fund Financial Statements and Schedules and Supplemental Data are presented for purposes of additional analysis and are not a required part of the financial statements.

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

Report on Other Legal and Regulatory Requirements

In accordance with *Government Auditing Standards*, we have also issued our report dated April 25, 2014 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 Village's internal control over financial reporting and compliance.

*Ringold Financial
Management Services, Inc.*

Chicago, Illinois
April 25, 2014



850 South Wabash Avenue, Suite 320 • Chicago, Illinois 60605
Office: (312) 566-9705 • Fax: (312) 566-9736 • Website: www.ringoldfinancial.com

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

The discussion and analysis of the Village of Richton Park's (the "Village") financial performance provides an overall review of the Village's financial activities for the year ended April 30, 2013. The management of the Village encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the Village's financial performance. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the "MD&A").

Financial Highlights

- The assets of the Village exceeded its liabilities at the close of the most recent fiscal year by \$28.5 million (net assets). Of this amount, \$4.5 million is unrestricted and may be used to meet the government's ongoing obligation to citizens and creditors.
- In total, net assets decreased by \$854,717. This represents a 2.9% decrease from 2012 and is due largely to the Village's inability to increase revenue as expenditures increase.
- As of the close of the current fiscal year, the Village's governmental funds reported combined ending fund balances of \$5.74 million, a decrease of \$737,471 in comparison with the prior year.
- General revenues accounted for \$8.4 million or 79% of all governmental activities revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$535,809 or 5.0% of total governmental activities revenues of \$10.6 million.
- The Village had \$15.8 million in expenses related to governmental and business-type activities. However, only \$8.7 million of these expenses were offset by program specific charges and grants.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$854,194 or 10.1% of the total General Fund expenditures. Cash and investments total \$838,285.
- The Village's total debt decreased by \$200,000 during the current year to \$4.4 million.

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 are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic 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 are designed to provide readers with a broad overview of the Village's finances, in a manner similar to a private-sector business, and are reported using the accrual basis of accounting and economic resources measurement focus.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

The statement of net assets presents information on all of the Village's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Village is improving or deteriorating.

The statement of activities presents information showing how the Village's net assets changed during the fiscal year being reported. All changes in net assets 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 only result in cash flows in future fiscal periods.

The government-wide financial statements can be divided into two types of activities: governmental and business-type. Governmental activities present the functions of the Village that are principally supported by taxes and intergovernmental revenues. Business-type activities present the functions that are intended to recover all or a significant portion of their costs through user fees and charges. The Village's governmental activities include functions such as general government, public safety, public works, and community development. The Village's business-type activities include water and sewer systems, refuse collection, and commuter parking lot.

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

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements and are reported using the modified accrual basis of accounting and current financial resources measurement focus. The governmental fund statements provide a detailed, short-term view of the Village's general government operations, and the basic services it provides. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources; as well as, on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Village's near-term financing requirements.

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 government'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 4 major individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General fund, TIF Lakewood fund, TIF Crossings fund, and TIF Sauk Trail/Governor's Highway fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report. The Village adopts an annual budget for each of the major funds listed above. A budgetary comparison statement has been provided for each major fund to demonstrate compliance with this budget.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Proprietary funds

Proprietary funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Village's proprietary funds present the activities and balances in the Water and Sewer fund (major), Refuse fund (major) and Commuter Parking Lot fund (non-major), using the accrual basis of accounting and economic resources measurement focus. Proprietary funds provide the same type of information as the government-wide financial statements, but in greater detail. The proprietary funds reflect the private-sector type operation, where the fee for service typically covers all or most of the cost of operation and maintenance including depreciation.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Village's own programs. The accounting used for fiduciary funds is much like that for the government-wide financial statements.

Notes to basic financial statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Village's contributions and funding progress of the Illinois Municipal Retirement fund and Police Pension fund; as well as, budget to actual comparisons of the funds. Supplementary schedules include combining and individual fund schedules of all non-major funds and Fiduciary funds.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Table 1
Condensed Statements of Net Assets
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Assets						
Current and other assets	\$ 8.0	\$ 10.1	\$ 2.7	\$ 1.7	\$ 10.7	\$ 11.8
Advances to other funds	\$ 0.3	\$ (0.9)	\$ 0.2	\$ 1.0	\$ 0.5	\$ 0.1
Capital assets	\$ 14.5	\$ 14.8	\$ 11.3	\$ 10.8	\$ 25.8	\$ 25.6
Total Assets	\$ 22.8	\$ 24.0	\$ 14.2	\$ 13.5	\$ 37.0	\$ 37.5
Liabilities						
Long-term liabilities	\$ 2.0	\$ 1.8	\$ 3.1	\$ 3.1	\$ 5.1	\$ 4.9
Other liabilities	\$ 1.3	\$ 2.7	\$ 1.2	\$ 0.3	\$ 2.5	\$ 3.0
Total Liabilities	\$ 3.3	\$ 4.5	\$ 4.3	\$ 3.4	\$ 7.6	\$ 7.9
Net Assets						
Invested in capital assets, net of related debt	\$ 13.5	\$ 13.8	\$ 8.3	\$ 6.9	\$ 21.8	\$ 20.7
Restricted	\$ 2.2	\$ 2.2	\$ -	\$ -	\$ 2.2	\$ 2.2
Unrestricted	\$ 2.4	\$ 3.5	\$ 2.1	\$ 3.0	\$ 4.5	\$ 6.5
Total Net Assets	\$ 18.1	\$ 19.5	\$ 10.4	\$ 9.9	\$ 28.5	\$ 29.4

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Assets summary presentation.

Net results of activities – which will impact (increase/decrease) current assets and unrestricted net assets.

Borrowing for capital – which will increase current assets and long-term debt.

Spending borrowed proceeds on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) increase capital assets and long-term debt, which will not change the net assets invested in capital assets, net of related debt.

Spending of non-borrowed current assets on new capital – which will: (a) reduce current assets and increase capital assets; and, (b) will reduce unrestricted net assets and increase invested in capital assets, net of related debt.

Principal payment on debt – which will: (a) reduce current assets and reduce long-term debt; and, (b) reduce unrestricted net assets and increase net assets invested in capital assets, net of related debt.

Reduction of capital assets through depreciation – which will reduce capital assets and net assets invested in capital assets, net of related debt.

(See independent auditor's report)

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Current Year Impacts

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Village, total net assets decreased by \$0.85 million from \$29.4 million to \$28.55 million. The Village's total assets equal \$37.02 million. The Village's total liabilities equal \$8.47 million.

The Village experienced a decrease in net assets due to the declaration of a surplus in TIF Crossings and the construction of the Community Center using TIF Crossings funds.

A portion of the net assets of the governmental activities is restricted for street maintenance, road improvements, and special assessments. The unrestricted combined balance, for both governmental and business-type activities, is unable to meet the ongoing Village obligations to their citizens and creditors. All net asset categories show positive balances at year end.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Table 2
Condensed Statements of Activities
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Revenues						
Charges for services	\$ 1.7	\$ 1.5	\$ 4.0	\$ 3.6	\$ 5.7	\$ 5.1
Operating grants and contributions	\$ 0.5	\$ 0.5	\$ 0.4	\$ 0.2	\$ 0.9	\$ 0.7
Capital grants and contributions	\$ 0.6	\$ 0.6	\$ -	\$ -	\$ 0.6	\$ 0.6
Property taxes	\$ 3.9	\$ 4.5	\$ -	\$ -	\$ 3.9	\$ 4.5
Other taxes	\$ 1.6	\$ 1.6	\$ -	\$ -	\$ 1.6	\$ 1.6
Intergovernmental	\$ 2.4	\$ 1.7	\$ -	\$ -	\$ 2.4	\$ 1.7
Other general revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	\$ 10.7	\$ 10.4	\$ 4.4	\$ 3.8	\$ 15.1	\$ 14.2
Expenses						
General government	\$ 2.7	\$ 2.0	\$ -	\$ -	\$ 2.7	\$ 2.0
Public safety	\$ 6.1	\$ 5.8	\$ -	\$ -	\$ 6.1	\$ 5.8
Public works	\$ 0.5	\$ 0.5	\$ -	\$ -	\$ 0.5	\$ 0.5
Parks and recreation	\$ 0.7	\$ 0.6	\$ -	\$ -	\$ 0.7	\$ 0.6
Tax increment redevelopment	\$ 1.7	\$ 1.0	\$ -	\$ -	\$ 1.7	\$ 1.0
Interest and fees	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.1	\$ 0.1
Sewer and water	\$ -	\$ -	\$ 2.3	\$ 2.2	\$ 2.3	\$ 2.2
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refuse	\$ -	\$ -	\$ 1.1	\$ 1.1	\$ 1.1	\$ 1.1
Commuter parking lot	\$ -	\$ -	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3
Total Expenses	\$ 11.8	\$ 10.0	\$ 3.7	\$ 3.6	\$ 15.5	\$ 13.6
Change in Net Assets	\$ (1.1)	\$ 0.4	\$ 0.7	\$ 0.2	\$ (0.4)	\$ 0.6
Net Assets, Beginning of Year	\$ 19.5	\$ 19.1	\$ 10.0	\$ 9.8	\$ 29.4	\$ 28.8
Prior period adjustment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Assets, End of Year	\$ 18.4	\$ 19.5	\$ 10.7	\$ 10.0	\$ 29.0	\$ 29.4

(See independent auditor's report)

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Normal Impacts

There are eight basic (normal) impacts that will affect the comparability of the revenues and expenses on the Statement of Activities summary presentation.

Revenues

Economic condition – which can reflect a declining, stable or growing economic environment, and has substantial impact on state sales, replacement and hotel/motel tax revenue; as well as, public spending habits for building permits, elective user fees, and volumes of consumption.

Increase/decrease in Village approved rates – while certain tax rates are set by statute, the Village has significant authority to impose and periodically increase/decrease rates (water, home rule sales tax, etc.).

Changing patterns in intergovernmental and grant revenue (both recurring and non-recurring) – certain recurring revenues (state shared revenues, etc.) may experience significant changes periodically while non-recurring grants are less predictable and often distorting in their impact on year to year comparisons.

Market impacts on investment income – the Village's investments may be affected by market conditions causing investment income to increase/decrease.

Expenses

Introduction of new programs – within the functional expense categories (general government, public safety, public works, and community development), individual programs may be added or deleted to meet changing community needs.

Change in authorized personnel – changes in service demand may cause the Village to increase/decrease authorized staffing. Staffing costs (salary and related benefits) represent the largest operating cost of the Village.

Salary increases (annual adjustments and merit) – the ability to attract and retain human and intellectual resources requires the Village to strive to approach a competitive salary range position in the marketplace.

Inflation – while overall inflation appears to be reasonably modest, the Village is a major consumer of certain commodities such as supplies, fuel, and parts. Some functions may experience unusual commodity specific increases.

Current Year Impacts

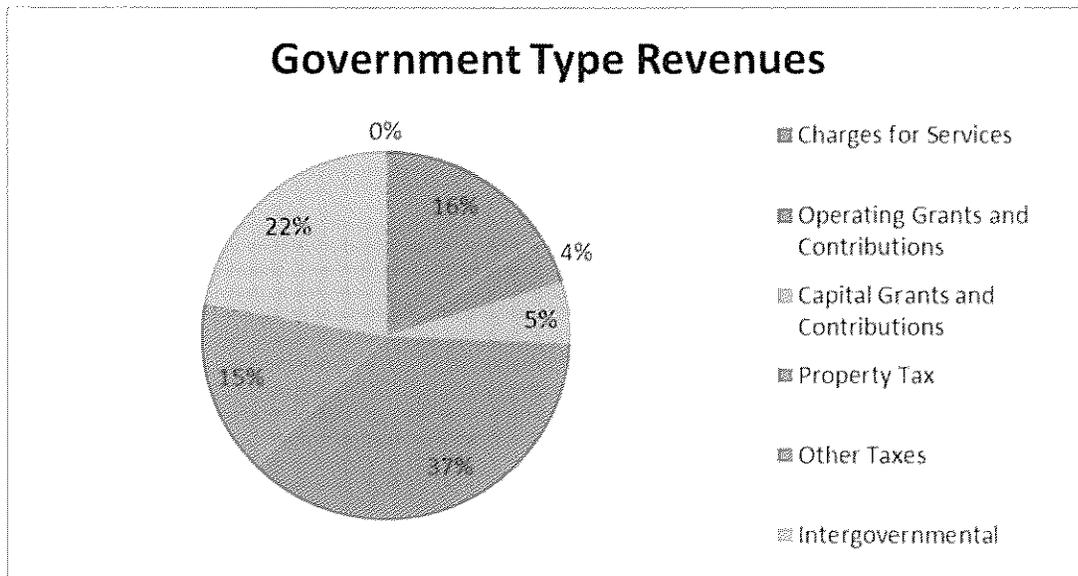
The Governmental Activities revenues remained the same as the previous year. Expenses increased by \$1.8 million or 17.7% due mainly to tax increment redevelopment. Overall, the Village's financial position has declined slightly.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

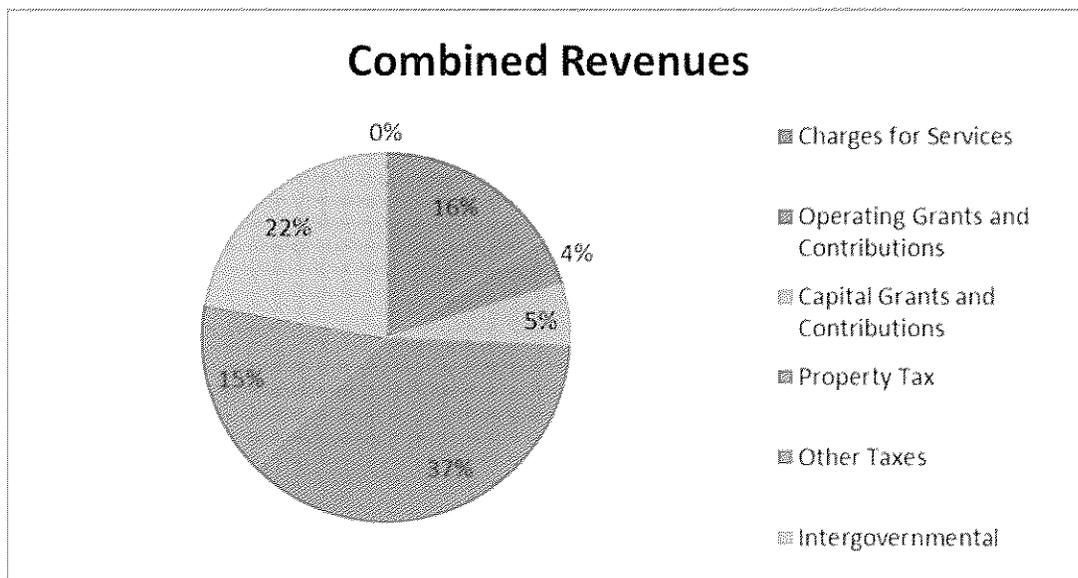
April 30, 2013

Governmental Activities



Revenues

The Village's total revenue decreased by \$677,000 for this fiscal year.



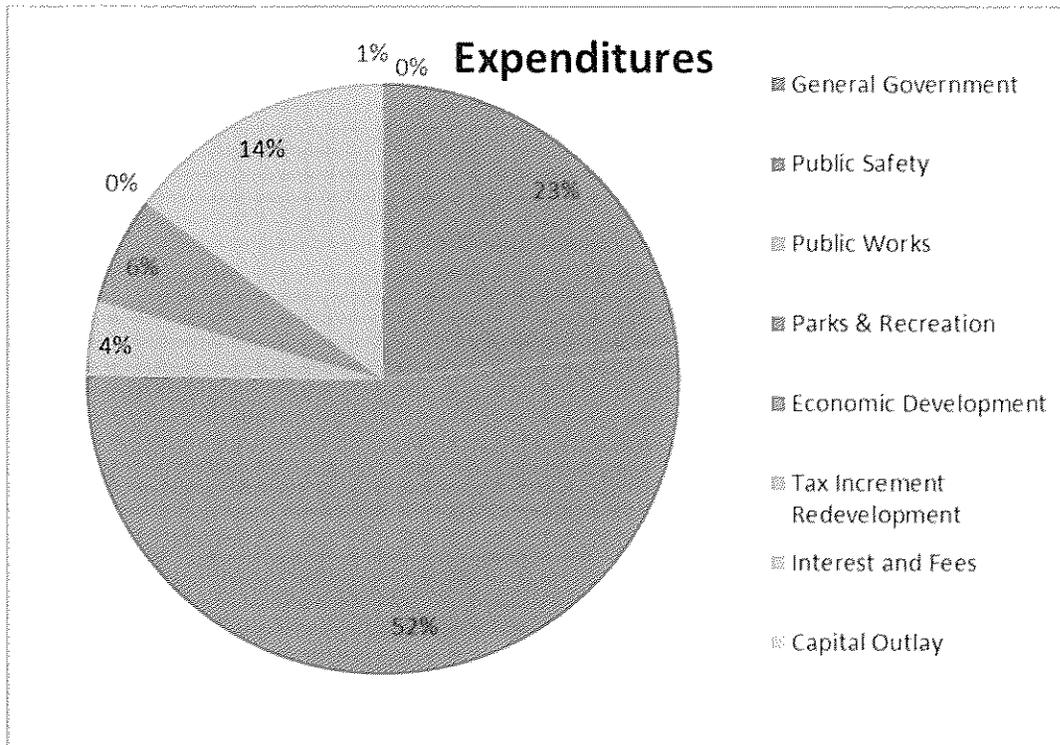
VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Expenses

The Village's overall expenses in the current fiscal year increased over the previous year by \$2.0 million.



The General fund balance decreased by \$290,000. The decrease is due to long-term structural problems within the Village of Richton Park as a non-home rule community. Also, the Village does not have the ability to increase revenues as quickly as expenditures increase. General fund cash and investments total \$878,000. Special revenue fund cash and investments total \$1.1 million. The Enterprise fund's net assets increased \$433,000. Police Pension fund balance increased by \$897,000 due to increased investment income.

General Fund Budgetary Highlights

The General fund budgeted revenues came in slightly under budget, and the amount is immaterial.

Capital Assets and Debt Administration

Capital assets

By the end of 2013, the Village had compiled a total investment of \$35.5 million (\$25.8 million net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$944,778.

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

Table 3
Capital Assets (net of depreciation)
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Land	\$ 4.9	\$ 4.9	\$ 0.6	\$ 0.6	\$ 5.5	\$ 5.5
Construction in progress	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1
Land improvements	\$ -	\$ 0.4	\$ 0.2	\$ 0.3	\$ 0.3	\$ 0.7
Buildings	\$ 4.5	\$ 4.8	\$ 1.4	\$ 1.4	\$ 6.0	\$ 6.2
Vehicles	\$ 1.0	\$ 1.1	\$ 0.5	\$ 0.3	\$ 1.5	\$ 1.4
Equipment	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.6	\$ 0.6
Infrastructure	\$ 3.3	\$ 3.2	\$ 8.3	\$ 8.0	\$ 11.6	\$ 11.2
Total	\$ 14.0	\$ 14.8	\$ 11.3	\$ 10.9	\$ 25.5	\$ 25.7

Debt Administration

The Village has a very conservative debt issuance policy and only issues debt when interest rates are favorable and the useful life of the item(s) to be purchased will outlast the end of the debt service payoff date.

Table 4
Long-Term Debt
(in millions of dollars)

	Governmental Activities		Business-Type Activities		Totals	
	2013	2012	2013	2012	2013	2012
General obligation bonds	\$ 0.4	\$ 0.5	\$ 3.0	\$ 3.2	\$ 3.4	\$ 3.7
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment contracts	\$ 0.2	\$ 0.3	\$ -	\$ -	\$ 0.2	\$ 0.3
Capital Lease	\$ 0.1	\$ 0.1	\$ -	\$ -	\$ 0.1	\$ 0.1
Notes payable	\$ 0.2	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ 0.3
Net pension obligation	\$ 0.4	\$ 0.1	\$ -	\$ -	\$ 0.4	\$ 0.1
Compensated absences	\$ 0.7	\$ -	\$ -	\$ -	\$ 0.7	\$ -
Total	\$ 2.0	\$ 1.2	\$ 3.0	\$ 3.2	\$ 5.0	\$ 4.4

Factors Bearing on the Village's Future

(See independent auditor's report)

VILLAGE OF RICHTON PARK

MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2013

The Village annually updates its Five-Year Plan which was originated in November 2007. The Village sets the rates for the enterprise funds and vehicle stickers on an annual basis. In addition, the Village adopted a procedure to allocate overhead costs from the General fund service departments to the Enterprise funds. The main goal of the Five-Year Plan is to restore sufficient cash reserves for the General and Enterprise funds within the five year period. This plan is updated annually.

The Village has instituted a storm water program within the Sewer & Water fund. The program includes storm water fees for all residential and commercial customers, a \$1.5 million capital improvement plan, a \$120,000 annual maintenance program, and a \$50,000 annual savings fund for additional projects.

Due to the current financial crisis, the Village is monitoring the effects of the mortgage crisis in relation to the number of vacated houses, which would impact the Sewer, Water and Refuse billing. In addition, the Commuter Parking Lot revenue is down 13.5% due to the economic downturn.

Requests for Information

This financial report is designed to provide the Village's citizens, taxpayers, and creditors with a general overview of the Village's finances and to demonstrate the Village's accountability for the money it receives. If you have questions about this report, or need additional financial information, please contact the Village Office:

Village of Richton Park
4455 Sauk Trail
Richton Park, Illinois 60471

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VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF NET POSITION
April 30, 2013

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,233,698	\$ 1,908,129	\$ 4,141,827
Investments	749,264	161,351	910,615
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,249,738	-	1,249,738
Utility taxes	140,033	-	140,033
Accounts	228,740	606,753	835,493
Accrued interest	14,622	34	14,656
Refunds and reimbursements	19,840	-	19,840
Other	13,814	-	13,814
Prepays	191,144	53,603	244,747
Due from other governments	769,938	468,272	1,238,210
Internal balances	273,389	(273,389)	-
Due from fiduciary funds	6,549	-	6,549
Property held for resale	2,428,534	-	2,428,534
Capital assets			
Nondepreciable	5,307,838	571,660	5,879,498
Depreciable, net of accumulated depreciation	9,158,808	10,740,691	19,899,499
Total assets	<u>\$ 22,785,949</u>	<u>\$ 14,237,104</u>	<u>\$ 37,023,053</u>
DEFERRED OUT FLOWS OF RESOURCES			
Deferred loss on debt refunding	<u>\$ -</u>	<u>\$ 156,778</u>	<u>\$ 156,778</u>
LIABILITIES			
Accounts payable	803,418	631,813	1,435,231
Accrued payroll	167,266	7,034	174,300
Deposits payable	158,280	3,887	162,167
Due to other governments	137,317	-	137,317
Accrued interest payable	19,699	54,625	74,324
Due to fiduciary funds	60,000	-	60,000
Unearned revenue	-	58,179	58,179
Noncurrent liabilities			
Due within the year	990,589	262,674	1,253,263
Due in more than one year	1,035,016	2,991,207	4,026,223
Total liabilities	<u>\$ 3,371,585</u>	<u>\$ 4,009,419</u>	<u>\$ 7,381,004</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenue	<u>\$ 1,249,738</u>	<u>\$ -</u>	<u>\$ 1,249,738</u>
NET POSITION			
Net investment in capital assets	13,527,765	8,224,091	21,751,856
Restricted for:			
Working cash	-	-	-
Public works	738,217	-	738,217
Economic development	1,465,626	-	1,465,626
Public safety	40,818	-	40,818
Unrestricted	2,392,200	2,160,372	4,552,572
Total net position	<u>\$ 18,164,626</u>	<u>\$ 10,384,463</u>	<u>\$ 28,549,089</u>

See accompanying notes to financial statements

VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF ACTIVITIES
For the Year Ended April 30, 2013

	Program Revenue			Primary Government			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
FUNCTIONS PROGRAMS							
PRIMARY GOVERNMENT							
Governmental activities							
General government	\$ 2,729,368	\$ 602,033	\$ -	\$ 496,863	\$ (1,630,472)	\$ -	\$ (1,630,472)
Public Safety	6,070,985	442,075	62,117	-	(5,566,793)	-	(5,566,793)
Public works	466,874	-	392,555	73,966	(353)	-	(353)
Community development	226,549	322,439	-	-	95,890	-	95,890
Parks and recreation	702,147	176,783	-	-	(525,364)	-	(525,364)
Tax increment redevelopment	1,666,470	161,296	-	-	(1,505,174)	-	(1,505,174)
Interest	61,118	-	-	-	(61,118)	-	(61,118)
Total governmental activities	11,923,511	1,704,626	454,672	570,829	(9,193,384)	-	(9,193,384)
Business-type activities							
Commuter parking lot	343,851	222,888	-	-	-	(120,963)	(120,963)
Refuse	1,122,501	1,077,110	-	-	-	(45,191)	(45,191)
Water and sewer	2,422,966	2,693,348	-	411,507	-	681,889	681,889
Total business-type activities	3,889,118	3,993,346	-	411,507	-	515,735	515,735
Total primary government	\$ 15,812,629	\$ 5,697,972	\$ 454,672	\$ 982,336	(9,193,384)	515,735	(8,677,649)
General revenues:							
Taxes:							
Property and replacement					3,924,350	-	3,924,350
Sales					521,096	-	521,096
Utility					552,702	-	552,702
Telecommunications					547,945	-	547,945
Income					1,541,717	-	1,541,717
Local use					218,991	-	218,991
Other					127,037	-	127,037
Investment income					1,578	210	1,788
Miscellaneous					476,691	631	477,322
Transfers					(6,838)	6,838	-
Total					7,905,269	7,679	7,912,948
CHANGES IN NET POSITION							
Net position - May 1, Restated					(1,288,115)	523,414	(764,701)
Net position - April 30					19,452,741	9,861,049	29,313,790
					\$ 18,164,626	\$ 10,384,463	\$ 28,549,089

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS
April 30, 2013

ASSETS	General Fund	TIF Crossings	TIF Lakewood	TIF Sauk Trail/Governor's		Total
				Highway	Nonmajor	
Cash and cash equivalents	\$ 746,519	\$ 702,483	\$ 42,555	\$ 220,577	\$ 521,564	\$ 2,233,698
Investments	131,766	47	-	-	617,451	749,264
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	1,186,875	-	-	-	62,863	1,249,738
Utility taxes	140,033	-	-	-	-	140,033
Accounts	13,202	-	100	141,768	73,670	228,740
Accrued interest	1,790	12,496	-	-	336	14,622
Refunds and reimbursements	19,840	-	-	-	-	19,840
Other	13,814	-	-	-	-	13,814
Prepaid items	191,144	-	-	-	-	191,144
Property held for resale	-	-	1,053,000	1,375,534	-	2,428,534
Due from other funds	891,069	752,507	2,500	148,764	417,900	2,212,740
Due from fiduciary funds	6,549	-	-	-	-	6,549
Receivable from other governments	746,471	-	-	-	23,467	769,938
Advances to other funds	-	2,545,381	-	-	-	2,545,381
Total assets	\$ 4,089,072	\$ 4,012,914	\$ 1,098,155	\$ 1,886,643	\$ 1,717,251	\$ 12,804,035
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities						
Accounts payable	\$ 557,402	\$ 53,486	\$ 8,004	\$ 12,098	\$ 172,428	\$ 803,418
Accrued payroll	167,266	-	-	-	-	167,266
Deposits payable	153,780	-	3,500	1,000	-	158,280
Due to other funds	918,411	3,072	231,128	86,864	699,876	1,939,351
Payable to other governments	-	-	-	-	137,317	137,317
Due to fiduciary funds	60,000	-	-	-	-	60,000
Advances from other funds	-	-	1,000,000	1,545,381	-	2,545,381
Total liabilities	1,856,859	56,558	1,242,632	1,645,343	1,009,621	5,811,013
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue	1,186,875	-	-	-	62,863	1,249,738
Fund balances						
Nonspendable						
Property held for resale	-	-	1,053,000	1,375,534	-	2,428,534
Prepays	191,144	-	-	-	-	191,144
Advances to other funds	-	2,545,381	-	-	-	2,545,381
Restricted						
Economic development	-	1,410,975	-	-	54,651	1,465,626
Public safety	-	-	-	-	40,818	40,818
Streets and highways	-	-	-	-	738,217	738,217
Committed						
Economic development	-	-	-	-	119,661	119,661
Unassigned	854,194	-	(1,197,477)	(1,134,234)	(308,580)	(1,786,097)
Total fund balances	1,045,338	3,956,356	(144,477)	241,300	644,767	5,743,284
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 4,089,072	\$ 4,012,914	\$ 1,098,155	\$ 1,886,643	\$ 1,717,251	\$ 12,804,035

VILLAGE OF RICHTON PARK, ILLINOIS
RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION

April 30, 2013

FUND BALANCES OF GOVERNMENTAL FUNDS \$ 5,743,284

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 governmental funds 14,466,646

Long-term liabilities, including bonds payable, are
not due and payable in the current period and,
therefore, are not reported in the governmental funds

Bonds payable	(405,000)
Installment contracts payable	(240,796)
Capital lease payable	(91,413)
Notes payable	(201,672)
Interest payable	(19,699)
Compensated absences	(733,845)
Police pension net pension obligation	(212,204)
IMRF net pension obligation	(42,069)
Other postemployment benefit payable	<u>(98,606)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 18,164,626

See accompanying notes to financial statements

VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended April 30, 2013

	General Fund	TIF Crossings	TIF Lakewood	TIF Sauk Trail/Governor's Highway	Nonmajor	Total Governmental Funds
REVENUES						
Property Taxes	\$ 2,793,389	\$ 762,650	\$ 37,390	\$ 95,116	\$ 214,287	\$ 3,902,832
Other taxes	1,840,734	-	-	-	-	1,840,734
Intergovernmental	1,871,820	-	-	-	476,066	2,347,886
Charges for services	501,595	-	-	-	34,214	535,809
Program revenue	-	-	-	-	52,411	52,411
Education	-	-	-	-	89,984	89,984
Licenses, permits and fees	523,704	-	-	-	-	523,704
Fines and forfeits	459,975	-	-	-	102,760	562,735
Investment income	1,079	11	-	-	488	1,578
Grant Revenue	-	-	-	141,768	-	141,768
Miscellaneous and rent	447,463	-	82,109	79,187	29,089	637,848
Total revenues	8,439,759	762,661	119,499	316,071	999,299	10,637,289
EXPENDITURES						
Current:						
General government	2,492,911	-	-	-	-	2,492,911
Public Safety	5,268,485	-	-	-	36,958	5,305,443
Public Works	417,307	-	-	-	240,696	658,003
Parks and recreation	-	-	-	-	621,044	621,044
Tax increment redevelopment	-	1,003,859	122,980	393,962	828	1,521,629
Debt Service:						
Principal	101,645	-	29,669	-	140,000	271,314
Interest and fiscal charges	16,279	-	11,356	-	34,275	61,910
Capital Outlay	189,065	65,968	1	9	185,570	440,613
Total Expenditures	8,485,692	1,069,827	164,006	393,971	1,259,371	11,372,867
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(45,933)	(307,166)	(44,507)	(77,900)	(260,072)	(735,578)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	392,137	392,137
Transfers out	(248,536)	-	(68,831)	(72,947)	(8,661)	(398,975)
Proceeds from the sale of capital assets	4,945	-	-	-	-	4,945
Total other financing sources and uses	(243,591)	-	(68,831)	(72,947)	383,476	(1,893)
NET CHANGES IN FUND BALANCES	(289,524)	(307,166)	(113,338)	(150,847)	123,404	(737,471)
FUND BALANCES, MAY 1	1,334,862	4,263,522	(31,139)	392,147	521,563	6,480,755
FUND BALANCES, APRIL 30	\$ 1,045,338	\$ 3,956,356	\$ (144,477)	\$ 241,300	\$ 644,767	\$ 5,743,284

See accompanying notes to financial statements

VILLAGE OF RICHTON PARK, ILLINOIS

RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES

For the Year Ended April 30, 2013

NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS	\$	(737,471)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures; however, they are capitalized and depreciated in the statement of activities		243,023
The repayment of the principal portion long-term debt is reported as an expenditure when due in governmental funds but as a reduction of principal outstanding in the statement of activities		271,314
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds		
Depreciation		(547,143)
Change in net pension obligation		(144,188)
Change in IMRF net pension obligation		(3,095)
Change in accrued interest payable		792
Change in compensated absences		(321,663)
Change in other postemployment benefit obligation		(49,684)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>(1,288,115)</u>

See accompanying notes to the financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
April 30, 2013

	Nonmajor			Total
	Water and Sewer	Refuse	Commuter Parking Lot	
CURRENT ASSETS				
Cash and cash equivalents	\$ 1,886,515	\$ 21,614	\$ -	\$ 1,908,129
Investments	161,351	-	-	161,351
Accounts receivable (net of allowance for uncollectibles)	548,784	57,811	158	606,753
Accrued interest	34	-	-	34
Due from other funds	150,879	-	11,417	162,296
Receivables from other governments	468,272	-	-	468,272
Prepaid expenses	-	42,803	10,800	53,603
Total current assets	3,215,835	122,228	22,375	3,360,438
NONCURRENT ASSETS				
Capital assets:				
Nondepreciable	299,311	-	272,349	571,660
Depreciable, net of accumulated depreciation	10,276,924	123,844	339,923	10,740,691
Net capital assets	10,576,235	123,844	612,272	11,312,351
Total assets	13,792,070	246,072	634,647	14,672,789
DEFERRED OUTFLOWS OF RESOURCES				
Deferred loss on debt refunding	\$ 156,778	\$ -	\$ -	\$ 156,778
CURRENT LIABILITIES				
Accounts payable	\$ 444,662	\$ 164,235	\$ 22,916	\$ 631,813
Accrued payroll	5,206	-	1,828	7,034
Deposits payable	3,887	-	-	3,887
Accrued interest payable	54,625	-	-	54,625
Unearned revenue	-	-	58,179	58,179
Due to other funds	284,806	-	150,879	435,685
Total current liabilities	793,186	164,235	233,802	1,191,223
NONCURRENT LIABILITIES				
Due within one year	223,843	38,831	-	262,674
Due in more than one year	2,950,439	40,768	-	2,991,207
Total noncurrent liabilities	3,174,282	79,599	-	3,253,881
Total liabilities	\$ 3,967,468	\$ 243,834	\$ 233,802	\$ 4,445,104
NET POSITION				
Net investment in capital assets	7,410,796	123,844	612,272	8,146,912
Unrestricted	2,570,584	(121,606)	(211,427)	2,237,551
TOTAL NET POSITION	\$ 9,981,380	\$ 2,238	\$ 400,845	\$ 10,384,463

See accompanying notes to financial statements.

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

	Water and Sewer	Refuse	Nonmajor		Total
			Commuter Parking	Lot	
OPERATING REVENUES					
Charges for services	\$ 2,693,348	\$ 1,077,110	\$ 222,888	\$	3,993,346
Total Operating Revenues	2,693,348	1,077,110	222,888		3,993,346
OPERATING EXPENSES					
Personal services	919,183	192,103	194,105		1,305,391
Commodities	98,529	17,606	17,999		134,134
Contractual services	528,257	831,772	86,600		1,446,629
Capital Outlay	1,633	5,711	1,448		8,792
Depreciation	326,601	30,215	40,817		397,633
Other operating expenses	412,207	44,860	2,882		459,949
Total Operating Expenses	2,286,410	1,122,267	343,851		3,752,528
OPERATING INCOME (LOSS)	406,938	(45,157)	(120,963)		240,818
NON-OPERATING REVENUES (EXPENSES)					
Miscellaneous income	710	-	131		841
Grant Revenue	411,507	-	-		411,507
Interest and fiscal charges	(136,556)	(34)	-		(136,590)
Transfers In	6,838	-	-		6,838
Total non-operating revenue (expenses)	282,499	(34)	131		282,596
CHANGES IN NET POSITION	689,437	(45,191)	(120,832)		523,414
NET POSITION, MAY 1 (Restated)	9,291,943	47,429	521,677		9,861,049
NET POSITION, APRIL 30	\$ 9,981,380	\$ 2,238	\$ 400,845	\$	10,384,463

See accompanying notes to financial statements

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VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Water and Sewer	Refuse	Nonmajor Commuter Parking Lot	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,880,528	\$ 1,062,584	\$ 252,097	\$ 4,195,209
Payments to suppliers	(647,658)	(853,651)	(86,013)	(1,587,322)
Payments to employees	(919,229)	(192,103)	(193,987)	(1,305,319)
Net cash from operating activities	<u>1,313,641</u>	<u>16,830</u>	<u>(27,903)</u>	<u>1,302,568</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund borrowing	1,178,239	-	27,771	1,206,010
Miscellaneous income	57,478	-	132	57,610
Net cash from noncapital financing activities	<u>1,235,717</u>	<u>-</u>	<u>27,903</u>	<u>1,263,620</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(883,739)	-	-	(883,739)
Payment of principal	(210,000)	(37,558)	-	(247,558)
Payment of interest	(74,550)	(34)	-	(74,584)
Net cash from capital and related financing activities	<u>(1,168,289)</u>	<u>(37,592)</u>	<u>-</u>	<u>(1,205,881)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale and maturities of investments				
Net cash from investing activities	<u>354,282</u>	<u>-</u>	<u>-</u>	<u>354,282</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS				
	1,735,351	(20,762)	-	1,714,589
CASH AND CASH EQUIVALENTS, MAY 1				
	<u>151,164</u>	<u>42,376</u>	<u>-</u>	<u>193,540</u>
CASH AND CASH EQUIVALENTS, APRIL 30				
	<u>\$ 1,886,515</u>	<u>\$ 21,614</u>	<u>\$ -</u>	<u>\$ 1,908,129</u>

(This statement is continued on the following page.)

VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the Year Ended April 30, 2013

	Water and Sewer	Refuse	Nonmajor Commuter Parking Lot	Total
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH FLOWS FROM OPERATING				
ACTIVITIES				
Operating income (loss)	\$ 406,938	\$ (45,157)	\$ (120,963)	\$ 240,818
Adjustments to reconcile operating income (loss)				
to net cash from operating activities				
Depreciation	326,601	30,215	40,817	397,633
Changes in assets and liabilities				
Accounts receivable	183,643	(14,526)	-	169,117
Accounts payable	392,965	46,298	22,916	462,179
Accrued payroll	525	-	118	643
Compensated absences	(568)	-	-	(568)
Other liabilities	3,537	-	-	3,537
Unearned revenue	-	-	29,209	29,209
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 1,313,641</u>	<u>\$ 16,830</u>	<u>\$ (27,903)</u>	<u>\$ 1,302,568</u>

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLIOIS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
April 30, 2013

	Pension Trust	Agency
ASSETS		
Cash and short-term investments	\$ 205,526	\$ 12,794
Accrued interest receivable	43,841	-
Investments, at fair value		
Negotiable certificates of deposit	585,249	-
U.S. Government and agency obligations	3,943,095	-
Mutual funds	589,968	-
Stock equities	6,469,371	-
Prepaid expenses	7,167	-
Due from Primary Government	60,000	-
Total assets	<u>11,904,217</u>	<u>\$ 12,794</u>
Liabilities		
Accounts payable	6,717	\$ -
Deposits payable	-	6,245
Due to primary government	-	6,549
Total liabilities	<u>6,717</u>	<u>\$ 12,794</u>
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
	<u>\$ 11,897,500</u>	

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUND
For the Year Ended April 30, 2013

ADDITIONS

Contributions

Employer contributions	\$ 465,153
Employee contributions	225,266
Total contributions	<u>690,419</u>

Investment income	1,053,961
Less investment expense	<u>(47,823)</u>
Net investment income	<u>1,006,138</u>

Total additions	<u>1,696,557</u>
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DEDUCTIONS

Pension Benefits	773,294
Administrative expenses	<u>26,131</u>
Total deductions	<u>799,425</u>

NET INCREASE	897,132
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NET POSITION HELD IN TRUST
FOR PENSION BENEFITS

May 1	<u>11,000,368</u>
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April 30	<u><u>\$ 11,897,500</u></u>
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See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Village of Richton Park, Illinois (the Village) have been prepared in conformity with accounting principles generally accepted in the United States of America (hereinafter referred to as generally accepted accounting principles (GAAP)), as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Village's accounting policies are described below.

a. Reporting Entity

The Village was incorporated in 1926. The Village is a non-home rule municipality, under the 1970 Illinois Constitution, located in Cook County, Illinois. The Village operates under a President-Trustee form of government and provides the following services as authorized by its charter: public safety (police and fire protection), highways and streets, sanitation (water and sewer), health and social services, public improvements, planning and zoning and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Village (the primary government) and its component units.

The Village's financial statements include one pension trust fund.

Police Pension Employees Retirement System

The Village's police employees participate in the Police Pension Employees Retirement System (PPERS). PPERS functions for the benefit of these employees and is governed by a five-member pension board. Two members appointed by the Village's President, one elected pension beneficiary and two elected police employees constitute the pension board. The Village and PPERS participants are obligated to fund all PPERS costs based upon actuarial valuations. The State of Illinois is authorized to establish benefit levels and the Village is authorized to approve the actuarial assumptions used in the determination of contribution levels. Although it possesses many of the characteristics of a legally separate government, PPERS is reported as if it was part of the primary government because its sole purpose is to finance and administer the pensions of the Village's police employees, and because of the fiduciary nature of such activities. PPERS is reported as a pension trust fund.

b. Fund Accounting

The Village uses funds to report on its financial position, changes in its financial position and cash flows. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

b. Fund Accounting (Continued)

A fund is a separate accounting entity with a self-balancing set of accounts.

Funds are classified into the following categories: governmental, proprietary and fiduciary.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general capital assets (capital projects funds) and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the Village (internal service funds).

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments or on behalf of other funds within the Village. The Village utilizes pension trust funds and agency funds which are generally used to account for assets that the Village holds in a fiduciary capacity or on behalf of others as their agent.

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Village. The effect of material interfund activity has been eliminated from these statements, except for interfund services. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and standard revenues that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements (Continued)

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

The Village reports the following major governmental funds:

The General Fund accounts for the Village's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

The TIF Crossing Fund (capital projects fund) accounts for the financial resources to be used for the acquisition or development of property within the tax incremental financing district.

The TIF Lakewood Fund (capital projects fund) accounts for the financial resources to be used for the acquisition or development of property within the tax incremental financing district.

The TIF Sauk Trail/Governor's Highway Fund (capital projects fund) accounts for the financial resources to be used for the acquisition or development of property within the tax incremental financing district.

The Village reports the following major proprietary funds:

The Water and Sewer Fund accounts for operations of the water and sewer system.

The Refuse Fund accounts for operations of the refuse collection system.

The Village reports the following nonmajor proprietary fund:

The Commuter Parking Lot Fund accounts for the operations and maintenance of the Metra parking lot at Sauk Trail and Governor's Highway.

The Village reports the following fiduciary funds:

Police Pension Fund is used to report resources that are required to be held in trust for the members and beneficiaries. The Fleming Scholarship Fund is reported as an agency fund.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Agency funds use the accrual basis of accounting but do not have a measurement focus. Revenues and additions are recorded when earned and expenses and deductions are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Operating revenues and expenses are directly attributed to the operation of the proprietary funds. Nonoperating revenues/expenses are incidental to the operations of these funds.

Governmental fund financial statements are reported using the 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 become both 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 be used to pay liabilities of the current period. The Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period, except for sales taxes and telecommunication taxes which use a 90-day period and income taxes which use a 120-day period. The Village recognizes property taxes when they become both measurable and available in the years intended to finance. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as expenditures when due.

Sales taxes owed to the state at year end, franchise taxes, licenses, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and are recognized as revenues of the current fiscal period. Income and motor fuel taxes and fines collected and held by the state or county at year end on behalf of the Village also are recognized as revenue. Fines and permits revenues are not susceptible to accrual because generally they are not measureable until received in cash.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidelines. Monies that are virtually unrestricted as to purpose of expenditure, which are usually revocable only for failure to comply with prescribed compliance requirements, are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Village reports deferred inflows of resources and unearned revenues on its financial statements. Deferred inflows of resources arise from taxes levied in the current year which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received before the Village 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, deferred inflows of resources and unearned revenue are removed from the balance sheet or statement of net position and revenue is recognized.

e. Cash and Investments

For purposes of the statement of cash flows, the Village's proprietary funds consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

f. Investments

Investments with a maturity of less than one year when purchased and nonnegotiable certificates of deposit are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is based on prices listed on national exchanges as of April 30, 2013 for the debt and equity securities. Insurance separate accounts are valued at contract value as of April 30, 2013.

g. Interfund Receivables/Payables

Activity 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" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

h. Inventories

Inventories, if any, are valued at cost, which approximates market, using the first-in/first-out (FIFO) method. The costs of governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

i. Prepaid Items/Expenses

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

j. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, storm sewers 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 an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs, including street overlays, that do not add to the value or service capacity of the asset or materially extend asset lives, are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and land improvements	10 - 80
Land improvements	20
Equipment	5 - 30
Vehicles	3 - 15
Infrastructure	80 - 100

k. Land Held for Resale

Land held for resale is valued at the lower of cost or market. Reported land held for resale is equally offset by a fund balance reserve, which indicates that it does not constitute available spendable resources. The land held consists of numerous parcels, mostly within TIF Districts, that the Village owns and is holding until sold.

l. Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of proprietary funds and governmental activities are recorded as an expense and liability of those funds as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

m. Long-Term Obligations

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue. Gains or losses on prior refundings are amortized over the remaining life of the old debt, or the life of the new debt, whichever is shorter. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for gains/losses is shown as an increase in the deferred inflows/outflows of resources section of the statement of net position. Debt issuance costs are expensed when incurred.

In the fund financial statements, governmental funds 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, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

n. Deferred Outflows/Inflows of Resources

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 only has one item that qualifies for reporting in this category. It is the deferred loss on debt refunding reported in the government-wide and proprietary funds statements of net position. A deferred loss on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 reports resources associated with imposed nonexchange revenue transactions that are received or reported as a receivable before the period for which property taxes are levied as deferred inflows of resources.

o. Fund Balances/Net Position

Fund Equity/Net Position: Net assets represent the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing

VILLAGE OF RICHTON PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

used for the acquisition construction of improvements of those assets. Net position are 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.

Governmental Fund Type Definitions: In order to comply with the Governmental Accounting Standard Board's (GASB) Statement No. 54, *Fund Balance Reporting and Government Fund Type Definitions*, the fund balance section of the balance sheet of the governmental funds includes 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. For the Village, the Village Board 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 Village Board 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 is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

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

Fiduciary fund equity is classified as held in trust for agency funds 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

p. Interfund Transactions

Interfund services are accounted for as revenue, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

q. Accounting Estimates

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

r. Tax Increment Financing Districts

The Village has established several Tax Increment Redevelopment Project Areas (RPAs) to encourage redevelopment of certain sites for more market-oriented commercial uses of the properties that will enhance their value and improve their contributions to the Village and its surrounding areas. As part of the redevelopment plans, the Village has made significant improvements to utilities, public parking, intersections and traffic signalization, streets and landscaping.

Construction and development in the RPAs were the responsibility of developers. To entice development of the areas, the Village created tax increment financing (TIF) districts to finance public improvements made within the RPAs.

Several funds have been established to record the revenues generated in the RPAs that relate directly to servicing the public improvements in the RPAs.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Fund Balances of Individual Funds

The following funds had a deficit in fund balance as of the date of this report.

Fund	Deficit Balance
TIF Lakewood	\$144,477
Park Tax	1,304
Administrative Seizure Fund	49,708
TIF Governor's Highway	10,764
TIF Bohlman	109,372
Community Center	137,432

3. DEPOSITS AND INVESTMENTS

The Village maintains a cash and investment pool that is available for use by all funds, except the pension trust fund. Each fund's portion of this pool is displayed on the financial statements as "cash and investments." In addition, investments are separately held by several of the Village's funds. The deposits and investments of the pension trust fund are held separately from those of the other funds.

a. Village Deposits and Investments

The Village's investment policy authorizes the Village to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value) and Illinois Metropolitan Investment Fund (IMET), a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold. The Village's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

It is the policy of the Village to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Village and conforming to all state and local statutes governing the investment of public funds, using the “prudent person” standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Village’s deposits may not be returned to it. The Village’s investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Village, an independent third party or the Federal Reserve Bank. At April 30, 2013, all Village’s deposits are fully insured and/or collateralized.

Investments

The following table presents the investments and maturities of the Village’s debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 1,216,780	\$1,216,780	\$ -	\$ -	\$ -
Illinois Metropolitan Investment Fund	10,851	10,851	-	-	-
TOTAL	\$ 1,227,631	\$1,227,631	\$ -	\$ -	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Village limits its exposure to interest rate risk by limiting investments with a maturity of no more than five years from the date of purchase, unless matched to a specific cash flow.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Village limits its exposure to credit risk by primarily investing in external investment pools. The Village’s investment policy does not address the managing of credit risk. Illinois Funds and IMET are rated AAA.

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment the Village will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Village's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on delivery versus payment basis (DVP) with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodian agreement. Illinois Funds and IMET are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Village has a high percentage of its investments invested in one type of investment. The Village's investment policy requires diversification of investments to avoid unreasonable risk. The Village operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the Village.

b. Police Pension Fund Deposits and Investments

The Police Pension Fund's investment policy authorizes the Police Pension Fund to invest in all investments allowed by the Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, interest-bearing obligations of the U.S. Treasury and U.S. agencies, interest-bearing bonds of the State of Illinois or any county, township or municipal corporation of the State of Illinois, direct obligations of the State of Israel, money market mutual funds whose investments consist of obligations of the U.S. Treasury or U.S. agencies, separate accounts managed by life insurance companies, mutual funds, common and preferred stock, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains \$1 per share value which is equal to the participants fair value) and IMET, a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. IMET is not registered with the SEC as an investment company. Investments in IMET are valued at IMET's share price, the price for which the investment could be sold.

It is the policy of the Police Pension Fund to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the cash flow demands of the Police Pension Fund and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, safety of principal, risk aversion, rate of return and liquidity.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Police Pension Fund's deposits may not be returned to it. The Police Pension Fund's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the an independent third party of the Federal Reserve Bank, and evidenced by safekeeping receipts.

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2013:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 181,625	\$ -	\$ -	\$ 181,625	\$ -
U.S. agency securities					
FFCB	1,022,996	-	440,986	317,865	264,145
FHLB	1,600,611	-	583,021	322,870	694,720
FHLMC	195,596	-	195,596	-	-
FNMA	518,641	-	289,129	-	229,512
GNMA	423,626	-	178	64,136	359,312
Negotiable CDs	585,249	289,969	295,283	-	-
Money Market Fund	589,968	589,968	-	-	-
TOTAL	\$ 5,118,312	\$ 879,937	\$ 1,804,193	\$ 886,496	\$1,547,689

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Police Pension Fund's investment policy does not limit the maturity of the portfolio's investments.

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Police Pension Fund limits its exposure to credit risk by primarily investing U.S. Treasury obligations and other obligations which are rated AA or better by a national rating agency. The Police Pension Fund's investment policy does not address the management of credit risk. The U.S. agency securities are rated Aaa by Moodys. Illinois Funds are rated AAA. The negotiable CDs are not rated but are insured.

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to investment, the Police Pension will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Police Pension Fund's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment basis (DVP) with the underlying investments held by a third party custodian and evidenced by safekeeping receipts. Illinois Funds are not subject to custodial credit risk.

Concentration of credit risk is the risk that the Police Pension Fund has a high percentage of its investments invested in one type of investment. The Police Pension Fund's investment policy requires diversification of investment to avoid unreasonable risk. The Village operates its investments as an internal investment pool where each fund reports its pro rata share of the investments made by the Village.

4. RECEIVABLES

a. Property Taxes

Property taxes for 2012 attach as an enforceable lien on January 1, 2012, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2013 and August 1, 2013, and are payable in two installments, on or about March 1, 2013 and September 1, 2013. Tax Increment Financing (TIF) property tax receipts are received in two installments similar to levied taxes described above. TIF property taxes are not levied, but are paid by the County from incremental property tax receipts of all taxing bodies within a TIF District. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 4% of the tax levy, to reflect actual collection experience. Collections of the 2012 tax levy received prior to April 30, 2013 are measurable and available and have been recognized as revenues during the fiscal year ended April 30, 2013. The remainder of the 2012 tax levy is intended to fund expenditures for the 2013-2014 fiscal year and these taxes are deferred as of April 30, 2013.

The 2013 tax levy, which attached as an enforceable lien on property as of January 1, 2013, has not been recorded as a receivable as of April 30, 2013 as the tax has not yet been levied by the Village and will not be levied until December 2013 and, therefore, the levy is not measurable at April 30, 2013.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

4. RECEIVABLES (Continued)

b. The following receivables are included in due from other governments on the statement of net position:

	Governmental Activities		Total
	General Fund	Motor Fuel Tax Fund	
Receivables			
Income taxes	\$708,882	\$ -	\$ 708,882
Motor fuel taxes		23,467	23,467
Other	37,589	-	37,589
NET TOTAL RECEIVABLES	\$746,471	\$ 23,467	\$ 769,938

c. The following receivables are included in accounts receivable on the statement of net assets:

	Governmental Activities			Business-Type Activities				Total
	General Fund	TIF Lakewood Fund	TIF Sauk Trail/Governor's Highway Fund	Nonmajor Governmental (Motor Fuel Tax Fund)	Water and Sewer Fund	Refuse Fund	Nonmajor Enterprise (Commuter Parking Lot Fund)	
Receivables								
Charges for Services	\$ -	\$ -	\$ -	\$ -	\$548,784	\$57,811	\$158	\$ 606,753
Other	13,202	100	141,768	73,670	-	-	-	228,740
NET TOTAL RECEIVABLES	\$ 13,202	\$ 100	\$141,768	\$ 73,670	548,784	\$57,811	\$158	\$835,493

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS

a. Capital asset activity for the year ended April 30, 2013 was as follows:

	Balances * May 01, 2012	Additions	Retirements	Balances April 30, 2013
GOVERNMENTAL ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 4,907,838	\$ -	\$ -	\$ 4,907,838
Land Improvements	400,000	-	-	400,000
Construction in progress	70,710	-	70,710	-
Total capital assets not being depreciated	5,378,548	-	70,710	5,307,838
Capital assets being depreciated				
Land improvements	89,573	-	-	89,573
Buildings	4,928,376	4,395	-	4,932,771
Building Improvements	501,906	61,573	-	563,479
Vehicles	2,975,575	109,870	-	3,085,445
Equipment	634,891	14,520	7,993	641,418
Infrastructure	3,825,071	123,375	44,997	3,903,449
Total capital assets being depreciated	12,955,392	313,733	52,990	13,216,135
Total capital assets	18,333,940	313,733	123,700	18,523,973
Less accumulated depreciation for				
Land improvements	75,037	441	-	75,478
Buildings	596,273	159,957	-	756,230
Building Improvements	174,560	15,912	-	190,472
Vehicles	1,899,175	157,727	-	2,056,902
Equipment	318,759	47,192	7,993	357,958
Infrastructure	499,370	165,914	44,997	620,287
Total accumulated depreciation	3,563,174	547,143	52,990	4,057,327
Total capital assets being depreciated, net	9,392,218	(233,410)	-	9,158,808
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$14,770,766	\$ (233,410)	\$ 70,710	\$14,466,646

* Various capital assets were reclassified between capital asset categories. The reclasses are reflected in the beginning balance columns.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

5. CAPITAL ASSETS (Continued)

a. Capital asset activity for the year ended April 30, 2013 (Continued):

Depreciation expense was charged to functions/programs of the governmental activities as follows:

GOVERNMENTAL ACTIVITIES

General government	\$	180,100
Parks and recreation		70,470
Public safety		119,245
Public works		34,060
Tax Increment Refinancing (TIR)		<u>143,268</u>

TOTAL	\$	<u>547,143</u>
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	Balances May 01, 2012*	Additions	Retirements	Balances April 30, 2013
BUSINESS-TYPE ACTIVITIES				
Capital assets not being depreciated				
Land	\$ 571,660	\$ -	\$ -	\$ 571,660
Total capital assets not being depreciated	<u>571,660</u>	-	-	<u>571,660</u>
Capital assets being depreciated				
Land improvements	1,257,899	-	-	1,257,899
Buildings	3,180,890	-	-	3,180,890
Vehicles	798,855	113,478	-	912,333
Equipment	719,698	-	-	719,698
Infrastructure	9,616,561	770,261	-	<u>10,386,822</u>
Total capital assets being depreciated	<u>15,573,903</u>	883,739	-	<u>16,457,642</u>
Total capital assets	<u>16,145,563</u>	883,739	-	<u>17,029,302</u>
Less accumulated depreciation for				
Land improvements	980,158	32,904	-	1,013,062
Buildings	1,665,711	76,234	-	1,741,945
Vehicles	351,984	67,478	-	419,462
Equipment	404,606	44,251	-	448,857
Infrastructure	1,916,857	176,768	-	<u>2,093,625</u>
Total accumulated depreciation	<u>5,319,316</u>	397,635	-	<u>5,716,951</u>
Total capital assets being depreciated, net	<u>10,254,587</u>	486,104	-	<u>10,740,691</u>
BUSINESS-TYPE ACTIVITIES				
CAPITAL ASSETS, NET	<u>\$10,826,247</u>	<u>\$486,104</u>	\$ -	<u>\$11,312,351</u>

* Various capital assets were reclassified between capital asset categories. The reclasses are reflected in the beginning balance columns.

6. 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; employee health; natural disasters; and injuries to the Village's employees.

The Village has purchased insurance from private insurance companies. Risks covered include medical, dental and other. Premiums have been displayed as expenditures/expenses in appropriate funds. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current or the three prior years.

Intergovernmental Risk Management Agency (IRMA)

The Village participates in the Intergovernmental Risk Management Agency (IRMA). IRMA is an organization of municipalities and special districts in northeastern Illinois that have formed an association under the Illinois Intergovernmental Cooperations Statute to pool their risk management needs. IRMA administers a mix of self-insurance and commercial insurance coverage; property/casualty and workers' compensation claim administration/litigation management services; unemployment claim administration; extension risk management/loss control consulting and training programs and a risk information system and financial reporting service for its members.

The Village's payments to IRMA are displayed on the financial statements as expenditures/expenses in appropriate funds. Each member assumes the first \$2,500 of each occurrence and IRMA has a mix of self-insurance and commercial insurance at various amounts above that level.

Each member appoints one delegate, along with an alternate delegate, to represent the member on the Board of Directors. The Village does not exercise any control over the activities of IRMA beyond its representation on the Board of Directors.

Initial contributions are determined each year based on the individual member's eligible revenue as defined in the by-laws of IRMA and experience modification factors based on past member loss experience. Members have a contractual obligation to fund any deficit of IRMA attributable to a membership year during which they were a member. Supplemental contributions may be required to fund these deficits. The Village is aware of no additional contributions due to IRMA as of April 30, 2013.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT

a. General Obligation Bonds

The Village issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues.

b. Installment Contracts

The Village entered into several installment contracts to provide funds for the acquisition of capital assets.

c. Changes in Long-Term Liabilities

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

	Debt Retired by	Balances May 01, 2012	Additions	Reductions	Balances April 30, 2013	Due Within One Year
GOVERNMENTAL ACTIVITIES						
\$1,050,000 General Obligation. (Alternate Revenue Source) Bonds, Series 1996 dated June 24, 1996, due in annual installments of \$10,000 to \$140,000 plus interest at 5.40% to 7.40% through December 1, 2015	TIF Bohlman	\$545,000	\$ -	\$140,000	\$405,000	\$135,000
Total bonds		545,000	-	140,000	405,000	135,000
\$270,000 Installment Contract dated October 8, 2004, due in annual installments plus interest at 4.35% through October 8, 2014.	General Fund	81,391	-	26,944	54,447	26,944
\$377,876 Installment Contract dated August 14, 2007, due in annual installments plus interest at 4.77% through August 14, 2017.	General Fund	224,087	-	37,738	186,349	39,602
Total installment contracts		305,478	-	64,682	240,796	66,546
\$38,000 Debt Certificates dated October 1, 2008, due in annual installments plus interest at 3.08% to 3.58% through October 1, 2012.	General Fund	9,500	-	9,500	-	-
\$300,000 Notes Payable dated July 9, 2009, due in annual installments plus interest at 4.75% through July 9, 2014.	TIF Lakewood	231,341	-	29,669	201,672	26,324

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

c. Changes in Long-Term Liabilities (Continued)

	Debt Retired by	Balances May 01, 2012	Additions	Reductions	Balances April 30, 2013	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)						
Compensated absences	General Fund	\$412,182	\$733,845	\$412,182	\$733,845	\$733,845
Capital Lease	General Fund	118,876	-	27,463	91,413	28,874
IMRF net pension obligation	Employer Contributions	38,976	3,093	-	42,069	-
Net pension obligation	Employer Contributions	68,016	144,188	-	212,204	-
Other postemployment benefit obligation	General Fund	48,922	49,684	-	98,606	-
Total other		927,813	930,810	478,814	1,379,809	789,043
TOTAL GOVERNMENTAL ACTIVITIES		\$1,778,291	\$930,810	\$683,496	\$ 2,025,605	\$ 990,589
BUSINESS-TYPE ACTIVITIES						
\$500,000 General Obligation (Alternate Revenue Source) Bonds, Series 1998 dated December 1, 1998 due in annual installments of \$45,000 to \$50,000 plus interest at 4.35% to 4.80% through December 1, 2013.	Water and Sewer	\$ 100,000	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
\$5,855,000 General Obligation Bonds, Series 2006 dated December 28, 2006, due in annual installments of \$210,000 to \$390,000 plus interest at 3.60% to 5.50% through December 1, 2026	Water and Sewer	3,250,000	-	160,000	3,090,000	165,000
Capital Lease	Refuse	117,157		37,558	79,599	38,831
Unamortized bond premium	Water and Sewer	27,256	-	1,817	25,439	-
Compensated absences	Water and Sewer	9,411	8,843	9,411	8,843	8,843
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 3,503,824	\$ 8,843	\$ 258,786	\$ 3,253,881	\$ 262,674

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

d. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	Governmental Activities			
	General Obligation Bonds		Installment Contracts	
	Principal	Interest	Principal	Interest
2014	\$ 135,000	\$ 24,975	\$ 66,546	\$ 9,951
2015	135,000	16,740	69,063	6,792
2016	135,000	8,370	43,605	4,138
2017	-	-	45,772	1,973
2018	-	-	15,810	158
Total	\$ 405,000	\$ 50,085	\$ 240,796	\$ 23,012

Fiscal Year Ending April 30,	Notes Payable		General Obligation Bonds		General Obligation (Alternative Revenue Source) Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 26,324	\$ 9,200	\$ 165,000	\$ 128,700	\$ 50,000	\$ 2,400
2015	175,348	2,076	175,000	122,595	-	-
2016			180,000	115,595	-	-
2017			185,000	108,395	-	-
2018			195,000	98,220	-	-
2019			210,000	87,495	-	-
2020			215,000	79,200	-	-
2021			225,000	70,600	-	-
2022			235,000	61,600	-	-
2023			240,000	52,200	-	-
2024			250,000	42,600	-	-
2025			260,000	32,600	-	-
2026			270,000	22,200	-	-
2027			285,000	11,400	-	-
Total	\$ 201,672	\$ 11,276	\$ 3,090,000	\$ 1,033,400	\$ 50,000	\$ 2,400

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

e. Capital Lease

The Village was the lessee of an ambulance under a capital lease expiring in June 2015. The cost of the asset acquired under the capital lease is \$145,724.

The Village entered into a lease-purchase agreement for street sweeper expiring in May 2014. The asset and liability under the capital lease are recorded at the lower of the present value of the minimum lease payment or the fair value of the asset. The asset is depreciated over its useful life. The cost of the asset acquired under the capital lease was \$117,157.

Depreciation of the asset under the capital lease is included in depreciation expense.

The debt service to maturity for the capital lease as of April 30, 2013 is as follows:

Fiscal Year Ending April 30,	Capital Leases	
	Principal	Interest
2014	\$ 67,705	\$ 8,656
2015	71,126	5,234
2016	32,181	1,640
Total	<u>\$ 171,012</u>	<u>\$ 15,530</u>

f. Legal Debt Margin

The Village is a non-home rule municipality.

ASSESSED VALUATION – 2012	<u>\$161,772,545</u>
LEGAL DEBT LIMIT – 8.625% OF ASSESSED VALUATION	\$ 13,952,882
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT	
General Obligation Bonds	<u>3,495,000</u>
LEGAL DEBT MARGIN	<u>\$ 10,457,882</u>

Chapter 65, Section 5/8-5-1 of the Illinois Compiled Statutes provides, "...no municipality having a population of less than 500,000 shall become indebted in any manner or for any purpose, to an amount, including existing indebtedness in the aggregate exceeding 8.625% on the value of the taxable property therein, to be ascertained by the last assessment for state and county purposes, previous to the incurring of the indebtedness or, until January 1, 1983, if greater, the sum that is produced by multiplying the municipality's 1978 equalized assessed valuation by the debt limitation percentage in effect on January 1, 1979."

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

7. LONG-TERM DEBT (Continued)

g. Pledged Future Revenues

The Village has pledged future water and sewer revenues, net of specified operating expenses, at an amount of 1.25 times the annual debt service amount. Proceeds from the bonds provided for financing for major improvements and extension to the waterworks facilities. The bonds are payable solely from water and sewer revenues from charges for services.

The amount necessary to meet the terms of the rate covenant was \$68,500. The net pledged revenues for the fiscal year ended April 30, 2013, as calculated by the terms of the bond ordinance, were \$688,984.

Debt Issue	Pledged Revenue Source	Pledge Remaining	Commitment End Date
General Obligation (Alternative Revenue Source) Bonds, Series 1998	Water and Sewer Charges	\$ 52,400	12/1/2013

A comparison of the pledged revenues collected and the related principal and interest expenditures for fiscal year 2013 is as follows.

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Paid	Estimated % Of Revenue Pledged
General Obligation (Alternative Revenue Source) Bonds, Series 1998	Water and Sewer Charges	\$ 2,693,348	\$ 54,800	2.03%

h. Partial Defeasance-General Obligation Bonds, Series 2006

On December 1, 2009 the Village applied surplus proceeds from the General Obligation Bonds, Series 2006 to advance refund, through an in-substance defeasance, \$1,825,000 of the General Obligation Bonds, Series 2006. Through the transaction the Village reduced its overall debt service by \$275,155. The surplus funds of \$1,983,853 were placed in an irrevocable escrow to provide for all future debt service payments on the defeased bonds. Accordingly, the escrowed assets and the liability for the defeased bonds have been removed from these financial statements. The balance of the defeased bonds in escrow outstanding at April 30, 2013 was \$1,615,000. The balance of the unamortized loss on refunding that resulted from the transaction at April 30, 2013 was \$156,778 and is presented as a deferred outflow of resources on the statement of net position.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ACTIVITY

Due From/To Other Funds

Receivable Fund	Payable Fund	Amount
General	Nonmajor Governmental	\$ 699,370
General	TIF Lakewood	162,297
General	Enterprise	3,209
		<u>864,876</u>
TIF Sauk Trail/Governor's Highway	General	145,692
TIF Sauk Trail/Governor's Highway	TIF Crossings	3,072
		<u>148,764</u>
Enterprise	Nonmajor Enterprise	150,879
		<u>150,879</u>
Nonmajor Governmental	General	207,160
Nonmajor Governmental	Enterprise	68,482
Nonmajor Governmental	TIF Lakewood	68,831
Nonmajor Governmental	TIF Sauk Trail/Governor's Highway	72,984
Nonmajor Governmental	Nonmajor Governmental	480
		<u>417,900</u>
TIF Crossings	Nonmajor Governmental	26
TIF Crossings	Enterprise	213,115
TIF Crossings	General	539,366
		<u>752,507</u>
TIF Lakewood	TIF Sauk Trail/Governor's Highway	2,500
Nonmajor Enterprise	TIF Sauk Trail/Governor's Highway	11,417
	Total	<u>\$ 2,381,585</u>

The purposes of the significant due to/due from other funds are as follows:

- \$539,366 due to General Fund from TIF Crossings Fund. This amount represents bank transfers between funds. Amounts are expected to be repaid.
- \$162,297 due to General Fund from TIF Lakewood Fund. This amount represents bank transfers between funds. Amounts are expected to be repaid.
- \$641,889 due from Nonmajor Governmental Funds to General Fund. This represents accounts payable or salary payments paid by the General Fund and overhead charges charged to Community Center Fund (\$130,335), TIF Bohlman Fund (\$260,622), Park Fund (\$162,297), and TIF Governor's Highway Fund (\$83,674). Amounts are expected to be repaid. This also represents \$38,571 due to General Fund from Administrative Seizure Fund to finance short-term cash short falls. This will be repaid within one year.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

8. INTERFUND ACTIVITY (continued)

Due From/To Other Funds (continued)

- \$145,692 due to TIF Sauk Trail/Governor's Highway Fund from General Fund. This amount represents overhead charges and bank transfers between funds. Amounts are expected to be repaid.
- \$150,879 due to the Water and Sewer Fund from the nonmajor enterprise fund are bank transfers between funds that are expected to be paid back within a year.

Advances From/To Other Funds

Receivable Fund	Payable Fund	Amount
TIF Crossings	TIF Lakewood	\$ 1,000,000
TIF Crossings	TIF Sauk Trail/Governor's Highway	1,545,381
		<u>\$ 2,545,381</u>

- \$1,000,000 due from TIF Lakewood Fund to TIF Crossings Fund. This represents the amount borrowed to purchase the Lakewood Plaza several years ago. The Village expects that this loan will be repaid, but not for a long time.
- \$1,545,381 due from TIF Sauk Trail/Governor's Highway to TIF Crossings Fund. This represents amount borrowed to purchase Sparks, Advance Bank and various properties in this TIF. The Village expects that this loan will be repaid, but not for a long time.

Interfund transfers during the year ended April 30, 2013 consisted of the following:

	Transfers In	Transfers Out
General	\$ -	\$ 248,536
TIF Lakewood	-	68,831
TIF Sauk Trail/Governor's Highway	-	72,947
Water and Sewer	6,838	-
Nonmajor Governmental	392,137	8,661
	<u>\$ 398,975</u>	<u>\$ 398,975</u>

The purposes of the significant individual fund transfers are as follows:

- Transfer out of the General Fund was to subsidize the Park Fund and the Community Center Fund. The transfers out of TIFs Lakewood and Sauk Trail/Governor's Highway were to cover expenses in TIFs Governor's Highway and Bohlman.

9. CONTINGENT LIABILITES

a. Litigation

The Village is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Village's attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Village.

b. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the Village expects such amounts, if any, to be immaterial.

10. EMPLOYEE RETIREMENT SYSTEMS

a. Plan Descriptions

The Village contributes to two defined benefit pension plans, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system, and the Police Pension Plan, single-employer pension plan. The benefits, benefit levels, employee contributions and employer contributions for both plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. None of the pension plans issue separate reports on the pension plans. However, IMRF does issue a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Illinois Municipal Retirement Fund

All employees (other than those covered by the Police Pension Plan) hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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 members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute. Participating members are required to contribute 4.50% of their annual salary to IMRF. The Village is required to contribute the remaining amounts necessary to fund the IMRF as specified by statute. The employer contribution rate for the calendar year ended 2012 was 13.24% of covered payroll.

Police Pension Plan

Police sworn personnel are covered by the Police Pension 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 (Chapter 40 – Article 5/3) and may be amended only by the Illinois legislature. The Village accounts for the Police Pension Plan as a pension trust fund. At April 30, 2013, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	15
Terminated plan members entitled to but not yet receiving benefits	-
Current employees	
Vested	17
Nonvested	13
Total	<u>45</u>

The Police Pension Plan provides retirement benefits as well as death and disability benefits. 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 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% 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. The monthly benefit of a police officer who retired with 20 or more years of service after January 1, 1977 shall be increased annually, following the first anniversary date of retirement and be paid upon reaching the age of at least 55 years, by 3.00% of the original pension and 3.00% compounded annually thereafter.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (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 police office 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 is capped at \$106,800, plus the lesser of $\frac{1}{2}$ of the annual change in the Consumer Price Index or 3.00% compounded. The annual benefit shall be increased by 2.50% of such salary for each additional year of service over 20 years up to 30 years to a maximum of 75.00% of such salary. Employees with at least ten years may retire at or after age 50 and receive a reduced benefit (i.e., $\frac{1}{2}$ % of 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 3.00% or $\frac{1}{2}$ of the change in the Consumer Price Index for the proceeding calendar year.

Employees are required by Illinois Compiled Statutes to contribute 9.91% of their based salary to the Police Pension Plan. If an employee leaves covered employment with less than 20 years of service, accumulated employee contributions may be refunded without accumulated interest. The Village is required to contribute the remaining amounts necessary to finance the Police Pension Plan as actuarially determined by an enrolled actuary. Effective January 1, 2011, the Village has until the year 2040 to fund 90% of the past service cost for the Police Pension Plan. For the year ended April 30, 2013, the Village's contribution was 26.99% of covered payroll.

b. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

Method Used to Value Investments

Investments are reported at fair value. Investment income is recognized as earned. Gains and losses on sales and exchanges of fixed income securities are recognized on the transaction date.

There are no significant investments (other than U.S. Government guaranteed obligations and mutual funds) in any one organization that represent 5.00% or more of plan net assets for the Police Pension.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

b. Summary of Significant Accounting Policies and Plan Asset Matters (Continued)

Administrative Costs

Administrative costs for the Police Pension Plan are financed primarily through investment earnings.

c. Annual Pension Cost

	Illinois Municipal Retirement	Police Pension
Actuarial Valuation Date	December 31, 2012	April 30, 2013
Actuarial Cost Method	Entry – age Normal	Entry – age Normal
Asset Valuation Method	5 Year Smoothed Market	Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	30 years, open	27 years, closed
Significant Actuarial Assumptions		
a) Rate of return on present and future assets	7.50% Compounded Annually	7.00% Compounded Annually
b) Projected salary increase - attributable to inflation	4.00% Compounded Annually	5.50% Compounded Annually
c) Additional projected salary increases - seniority/merit	.40% to 10.00%	N/A
d) Postretirement benefit increases	3.00%	3.00%

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

d. Net Pension Obligation (Asset)

The Village's annual pension cost and net pension obligation (asset) for the year ended April 30, 2013 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension
Annual Required Contribution	\$ 264,947	\$ 607,617
Interest on Net Pension Obligation	(2,923)	4,761
Adjustment to Annual Required Contribution	4,668	(3,037)
Annual Pension Cost	266,692	609,341
Contributions Made	263,599	465,153
Increase in Net Pension Obligation (Asset)	3,093	144,188
Net Pension Obligation, Beginning of the year	38,976	68,016
Net Pension Obligation, End of Year	\$ 42,069	\$ 212,204

e. Trend Information

Trend information gives an indication of the progress made in accumulating sufficient assets to pay benefits when due.

	Fiscal Year	Illinois Municipal Retirement	Fiscal Year	Police Pension
Annual Pension Cost (APC)	2011	\$ 228,021	2011	\$ 501,523
	2012	245,153	2012	639,911
	2013	266,692	2013	609,341
Actual Contribution	2011	\$ 209,578	2011	\$ 523,491
	2012	233,485	2012	499,740
	2013	263,599	2013	465,153
Percentage of APC contributed	2011	91.91%	2011	104.35%
	2012	95.24%	2012	78.10%
	2013	98.84%	2013	76.30%
NPO (Assets)	2011	\$ 27,425	2011	\$ (72,155)
	2012	38,976	2012	68,016
	2013	42,069	2013	212,204

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

f. Funded Status and Funding Progress

The funded status of the plans of as April 30, 2013, based on the actuarial valuations performed as of December 31, 2012 for IMRF and April 30, 2013 for the Police Pension Plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Accrued Liability (AAL)	\$ 4,868,642	\$ 20,515,474
Actuarial Value of Plan Assets	3,290,005	11,871,458
Unfunded Actuarial Accrued Liability (UAAL)	1,578,637	8,644,016
Funded Ratio (Actuarial Value of Plan Assets/AAL)	67.58%	57.86%
Covered Payroll (Active Plan Members)	\$ 2,133,659	\$ 2,222,040
UAAL as Percentage of Covered Payroll	73.99%	389.01%

The actuarial assumptions used to determine the funded status of the plans are the same actuarial assumptions used to determine the employer APC of the plans as disclosed in Note 10.c.

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the Plan.

11. OTHER POSTEMPLOYMENT BENEFITS

a. Plan Description

In addition to providing the pension benefits described, the Village provides postemployment health care benefits (OPEB) for retired employees through a single-employer defined benefit plan (the Plan). The benefits, benefit levels, employee contributions and employer contributions are governed by the Village and can be amended by the Village through its personnel manual and union contracts. The Plan is not accounted for as a trust fund, as an irrevocable trust has not been established to account for the Plan. The Plan does not issue a separate report. The activity of the Plan is reported in the Village's governmental activities.

b. Benefits Provided

The Village provides pre and post-Medicare postretirement health insurance to retirees, their spouses and dependents (enrolled at time of employee's retirement). To be eligible for benefits, the employee must qualify for retirement under one of the Village's two retirement plans. The retirees pay the blended premium. Upon a retiree becoming eligible for Medicare, the amount payable under the Village's health plan will be reduced by the amount payable under Medicare for those expenses that are covered under both.

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

c. Membership

At April 30, 2013, membership consisted of:

Retirees and Beneficiaries Currently Receiving Benefits	5
Terminated Employees Entitled to Benefits, but not yet Receiving them	-
Active Employees – Vested	25
Active Employees – Nonvested	44
	74
Total	74
Participating Employers	1

d. Funding Policy

The Village is not required to and currently does not advance fund the cost of benefits that will become due and payable in the future. Active employees do not contribute to the Plan until retirement.

e. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the Plan as of April 30, 2012 to determine the funded status of the Plan as of that date as well as the employer's annual required contribution (ARC) for the fiscal year ended April 30, 2013. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2013 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	NET OPEB Obligation
April 30, 2011	\$ 32,365	\$ 16,093	49.72%	\$ 32,378
April 30, 2012	32,637	16,093	49.31%	48,922
April 30, 2013	119,205	69,521	58.32%	98,606

VILLAGE OF RICHTON PARK, ILLINOIS
 NOTES TO FINANCIAL STATEMENTS (Continued)

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

The net OPEB obligation as of April 30, 2013 was calculated as follows:

Annual Required Contribution	\$ 119,941
Interest on Net OPEB obligation	2,446
Adjustment to Annual Requirement Contribution	<u>(3,182)</u>
Annual OPEB Cost	119,205
Contributions Made	<u>69,521</u>
Increase in Net OPEB Cost	49,684
Net OPEB Obligation, Beginning of Year	<u>48,922</u>
Net OPEB Obligation, End of Year	<u><u>\$ 98,606</u></u>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2012 (most recent data available) was as follows:

Actuarial Accrued Liability (AAL)	\$ 904,880
Actuarial Value of Plan Assets	-
Unfunded Actuarial Accrued Liability (UAAL)	904,880
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%
Covered Payroll (Active Plan Members)	\$ 4,320,743
UAAL as a Percentage of Covered Payroll	20.94%

See the schedules of funding progress in the required supplementary information immediately following the notes to financial statements for additional information related to the funded status of the Plan.

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 multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation (Continued)

Actuarial methods and assumptions - projections of benefits for financial reporting purposes are based on the substantive plan (the Plan understood by the employer and 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 short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the April 30, 2012 actuarial valuation, the entry-age normal actuarial cost method was used. The actuarial assumptions included an investment rate of return of 5.0%, projected salary increases of 5.0% and an initial healthcare cost trend rate of 8.0% with an ultimate healthcare inflation rate of 5.0%. Both rates include a 3.0% inflation assumption. The actuarial value of assets was not determined as the Village has not advance funded its obligation. The Plan's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at April 30, 2013 was 30 years.

12. CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS

During the fiscal year ended April 30, 2013, the Village implemented the requirements of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position" and GASB Statement 65, "Items Previously Reported as Assets and Liabilities." Statement 63 is effective for the Village's fiscal year ending April 30, 2013 and provides a new statement of net position format to report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position (which is the net residual amount of the other elements). This Statement requires that deferred outflows of resources and deferred inflows of resources be reported separately from assets and liabilities. This Statement also amends certain provisions of GASB Statement No. 34, Basic Financial Statements -- and Management's Discussion and Analysis -- for State and Local Governments, and related pronouncements to reflect the residual measure in the statement of financial position as net position, rather than net assets. As such, the Village modified its government-wide financial statement presentation to incorporate these requirements. Statement 65 is effective for the Village's fiscal year ended April 30, 2014, with earlier application being encouraged. The Village has implemented this statement retrospectively as of their fiscal year ended April 30, 2013. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. This Statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred

VILLAGE OF RICHTON PARK, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

12. CHANGE IN ACCOUNTING PRINCIPLE FOR NEW GASB STATEMENTS (continued)

outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in financial statement presentations.

A specific change to the Village's financial statements relates to deferred bond issuance costs of \$90,016 for Business-type Activities (Water and Sewer Fund) that were reported on the financial statements for the year ended April 30, 2012. Due to the requirements of GASB 65, these amounts are no longer considered to be assets and thus were removed from the financial statements as an adjustment to net position. A reconciliation for net position from the fiscal year 2012 financial statements to beginning net position as reported on the fiscal year 2013 financial statements is as follows:

Business Activities

Beginning Net Position as Previously Reported	\$ 9,951,065
Change in Accounting Principle for Deferred Bond Costs	<u>(90,016)</u>
Beginning Net Position as Restated	<u>\$ 9,861,049</u>

Water and Sewer Fund

Beginning Net Position as Previously Reported	\$ 9,381,959
Change in Accounting Principle for Deferred Bond Costs	<u>(90,016)</u>
Beginning Net Position as Restated	<u>\$ 9,291,943</u>

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REQUIRED SUPPLEMENTARY INFORMATION

VILLAGE OF RICHTON PARK, ILLINOIS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GENERAL FUND
For The Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property Taxes	\$ 2,911,098	\$ 2,911,098	\$ 2,793,389
Other taxes	2,014,069	2,014,069	1,840,734
Intergovernmental	1,745,329	1,745,329	1,871,820
Charges for services	458,302	458,302	501,595
Licenses, permits and fees	639,022	639,022	523,704
Fines and forfeits	333,000	333,000	459,975
Investment income	10,000	10,000	1,079
Miscellaneous income	501,293	501,293	447,463
Total revenues	<u>8,612,113</u>	<u>8,612,113</u>	<u>8,439,759</u>
EXPENDITURES			
General government	2,866,488	2,866,488	2,492,911
Public Safety	5,466,133	5,466,133	5,268,485
Public Works	924,544	924,544	417,307
Debt Service:			
Principal	95,421	95,421	101,645
Interest and fiscal charges	14,635	14,635	16,279
Capital Outlay	386,000	386,000	189,065
Total Expenditures	<u>9,753,221</u>	<u>9,753,221</u>	<u>8,485,692</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(1,141,108)</u>	<u>(1,141,108)</u>	<u>(45,933)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(248,536)	(248,536)	(248,536)
Capital lease proceeds	-	-	-
Proceeds from the sale of capital assets	-	-	4,945
Total other financing sources and uses	<u>(248,536)</u>	<u>(248,536)</u>	<u>(243,591)</u>
NET CHANGES IN FUND BALANCES	<u>\$ (892,572)</u>	<u>\$ (892,572)</u>	<u>(289,524)</u>
FUND BALANCES, MAY 1,			<u>1,334,862</u>
FUND BALANCES, APRIL 30			<u>\$ 1,045,338</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded (Overfunded) (UAAL) (2) - (1)	(5) Covered Payroll	UAAL (OAAL) as a Percentage of Covered Payroll (4) / (5)
2008	\$ 2,753,391	\$ 4,035,882	68.22%	\$ 1,282,491	\$ 1,894,745	67.69%
2009	3,029,588	4,521,537	67.00%	1,491,949	1,951,365	76.46%
2010	2,301,855	3,919,854	58.72%	1,617,999	1,930,033	83.83%
2011	2,727,780	4,467,733	60.99%	1,742,953	1,962,006	88.84%
2012	3,290,005	4,868,642	67.58%	1,578,637	2,133,659	73.99%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

POLICE PENSION FUND

April 30, 2013

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) – (1)	(5) Covered Payroll	UAAL as a Percentage of Covered Payroll (4) / (5)
2009	\$ N/A	\$ N/A	N/A	\$ N/A	\$ N/A	N/A
2010	9,170,185	14,986,057	61.19%	5,815,872	1,987,341	292.65%
2011	10,421,615	16,833,735	61.91%	6,412,120	2,001,822	320.31%
2012	N/A	N/A	N/A	N/A	N/A	N/A
2013	11,871,458	20,515,474	57.86%	8,644,016	2,222,040	389.01%

N/A – Information is not available

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF FUNDING PROGRESS
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

Actuarial Valuation Date April 30	(1) Actuarial Value of Assets	(2) Actuarial Accrued Liability (AAL) Entry-Age	(3) Funded Ratio (1) / (2)	(4) Unfunded AAL (UAAL) (2) – (1)	(5) Covered Payroll	UAAL As a Percentage of Covered Payroll (4) / (5)
2010	\$ -	\$ 304,103	0.00%	\$ 304,103	\$ 4,082,849	7.45%
2011	-	304,103	0.00%	304,103	4,082,849	7.45%
2012	-	304,103	0.00%	304,103	4,082,849	7.45%
2013	-	904,880	0.00%	904,880	4,320,743	20.94%

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010.
 Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2013

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 157,386	\$ 157,386	100.00%
2009	181,706	181,706	100.00%
2010	201,867	201,867	100.00%
2011	209,578	228,021	91.91%
2012	233,485	243,928	95.72%
2013	263,599	264,947	99.50%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PENSION FUND

April 30, 2013

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2008	\$ 404,866	\$ 415,040	97.55%
2009	402,917	415,040	97.08%
2010	522,817	502,607	104.02%
2011	523,491	502,607	104.16%
2012	499,740	641,058	77.96%
2013	465,153	607,617	76.55%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 OTHER POSTEMPLOYMENT BENEFIT PLAN

April 30, 2013

Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
2010	\$ 16,093	\$ 32,199	49.98%
2011	16,093	32,365	49.72%
2012	16,093	32,097	50.14%
2013	69,521	119,941	57.96%

1

The Village implemented GASB Statement No. 45 for the fiscal year ended April 30, 2010. Information for prior years is not available.

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2013

1. BUDGETARY INFORMATION

Annual budgets are as originally adopted by the Board of Trustees. All annual appropriations lapse at fiscal year end.

Prior to April 30, the Village finance director submits to the Village Board a proposed operating budget for the fiscal year commencing May 1. The operating budget includes proposed expenditures and the means of financing them. Public hearings are conducted to obtain taxpayer comments. Prior to July 31, the budget is legally enacted through passage of an ordinance. Formal budgetary integration is employed as a management control device during the year for the general fund, special revenue funds and capital projects funds (DUI Fines Returned, Police Article 36 Seizure, Community Block Grant and Economic Development did not have a budget).

The Village is authorized to change budgeted amounts within any fund; however, revision must be approved by two-thirds of the members of the Village Board. No revisions can be made increasing the budget unless funding is available for the purpose of the revision. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The appropriated budget is prepared by fund, function and department. The Village finance director is authorized to transfer budget amounts between accounts or departments within any fund; however, the Village Board must approve revisions that alter the total expenditures of any fund. During the year, the budget was amended.

2. EXCESS EXPENDITURES OVER APPROPRIATIONS

Funds	Final Budgeted Expenditures	Actual Expenditures
TIF Sauk Trail/Governor's Hwy	219,500	393,971
Park Tax	436,113	443,862
TIF Bohlman	173,515	175,003
TIF Governor's Highway	-	100

COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES

MAJOR GOVERNMENTAL FUNDS

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES-
BUDGET AND ACTUAL

GENERAL FUND
For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 2,911,098	\$ 2,911,098	\$ 2,793,389
Other taxes			
Sales Tax	520,706	520,706	521,096
Local use	188,687	188,687	218,991
Utility taxes	605,492	605,492	552,702
Telecommunication taxes	699,184	699,184	547,945
Total other taxes	2,014,069	2,014,069	1,840,734
Intergovernmental			
State income tax	1,339,000	1,339,000	1,541,717
Personal property replacement tax	25,750	25,750	21,518
Grants	380,579	380,579	308,585
Total Intergovernmental	1,745,329	1,745,329	1,871,820
Charges for services	458,302	458,302	501,595
Licenses, permits and fees			
Business and occupational licenses	38,044	38,044	32,115
Cable television franchise fees	110,000	110,000	117,092
Contractor registrations	40,339	40,339	38,095
Vehicle license	245,000	245,000	247,183
Building permits	97,147	97,147	77,783
Other licenses, permits and fees	108,492	108,492	11,436
Total licenses, permits and fees	639,022	639,022	523,704
Fines, forfeitures and penalties	333,000	333,000	459,975
Impact fees	-	-	-
Investment income	10,000	10,000	1,079
Miscellaneous	501,293	501,293	447,463
TOTAL REVENUES	\$ 8,612,113	\$ 8,612,113	\$ 8,439,759

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF EXPENDITURES-
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT			
Administration			
Personal services	\$ 441,940	\$ 441,940	\$ 275,562
Commodities	17,510	17,510	60,559
Contractual services	309,678	309,678	152,946
Other operating costs	49,200	49,200	778,788
Total administration	818,328	818,328	1,267,855
Building			
Personal services	153,112	153,112	139,796
Commodities	22,997	22,997	19,377
Contractual services	14,000	14,000	24,823
Other operating costs	600	600	17
Total building	190,709	190,709	184,013
Finance			
Personal services	549,005	549,005	284,524
Commodities	10,000	10,000	6,475
Contractual services	154,600	154,600	87,542
Other operating costs	32,500	32,500	11,934
Total finance	746,105	746,105	390,475
Community development			
Personal services	131,117	131,117	129,967
Commodities	2,145	2,145	3,894
Contractual services	58,750	58,750	38,440
Other operating costs	5,000	5,000	19,506
Total community development	197,012	197,012	191,807
IRMA			
Contractual services	399,031	399,031	270,828
Total IRMA	399,031	399,031	270,828
Economic development			
Personal services	189,161	189,161	2,488
Commodities	1,900	1,900	76
Contractual services	28,300	28,300	(4,027)
Other operating costs	850	850	5
Total economic development	220,211	220,211	(1,458)

(This schedule is continued on the following page)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF EXPENDITURES-
BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
GENERAL GOVERNMENT (continued)			
Community relations			
Personnel	\$ 119,400	\$ 119,400	\$ 60,367
Contractual	9,300	9,300	7,084
Total community relations	<u>128,700</u>	<u>128,700</u>	<u>67,451</u>
Code enforcement			
Personnel	130,292	130,292	96,544
Commodities	3,100	3,100	3,307
Contractual services	31,800	31,800	21,945
Other operating costs	1,200	1,200	144
Total code enforcement	<u>166,392</u>	<u>166,392</u>	<u>121,940</u>
Total General Government	<u>2,866,488</u>	<u>2,866,488</u>	<u>2,492,911</u>
PUBLIC SAFETY			
Fire department			
Personal services	869,185	869,185	970,584
Commodities	95,400	95,400	89,629
Contractual services	84,500	84,500	88,215
Other operating costs	25,500	25,500	25,993
Total fire department	<u>1,074,585</u>	<u>1,074,585</u>	<u>1,174,421</u>
Police department			
Personal services	3,315,228	3,315,228	2,896,523
Commodities	156,700	156,700	154,930
Contractual services	602,402	602,402	773,760
Other operating costs	24,100	24,100	29,842
Total police department	<u>4,098,430</u>	<u>4,098,430</u>	<u>3,855,055</u>
Police - administrative hearing			
Commodities			
Contractual services	5,000	5,000	39
Total police - administrative hearing	<u>5,000</u>	<u>5,000</u>	<u>39</u>
Police - federal earmark			
Personal services	71,526	71,526	53,763
Commodities	103	103	990
Contractual services	103	103	836
Other operating costs	5,000	5,000	150
Total police - federal earmark	<u>76,732</u>	<u>76,732</u>	<u>55,739</u>

(This schedule is continued on the following page)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF EXPENDITURES-
BUDGET AND ACTUAL (Continued)

GENERAL FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
PUBLIC SAFETY (Continued)			
Police - COPS grant			
Personnel services	\$ 69,229	\$ 69,229	\$ 66,080
Total police - COPS grant	69,229	69,229	66,080
Police - IVP grant			
Personnel services	104,142	104,142	65,090
Commodities	21,912	21,912	16,579
Contractual services	16,103	16,103	35,482
Total police - COPS grant	142,157	142,157	117,151
Total Public Safety	5,466,133	5,466,133	5,268,485
PUBLIC WORKS			
Personal services	723,144	723,144	350,951
Commodities	64,800	64,800	29,827
Contractual services	104,100	104,100	16,784
Other operating costs	32,500	32,500	19,745
Total public works	924,544	924,544	417,307
CAPITAL OUTLAY	386,000	386,000	189,065
DEBT SERVICE			
Principal, Interest and fiscal charges	110,056	110,056	117,924
Total debt service	110,056	110,056	117,924
TOTAL EXPENDITURES	\$ 9,753,221	\$ 9,753,221	\$ 8,485,692

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF CROSSING FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 625,000	\$ 625,000	\$ 762,650
Investment Income	12,500	12,500	11
Total revenues	<u>637,500</u>	<u>637,500</u>	<u>762,661</u>
EXPENDITURES			
Tax increment redevelopment			
Personnel services	-	-	35
Commodities	-	-	352
Contractual services	-	-	3,591
Other operating expenses	-	-	999,881
Surplus distribution	2,080,092	2,080,092	-
Capital outlay	200,000	200,000	65,968
Total expenditures	<u>2,280,092</u>	<u>2,280,092</u>	<u>1,069,827</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,642,592)</u>	<u>\$ (1,642,592)</u>	(307,166)
FUND BALANCE, MAY 1			<u>4,263,522</u>
FUND BALANCE, APRIL 30			<u>\$ 3,956,356</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF LAKEWOOD FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property Tax	\$ 175,000	\$ 175,000	\$ 37,390
Investment income	3,000	3,000	-
Rent	105,000	105,000	82,109
Total revenues	<u>283,000</u>	<u>283,000</u>	<u>119,499</u>
EXPENDITURES			
Tax increment redevelopment			
Personal services	-	-	18,910
Commodities	-	-	1,677
Contractual services	24,400	24,400	56,827
Other operating	100,000	100,000	45,566
Capital outlay	80,000	80,000	1
Debt service			
Principal	24,803	24,803	29,669
Interest and fiscal charges	13,048	13,048	11,356
Total expenditures	<u>242,251</u>	<u>242,251</u>	<u>164,006</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40,749	40,749	(44,507)
OTHER FINANCING SOURCES			
Transfers in (out)	41,061	41,061	(68,831)
NET CHANGE IN FUND BALANCE	<u>\$ 81,810</u>	<u>\$ 81,810</u>	<u>(113,338)</u>
FUND BALANCE (DEFICIT), MAY 1			<u>(31,139)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (144,477)</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF SAUK TRAIL/GOVERNOR'S HIGHWAY FUND

For the Year Ended April 30, 2013

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 255,422	\$ 255,422	\$ 95,116
Grant revenue	85,000	85,000	141,768
Rent	110,000	110,000	79,187
	<u>450,422</u>	<u>450,422</u>	<u>316,071</u>
Total revenues			
EXPENDITURES			
Tax increment redevelopment			
Personnel services	-	-	194,502
Commodities	-	-	4,904
Contractual services	74,500	74,500	127,827
Other operating	115,000	115,000	66,729
Capital outlay	30,000	30,000	9
Total expenditures	<u>219,500</u>	<u>219,500</u>	<u>393,971</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	230,922	230,922	(77,900)
OTHER FINANCING SOURCES (USES)			
Transfers (out)	<u>(72,947)</u>	<u>(72,947)</u>	<u>(72,947)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 157,975</u>	<u>\$ 157,975</u>	(150,847)
FUND BALANCE, MAY 1			<u>392,147</u>
FUND BALANCE, APRIL 30			<u>\$ 241,300</u>

(See independent auditor's report.)

NONMAJOR GOVERNMENTAL FUNDS

VILLAGE OF RICHTON PARK, ILLINOIS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS

April 30, 2013

ASSETS	Special Revenue				
	Park Tax	Motor Fuel Tax	Community Center	Administrative Seizure	Foreign Fire Insurance Tax
Cash and cash equivalents	\$ 65,905	\$ 12,628	\$ -	\$ 10,574	\$ 16,220
Investments	-	617,451	-	-	-
Receivables (net, of allowances for uncollectibles)					
Property taxes	62,863	-	-	-	-
Accounts	4,925	68,745	-	-	-
Accrued interest	-	336	-	-	-
Due from other governments	-	23,467	-	-	-
Due from other funds	98,424	175,289	-	-	-
TOTAL ASSETS	\$ 232,117	\$ 897,916	\$ -	\$ 10,574	\$ 16,220
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 3,275	\$ 159,699	\$ 6,654	\$ 2,800	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	167,283	-	130,778	57,482	-
Total liabilities	170,558	159,699	137,432	60,282	-
DEFERRED INFLOWS OF RESOURCES					
Deferred property tax revenue	62,863	-	-	-	-
FUND BALANCES					
Restricted					
Economic development	-	-	-	-	-
Public safety	-	-	-	-	16,220
Streets and highways	-	738,217	-	-	-
Committed:					
Economic development	-	-	-	-	-
Unassigned	(1,304)	-	(137,432)	(49,708)	-
Total fund balances	(1,304)	738,217	(137,432)	(49,708)	16,220
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 232,117	\$ 897,916	# \$ -	# \$ 10,574	\$ 16,220

DUI Fines Returned	Public Article 36 Seizure	Special Revenue		Capital Project			Permanent Working Cash	Total
		Economic Development	Community Development Block	TIF Governor's Highway	TIF Bohlman			
\$ 24,248	\$ 350	\$ 119,661	\$ 189,559	\$ -	\$ 82,419	\$ -	\$ 521,564	
-	-	-	-	-	-	-	617,451	
-	-	-	-	-	-	-	62,863	
-	-	-	-	-	-	-	73,670	
-	-	-	-	-	-	-	336	
-	-	-	-	-	-	-	23,467	
-	-	-	2,409	72,947	68,831	-	417,900	
<u>\$ 24,248</u>	<u>\$ 350</u>	<u>\$ 119,661</u>	<u>\$ 191,968</u>	<u>\$ 72,947</u>	<u>\$ 151,250</u>	<u>\$ -</u>	<u>\$ 1,717,251</u>	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 172,428	
-	-	-	137,317	-	-	-	137,317	
-	-	-	-	83,711	260,622	-	699,876	
-	-	-	137,317	83,711	260,622	-	1,009,621	
-	-	-	-	-	-	-	62,863	
-	-	-	54,651	-	-	-	54,651	
24,248	350	-	-	-	-	-	40,818	
-	-	-	-	-	-	-	738,217	
-	-	119,661	-	-	-	-	119,661	
-	-	-	-	(10,764)	(109,372)	-	(308,580)	
<u>24,248</u>	<u>350</u>	<u>119,661</u>	<u>54,651</u>	<u>(10,764)</u>	<u>(109,372)</u>	<u>-</u>	<u>644,767</u>	
<u>\$ 24,248</u>	<u>\$ 350</u>	<u>\$ 119,661</u>	<u>\$ 191,968</u>	<u>\$ 72,947</u>	<u>\$ 151,250</u>	<u>\$ -</u>	<u>\$ 1,717,251</u>	

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 For the Year Ended April 30, 2013

	Special Revenue				
	Park Tax	Motor Fuel Tax	Community Center	Administrative Seizure	Foreign Fire Insurance Tax
REVENUES					
Property Taxes	\$ 137,658	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	466,521	-	-	9,545
Charges for services	33,666	-	548	-	-
Program revenue	52,411	-	-	-	-
Education	89,984	-	-	-	-
Fines and forfeits	-	-	-	96,750	-
Investment income	-	488	-	-	-
Miscellaneous	21,317	7,772	-	-	-
Total revenues	335,036	474,781	548	96,750	9,545
EXPENDITURES					
Current:					
Public Safety	-	-	-	28,019	8,939
Public Works	-	240,696	-	-	-
Parks and recreation	443,862	-	177,182	-	-
Tax increment redevelopment	-	-	-	-	-
Debt Service					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Capital Outlay					
Total Expenditures	443,862	364,070	14,521	47,675	8,939
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES					
	(108,826)	110,711	(191,155)	21,056	606
OTHER FINANCING SOURCES (USES)					
Transfers in	194,813	-	55,346	-	-
Transfers out	-	-	(1,823)	-	-
Total other financing sources and uses	194,813	-	53,723	-	-
NET CHANGES IN FUND BALANCES					
	85,987	110,711	(137,432)	21,056	606
FUND BALANCES (DEFICIT), MAY 1	(87,291)	627,506	-	(70,764)	15,614
FUND BALANCES (DEFICIT), APRIL 30	\$ (1,304)	\$ 738,217	\$ (137,432)	\$ (49,708)	\$ 16,220

DUI Fines Returned	Special Revenue			Capital Project		Permanent		Total
	Public Article 36 Seizure	Economic Development	Development Block Grant	TIF Governor's Highway	TIF Bohlman	Working Cash		
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,629	\$ -	\$ -	\$ 214,287
-	-	-	-	-	-	-	-	476,066
-	-	-	-	-	-	-	-	34,214
-	-	-	-	-	-	-	-	52,411
-	-	-	-	-	-	-	-	89,984
6,010	-	-	-	-	-	-	-	102,760
-	-	-	-	-	-	-	-	488
-	-	-	-	-	-	-	-	29,089
6,010	-	-	-	-	76,629	-	-	999,299
-	-	-	-	-	-	-	-	36,958
-	-	-	-	-	-	-	-	240,696
-	-	-	-	-	-	-	-	621,044
-	-	-	-	100	728	-	-	828
-	-	-	-	-	140,000	-	-	140,000
-	-	-	-	-	34,275	-	-	34,275
-	-	-	-	-	-	-	-	185,570
-	-	-	-	100	175,003	-	-	1,259,371
6,010	-	-	-	(100)	(98,374)	-	-	(260,072)
-	-	-	-	72,947	68,831	-	-	392,137
-	-	-	-	-	-	(6,838)	-	(8,661)
-	-	-	-	72,947	68,831	(6,838)	-	383,476
6,010	-	-	-	72,847	(29,543)	(6,838)	-	123,404
18,238	350	119,661	54,651	(83,611)	(79,829)	6,838	-	521,363
\$ 24,248	\$ 350	\$ 119,661	\$ 54,651	\$ (10,764)	\$ (109,372)	\$ -	\$ -	\$ 644,767

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARK TAX FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 163,677	\$ 137,658
Charges for services	-	33,666
Investment income	100	-
Program revenues	46,800	52,411
Education	130,150	89,984
Miscellaneous income	5,900	21,317
Total revenues	<u>346,627</u>	<u>335,036</u>
EXPENDITURES		
Parks and recreation		
Personal services	310,813	305,427
Commodities	20,400	13,950
Contractual services	102,850	77,495
Other operating costs	2,050	46,990
Total expenditures	<u>436,113</u>	<u>443,862</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(89,486)	(108,826)
OTHER FINANCING SOURCES		
Transfers in	<u>192,990</u>	<u>194,813</u>
NET CHANGE IN FUND BALANCE	<u>\$ 103,504</u>	<u>85,987</u>
FUND BALANCE (DEFICIT), MAY 1		<u>(87,291)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (1,304)</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MOTOR FUEL TAX FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Intergovernmental		
Motor fuel tax	\$ 352,447	\$ 392,555
Other	1,217,000	81,738
Investment income	25,000	488
Total revenues	<u>1,594,447</u>	<u>474,781</u>
EXPENDITURES		
Public works		
Commodities	100,000	70,372
Contractual services	230,000	165,772
Operating	800	4,552
Capital outlay	1,610,000	123,374
Total expenditures	<u>1,940,800</u>	<u>364,070</u>
NET CHANGE IN FUND BALANCE	<u>\$ (346,353)</u>	\$ 110,711
FUND BALANCE, MAY 1		<u>627,506</u>
FUND BALANCE, APRIL 30		<u>\$ 738,217</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

COMMUNITY CENTER FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Community Center Revenues	\$ 132,454	\$ 548
Total revenues	<u>132,454</u>	<u>548</u>
EXPENDITURES		
Community Center		
Personnel	92,604	109,153
Commodities	27,000	26,407
Contractual	13,850	35,702
Operating		5,920
Capital Outlay	5,000	14,521
Total expenditures	<u>138,454</u>	<u>191,703</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(6,000)	(191,155)
OTHER FINANCING SOURCES		
Transfers In	-	53,723
NET CHANGES IN FUND BALANCE	<u>\$ (6,000)</u>	(137,432)
FUND BALANCE, MAY 1		-
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (137,432)</u>

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

ADMINISTRATIVE SEIZURE FUND

For the Year Ended April 30, 2013

	Original and Final	
	Budget	Actual
REVENUES		
Fines, forfeitures and penalties	\$ 90,000	\$ 96,750
Total revenues	<u>90,000</u>	<u>96,750</u>
EXPENDITURES		
Public safety		
Operating	15,000	28,019
Capital outlay	<u>75,000</u>	<u>47,675</u>
Total expenditures	<u>90,000</u>	<u>75,694</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	21,056
FUND BALANCE, MAY 1		(70,764)
FUND BALANCE (DEFICIT); APRIL 30		<u>\$ (49,708)</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

FOREIGN FIRE INSURANCE TAX FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Foreign fire insurance tax	\$ 10,000	\$ 9,545
TOTAL REVENUES	10,000	9,545
EXPENDITURES		
Public safety	10,000	8,939
NET CHANGE IN FUND BALANCE	\$ -	606
FUND BALANCE, MAY 1		15,614
FUND BALANCE, APRIL 30		\$ 16,220

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF GOVERNOR'S HIGHWAY FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 99,947	\$ -
Total revenues	<u>99,947</u>	<u>-</u>
EXPENDITURES		
Tax increment redevelopment		
Contractual services	-	100
Total expenditures	<u>-</u>	<u>100</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	99,947	(100)
OTHER FINANCING SOURCES		
Transfers in	<u>50,000</u>	<u>72,947</u>
NET CHANGE IN FUND BALANCE	<u>\$ 149,947</u>	72,847
FUND BALANCE (DEFICIT), MAY 1		<u>(83,611)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (10,764)</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TIF BOHLMAN FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
REVENUES		
Property taxes	\$ 67,869	\$ 76,629
Investment income	-	-
Total revenues	<u>67,869</u>	<u>76,629</u>
EXPENDITURES		
Tax increment redevelopment		
Other operating expenses	-	728
Debt service		
Interest and fiscal charges	33,515	34,275
Principal expense	140,000	140,000
Total expenditures	<u>173,515</u>	<u>175,003</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(105,646)	(98,374)
OTHER FINANCING SOURCES		
Transfers in	63,831	68,831
NET CHANGE IN FUND BALANCE	<u>\$ (41,815)</u>	(29,543)
FUND BALANCE (DEFICIT), MAY 1		<u>(79,829)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (109,372)</u>

(See independent auditor's report.)

MAJOR ENTERPRISE FUNDS

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

WATER AND SEWER FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 2,674,735	\$ 2,693,348
OPERATING EXPENSES		
Personnel services	136,331	919,183
Commodities	25,700	98,529
Contractual services	291,867	528,257
Capital outlay	1,594,000	1,633
Other operating expenses	245,000	412,207
Total operating expenses	2,292,898	1,959,809
OPERATING INCOME (LOSS)	381,837	733,539
NONOPERATING REVENUES (EXPENSES)		
Bonds issued, at par	375,000	-
Grant revenue	390,000	411,507
Interest Income	3,500	210
Miscellaneous income	-	500
Interest expense	(290,000)	(136,556)
Principal expense	(219,250)	(210,000)
Total nonoperating revenues (expenses)	259,250	65,661
NET INCOME BEFORE TRANSFERS	641,087	799,200
Transfers (out)	-	6,838
CHANGES IN NET POSITION - BUDGETARY BASIS	\$ 641,087	806,038
ADJUSTMENTS TO GAAP BASIS		
Principal paid		210,000
Depreciation		(326,601)
Total adjustments to GAAP basis		(116,601)
CHANGE IN NET POSITION		689,437
NET POSITION, MAY 1		9,291,943
NET POSITION, APRIL 30		\$ 9,981,380

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

REFUSE FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 1,118,042	\$ 1,077,110
OPERATING EXPENSES		
Personnel services	-	192,103
Commodities	-	17,606
Contractual services	733,683	831,772
Capital outlay	-	5,711
Other operating expenses	-	44,860
Total operating expenses	733,683	1,092,052
OPERATING INCOME (LOSS)	384,359	(14,942)
NONOPERATING REVENUES (EXPENSES)		
Interest expense	(30,000)	(34)
Principal expense	(5,000)	(37,558)
Total nonoperating revenues (expenses)	(35,000)	(37,592)
CHANGE IN NET POSITION - BUDGETARY BASIS	\$ 349,359	\$ (52,534)
ADJUSTMENTS TO GAAP BASIS		
Principal expense		37,588
Depreciation		(30,215)
Total adjustments to GAAP basis		7,373
CHANGE IN NET POSITION		(45,161)
NET POSITION, MAY 1		47,429
NET POSITION, APRIL 30		\$ 2,268

(See independent auditor's report)

NONMAJOR ENTERPRISE FUNDS

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VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN NET POSITION - BUDGET AND ACTUAL

COMMUTER PARKING LOT FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 326,216	\$ 222,888
OPERATING EXPENSES		
Personnel services	82,262	194,105
Commodities	3,500	17,999
Contractual services	83,970	86,600
Capital outlay	50,000	1,448
Other operating expenses	-	2,882
Total operating expenses	219,732	303,034
OPERATING INCOME(LOSS)	106,484	(80,146)
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous income	1,500	131
Total nonoperating revenues (expenses)	-	131
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ 106,484</u>	<u>(80,015)</u>
ADJUSTMENTS TO GAAP BASIS		
Depreciation		<u>(40,817)</u>
Total adjustments to GAAP basis		<u>(40,817)</u>
CHANGE IN NET POSITION		(120,832)
NET POSITION, MAY 1		<u>521,677</u>
NET POSITION, APRIL 30		<u>\$ 400,845</u>

(See independent auditor's report)

FIDUCIARY FUNDS

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN NET POSITION - BUDGET AND ACTUAL

POLICE PENSION FUND

For the Year Ended April 30, 2013

	Original and Final Budget	Actual
ADDITIONS		
Contributions		
Employer	\$ 500,000	\$ 465,153
Employee	200,000	225,266
Total contributions	700,000	690,419
Investment income		
Interest income	-	1,053,961
Less investment expense	(50,000)	(47,823)
Net investment income	50,000	1,006,138
Total additions	650,000	1,696,557
DEDUCTIONS		
Pension benefits	680,000	773,294
Administrative expenses	22,350	26,131
Total deductions	702,350	799,425
NET INCREASE	<u>\$ (52,350)</u>	897,132
NET POSITION HELD IN TRUST FOR PENSION BENEFITS		
May 1		11,000,368
April 30		<u>\$ 11,897,500</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
 SCHEDULE OF CHANGES IN NET ASSETS

FLEMING SCHOLARSHIP

For the Year Ended April 30, 2013

ASSETS	Balance			Balance April 30, 2013
	May 1, 2012	Additions	Deductions	
Cash and cash equivalents	\$ 12,794	\$ -	\$ -	\$ 12,794
LIABILITIES				
Deposits payable	\$ 11,745	\$ -	\$ 5,500	\$ 6,245
Due to other funds	1,049	5,500	-	6,549
TOTAL LIABILITIES	\$ 12,794	\$ 5,500	\$ 5,500	\$ 12,794

(See independent auditor's report.)

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SUPPLEMENTAL DATA

VILLAGE OF RICHTON PARK, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION (ALTERNATE REVENUE SOURCE) BONDS, SERIES 1996

April 30, 2013

Date of Issue: June 24, 1996
Date of Maturity: December 1, 2015
Authorized Issue: \$ 1,050,000
Interest Rates: 5.40 %-7.40%
Interest Dates: June 1 and December 1
Principal Maturity Date: December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 135,000	\$ 24,975	\$ 159,975
2015	135,000	16,740	151,740
2016	135,000	8,370	143,370
	<u>\$ 405,000</u>	<u>\$ 50,085</u>	<u>\$ 455,085</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
 GENERAL OBLIGATION (ALTERNATE REVENUE SOURCE) BONDS, SERIES 2006

April 30, 2013

Date of Issue: December 28, 2006
 Date of Maturity: December 1, 2026
 Authorized Issue: \$ 5,855,000
 Interest Rates: 3.60 %-5.50%
 Interest Dates: June 1 and December 1
 Principal Maturity Date: December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 165,000	\$ 128,700	\$ 293,700
2015	175,000	122,595	297,595
2016	180,000	115,595	295,595
2017	185,000	108,395	293,395
2018	195,000	98,220	293,220
2019	210,000	87,495	297,495
2020	215,000	79,200	294,200
2021	225,000	70,600	295,600
2022	235,000	61,600	296,600
2023	240,000	52,200	292,200
2024	250,000	42,600	292,600
2025	260,000	32,600	292,600
2026	270,000	22,200	292,200
2027	285,000	11,400	296,400
	<u>\$ 3,090,000</u>	<u>\$ 1,033,400</u>	<u>\$ 4,123,400</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
FIRE TRUCK INSTALLMENT CONTRACT - OCTOBER 8, 2004

April 30, 2013

Date of Issue:	October 8, 2004
Date of Maturity:	October 8, 2014
Authorized Issue:	\$ 270,000
Interest Rates:	4.35%
Interest Dates:	April 8 and October 8
Principal Maturity Date:	October 8

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 26,944	\$ 1,809	\$ 28,753
2015	27,503	608	28,111
	\$ 54,447	\$ 2,417	\$ 56,864

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
SMEAL FIRE APPARATUS INSTALLMENT CONTRACT - AUGUST 14, 2007

April 30, 2013

Date of Issue:	August 14, 2007
Date of Maturity:	August 14, 2017
Authorized Issue:	\$ 377,876
Interest Rates:	4.77%
Interest Dates:	14th of every month
Principal Maturity Date:	August 14

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 39,602	\$ 8,142	\$ 47,744
2015	41,560	6,184	47,744
2016	43,605	4,138	47,743
2017	45,772	1,973	47,745
2018	15,810	158	15,968
	<u>\$ 186,349</u>	<u>\$ 20,595</u>	<u>\$ 206,944</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
AMBULANCE LEASE PURCHASE - JULY 23, 2010

April 30, 2013

Date of Issue:	July 23, 2010
Date of Maturity:	June 1, 2015
Authorized Issue:	\$ 145,724
Interest Rates:	3.00%
Interest Dates:	June 1
Principal Maturity Date:	June 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 28,874	\$ 4,684	\$ 33,558
2015	30,358	3,200	33,558
2016	32,181	1,640	33,821
	<u>\$ 91,413</u>	<u>\$ 9,524</u>	<u>\$ 100,937</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
GENERAL OBLIGATION (ALTERNATE REVENUE SOURCE) BONDS, SERIES 1998

April 30, 2013

Date of Issue:	December 1, 1998
Date of Maturity:	December 1, 2013
Authorized Issue:	\$ 500,000
Interest Rates:	4.35% - 4.80%
Interest Dates:	June 1 and December 1
Principal Maturity Date:	December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 50,000	\$ 2,400	\$ 52,400
	<u>\$ 50,000</u>	<u>\$ 2,400</u>	<u>\$ 52,400</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

LONG-TERM DEBT REQUIREMENTS
NOTES PAYABLE - JULY 9, 2009

April 30, 2013

Date of Issue:	July 9, 2009
Date of Maturity:	July 9, 2014
Authorized Issue:	\$ 300,000
Interest Rates:	4.75%
Interest Dates:	9th of every month
Principal Maturity Date:	July 9

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 26,324	\$ 9,200	\$ 35,524
2015	175,348	2,076	177,424
	<u>\$ 201,672</u>	<u>\$ 11,276</u>	<u>\$ 212,948</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS
LONG-TERM DEBT REQUIREMENTS
STREET SWEEPER LEASE PURCHASE - JUNE 13, 2011

April 30, 2013

Date of Issue:	June 13, 2011
Date of Maturity:	May 1, 2014
Authorized Issue:	\$ 117,157
Interest Rates:	4.73%
Interest Dates:	1st of every month
Principal Maturity Date:	May 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2014	\$ 38,831	\$ 3,972	\$ 42,803
2015	40,768	2,034	42,802
	\$79,599	\$6,006	\$85,605

(See independent auditor's report)