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VILLAGE OF RICHTON PARK, ILLINOIS

ANNUAL FINANCIAL REPORT

For the Year Ended  
April 30, 2015



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# **RINGOLD**

## **FINANCIAL MANAGEMENT SERVICES**

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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, 2015, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

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

#### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's



internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Emphasis of Matter***

As discussed in Note 11 to the financial statements, in June 2012, the GASB issued Statement 67, *Financial Reporting for Pension Plans*. The Village's Police Pension Plan, reported as a pension trust fund of the Village, has implemented this statement for their fiscal year ended April 30, 2015. This Statement replaces the requirements of Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans* and Statement 50 as they relate to pension plans that are administered through trusts or similar arrangements meeting certain criteria. Statement 67 enhances note disclosures and RSI for both defined benefit and defined contribution pension plans. Statement 67 also requires the presentation of new information about annual money-weighted rates of return in the notes to the financial statements and in 10-year RSI schedules. Our opinion is not modified with respect to this matter.

### ***Other Matters***

#### ***Required Supplementary Information***

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



*Supplementary Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise The Village of Richton Park's basic 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 basic financial statements.

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

*Ringold Financial  
Management Services, Inc.*

Chicago, Illinois  
October 7, 2015



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# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

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, 2015. 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 \$27.2 million (net assets). \$4.4 million is restricted to meet the government's ongoing obligation to citizens and creditors. \$23.0 million represent the Village's net investment in capital assets.
- In total, net position decreased by \$556,071. This represents a 2.9% decrease from 2014 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 \$3.49 million, a decrease of \$861,045 in comparison with the prior year.
- General revenues accounted for \$7.48 million or 78.6% of all governmental activities revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$2.03 or 21.4% of total governmental activities revenues of \$9.51 million.
- The Village had \$13.6 million in expenses related to governmental and business-type activities. However, only \$5.6 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 \$537,311 or 7.1% of the total General Fund expenditures. Cash and investments total \$11,752.
- The Village's total debt decreased by \$1,208,824 during the current year to \$4.5 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, 2015

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

The statement of activities presents information showing how the Village's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will 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, 2015

### 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, 2015

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

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Assets</b>						
Current and other assets	\$ 6.2	\$ 7.6	\$ 1.3	\$ 2.0	\$ 7.5	\$ 9.6
Advances to other funds	\$ (0.6)	\$ (0.2)	\$ 0.6	\$ 0.2	\$ 0.0	\$ 0.0
Capital assets	\$ 14.9	\$ 14.6	\$ 11.6	\$ 11.9	\$ 26.5	\$ 26.5
<b>Total Assets</b>	<b>\$ 20.5</b>	<b>\$ 22.0</b>	<b>\$ 13.5</b>	<b>\$ 14.1</b>	<b>\$ 34.0</b>	<b>\$ 36.1</b>
Deferred Outflows of Resources						
	\$ 0.0	\$ 0.0	\$ 0.1	\$ 0.1	\$ 0.1	\$ 0.1
<b>Liabilities</b>						
Long-term liabilities	\$ 1.7	\$ 1.9	\$ 2.8	\$ 3.0	\$ 4.5	\$ 4.9
Other liabilities	\$ 0.9	\$ 1.9	\$ 0.2	\$ 0.5	\$ 1.1	\$ 2.4
<b>Total Liabilities</b>	<b>\$ 2.6</b>	<b>\$ 3.8</b>	<b>\$ 3.0</b>	<b>\$ 3.5</b>	<b>\$ 5.6</b>	<b>\$ 7.3</b>
Deferred Inflows of Resources						
	\$ 1.3	\$ 1.2	\$ 0.0	\$ 0.0	\$ 1.3	\$ 1.2
<b>Net Position</b>						
Net Investment in capital assets	\$ 14.2	\$ 13.7	\$ 8.9	\$ 9.0	\$ 23.1	\$ 22.7
Restricted	\$ 4.4	\$ 4.9	\$ -	\$ -	\$ 4.4	\$ 4.9
Unrestricted	\$ (2.0)	\$ (1.6)	\$ 1.7	\$ 1.7	\$ (0.3)	\$ 0.1
<b>Total Net Position</b>	<b>\$ 16.6</b>	<b>\$ 17.0</b>	<b>\$ 10.6</b>	<b>\$ 10.7</b>	<b>\$ 27.2</b>	<b>\$ 27.7</b>

### 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 position.

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 investment capital assets.

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 position and increase net investment in capital assets.

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

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

Reduction of capital assets through depreciation – which will reduce capital assets and net investment in capital assets.

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

### *Current Year Impacts*

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Village, total net position decreased by \$0.55 million from \$27.76 million to \$27.21 million. The Village's total assets equal \$34.12 million. The Village's total liabilities equal \$5.63 million.

The Village experienced a decrease in net position due to removing previously retired or disposed capital assets.

A portion of the net position 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.

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

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

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
<b>Revenues</b>						
Charges for services	\$ 1.5	\$ 1.6	\$ 3.6	\$ 4.3	\$ 5.1	\$ 5.9
Operating grants and contributions	\$ 0.4	\$ 0.5	\$ 0.0	\$ 0.3	\$ 0.4	\$ 0.8
Capital grants and Contributions	\$ 0.1	\$ 0.2	\$ -	\$ -	\$ 0.1	\$ 0.2
Property taxes	\$ 3.2	\$ 3.0	\$ -	\$ -	\$ 3.2	\$ 3.0
Other taxes	\$ 2.0	\$ 1.7	\$ -	\$ -	\$ 2.0	\$ 1.7
Intergovernmental	\$ 2.3	\$ 2.0	\$ -	\$ -	\$ 2.3	\$ 2.0
Other general revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Revenues</b>	<b>\$ 9.5</b>	<b>\$ 9.0</b>	<b>\$ 3.6</b>	<b>\$ 4.6</b>	<b>\$ 13.1</b>	<b>\$ 13.6</b>
<b>Expenses</b>						
General government	\$ 2.5	\$ 2.2	\$ -	\$ -	\$ 2.5	\$ 2.2
Public safety	\$ 5.6	\$ 5.8	\$ -	\$ -	\$ 5.6	\$ 5.8
Public works	\$ 0.5	\$ 0.3	\$ -	\$ -	\$ 0.5	\$ 0.3
Parks and recreation	\$ 0.2	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ 0.2
Community development	\$ 0.5	\$ 0.7	\$ -	\$ -	\$ 0.5	\$ 0.7
Tax increment						
Redevelopment	\$ 0.6	\$ 1.0	\$ -	\$ -	\$ 0.6	\$ 1.0
Interest and fees	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sewer and water	\$ -	\$ -	\$ 2.5	\$ 2.9	\$ 2.5	\$ 2.9
Capital outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Refuse	\$ -	\$ -	\$ 1.0	\$ 1.1	\$ 1.0	\$ 1.1
Commuter parking lot	\$ -	\$ -	\$ 0.2	\$ 0.3	\$ 0.2	\$ 0.3
<b>Total Expenses</b>	<b>\$ 9.9</b>	<b>\$ 10.2</b>	<b>\$ 3.7</b>	<b>\$ 4.3</b>	<b>\$ 13.6</b>	<b>\$ 14.5</b>
<b>Change in Net Assets</b>	<b>\$ (0.4)</b>	<b>\$ (1.2)</b>	<b>\$ (0.1)</b>	<b>\$ 0.3</b>	<b>\$ (0.5)</b>	<b>\$ (0.9)</b>
<b>Net Position, Beginning of Year</b>	<b>\$ 17.0</b>	<b>\$ 18.2</b>	<b>\$ 10.7</b>	<b>\$ 10.4</b>	<b>\$ 27.7</b>	<b>\$ 28.6</b>
<b>Net Position, End of Year</b>	<b>\$ 16.6</b>	<b>\$ 17.0</b>	<b>\$ 10.6</b>	<b>\$ 10.7</b>	<b>\$ 27.2</b>	<b>\$ 27.7</b>

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

### *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*

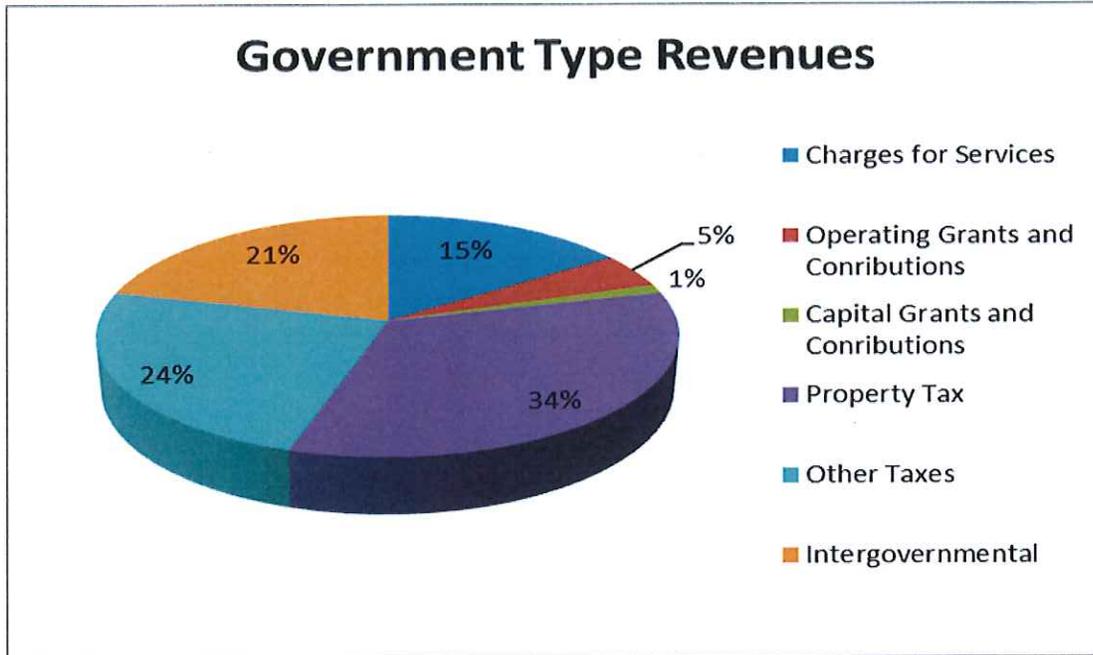
The Governmental Activities revenues increased by \$0.5 million or 4.5% from the prior year due to a increase in property and intergovernmental taxes. Expenses decreased by \$0.3 million or 2.0% due mainly to community development. Overall, the Village's financial position has declined slightly.

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

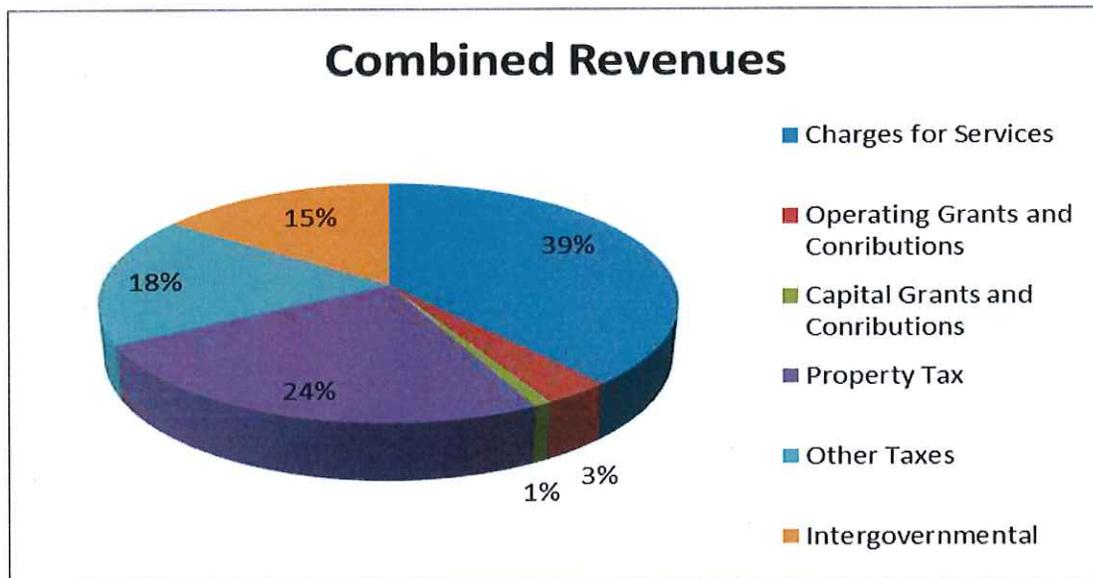
April 30, 2015

### Governmental Activities



### Revenues

The Village's total revenue decreased by \$609,617 for this fiscal year.



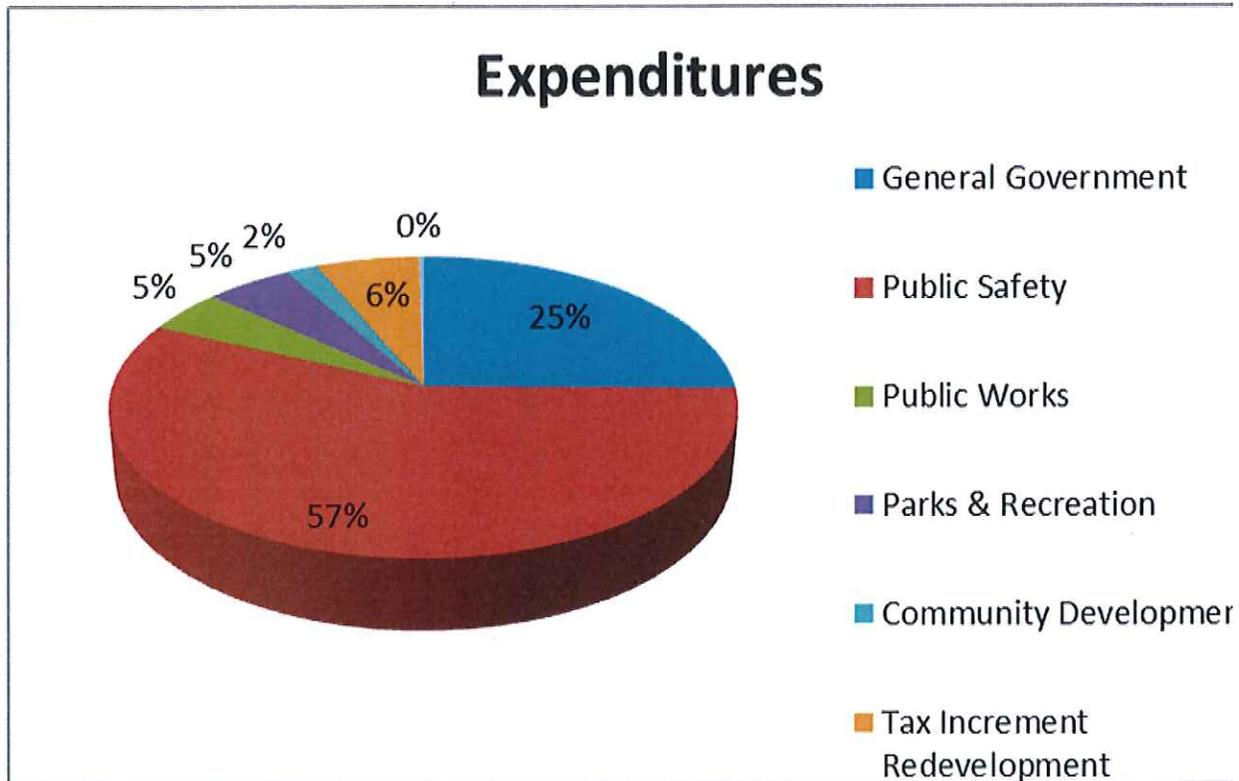
# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

### Expenses

The Village's overall expenses in the current fiscal year decreased over the previous year by \$0.85 million.



The General fund balance increased by \$335,263. The increase is due to miscellaneous and rent collected by the Village of Richton Park as a non-home rule community. General fund cash and investments total \$11,752. Special revenue fund cash and investments total \$0.53 million. The Enterprise fund's net position decreased \$164,763. Police Pension fund balance increased by \$804,013 due to increased investment income.

615

### General Fund Budgetary Highlights

The General fund budgeted revenues came in \$615,250 under budget due to a decrease in property, telecommunication, and state income taxes and grant monies received.

### Capital Assets and Debt Administration

#### Capital assets

By the end of 2015, the Village had compiled a total investment of \$37.4 million (\$26.5 million net of accumulated depreciation) in a broad range of capital assets. Total depreciation expense for the year was \$948,891.

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

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

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 4.9	\$ 4.9	\$ 0.6	\$ 0.6	\$ 5.5	\$ 5.5
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Land improvements	\$ 0.4	\$ 0.4	\$ 0.2	\$ 0.3	\$ 0.6	\$ 0.7
Buildings	\$ 4.9	\$ 5.0	\$ 1.4	\$ 1.4	\$ 6.3	\$ 6.4
Vehicles	\$ 0.7	\$ 0.8	\$ 0.3	\$ 0.4	\$ 1.0	\$ 1.2
Equipment	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.4	\$ 0.4
Infrastructure	\$ 3.8	\$ 3.4	\$ 8.9	\$ 9.0	\$ 12.7	\$ 12.4
<b>Total</b>	<b>\$ 14.9</b>	<b>\$ 14.7</b>	<b>\$ 11.6</b>	<b>\$ 11.9</b>	<b>\$ 26.5</b>	<b>\$ 26.6</b>

### 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	
	2015	2014	2015	2014	2015	2014
General obligation bonds	\$ 0.4	\$ 0.7	\$ 2.8	\$ 2.9	\$ 3.2	\$ 3.6
Revenue bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Installment contracts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Lease	\$ -	\$ 0.1	\$ -	\$ -	\$ -	\$ 0.1
Notes payable	\$ 0.2	\$ 0.2	\$ -	\$ -	\$ 0.2	\$ 0.2
Net pension obligation	\$ 0.7	\$ 0.5	\$ -	\$ -	\$ 0.7	\$ 0.5
Compensated absences	\$ 0.4	\$ 0.5	\$ -	\$ -	\$ 0.4	\$ 0.5
<b>Total</b>	<b>\$ 1.7</b>	<b>\$ 2.0</b>	<b>\$ 2.8</b>	<b>\$ 2.9</b>	<b>\$ 4.5</b>	<b>\$ 4.9</b>

# VILLAGE OF RICHTON PARK

## MANAGEMENT'S DISCUSSION AND ANALYSIS

April 30, 2015

### **Factors Bearing on the Village's Future**

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.

### **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





VILLAGE OF RICHTON PARK, ILLINOIS  
STATEMENT OF NET POSITION  
April 30, 2015

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 670,819	\$ 665,252	\$ 1,336,071
Investments	73,379	-	73,379
Receivables (net, where applicable, of allowances for uncollectibles)			
Property taxes	1,291,584	-	1,291,584
Utility taxes	111,376	-	111,376
Accounts	78,972	593,996	672,968
Accrued interest	14,622	34	14,656
Refunds and reimbursements	2,110	-	2,110
Other	107,494	-	107,494
Prepays	357,634	10,800	368,434
Due from other governments	1,103,535	11	1,103,546
Internal balances	(618,830)	618,830	-
Due from fiduciary funds	5,984	-	5,984
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	9,561,649	11,038,820	20,600,469
Total assets	<u>\$ 20,496,700</u>	<u>\$ 13,499,403</u>	<u>\$ 33,996,103</u>
<b>DEFERRED OUT FLOWS OF RESOURCES</b>			
Deferred loss on debt refunding	<u>\$ -</u>	<u>\$ 134,382</u>	<u>\$ 134,382</u>
<b>LIABILITIES</b>			
Accounts payable	295,769	168,661	464,430
Accrued payroll	200,910	6,776	207,686
Deposits payable	157,180	8,824	166,004
Due to other governments	137,317	-	137,317
Accrued interest payable	5,437	48,165	53,602
Due to fiduciary funds	60,000	-	60,000
Unearned revenue	-	54,344	54,344
Noncurrent liabilities			
Due within the year	533,529	183,400	716,929
Due in more than one year	1,181,626	2,591,805	3,773,431
Total liabilities	<u>\$ 2,571,768</u>	<u>\$ 3,061,975</u>	<u>\$ 5,633,743</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred property tax revenue	<u>\$ 1,288,328</u>	<u>\$ -</u>	<u>\$ 1,288,328</u>
<b>NET POSITION</b>			
Net investment in capital assets	14,475,592	8,838,675	23,314,267
Restricted for:			
Public works	281,158	-	281,158
Economic development	4,055,711	-	4,055,711
Public safety	46,314	-	46,314
Unrestricted	(2,222,171)	1,733,135	(489,036)
Total net position	<u>\$ 16,636,604</u>	<u>\$ 10,571,810</u>	<u>\$ 27,208,414</u>

See accompanying notes to financial statements

VILLAGE OF RICHTON PARK, ILLINOIS  
STATEMENT OF ACTIVITIES  
For the Year Ended April 30, 2015

	Program Revenue			Primary Government		Total
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
<b>FUNCTIONS PROGRAMS</b>						
<b>PRIMARY GOVERNMENT</b>						
Governmental activities						
General government	\$ 2,515,204	\$ -	\$ 108,431	\$ (1,712,959)	\$ -	\$ (1,712,959)
Public Safety	5,649,775	4,506	-	(5,345,413)	-	(5,345,413)
Public works	457,730	404,933	-	(52,797)	-	(52,797)
Community development	186,097	-	-	58,273	-	58,273
Parks and recreation	511,220	30,390	-	(353,136)	-	(353,136)
Tax increment redevelopment	608,599	-	-	(491,090)	-	(491,090)
Interest	26,675	-	-	(26,675)	-	(26,675)
Total governmental activities	9,955,300	439,829	108,431	(7,923,797)	-	(7,923,797)
Business-type activities						
Commuter parking lot	173,082	-	-	-	91,782	91,782
Refuse	1,004,991	-	-	-	(53,593)	(53,593)
Water and sewer	2,550,893	-	-	-	(192,246)	(192,246)
Total business-type activities	3,728,966	3,574,909	-	-	(154,057)	(154,057)
Total primary government	\$ 13,684,266	\$ 439,829	\$ 108,431	\$ (7,923,797)	\$ (154,057)	\$ (8,077,854)
General revenues:						
Taxes:						
Property and replacement				3,217,581	-	3,217,581
Sales				544,713	-	544,713
Utility				727,986	-	727,986
Telecommunications				447,932	-	447,932
Income				1,399,538	-	1,399,538
Local use				281,452	-	281,452
Other				148,401	-	148,401
Investment income				182	60	242
Miscellaneous				753,789	149	753,938
Transfers				10,915	(10,915)	-
Total				7,532,489	(10,706)	7,521,783
CHANGES IN NET POSITION						
Net position - May 1,				(391,308)	(164,763)	(556,071)
Net position - April 30				17,027,912	10,736,573	27,764,485
Total				\$ 16,636,604	\$ 10,571,810	\$ 27,208,414

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
April 30, 2015

	General Fund	TIF Crossings	TIF Lakewood	TIF Sauk Trail/Governor's Highway	Nonmajor	Total
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 204,578	\$ -	\$ 1	\$ 466,240	\$ 670,819
Investments	11,752	47	-	-	61,580	73,379
Receivables (net, where applicable, of allowances for uncollectibles)						
Property taxes	1,229,953	-	-	3,256	58,375	1,291,584
Utility taxes	111,376	-	-	-	-	111,376
Accounts	25,268	-	50,529	-	3,175	78,972
Accrued interest	1,790	12,496	-	-	336	14,622
Refunds and reimbursements	2,110	-	-	-	-	2,110
Other	107,494	-	-	-	-	107,494
Prepaid items	357,634	-	-	-	-	357,634
Property held for resale	-	-	1,053,000	1,375,534	-	2,428,534
Due from other funds	1,547,327	636,851	202,500	3,072	596,399	2,986,149
Due from fiduciary funds	5,984	-	-	-	-	5,984
Receivable from other governments	1,071,797	-	-	-	31,738	1,103,535
Advances to other funds	-	3,245,381	-	-	-	3,245,381
<b>Total assets</b>	<b>\$ 4,472,485</b>	<b>\$ 4,099,353</b>	<b>\$ 1,306,029</b>	<b>\$ 1,381,863</b>	<b>\$ 1,217,843</b>	<b>\$ 12,477,573</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 267,707	\$ -	\$ 5,694	\$ 2,664	\$ 19,704	\$ 295,769
Accrued payroll	200,910	-	-	-	-	200,910
Deposits payable	153,680	-	3,500	-	-	157,180
Due to other funds	1,665,290	203,072	798,605	195,271	742,741	3,604,979
Payable to other governments	-	-	-	-	137,317	137,317
Due to fiduciary funds	60,000	-	-	-	-	60,000
Advances from other funds	-	-	1,700,000	1,545,381	-	3,245,381
<b>Total liabilities</b>	<b>2,347,587</b>	<b>203,072</b>	<b>2,507,799</b>	<b>1,743,316</b>	<b>899,762</b>	<b>7,701,536</b>
DEFERRED INFLOWS OF RESOURCES						
Deferred property tax revenue	1,229,953	-	-	-	58,375	1,288,328
Fund balances:						
Nonspendable:						
Property held for resale	-	-	1,053,000	1,375,534	-	2,428,534
Prepays	357,634	-	-	-	-	357,634
Advances to other funds	-	3,245,381	-	-	-	3,245,381
Restricted:						
Economic development	-	650,900	-	-	94,420	745,320
Public safety	-	-	-	-	46,314	46,314
Streets and highways	-	-	-	-	281,158	281,158
Parks and Recreation	-	-	-	-	34,826	34,826
Committed						
Economic development	-	-	-	-	119,661	119,661
Unassigned	537,311	-	(2,254,770)	(1,736,987)	(316,673)	(3,771,119)
<b>Total fund balances</b>	<b>894,945</b>	<b>3,896,281</b>	<b>(1,201,770)</b>	<b>(361,453)</b>	<b>259,706</b>	<b>3,487,709</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 4,472,485</b>	<b>\$ 4,099,353</b>	<b>\$ 1,306,029</b>	<b>\$ 1,381,863</b>	<b>\$ 1,217,843</b>	<b>\$ 12,477,573</b>

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

April 30, 2015

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FUND BALANCES OF GOVERNMENTAL FUNDS \$ 3,487,709

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 14,869,487

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	(361,714)
Capital lease payable	(32,181)
Interest payable	(5,437)
Compensated absences	(441,062)
Police pension net pension obligation	(659,138)
IMRF net pension obligation	(46,150)
Other postemployment benefit payable	<u>(174,910)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 16,636,604

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

GOVERNMENTAL FUNDS

For the Year Ended April 30, 2015

	General Fund	TIF Crossings	TIF Lakewood	Trail/Governor's Highway	Nonmajor	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 2,769,505	\$ 230	\$ 82,347	\$ 120,245	\$ 208,645	\$ 3,180,972
Other taxes	1,493,979	-	-	-	-	1,493,979
Intergovernmental	1,944,251	-	-	-	415,013	2,359,264
Charges for services	521,408	-	-	-	23,309	544,717
Program revenue	-	-	-	-	26,405	26,405
Education	-	-	-	-	74,641	74,641
Licenses, permits and fees	538,564	-	-	-	-	538,564
Fines and forfeits	439,291	-	-	-	74,558	513,849
Investment income	138	-	-	-	46	184
Grant Revenue	32,380	-	-	-	30,390	62,770
Miscellaneous and rent	564,800	52,217	81,908	35,601	80,594	815,120
Total revenues	8,304,316	52,447	164,255	155,846	933,601	9,610,465
<b>EXPENDITURES</b>						
Current:						
General government	2,514,455	-	-	-	-	2,514,455
Public Safety	4,612,531	-	-	-	88,594	4,701,125
Public Works	359,999	-	-	-	415,140	775,139
Parks and recreation	-	-	-	-	545,297	545,297
Tax increment redevelopment	-	-	260,638	335,268	-	595,906
Debt Service:						
Principal	30,359	-	170,872	-	330,285	531,516
Interest and fiscal charges	3,200	-	2,052	-	23,630	28,882
Capital Outlay	55,233	-	186,607	-	550,029	791,869
Total Expenditures	7,575,777	-	620,169	335,268	1,952,975	10,484,189
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	728,539	52,447	(455,914)	(179,422)	(1,019,374)	(873,724)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,915	-	-	-	405,955	416,870
Transfers out	(405,955)	-	-	-	-	(405,955)
Proceeds from the sale of capital assets	1,764	-	-	-	-	1,764
Total other financing sources and uses	(393,276)	-	-	-	405,955	12,679
NET CHANGES IN FUND BALANCES	335,263	52,447	(455,914)	(179,422)	(613,419)	(861,045)
FUND BALANCES, MAY 1	559,682	3,843,834	(745,856)	(182,031)	873,125	4,348,754
FUND BALANCES, APRIL 30	\$ 894,945	\$ 3,896,281	\$ (1,201,770)	\$ (361,453)	\$ 259,706	\$ 3,487,709

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, 2015

<hr/>		
NET CHANGE IN FUND BALANCES -		
TOTAL GOVERNMENTAL FUNDS	\$	(861,045)
 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		792,112
The gain/loss on disposal of capital assets is reported on the statement of activities as a reduction/increase of expense		(69,333)
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		531,516
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		(508,165)
Change in net pension obligation		(255,292)
Change in IMRF net pension obligation		(2,198)
Change in accrued interest payable		2,207
Change in compensated absences		10,673
Change in other postemployment benefit obligation		(31,783)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>(391,308)</u>

See accompanying notes to the financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
April 30, 2015

	<u>Nonmajor</u>			Total
	Water and Sewer	Refuse	Commuter Parking Lot	
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	\$ 583,547	\$ -	\$ 81,705	\$ 665,252
Accounts receivable (net of allowance for uncollectibles)	537,830	56,008	158	593,996
Accrued interest	34	-	-	34
Due from other funds	1,215,787	-	11,417	1,227,204
Receivables from other governments	11	-	-	11
Prepaid expenses	-	-	10,800	10,800
<b>Total current assets</b>	<b>2,337,209</b>	<b>56,008</b>	<b>104,080</b>	<b>2,497,297</b>
<b>NONCURRENT ASSETS</b>				
Capital assets:				
Nondepreciable	299,311	-	272,349	571,660
Depreciable, net of accumulated depreciation	10,558,273	92,258	388,289	11,038,820
<b>Net capital assets</b>	<b>10,857,584</b>	<b>92,258</b>	<b>660,638</b>	<b>11,610,480</b>
<b>Total assets</b>	<b>13,194,793</b>	<b>148,266</b>	<b>764,718</b>	<b>14,107,777</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred loss on debt refunding	134,382	-	-	134,382
<b>CURRENT LIABILITIES</b>				
Accounts payable	22,837	144,924	900	168,661
Accrued payroll	4,363	-	2,413	6,776
Deposits payable	8,824	-	-	8,824
Accrued interest payable	48,165	-	-	48,165
Unearned revenue	-	-	54,344	54,344
Due to other funds	281,597	85,267	241,510	608,374
<b>Total current liabilities</b>	<b>365,786</b>	<b>230,191</b>	<b>299,167</b>	<b>895,144</b>
<b>NONCURRENT LIABILITIES</b>				
Due within one year	183,400	-	-	183,400
Due in more than one year	2,591,805	-	-	2,591,805
<b>Total noncurrent liabilities</b>	<b>2,775,205</b>	<b>-</b>	<b>-</b>	<b>2,775,205</b>
<b>Total liabilities</b>	<b>3,140,991</b>	<b>230,191</b>	<b>299,167</b>	<b>3,670,349</b>
<b>NET POSITION</b>				
Net investment in capital assets	8,085,779	92,258	660,638	8,838,675
Unrestricted	2,102,405	(174,183)	(195,087)	1,733,135
<b>TOTAL NET POSITION</b>	<b>\$ 10,188,184</b>	<b>\$ (81,925)</b>	<b>\$ 465,551</b>	<b>\$ 10,571,810</b>

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, 2015

	Nonmajor Commuter Parking			Total
	Water and Sewer	Refuse	Lot	
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,358,647	\$ 951,227	\$ 264,568	\$ 3,574,442
Total Operating Revenues	<u>2,358,647</u>	<u>951,227</u>	<u>264,568</u>	<u>3,574,442</u>
<b>OPERATING EXPENSES</b>				
Personal services	790,749	184,447	91,494	1,066,690
Commodities	72,857	8,816	12,443	94,116
Contractual services	592,426	763,735	24,202	1,380,363
Capital Outlay	55,198	-	-	55,198
Depreciation	381,052	15,166	44,510	440,728
Other operating expenses	529,036	30,792	433	560,261
Total Operating Expenses	<u>2,421,318</u>	<u>1,002,956</u>	<u>173,082</u>	<u>3,597,356</u>
OPERATING INCOME (LOSS)	<u>(62,671)</u>	<u>(51,729)</u>	<u>91,486</u>	<u>(22,914)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Miscellaneous income	209	171	296	676
Transfers in (out)	(10,915)	-	-	(10,915)
Interest and fiscal charges	(129,575)	(2,035)	-	(131,610)
Total non-operating revenue (expenses)	<u>(140,281)</u>	<u>(1,864)</u>	<u>296</u>	<u>(141,849)</u>
CHANGES IN NET POSITION	<u>(202,952)</u>	<u>(53,593)</u>	<u>91,782</u>	<u>(164,763)</u>
NET POSITION, MAY 1	10,391,136	(28,332)	373,769	10,736,573
NET POSITION, APRIL 30	<u>\$ 10,188,184</u>	<u>\$ (81,925)</u>	<u>\$ 465,551</u>	<u>\$ 10,571,810</u>

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, 2015

	Water and Sewer	Refuse	Nonmajor Commuter Parking Lot	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,617,215	\$ 975,926	\$ 261,162	\$ 3,854,303
Payments to suppliers	(1,378,059)	(835,578)	(58,370)	(2,272,007)
Payments to employees	(796,431)	(184,447)	(91,741)	(1,072,619)
Net cash from operating activities	442,725	(44,099)	111,051	509,677
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund borrowing	(460,566)	43,928	1	(416,637)
Miscellaneous income	57,053	171	296	57,520
Net cash from noncapital financing activities	(403,513)	44,099	297	(359,117)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(133,594)	-	(29,643)	(163,237)
Payment of principal	(175,000)	-	-	(175,000)
Payment of interest	(123,110)	-	-	(123,110)
Net cash from capital and related financing activities	(431,704)	-	(29,643)	(461,347)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sale and maturities of investments	10,835	-	-	10,835
Net cash from investing activities	10,835	-	-	10,835
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>				
	(381,657)	-	81,705	(299,952)
CASH AND CASH EQUIVALENTS, MAY 1	965,204	-	-	965,204
CASH AND CASH EQUIVALENTS, APRIL 30	\$ 583,547	\$ -	\$ 81,705	\$ 665,252

(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, 2015

	Water and Sewer	Refuse	Nonmajor Commuter Parking Lot	Total
RECONCILIATION OF OPERATING INCOME (LOSS)				
TO NET CASH FLOWS FROM OPERATING				
ACTIVITIES				
Operating income (loss)	\$ (62,671)	\$ (51,729)	\$ 91,486	\$ (22,914)
Adjustments to reconcile operating income (loss)				
to net cash from operating activities				
Depreciation	381,052	15,166	44,510	440,728
Changes in assets and liabilities				
Accounts receivable	255,731	24,699	-	280,430
Accounts payable	(128,542)	(32,235)	(21,292)	(182,069)
Accrued payroll	(1,094)	-	(247)	(1,341)
Compensated absences	(4,588)	-	-	(4,588)
Deposits Payable	2,837	-	-	2,837
Unearned revenue	-	-	(3,406)	(3,406)
NET CASH FROM OPERATING ACTIVITIES	<u>\$ 442,725</u>	<u>\$ (44,099)</u>	<u>\$ 111,051</u>	<u>\$ 509,677</u>

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLIOIS  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
April 30, 2015

	Pension Trust	Agency
<b>ASSETS</b>		
Cash and short-term investments	\$ 371,515	\$ 12,796
Accrued interest receivable	54,854	-
Investments, at fair value		
Negotiable certificates of deposit	324,272	-
U.S. Government and agency obligations	3,701,425	-
Mutual funds	173,825	-
Corporate Bonds	537,069	-
Stock equities	8,246,474	-
Prepaid expenses	4,009	-
Due from Primary Government	60,000	-
Total assets	<u>13,473,443</u>	<u>\$ 12,796</u>
<b>Liabilities</b>		
Accounts payable	7,268	\$ -
Deposits payable	-	6,812
Due to primary government	-	5,984
Total liabilities	<u>7,268</u>	<u>\$ 12,796</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	<u>\$ 13,466,175</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, 2015

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ADDITIONS

Contributions

Employer contributions	\$ 627,574
Employee contributions	<u>208,291</u>
Total contributions	<u>835,865</u>

Investment income

1,065,031

Less investment expense

(58,748)

Net investment income

1,006,283

Total additions

1,842,148

DEDUCTIONS

Pension Benefits

995,921

Administrative expenses

42,214

Total deductions

1,038,135

NET INCREASE IN NET POSITION

804,013

NET POSITION RESTRICTED  
FOR PENSIONS

May 1

12,662,162

April 30

\$ 13,466,175

See accompanying notes to financial statements.

VILLAGE OF RICHTON PARK, ILLINOIS

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

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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. Non-operating 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 measurable 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 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, 2015 for the debt and equity securities. Insurance separate accounts are valued at contract value as of April 30, 2015.

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)

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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:

<u>Assets</u>	<u>Years</u>
Buildings and building 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 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 non-exchange 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 position represents 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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balances/Net Position (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) Non-spendable fund balance is inherently non-spendable, 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.
- 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

o. Fund Balances/Net Position (Continued)

Fiduciary fund equity is classified as restricted for pensions on the statement of fiduciary net position.

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)

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2. LEGAL COMPLIANCE AND ACCOUNTABILITY

Deficit Balances of Individual Funds

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

Fund	Deficit Balance
TIF Lakewood	\$ 1,201,770
TIF Sauk Trail/Governor's Highway	361,453
Administrative Seizure Fund	31,494
TIF Governor's Highway	30,125
Community Center	255,054
Refuse	81,925

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, 2015 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, 2015:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
Illinois Funds	\$ 73,379	\$ 73,379	\$ -	\$ -	\$ -
TOTAL	\$ 73,379	\$ 73,379	\$ -	\$ -	\$ -

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 are rated AAA.

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 are not subject to custodial credit risk.

3. DEPOSITS AND INVESTMENTS (Continued)

a. Village Deposits and Investments (Continued)

Investments (Continued)

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.

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments

The following table presents the investments and maturities of the Police Pension Fund's debt securities as of April 30, 2015:

Investment Type	Fair Value	Investment Maturities in Years			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury securities	\$ 182,563	\$ -	\$ -	\$ 182,563	\$ -
U.S. agency securities					
FFCB	953,284	257,256	265,509	430,519	-
FHLB	1,990,300	453,749	489,661	389,000	657,890
FNMA	475,102	-	267,400	-	207,702
GNMA	100,176	-	74	32,104	67,998
Money Market Fund	173,825	173,825	-	-	-
Corporate Bonds	537,069	-	429,728	107,341	-
Negotiable CDs	324,272	96,863	-	227,409	-
<b>TOTAL</b>	<b>\$ 4,736,591</b>	<b>\$ 981,693</b>	<b>\$ 1,452,372</b>	<b>\$ 1,368,936</b>	<b>\$ 933,590</b>

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.

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.

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

3. DEPOSITS AND INVESTMENTS (Continued)

b. Police Pension Fund Deposits and Investments (Continued)

Investments (Continued)

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. As of April 30, 2015, the Police Pension Fund has investments in FFCEB (7.3%) and FHLB (15.3%) that exceeded 5% of total investments. 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.

a. RECEIVABLES

a. Property Taxes

Property taxes for 2014 attach as an enforceable lien on January 1, 2014, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about February 1, 2015 and August 1, 2015, and are payable in two installments, on or about March 1, 2015 and September 1, 2015. 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 2014 tax levy received prior to April 30, 2015 are measurable and available and have been recognized as revenues during the fiscal year ended April 30, 2015. The remainder of the 2014 tax levy is intended to fund expenditures for the 2015-2016 fiscal year and these taxes are deferred as of April 30, 2015.

The 2015 tax levy, which attached as an enforceable lien on property as of January 1, 2015, has not been recorded as a receivable as of April 30, 2015 as the tax has not yet been levied by the Village and will not be levied until December 2015 and, therefore, the levy is not measurable at April 30, 2015.

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

	Governmental Activities		
	General Fund	Motor Fuel Tax Fund	Total
Receivables			
Income taxes	\$ 961,385	\$ -	\$ 961,385
Sales taxes	66,760		66,760
Motor fuel taxes	-	31,738	31,738
Other	43,652	-	43,652
NET TOTAL RECEIVABLES	\$ 1,071,797	\$ 31,738	\$ 1,103,535

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

4. RECEIVABLES (Continued)

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

	Governmental Activities			Business-Type Activities			
	General Fund	TIF Lakewood Fund	Nonmajor Governmental	Water and Sewer Fund	Refuse Fund	Nonmajor Enterprise (Commuter Parking Lot Fund)	Total
Receivables							
Charges for Services	\$ -	\$ -	\$ -	\$ 537,830	\$ 56,008	\$ 158	\$ 593,996
Other	25,268	50,529	3,175	-	-	-	78,972
NET TOTAL RECEIVABLES	<u>\$ 25,268</u>	<u>\$ 50,529</u>	<u>\$ 3,175</u>	<u>\$ 537,830</u>	<u>\$ 56,008</u>	<u>\$ 158</u>	<u>\$ 672,968</u>

d. The following are included in other receivable on the statement of net position:

Flex Health Savings	\$48,650
Due from Paychex	52,739
ICMA Overpayments	<u>6,105</u>
TOTAL	<u>\$107,494</u>

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

5. CAPITAL ASSETS

Capital asset activity for the year ended April 30, 2015 was as follows:

	Balances May 01, 2014	Additions	Retirements	Balances April 30, 2015
<b>GOVERNMENTAL ACTIVITIES</b>				
Capital assets not being depreciated				
Land	\$ 4,907,838	\$ -	\$ -	\$ 4,907,838
Land Improvements	400,000	-	-	400,000
Total capital assets not being depreciated	5,307,838	-	-	5,307,838
Capital assets being depreciated				
Land improvements	89,573	-	-	89,573
Buildings	4,998,722	189,766	100,000	5,088,488
Building Improvements	1,161,831	-	-	1,161,831
Vehicles	2,556,321	50,646	-	2,606,967
Equipment	537,494	14,260	-	551,754
Infrastructure	4,093,648	537,440	-	4,631,088
Total capital assets being depreciated	13,437,589	792,112	100,000	14,129,701
Total capital assets	18,745,427	792,112	100,000	19,437,539
Less accumulated depreciation for				
Land improvements	75,920	442	-	76,362
Buildings	918,996	167,096	30,667	1,055,425
Building Improvements	216,405	37,567	-	253,972
Vehicles	1,781,876	132,128	-	1,914,004
Equipment	351,557	37,448	-	389,005
Infrastructure	745,800	133,484	-	879,284
Total accumulated depreciation	4,090,554	508,165	30,667	4,568,052
Total capital assets being depreciated, net	9,347,035	283,947	69,333	9,561,649
<b>GOVERNMENTAL ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>				
	\$14,654,873	\$ 293,947	\$ 69,333	\$14,869,487

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

5. CAPITAL ASSETS (Continued)

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

GOVERNMENTAL ACTIVITIES	
General government	\$ 155,151
Parks and recreation	59,990
Public safety	103,469
Public works	16,875
Tax Increment Refinancing (TIR)	<u>172,680</u>
<b>TOTAL</b>	<b><u>\$ 508,165</u></b>

	Balances May 01, 2014	Additions	Retirements	Balances April 30, 2015
<b>BUSINESS-TYPE ACTIVITIES</b>				
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	1,327,816	-	-	1,327,816
Buildings	3,217,283	38,197	-	3,255,480
Vehicles	914,333	-	-	914,333
Equipment	481,876	-	-	481,876
Infrastructure	11,315,888	125,039	-	11,440,927
Total capital assets being depreciated	<u>17,257,196</u>	163,236	-	<u>17,420,432</u>
Total capital assets	<u>17,828,856</u>	163,236	-	<u>17,992,092</u>
Less accumulated depreciation for				
Land improvements	1,047,520	35,235	-	1,082,755
Buildings	1,818,668	77,711	-	1,896,379
Vehicles	491,668	72,206	-	563,874
Equipment	266,697	27,981	-	294,679
Infrastructure	2,316,332	227,593	-	2,543,925
Total accumulated depreciation	<u>5,940,885</u>	440,726	-	<u>6,381,612</u>
Total capital assets being depreciated, net	<u>11,316,311</u>	(277,490)	-	<u>11,038,820</u>
<b>BUSINESS-TYPE ACTIVITIES</b>				
<b>CAPITAL ASSETS, NET</b>	<u>\$11,887,971</u>	<u>\$(277,490)</u>	\$ -	<u>\$11,610,480</u>

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

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b. CAPITAL ASSETS (Continued)

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

BUSINESS-TYPE ACTIVITIES	
Commuter Parking Lot	\$ 44,510
Refuse	15,166
Water & Sewer	<u>381,050</u>
TOTAL	<u>\$ 440,726</u>

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, 2015.

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, 2015:

	Debt Retired by	Balances May 01, 2014	Additions	Reductions	Balances April 30, 2015	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	\$ 270,000	\$ -	\$ 270,000	\$ -	\$ -
\$422,000 General Obligation. (Alternate Revenue Source) Bonds, Series 2013 dated December 12, 2013, due in annual installments of \$60,286 plus interest at 2.61% through December 1, 2019	TIF Bohlman	422,000	-	60,286	361,714	60,286
Total bonds		692,000	-	330,286	361,714	60,286
\$300,000 Notes Payable dated July 9, 2009, due in annual installments plus interest at 4.75% through July 9, 2014.	TIF Lakewood	170,872	-	170,872	-	-
Compensated absences	General Fund	451,735	441,062	451,735	441,062	441,062
Capital Lease	General Fund	62,539	-	30,358	32,181	32,181
IMRF net pension obligation	Employer Contributions	43,952	2,198	-	46,150	-
Net pension obligation	Employer Contributions	403,846	255,292	-	659,138	-

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, 2014	Additions	Reductions	Balances April 30, 2015	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)						
Other postemployment benefit obligation	General Fund	\$ 143,127	\$ 31,783	\$ -	\$ 174,910	\$ -
Total other		1,276,071	730,335	652,965	1,353,441	473,243
TOTAL GOVERNMENTAL ACTIVITIES		\$ 1,968,071	\$ 730,335	\$ 983,251	\$ 1,715,155	\$ 533,529
BUSINESS-TYPE ACTIVITIES						
\$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	\$ 2,925,000	\$ -	\$ 175,000	\$ 2,750,000	\$ 180,000
Capital Lease	Refuse	40,768	-	40,768	-	-
Unamortized bond premium	Water and Sewer	23,622	-	1,817	21,805	-
Compensated absences	Water and Sewer	7,988	3,400	7,988	3,400	3,400
TOTAL BUSINESS-TYPE ACTIVITIES		\$ 2,997,378	\$ 3,400	\$ 225,573	\$ 2,775,205	\$ 183,400

d. Debt Service Requirements to Maturity

Annual debt service requirements to maturity are as follows:

Fiscal Year Ending April 30,	General Obligation Bonds		General Obligation Bonds	
	Principal	Interest	Principal	Interest
2016	\$ 60,286	\$ 9,441	\$ 180,000	\$ 115,595
2017	60,286	7,867	185,000	108,395
2018	60,285	6,294	195,000	98,220
2019	60,286	4,720	210,000	87,495
2020	60,285	3,147	215,000	79,200
2021	60,286	1,574	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	\$ 361,714	\$ 33,043	\$ 2,750,000	\$ 782,105

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.

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

The debt service to maturity for the capital leases as of April 30, 2015 is as follows:

Fiscal Year Ending April 30, 2016	Capital Leases	
	Principal	Interest
Total	\$ 32,181	\$ 1,640

f. Legal Debt Margin

The Village is a non-home rule municipality.

ASSESSED VALUATION – 2014	<u>\$138,245,266</u>
LEGAL DEBT LIMIT – 8.625% OF ASSESSED VALUATION	\$ 11,923,654
AMOUNT OF DEBT APPLICABLE TO DEBT LIMIT General Obligation Bonds	<u>3,111,714</u>
LEGAL DEBT MARGIN	<u>\$ 8,811,940</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."

g. 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, 2015 was \$1,425,000. The balance of the unamortized loss on refunding that resulted from the transaction at April 30, 2015 was \$134,382 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	\$ 712,767
General	TIF Lakewood	729,774
General	TIF Sauk Trail/Governor's Highway	104,786
General	Agency	5,984
		<u>1,553,311</u>
TIF Sauk Trail/Governor's Highway	TIF Crossings	3,072
Water & Sewer	Refuse	85,267
Water & Sewer	Nonmajor Enterprise	175,744
Water & Sewer	General	954,776
		<u>1,215,787</u>
Nonmajor Governmental	General	286,804
Nonmajor Governmental	TIF Sauk Trail/Governor's Highway	76,568
Nonmajor Governmental	TIF Lakewood	68,831
Nonmajor Governmental	Water & Sewer	68,482
Nonmajor Governmental	Nonmajor Enterprise	65,766
Nonmajor Governmental	Nonmajor Governmental	29,948
		<u>596,399</u>
TIF Crossings	General	423,710
TIF Crossings	Water & Sewer	213,115
TIF Crossings	Nonmajor Governmental	26
		<u>636,851</u>
TIF Lakewood	TIF Sauk Trail/Governor's Highway	2,500
TIF Lakewood	TIF Crossings	200,000
		<u>202,500</u>
Nonmajor Enterprise	TIF Sauk Trail/Governor's Highway	11,417
Pension Trust	General	60,000
	Total	<u>\$ 4,279,337</u>

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

- \$729,774 due to General Fund from TIF Lakewood Fund. This amount represents cash receipts deposited into the general combined bank account, accounts payable expenses, overhead charges, and bank transfers between funds.
- \$104,786 due to General Fund from TIF Sauk Trail Fund. This amount represents accounts payable expenses and overhead charges allocation.

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

8. INTERFUND ACTIVITY (continued)

Due From/To Other Funds (continued)

- \$68,831 due to Nonmajor Governmental Funds from TIF Lakewood. This amount represents budgeted transfers.
- \$712,767 due from Nonmajor Governmental Funds to General Fund This represents salaries and other expenses paid by the General Fund to the Community Service Fund (\$283,843); credit card fees, accounts payable and salaries for the Parks Fund (\$167,257); expense for the TIF Governor’s Highway Fund (\$29,063); for bond payments made for the TIF Bohlman Fund (\$103,035) and cash deposited and accounts payable activity for the Administrative Seizure Fund (\$129,569).
- \$175,744 due to the Water and Sewer Fund from are bank transfers from Nonmajor Enterprise Funds.
- \$200,000 due from TIF Crossing to TIF Lakewood is a budgeted transfer.
- \$423,710 due to TIF Crossings from General Fund is due to accounts payable expenses.
- \$954,776 due to Water and Sewer Fund from General Fund is to cover operating expenses.
- \$68,482 due to Nonmajor Governmental Funds from Water and Sewer Fund accumulated due to closing a Schwab account.

Advances From/To Other Funds

Receivable Fund	Payable Fund	Amount
TIF Crossings	TIF Lakewood	\$ 1,700,000
TIF Crossings	TIF Sauk Trail/Governor's Highway	1,545,381
		\$ 3,245,381

- \$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.
- \$700,000 due from TIF Lake wood to TIF Crossings. Since TIF Lakewood is contiguous to the Crossing TIF and therefore expenditures incurred by Lakewood can be absorbed by Crossings.
- \$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.

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

8. INTERFUND ACTIVITY (continued)

Interfund transfers during the year ended April 30, 2015 consisted of the following:

	Transfers In	Transfers Out
General	\$ 10,915	\$ 405,955
Nonmajor Governmental	405,955	-
Water and Sewer	-	10,915
	<u>\$ 416,870</u>	<u>\$ 416,870</u>

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

- Transfer out of the General Fund was to subsidize the Park Fund, the Community Center Fund and the Capital Projects Fund.

9. CONTINGENT LIABILITIES

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.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Illinois Municipal Retirement Fund (Continued)

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.

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 2015 was 11.66% 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, 2015, the Police Pension Plan membership consisted of:

Retirees and beneficiaries currently receiving benefits	16
Terminated plan members entitled to but not yet receiving benefits	1
Disabled	3
Current employees	
Vested	15
Nonvested	13
Total	48

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

a. Plan Descriptions (Continued)

Police Pension Plan (Continued)

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.

Tier 2 employees (those hired on or after January 1, 2011) attaining the age of 55 or older with ten or more years of creditable service are entitled to receive an annual retirement benefit equal to the average monthly salary obtained by dividing the total salary of the police officer during the 96 consecutive months of service within the last 120 months of service in which the total salary was the highest by the number of months of service in that period. Police officers' salary for pension purposes is capped at \$106,800, plus the lesser of ½ 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., ½% 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 ½ 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, 2015, the Village's contribution was 27.21% of covered payroll.

10. EMPLOYEE RETIREMENT SYSTEMS (Continued)

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.

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, 2014	April 30, 2014
Actuarial Cost Method	Entry – age Normal	Entry – age Normal
Asset Valuation Method	5 Year Smoothed Market	5 Year Smoothed Market
Amortization Method	Level Percentage of Payroll	Level Percentage of Payroll
Amortization Period	28 years, open	26 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	4.50% 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, 2015 has been calculated as follows:

	Illinois Municipal Retirement	Police Pension
Annual Required Contribution	\$ 257,679	\$ 876,584
Interest on Net Pension Obligation	(3,296)	28,269
Adjustment to Annual Required Contribution	5,494	(21,987)
Annual Pension Cost	259,877	882,866
Contributions Made	257,679	627,574
Increase in Net Pension Obligation (Asset)	2,198	255,292
Net Pension Obligation, Beginning of the year	43,952	403,846
Net Pension Obligation, End of Year	\$ 46,150	\$ 659,138

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)	2013	266,692	2013	609,341
	2014	259,950	2014	677,590
	2015	259,877	2015	882,866
Actual Contribution	2013	263,599	2013	465,153
	2014	258,067	2014	485,948
	2015	257,679	2015	627,574
Percentage of APC contributed	2013	98.84%	2013	76.30%
	2014	99.30%	2014	71.71%
	2014	99.15%	2014	71.08%
NPO (Assets)	2013	42,069	2013	212,204
	2014	43,952	2014	403,846
	2015	46,150	2014	659,138

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, 2015, based on the actuarial valuations performed as of December 31 2014 for IMRF and April 30, 2015 for the Police Pension Plan is as follows:

	Illinois Municipal Retirement	Police Pension
Actuarial Accrued Liability (AAL)	\$ 5,905,080	\$ 22,615,125
Actuarial Value of Plan Assets	4,477,655	13,304,901
Unfunded Actuarial Accrued Liability (UAAL)	1,427,425	9,310,224
Funded Ratio (Actuarial Value of Plan Assets/AAL)	75.83%	58.83%
Covered Payroll (Active Plan Members)	\$ 2,272,009	\$ 2,103,965
UAAL as Percentage of Covered Payroll	62.83%	442.50%

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. GASB 67 –Police Pension Plan

a. Investment Allocation Policy

The Village Police Pension Plan implemented GASB Statement 67 for April 30, 2015. The following was the Board’s adopted asset allocation policy as of April 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed Income	40%
Domestic Equity-Large Cap	37%
Domestic Equity-Small Cap	10%
International Equity	5%
Real Estate (REITs)	3%
Cash	5%
TOTAL	<u>100%</u>

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

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11. GASB 67 –Police Pension Plan (Continued)

b. Concentrations

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. At April 30, 2015 the Pension Fund had investments in FFCEB (7.1%) and FHLB (14.8%) that exceeded 5% of the total plan net position.

c. Rate of Return

For the year ended April 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense was 8.27%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amount actually invested.

d. Net Pension Liability of the Village

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

Total Pension Liability	\$ 25,145,786
Plan Fiduciary Net Position	<u>(13,466,175)</u>
Village's Net Pension Liability	<u>\$ 11,679,611</u>

Pension fiduciary net position as a percentage of the total pension liability	53.55%
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e. Actuarial assumptions:

The total pension liability was determined by an actuarial valuation as of April 30, 2015 using the following actuarial assumptions, applied to all the periods included in the measurement:

Inflation	3%
Salary increases	4.5 percent average including inflation
Investment rate of return	7.0 percent, net of pension investment expense including inflation

Mortality rates are based on rates developed in the L & A 2012 Mortality Table for Illinois Police Officers.

Other demographic assumptions are based on a review of assumptions in the L&A 2012 study for the Illinois Police Officers.

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

11. GASB 67 –Police Pension Plan (Continued)

f. Expected Rate on Pension Plan Investments:

The long-term expected rate of return on assets shown here is from the State of Illinois Department of Insurance Actuarial Experience Study dated September 26, 2012. The best estimate of future and real rates of return are developed for each of the major asset classes. Expected inflation is added back in. Adjustment is made to reflect geometric returns.

A summary of the best estimate of future real rates of returns (annual arithmetic average) are included in the table below:

Asset Class	Long-Term Expected Rate of Return	Long Term Inflation Expectations	Long Term Expected Real Rate of Return
Corporate Bonds	4.20%	2.50%	1.70%
US Government Fixed Income	3.20%	2.50%	0.70%
US Large Cap Equities	8.30%	2.50%	5.80%
US Mid Cap Equities	9.30%	2.50%	6.80%
US Small Cap Equities	9.30%	2.50%	6.80%
Non-US Developed Large Cap Equity Unhedged	8.40%	2.50%	5.90%
Emerging Markets Equity Unhedged	10.50%	2.50%	8.00%
Global Real Estate - REITS	8.30%	2.50%	5.80%
Commodities – Long Only	4.90%	2.50%	2.40%

Long-term expected real returns under GASB reflect the period of time that begins when a plan member begins to provide service to the employer and ends at the point when all benefits to the plan member have been paid.

The expected inflation rate is 2.50% and is included in the long-term rate of return on investments. Long-term rates of return are expected to exhibit geometric properties. Geometric rates of return are equal to arithmetic rates of return when the annual returns exhibit no volatility over time. When arithmetic returns are volatile on the year-to-year basis, the actual realized geometric returns over time will be lower. The higher the volatility, the greater the difference.

g. Municipal Bond Rate:

The municipal bond rate assumptions is based on the Bond Buyer 20-Bond GO Index. The rate shown earlier in the Actuarial Assumptions section is the April 30, 2015 rate. The 20-Bond GO Index is based on an average of certain general obligation municipal bonds maturing in 20 years and having an average rating equivalent of Moody's Aa2 and Standard & Poor's AA.

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

11. GASB 67 –Police Pension Plan (Continued)

The 20-Bond Index consists of 20 general obligation bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investor Service's Aa and Standard and Poor's Corp's AA.

The indexes represent theoretical yields rather than actual price of the yield quotations. Municipal bond traders are asked to estimate what a current-coupon bond for each issuer in the indexes would yield if the bond were sold at par value. The indexes are simple averages of the average estimated yield of the bonds.

h. Discount rate:

The discount rate used to measure the total pension liability was 6.21 percent. The discount rate used in the determination of the Total Pension Liability is based on a combination of the expected long-term rate of return on plan investments and the municipal bond rate.

Cash flow projections were used to determine the extent which the plan's future net position will be able to cover future benefit payments. To the extent future benefit payments are covered by the plan's projected net position, the expected rate of return on plan investment is used to determine portion of the net pension liability associated with those payments. To the extent future benefit payments are not covered by the plan's projected net position, the municipal bond rate is used to determine the portion of the net pension liability associated with those payments. The plan's projected net position is expected to cover future benefit payments in full for the current employees through 2060.

Projected benefit payments are determined during the actuarial process based on the assumptions. More details on the assumptions are in the prior section. The expected contributions are based on the funding policy of the plan.

i. Sensitivity:

Sensitivity of the net pension liability changes in the discount rate. The following presents the net pension liability of the Village, calculated using the discount rate of 6.21 percent, as well as what the Village's net pension liability would be if it were calculated using a discount rate that is 1-percent-point lower (5.21 percent) or 1-percent-point higher (7.21 percent) than the current rate:

	1% Decrease 5.21%	Current Discount Rate 6.21	1% Increase 7.21
Village's net pension liability	\$15,524,169	\$11,679,611	\$8,530,082

12. 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.

c. Membership

At April 30, 2013, membership consisted of (most recent data available):

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
	<hr/>
Total	74
	<hr/>
Participating Employers	1
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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.

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

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

e. Annual OPEB Costs and Net OPEB Obligation

The Village had an actuarial valuation performed for the Plan as of April 30, 2013 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, 2015. The Village's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan and the net OPEB obligation for 2015 was as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	NET OPEB Obligation
April 30, 2013	119,205	69,521	58.32%	98,606
April 30, 2014	119,941	73,936	61.60%	143,127
April 30, 2015	117,786	86,003	73.02%	174,910

The net OPEB obligation as of April 30, 2015 was calculated as follows:

Annual Required Contribution	\$ 119,941
Interest on Net OPEB obligation	7,156
Adjustment to Annual Requirement Contribution	<u>(9,311)</u>
Annual OPEB Cost	117,786
Contributions Made	<u>86,003</u>
Increase in Net OPEB Cost	31,783
Net OPEB Obligation, Beginning of Year	<u>143,127</u>
Net OPEB Obligation, End of Year	<u>\$ 174,910</u>

Funded Status and Funding Progress: The funded status of the Plan as of April 30, 2013 (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%

12. OTHER POSTEMPLOYMENT BENEFITS (Continued)

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.

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, 2013 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, 2015 was 30 years.

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REQUIRED SUPPLEMENTARY INFORMATION

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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, 2015

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property Taxes	\$ 3,069,573	\$ 3,069,573	\$ 2,769,505
Other taxes	2,100,940	2,200,493	1,493,979
Intergovernmental	1,659,053	1,559,500	1,944,251
Charges for services	566,000	566,000	521,408
Licenses, permits and fees	742,700	742,700	538,564
Fines and forfeits	547,200	547,200	439,291
Investment income	-	-	138
Grant Revenue	211,100	211,100	32,380
Miscellaneous income	23,000	23,000	564,800
Total revenues	<u>8,919,566</u>	<u>8,919,566</u>	<u>8,304,316</u>
<b>EXPENDITURES</b>			
General government	2,922,225	2,922,225	2,514,455
Public Safety	5,254,474	5,254,474	4,612,531
Public Works	963,738	963,738	359,999
Debt Service:			
Principal	99,421	99,421	30,359
Interest and fiscal charges	9,992	9,992	3,200
Capital Outlay	-	-	55,233
Total Expenditures	<u>9,249,850</u>	<u>9,249,850</u>	<u>7,575,777</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(330,284)</u>	<u>(330,284)</u>	<u>728,539</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	-	-	(405,955)
Transfers in	-	-	10,915
Proceeds from the sale of capital assets	-	-	1,764
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(393,276)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(330,284)</u>	<u>(330,284)</u>	<u>335,263</u>
<b>FUND BALANCES, MAY 1,</b>			<u>559,682</u>
<b>FUND BALANCES, APRIL 30</b>			<u><u>\$ 894,945</u></u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

ILLINOIS MUNICIPAL RETIREMENT FUND

April 30, 2015

Actuarial Valuation Date December 31	(1) Actuarial Value of Assets	(2) Actuarial Accrued 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)
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%	1,739,953	1,962,006	88.68%
2012	3,290,005	4,868,642	67.58%	1,578,637	2,133,659	73.99%
2013	3,980,428	5,354,148	74.34%	1,373,720	2,318,569	59.25%
2015	4,477,655	5,905,080	75.83%	1,427,425	2,272,009	62.83%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF FUNDING PROGRESS

POLICE PENSION FUND

April 30, 2015

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	\$ 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%
2014	12,517,369	20,995,756	59.62%	8,478,387	2,111,789	401.48%
2015	13,304,901	22,615,125	58.83%	9,310,224	2,103,965	442.50%

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, 2015

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, 2015

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Fiscal Year	Employer Contributions	Annual Required Contribution (ARC)	Percentage Contributed
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%
2014	258,067	258,067	100.00%
2015	257,679	257,679	100.00%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS  
 SCHEDULE OF VILLAGE CONTRIBUTIONS  
 Last 10 Fiscal years

For the Year Ended April 30, 2015

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	854,597	672,484	607,617	641,058	502,607	502,607	415,040	415,040	N/A	323,980
Contributions in relation to the										
Actuarially determined contribution	627,574	485,948	465,153	499,740	523,491	522,817	402,917	404,866	N/A	323,980
Contribution deficiency (excess)	227,023	186,536	142,464	141,318	(20,884)	(20,210)	12,123	10,174	-	-
Covered employee payroll	2,057,667	2,111,789	2,222,040	2,145,714	2,001,822	1,987,341	N/A	1,627,479	N/A	1,554,508
Contributions as a percent of covered payroll	30.50%	23.01%	20.93%	23.29%	26.15%	26.31%		24.88%		20.84%

Notes to schedule:

Valuation date: 1-May

Actuarially determined contribution rates are calculated as of May 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	25 years
Asset valuation method	5-year smoothed market
Inflation	3%
Salary increases	4.5% average including inflation
Investment rate of return	7% net of pension plan investment expense, including inflation

Mortality rates were based on rates developed in the L & A 2012 Mortality Table for Illinois Police Officers.

Other demographic assumptions are based on a review of assumptions in the L & A 2012 study for Illinois Police Officers.

N/A - Information not available

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

April 30, 2015

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%
2014	73,936	119,941	61.60%
2015	86,003	119,941	71.70%

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS

For the Year Ended April 30, 2015

<b>Total pension liability</b>	
Service cost	\$ 704,544
Interest	1,458,172
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments, including refunds of member contributions	(995,920)
Net change in total pension liability	<u>1,166,796</u>
Total pension liability - beginning	23,978,990
<b>Total pension liability at April 30, 2015</b>	<u><u>25,145,786</u></u>
<b>Plan fiduciary net position</b>	
Contributions - employer	627,574
Contributions - member	208,291
Net investment income	999,854
Benefit payments, including refunds of member contributions	(995,920)
Administrative expenses	(35,789)
Other Change in plan fiduciary net position	-
Net changes in plan fiduciary net position	<u>804,010</u>
Plan fiduciary net position - beginning	12,662,164
<b>Plan fiduciary net position at 4/30/2015</b>	<u><u>13,466,174</u></u>
<b>Village's net pension liability at 4/30/2015</b>	<u><u>\$ 11,679,612</u></u>
Plan fiduciary net position as a percentage of the total pension liability	53.55%
Covered payroll	\$ 2,057,667
Village's net pension liability as a percentage of covered payroll	567.61%

**Notes to Schedule:**

Benefit changes in 2015 were modified to base public safety member pensions on a final three year average salary instead of a final five-year average salary.

Changes of assumptions in 2015 amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of general plan members. In 2015 amounts reported as changes of assumptions resulted primarily from adjustments to expected retirement ages of public safety members. In 2015, amounts reported as changes of assumptions resulted primarily from adjustments to assumed life expectancies as a result of adopting the RP-2500 Healthy Annuitant Mortality Table for purposes of developing mortality rates.

(See Independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS  
SCHEDULE OF INVESTMENT RETURNS  
Last 10 Fiscal years

For the Year Ended April 30, 2015

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	<u>2015</u>
Annual money-weighted rate of return, net of investment expense	8.27%

VILLAGE OF RICHTON PARK, ILLINOIS

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

April 30, 2015

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, TIF Governor's Highway, TIF Crossings 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	65,000	335,268
TIF Lakewood	331,000	620,169
TIF Bohlman	80,000	353,915
Motor Fuel Tax	750,000	804,317

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COMBINING AND INDIVIDUAL FUND  
FINANCIAL STATEMENTS AND SCHEDULES

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MAJOR GOVERNMENTAL FUNDS

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF REVENUES-  
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2015

	Original Budget	Final Budget	Actual
REVENUES			
Property taxes	\$ 3,069,573	\$ 3,069,573	\$ 2,769,505
Other taxes			
State use tax	228,800	228,800	281,452
Utility taxes	709,353	709,353	727,986
Telecommunication taxes	693,900	693,900	447,932
Personal property replacement tax	27,000	27,000	36,609
Total other taxes	<u>1,659,053</u>	<u>1,659,053</u>	<u>1,493,979</u>
Intergovernmental			
State income tax	1,532,500	1,532,500	1,399,538
Sales Tax	568,440	568,440	544,713
Total Intergovernmental	<u>2,100,940</u>	<u>2,100,940</u>	<u>1,944,251</u>
Charges for services	<u>566,000</u>	<u>566,000</u>	<u>521,408</u>
Licenses, permits and fees			
Business and occupational licenses	40,000	40,000	26,045
Cable television franchise fees	125,000	125,000	122,317
Contractor registrations	41,200	41,200	35,100
Vehicle license	260,000	260,000	254,171
Building permits	100,000	100,000	82,128
Other licenses, permits and fees	176,500	176,500	18,803
Total licenses, permits and fees	<u>742,700</u>	<u>742,700</u>	<u>538,564</u>
Fines, forfeitures and penalties	<u>547,200</u>	<u>547,200</u>	<u>439,291</u>
Grants	<u>211,100</u>	<u>211,100</u>	<u>32,380</u>
Investment income	<u>0</u>	<u>0</u>	<u>138</u>
Miscellaneous	<u>23,000</u>	<u>23,000</u>	<u>564,800</u>
TOTAL REVENUES	<u>\$ 8,919,566</u>	<u>\$ 8,919,566</u>	<u>\$ 8,304,316</u>

(See independent auditor's report)

VILLAGE OF RICHTON PARK, ILLINOIS

SCHEDULE OF EXPENDITURES-  
BUDGET AND ACTUAL

GENERAL FUND

For the Year Ended April 30, 2015

	Original		
	Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT</b>			
<b>Administration</b>			
Personal services	\$ 480,947	\$ 480,947	\$ 1,108,309
Commodities	19,900	19,900	4,999
Contractual services	309,000	309,000	213,445
Other operating costs	57,500	57,500	28,846
Total administration	867,347	867,347	1,355,599
<b>Building</b>			
Personal services	157,828	157,828	138,020
Commodities	25,699	25,699	27,133
Contractual services	15,900	15,900	30,230
Other operating costs	500	500	179
Total building	199,927	199,927	195,562
<b>Finance</b>			
Personal services	608,271	608,271	380,747
Commodities	15,500	15,500	6,524
Contractual services	173,550	173,550	20,277
Other operating costs	33,000	33,000	16,954
Total finance	830,321	830,321	424,502
<b>Community development</b>			
Personal services	133,501	133,501	131,875
Commodities	4,000	4,000	3,308
Contractual services	29,600	29,600	52,306
Other operating costs	600	600	1,218
Total community development	167,701	167,701	188,707
<b>IRMA</b>			
Contractual services	400,000	400,000	132,353
Total IRMA	400,000	400,000	132,353
<b>Economic development</b>			
Personal services	69,080	69,080	1,300
Commodities	2,500	2,500	108
Contractual services	93,600	93,600	579
Other operating costs	25	25	0
Total economic development	165,205	165,205	1,987

(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, 2015

	Original		
	Budget	Final Budget	Actual
<b>GENERAL GOVERNMENT (continued)</b>			
Community relations			
Personnel	\$ 125,947	\$ 125,947	\$ 60,692
Commodities	-	-	971
Contractual	16,500	16,500	16,868
Total community relations	<u>142,447</u>	<u>142,447</u>	<u>78,531</u>
Code enforcement			
Personnel	107,602	107,602	79,951
Commodities	3,100	3,100	2,907
Contractual services	38,575	38,575	47,134
Other operating costs	-	-	7,222
Total code enforcement	<u>149,277</u>	<u>149,277</u>	<u>137,214</u>
Total General Government	<u>2,922,225</u>	<u>2,922,225</u>	<u>2,514,455</u>
<b>PUBLIC SAFETY</b>			
Fire department			
Personal services	957,195	957,195	840,102
Commodities	100,000	100,000	67,239
Contractual services	101,200	101,200	71,758
Other operating costs	40,000	40,000	23,988
Total fire department	<u>1,198,395</u>	<u>1,198,395</u>	<u>1,003,087</u>
Police - administrative hearing			
Commodities	1,000	1,000	-
Contractual services	11,000	11,000	8,075
Total police - administrative hearing	<u>12,000</u>	<u>12,000</u>	<u>8,075</u>
Police - ICC Grant Quiet Zone			
Other operating services	225,000	225,000	-
Total police - ICC Grant Quiet Zone	<u>225,000</u>	<u>225,000</u>	<u>-</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, 2015

	Original Budget	Final Budget	Actual
<b>PUBLIC SAFETY (Continued)</b>			
Police department			
Personal services	\$ 2,956,837	\$ 2,956,837	\$ 3,105,645
Commodities	171,500	171,500	136,643
Contractual services	661,342	661,342	323,186
Other operating costs	29,400	29,400	35,895
Total police department	<u>3,819,079</u>	<u>3,819,079</u>	<u>3,601,369</u>
Total Public Safety	<u>5,254,474</u>	<u>5,254,474</u>	<u>4,612,531</u>
<b>PUBLIC WORKS</b>			
Personal services	697,088	697,088	277,698
Commodities	88,500	88,500	26,176
Contractual services	137,650	137,650	46,642
Other operating costs	40,500	40,500	9,483
Total public works	<u>963,738</u>	<u>963,738</u>	<u>359,999</u>
<b>CAPITAL OUTLAY</b>	<u>-</u>	<u>-</u>	<u>55,233</u>
<b>DEBT SERVICE</b>			
Principal, Interest and fiscal charges	<u>109,413</u>	<u>109,413</u>	<u>33,559</u>
Total debt service	<u>109,413</u>	<u>109,413</u>	<u>33,559</u>
<b>TOTAL EXPENDITURES</b>	<u>\$ 9,249,850</u>	<u>\$ 9,249,850</u>	<u>\$ 7,575,777</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, 2015

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property Tax	\$ 150,000	\$ 150,000	\$ 82,347
Rent	100,000	100,000	81,908
Total revenues	250,000	250,000	164,255
<b>EXPENDITURES</b>			
Tax increment redevelopment			
Contractual services	25,000	25,000	150,408
Other operating	70,000	70,000	110,230
Capital outlay	200,000	200,000	186,607
Debt service			
Principal	29,000	29,000	170,872
Interest and fiscal charges	7,000	7,000	2,052
Total expenditures	331,000	331,000	620,169
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(81,000)	(81,000)	(455,914)
<b>OTHER FINANCING SOURCES</b>			
Transfers in (out)	200,000	200,000	-
NET CHANGE IN FUND BALANCE	\$ 119,000	\$ 119,000	(455,914)
FUND BALANCE (DEFICIT), MAY 1			(745,856)
FUND BALANCE (DEFICIT), APRIL 30			\$ (1,201,770)

(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, 2015

	Original Budget	Final Budget	Actual
<b>REVENUES</b>			
Property taxes	\$ 200,000	\$ 200,000	\$ 120,245
Rent	85,000	85,000	35,601
	<u>285,000</u>	<u>285,000</u>	<u>155,846</u>
Total revenues			
<b>EXPENDITURES</b>			
Tax increment redevelopment			
Personnel services	-	-	98,406
Commodities	-	-	8,590
Contractual services	15,000	15,000	219,956
Other operating	50,000	50,000	8,316
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>335,268</u>
NET CHANGE IN FUND BALANCE	<u>\$ 220,000</u>	<u>\$ 220,000</u>	\$ (179,422)
FUND BALANCE (DEFICIT), MAY 1			<u>(182,031)</u>
FUND BALANCE (DEFICIT), APRIL 30			<u>\$ (361,453)</u>

(See independent auditor's report.)

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NONMAJOR GOVERNMENTAL FUNDS

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

April 30, 2015

	Special Revenue				
	Park Tax	Motor Fuel Tax	Community Center	Administrative Seizure	Foreign Fire Insurance Tax
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ 12,630	\$ -	\$ 98,075	\$ 12,755
Investments	-	61,580	-	-	-
Receivables (net, of allowances for uncollectibles)					
Property taxes	58,375	-	-	-	-
Accounts	3,175	-	-	-	-
Accrued interest	-	336	-	-	-
Due from other governments	-	31,738	-	-	-
Due from other funds	229,617	192,684	29,911	-	-
<b>TOTAL ASSETS</b>	<b>\$ 291,167</b>	<b>\$ 298,968</b>	<b>\$ 29,911</b>	<b>\$ 98,075</b>	<b>\$ 12,755</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 772	\$ 17,810	\$ 1,122	\$ -	\$ -
Due to other governments	-	-	-	-	-
Due to other funds	197,194	-	283,843	129,569	-
<b>Total liabilities</b>	<b>197,966</b>	<b>17,810</b>	<b>284,965</b>	<b>129,569</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred property tax revenue	58,375	-	-	-	-
<b>FUND BALANCES</b>					
<b>Restricted</b>					
Economic development	-	-	-	-	-
Public safety	-	-	-	-	12,755
Streets and highways	-	281,158	-	-	-
Parks and Recreation	34,826	-	-	-	-
<b>Committed:</b>					
Economic development	-	-	-	-	-
Unassigned	-	-	(255,054)	(31,494)	-
<b>Total fund balances</b>	<b>34,826</b>	<b>281,158</b>	<b>(255,054)</b>	<b>(31,494)</b>	<b>12,755</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 291,167</b>	<b>\$ 298,968</b>	<b># \$ 29,911</b>	<b># \$ 98,075</b>	<b>\$ 12,755</b>

DUI Fines Returned	Public Article 36 Seizure	Special Revenue		Capital Project			Total
		Economic Development	Community Development Block	TIF Governor's Highway	TIF Bohlman	Capital Projects	
\$ 33,209	\$ 350	\$ 119,661	\$ 189,559	\$ -	\$ 1	\$ -	\$ 466,240
-	-	-	-	-	-	-	61,580
-	-	-	-	-	-	-	58,375
-	-	-	-	-	-	-	3,175
-	-	-	-	-	-	-	336
-	-	-	-	-	-	-	31,738
-	-	-	2,409	72,947	68,831	-	596,399
<u>\$ 33,209</u>	<u>\$ 350</u>	<u>\$ 119,661</u>	<u>\$ 191,968</u>	<u>\$ 72,947</u>	<u>\$ 68,832</u>	<u>\$ -</u>	<u>\$ 1,217,843</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 19,704
-	-	-	137,317	-	-	-	137,317
-	-	-	-	103,072	29,063	-	742,741
-	-	-	137,317	103,072	29,063	-	899,762
-	-	-	-	-	-	-	58,375
-	-	-	54,651	-	39,769	-	94,420
33,209	350	-	-	-	-	-	46,314
-	-	-	-	-	-	-	281,158
-	-	-	-	-	-	-	34,826
-	-	119,661	-	-	-	-	119,661
-	-	-	-	(30,125)	-	-	(316,673)
<u>33,209</u>	<u>350</u>	<u>119,661</u>	<u>54,651</u>	<u>(30,125)</u>	<u>39,769</u>	<u>-</u>	<u>259,706</u>
<u>\$ 33,209</u>	<u>\$ 350</u>	<u>\$ 119,661</u>	<u>\$ 191,968</u>	<u>\$ 72,947</u>	<u>\$ 68,832</u>	<u>\$ -</u>	<u>\$ 1,217,843</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, 2015

	Special Revenue				
	Park Tax	Motor Fuel Tax	Community Center	Administrative Seizure	Foreign Fire Insurance Tax
<b>REVENUES</b>					
Property Taxes	\$ 74,054	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	404,933	-	-	10,080
Charges for services	20,335	-	2,974	-	-
Program revenue	26,405	-	-	-	-
Education	74,641	-	-	-	-
Fines and forfeits	-	-	-	69,813	-
Investment income	-	46	-	-	-
Grant Revenue	30,390	-	-	-	-
Miscellaneous	18,583	59,152	2,859	-	-
<b>Total revenues</b>	<b>244,408</b>	<b>464,131</b>	<b>5,833</b>	<b>69,813</b>	<b>10,080</b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
Public Safety	-	-	-	82,429	6,165
Public Works	-	415,140	-	-	-
Parks and recreation	385,229	-	160,068	-	-
Tax increment redevelopment	-	-	-	-	-
<b>Debt Service</b>					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Capital Outlay</b>					
Total Expenditures	385,229	804,317	160,068	82,429	6,165
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(140,821)</b>	<b>(340,186)</b>	<b>(154,235)</b>	<b>(12,616)</b>	<b>3,915</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Proceeds from issuance of debt	-	-	-	-	-
Transfers in	122,798	-	122,305	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources and uses</b>	<b>122,798</b>	<b>-</b>	<b>122,305</b>	<b>-</b>	<b>-</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>(18,023)</b>	<b>(340,186)</b>	<b>(31,930)</b>	<b>(12,616)</b>	<b>3,915</b>
FUND BALANCES (DEFICIT), MAY 1	52,849	621,344	(223,124)	(18,878)	8,840
<b>FUND BALANCES (DEFICIT), APRIL 30</b>	<b>\$ 34,826</b>	<b>\$ 281,158</b>	<b>\$ (255,054)</b>	<b>\$ (31,494)</b>	<b>\$ 12,755</b>

DUI Fines Returned	Special Revenue			Capital Project			Total
	Public Article 36 Seizure	Economic Development	Development Block Grant	TIF Governor's Highway	TIF Bohlman	Capital Projects	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 134,591	\$ -	\$ 208,645
-	-	-	-	-	-	-	415,013
-	-	-	-	-	-	-	23,309
-	-	-	-	-	-	-	26,405
-	-	-	-	-	-	-	74,641
4,745	-	-	-	-	-	-	74,558
-	-	-	-	-	-	-	46
-	-	-	-	-	-	-	30,390
-	-	-	-	-	-	-	80,594
4,745	-	-	-	-	134,591	-	933,601
-	-	-	-	-	-	-	88,594
-	-	-	-	-	-	-	415,140
-	-	-	-	-	-	-	545,297
-	-	-	-	-	-	-	-
-	-	-	-	-	330,285	-	330,285
-	-	-	-	-	23,630	-	23,630
-	-	-	-	-	-	160,852	550,029
-	-	-	-	-	353,915	160,852	1,952,975
4,745	-	-	-	-	(219,324)	(160,852)	(1,019,374)
-	-	-	-	-	-	-	-
-	-	-	-	-	-	160,852	405,955
-	-	-	-	-	-	-	-
-	-	-	-	-	-	160,852	405,955
4,745	-	-	-	-	(219,324)	-	(613,419)
28,464	350	119,661	54,651	(30,125)	259,093	-	873,125
\$ 33,209	\$ 350	\$ 119,661	\$ 54,651	\$ (30,125)	\$ 39,769	\$ -	\$ 259,706

(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, 2015

	Original and Final Budget	Actual
<b>REVENUES</b>		
Property taxes	\$ 122,000	\$ 74,054
Charges for services	-	20,335
Program revenues	73,300	26,405
Grant Revenue	-	30,390
Education	102,000	74,641
Miscellaneous income	5,500	18,583
Total revenues	<u>302,800</u>	<u>244,408</u>
<b>EXPENDITURES</b>		
Parks and recreation		
Personal services	240,618	283,789
Commodities	21,500	6,035
Contractual services	81,200	55,727
Program Expenses	68,950	-
Other operating costs	14,750	39,678
Total expenditures	<u>427,018</u>	<u>385,229</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(124,218)	(140,821)
<b>OTHER FINANCING SOURCES</b>		
Transfers in	<u>124,218</u>	<u>122,798</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	(18,023)
<b>FUND BALANCE, MAY 1</b>		<u>52,849</u>
<b>FUND BALANCE , APRIL 30</b>		<u>\$ 34,826</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, 2015

	Original and Final Budget	Actual
<b>REVENUES</b>		
Intergovernmental		
Motor fuel tax	\$ 400,000	\$ 404,933
Miscellaneous Income	-	59,152
Investment income	-	46
Total revenues	<u>400,000</u>	<u>464,131</u>
<b>EXPENDITURES</b>		
Public works		
Personnel services	-	69,424
Commodities	97,000	181,771
Contractual services	175,000	156,433
Operating	5,000	7,512
Capital outlay	473,500	389,177
Total expenditures	<u>750,500</u>	<u>804,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ (350,500)</u>	\$ (340,186)
FUND BALANCE, MAY 1		<u>621,344</u>
FUND BALANCE, APRIL 30		<u>\$ 281,158</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, 2015

	Original and Final Budget	Actual
<b>REVENUES</b>		
Community Center Revenues	\$ 46,116	5,833
Total revenues	<u>46,116</u>	<u>5,833</u>
<b>EXPENDITURES</b>		
Community Center		
Personnel services	83,468	80,440
Commodities	39,000	17,003
Contractual	37,600	57,796
Operating	1,500	4,829
Capital Outlay	28,860	-
Total expenditures	<u>190,428</u>	<u>160,068</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(144,312)	(154,235)
<b>OTHER FINANCING SOURCES</b>		
Transfers In	<u>122,305</u>	<u>122,305</u>
NET CHANGES IN FUND BALANCE	<u>\$ (22,007)</u>	(31,930)
FUND BALANCE (DEFICIT), MAY 1		<u>(223,124)</u>
FUND BALANCE (DEFICIT), APRIL 30		<u>\$ (255,054)</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, 2015

	Original and Final	
	Budget	Actual
<b>REVENUES</b>		
Fines, forfeitures and penalties	\$ 125,000	\$ 69,813
Total revenues	125,000	69,813
<b>EXPENDITURES</b>		
Public safety		
Operating	15,000	82,429
Vehicles	95,000	-
Total expenditures	110,000	82,429
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 15,000</b>	<b>(12,616)</b>
<b>FUND BALANCE (DEFICIT), MAY 1</b>		<b>(18,878)</b>
<b>FUND BALANCE (DEFICIT), APRIL 30</b>		<b>\$ (31,494)</b>

(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, 2015

	Original and Final Budget	Actual
REVENUES		
Foreign fire insurance tax	\$ 10,000	\$ 10,080
TOTAL REVENUES	<u>10,000</u>	<u>10,080</u>
EXPENDITURES		
Public safety	<u>10,000</u>	<u>6,165</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	3,915
FUND BALANCE, MAY 1		<u>8,840</u>
FUND BALANCE, APRIL 30		<u>\$ 12,755</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS

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

DUI FINES RETURNED

For the Year Ended April 30, 2015

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	Original and Final Budget	Actual
REVENUES		
DUI Fines Returned	\$ 6,000	\$ 4,745
TOTAL REVENUES	<u>6,000</u>	<u>4,745</u>
EXPENDITURES		
Public safety	<u>30,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ (24,000)</u>	4,745
FUND BALANCE, MAY 1		<u>28,464</u>
FUND BALANCE, APRIL 30		<u>\$ 33,209</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, 2015

	Original and Final Budget	Actual
<b>REVENUES</b>		
Property taxes	\$ 85,000	\$ 134,591
Total revenues	<u>85,000</u>	<u>134,591</u>
<b>EXPENDITURES</b>		
Interest and fiscal charges	15,000	23,630
Principal expense	65,000	330,285
Total expenditures	<u>80,000</u>	<u>353,915</u>
NET CHANGE IN FUND BALANCE	<u>\$ 5,000.00</u>	(219,324)
FUND BALANCE, MAY 1		<u>259,093</u>
FUND BALANCE, APRIL 30		<u>\$ 39,769</u>

(See independent auditor's report.)

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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, 2015

	Original and Final Budget	Actual
OPERATING REVENUES		
Charges for services	\$ 2,835,806	\$ 2,358,647
OPERATING EXPENSES		
Personnel services	162,748	790,749
Commodities	31,450	72,857
Contractual services	432,144	592,426
Capital outlay	442,000	55,198
Other operating expenses	278,166	529,036
Total operating expenses	<u>1,346,508</u>	<u>2,040,266</u>
OPERATING INCOME (LOSS)	<u>1,489,298</u>	<u>318,381</u>
NONOPERATING REVENUES (EXPENSES)		
Bonds issued, at par	100,000	-
Interest Income	10,200	60
Miscellaneous income	710	149
Interest expense	(122,564)	(129,575)
Principal expense	(174,956)	(175,000)
Total nonoperating revenues (expenses)	<u>(186,610)</u>	<u>(304,366)</u>
NET INCOME BEFORE TRANSFERS	1,302,688	14,015
OTHER FINANCING SOURCES (USES)		
Transfers Out	-	(10,915)
CHANGES IN NET POSITION - BUDGETARY BASIS	<u>\$ 1,302,688</u>	<u>3,100</u>
ADJUSTMENTS TO GAAP BASIS		
Principal paid		175,000
Depreciation		(381,052)
Total adjustments to GAAP basis		<u>(206,052)</u>
CHANGE IN NET POSITION		(202,952)
NET POSITION, MAY 1		<u>10,391,136</u>
NET POSITION, APRIL 30		<u>\$ 10,188,184</u>

(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, 2015

	Original and Final Budget	Actual
<b>OPERATING REVENUES</b>		
Charges for services	\$ 1,028,599	\$ 951,227
<b>OPERATING EXPENSES</b>		
Personnel services	-	184,447
Commodities	-	8,816
Contractual services	566,584	763,735
Capital outlay	-	-
Other operating expenses	19,803	30,792
Total operating expenses	586,387	987,790
<b>OPERATING INCOME (LOSS)</b>	442,212	(36,563)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Miscellaneous income	-	171
Interest expense	(2,034)	(2,035)
Principal expense	(40,768)	(38,831)
Total nonoperating revenues (expenses)	(42,802)	(40,695)
<b>CHANGE IN NET POSITION - BUDGETARY BASIS</b>	\$ 399,410	(77,258)
<b>ADJUSTMENTS TO GAAP BASIS</b>		
Principal Expense		38,831
Depreciation		(15,166)
Total adjustments to GAAP basis		23,665
<b>CHANGE IN NET POSITION</b>		(53,593)
<b>NET POSITION, MAY 1</b>		(28,332)
<b>NET POSITION, APRIL 30</b>		\$ (81,925)

(See Independent auditor's report)

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NONMAJOR ENTERPRISE FUNDS

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, 2015

	Original and Final Budget	Actual
<hr/>		
OPERATING REVENUES		
Charges for services	\$ 284,733	\$ 264,568
OPERATING EXPENSES		
Personnel services	74,605	91,494
Commodities	7,700	12,443
Contractual services	77,078	24,202
Capital outlay	50,000	-
Other operating expenses	1,100	433
Total operating expenses	<u>210,483</u>	<u>128,572</u>
OPERATING INCOME( LOSS)	<u>74,250</u>	<u>135,996</u>
NONOPERATING REVENUES (EXPENSES)		
Miscellaneous income	-	296
Total nonoperating revenues (expenses)	<u>-</u>	<u>296</u>
CHANGE IN NET POSITION - BUDGETARY BASIS	<u>\$ 74,250</u>	<u>136,292</u>
ADJUSTMENTS TO GAAP BASIS		
Depreciation		<u>(44,510)</u>
Total adjustments to GAAP basis		<u>(44,510)</u>
CHANGE IN NET POSITION		91,782
NET POSITION, MAY 1		<u>373,769</u>
NET POSITION, APRIL 30		<u>\$ 465,551</u>

(See Independent auditor's report)

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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, 2015

	Original and Final Budget	Actual
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 607,000	\$ 627,574
Employee	260,000	208,291
Total contributions	867,000	835,865
Investment income		
Interest income	-	1,065,031
Less investment expense	50,000	(58,748)
Net investment income	50,000	1,006,283
Total additions	817,000	1,842,148
<b>DEDUCTIONS</b>		
Pension benefits	800,000	995,921
Administrative expenses	15,350	42,214
Total deductions	815,350	1,038,135
<b>NET INCREASE IN NET POSITION</b>	<b>\$ 1,650</b>	<b>804,013</b>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>		
May 1		12,662,162
April 30		\$ 13,466,175

(See independent auditor's report.)

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

FLEMING SCHOLARSHIP

For the Year Ended April 30, 2015

ASSETS	Balance			Balance
	May 1, 2014	Additions	Deductions	April 30, 2015
Cash and cash equivalents	\$ 12,795	\$ 3,286	\$ 3,285	\$ 12,796
LIABILITIES				
Deposits payable	\$ 6,624	\$ 3,285	\$ 3,097	\$ 6,812
Due to other funds	6,171	3,098	3,285	5,984
TOTAL LIABILITIES	\$ 12,795	\$ 6,383	\$ 6,382	\$ 12,796

(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 2013

April 30, 2015

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Date of Issue:	December 12, 2013
Date of Maturity:	December 1, 2019
Authorized Issue:	\$ 422,000
Interest Rates:	2.61%
Interest Dates:	December 1
Principal Maturity Date:	December 1

FUTURE PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Total
2016	\$ 60,286	\$ 9,441	\$ 69,727
2017	60,286	7,867	68,153
2018	60,286	6,294	66,580
2019	60,285	4,720	65,005
2020	60,286	3,147	63,433
2021	60,285	1,573	61,858
	<u>\$ 361,714</u>	<u>\$ 33,042</u>	<u>\$ 394,756</u>

(See independent auditor's report.)

VILLAGE OF RICHTON PARK, ILLINOIS  
LONG-TERM DEBT REQUIREMENTS  
AMBULANCE LEASE PURCHASE - JULY 23, 2010

April 30, 2015

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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
2016	\$ 32,181	\$ 1,640	\$ 33,821
	<u>\$ 32,181</u>	<u>\$ 1,640</u>	<u>\$ 33,821</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, 2015

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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
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>\$ 2,750,000</u>	<u>\$ 782,105</u>	<u>\$ 3,532,105</u>

(See independent auditor's report.)